

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

December 31, 2015 and 2014

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AUDITED FINANCIAL STATEMENTS
December 31, 2015 and 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 statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, 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.

Auditor's 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 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

THE LEWIS CPA FIRM, INC.

June 9, 2016

BRIGHTPOINT FOR CHILDREN, INC
STATEMENTS OF FINANCIAL POSITION

<i>December 31,</i>	2015	Restated 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$385,675	\$241,617
Investments, at fair market value	3,193	99,673
Prepaid expenses	2,815	
Accounts receivable	1,798	
TOTAL CURRENT ASSETS	393,481	341,290
FIXED ASSETS		
Transportation equipment	8,119	8,119
Allowance for depreciation	(8,119)	(8,119)
TOTAL FIXED ASSETS	-	-
OTHER ASSETS		
Deposit	1,600	230
Intangibles, net of amortization	29,420	7,685
TOTAL OTHER ASSETS	31,020	7,915
TOTAL ASSETS	\$424,501	\$349,205
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$4,121	\$557
Credit cards payable	3,761	1,322
Agency transactions payable	211,258	96,492
TOTAL CURRENT LIABILITIES	219,140	98,371
NET ASSETS		
Unrestricted net assets	160,182	219,945
Temporarily restricted	45,179	30,889
TOTAL NET ASSETS	205,361	250,834
TOTAL LIABILITIES AND NET ASSETS	\$424,501	\$349,205

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

BRIGHTPOINT FOR CHILDREN, INC.
STATEMENT OF ACTIVITIES

For the year ended December 31,

2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND OTHER REVENUE			
Contributions and grants	\$46,693	\$157,648	\$204,341
Sponsorship services	160,104		160,104
	206,797	157,648	364,445
Investment returns			
Interest and dividends	1,832		1,832
Realized gains (losses)	2,379		2,379
Unrealized gains (losses)	(2,993)		(2,993)
	1,218	-	1,218
Net assets released from restrictions --			
Restrictions satisfied by payments	143,358	(143,358)	-
TOTAL SUPPORT AND OTHER REVENUE	351,373	14,290	365,663
EXPENSES			
Program Services			
BrightPoint Children's Homes	170,819		170,819
Sponsorship services	162,263		162,263
Leadership Program	46,340		46,340
Total Program Services	379,422	-	379,422
Supporting Services			
General and administrative	30,829		30,829
Fundraising	885		885
Total Supporting Services	31,714		31,714
TOTAL EXPENSES	411,136		411,136
CHANGE IN NET ASSETS	(59,763)	14,290	(45,473)
NET ASSETS, BEGINNING OF YEAR	219,945	30,889	250,834
NET ASSETS, END OF YEAR	\$160,182	\$45,179	\$205,361

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

BRIGHTPOINT FOR CHILDREN, INC.
STATEMENT OF ACTIVITIES

Restated
2014

For the year ended December 31,

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND OTHER REVENUE			
Contributions and grants	\$78,089	\$133,049	\$210,425
Sponsorship services	126,770		126,770
	204,859	133,049	337,195
Investment returns			
Interest and dividends	8,414		8,414
Realized gains (losses)	(6,170)		(6,170)
Unrealized gains (losses)	1,565		1,565
	3,809	-	3,809
Net assets released from restrictions --			
Restrictions satisfied by payments	139,389	(139,389)	-
TOTAL SUPPORT AND OTHER REVENUE	348,057	(6,340)	341,004
EXPENSES			
Program Services			
BrightPoint Children's Homes	149,250		149,250
Sponsorship services	125,645		125,645
Leadership Program	34,796		34,796
Total Program Services	309,691	-	309,691
Supporting Services			
General and administrative	14,996		14,996
Fundraising	5,508		5,508
Total Supporting Services	20,504		20,504
TOTAL EXPENSES	330,195		330,195
CHANGE IN NET ASSETS	17,862	(6,340)	11,522
NET ASSETS, BEGINNING OF YEAR	202,083	37,229	239,312
NET ASSETS, END OF YEAR	\$219,945	\$30,889	\$250,834

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,

2015

	Sponsorship Services	BrightPoint Children's Homes	Leadership	Total Program Services	General and Administrative	Fundraising	Total
EXPENSES							
Salaries, payroll taxes, and fringe benefits	\$90,513	\$70,028		\$160,541	\$15,166	\$754	\$176,461
Professional services	21,484	17,719	\$36,616	75,819	8,829		84,648
Grants and assistance programs		70,217	881	71,098			71,098
Occupancy	9,375	7,254		16,629	1,627	86	18,342
Information technology	15,247	1,148		16,395			16,395
Office expenses	12,533	206	133	12,872	857	45	13,774
Leadership programs and other meetings	450	451	8,559	9,460			9,460
Travel	4,164	3,157	151	7,472			7,472
Depreciation and amortization	5,757	433		6,190			6,190
Insurance					4,350		4,350
Marketing and promotions	2,740	206		2,946			2,946
TOTAL EXPENSES	\$162,263	\$170,819	\$46,340	\$379,422	\$30,829	\$885	\$411,136

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	Leadership	Total Program Services	General and Administrative	Fundraising	Total
EXPENSES							
Salaries, payroll taxes, and fringe benefits	\$78,659	\$50,863		\$129,522	\$8,670	\$4,690	\$142,882
Professional services	20,625	1,614	25,639	47,878	599		48,477
Grants and assistance programs		78,693	\$1,212	79,905			79,905
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
Travel	3,574	280	350	4,204			4,204
Depreciation and amortization	837	65		902			902
Insurance					4,082		4,082
Marketing and promotions	3,110	3,110		6,220			6,220
TOTAL EXPENSES	\$125,645	\$149,250	\$34,796	\$309,691	\$14,996	\$5,508	\$330,195

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

BRIGHTPOINT FOR CHILDREN, INC.
STATEMENTS OF CASH FLOWS

<i>For the years ended December 31,</i>	2015	Restated 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	(\$45,473)	\$11,522
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Donated Securities	(3,147)	(10,450)
Realized (gains)/losses on investments	(2,379)	6,170
Unrealized (gains)/losses on investments	2,993	(1,566)
Depreciation and amortization	6,190	902
(Increase) decrease in:		
Prepaid expenses	(2,815)	
Accounts receivable	(1,798)	
Security deposit	(1,370)	
Increase (decrease) in:		
Accounts payable	3,564	(7,771)
Credit cards payable	2,439	1,121
Agency transactions payable	114,766	(45,519)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	72,970	(45,591)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangibles	(27,925)	(7,685)
Proceeds from sale of investments	100,539	100,493
Purchases of investments	(1,526)	(7,028)
NET CASH PROVIDED BY INVESTING ACTIVITIES	71,088	85,780
NET INCREASE IN CASH AND CASH EQUIVALENTS	144,058	40,189
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	241,617	201,428
CASH AND CASH EQUIVALENTS, END OF YEAR	\$385,675	\$241,617
NON CASH INVESTING ACTIVITIES		
Donated securities increased investments.	\$3,147	\$10,450

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

BRIGHTPOINT FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

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 14 nonprofit partners across 14 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 for the years ended December 31, 2015 and 2014, respectively.

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 the years ended December 31, 2015 and 2014, respectively.

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, 2015 and 2014

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, 2015 and 2014

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, 2015 and 2014, there are no permanently restricted net assets.

Reclassifications

Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 classifications. These reclassifications have no material effect on total 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, 2015 and 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 June 9, 2016 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:

	2015	2014
Domestic Small Cap Index Fund	\$3,193	
Domestic Short-Term Bond Mutual Funds		\$85,467
Domestic Equities Exchange Traded Funds		10,344
Equities		3,862
Total	\$3,193	\$99,673

NOTE D - INTANGIBLE ASSETS

Intangible assets include website development totaling \$35,610. The website was placed in service in 2015 at which time amortization was determined using the straight-line method over a 36-month period. Accumulated amortization at December 31, 2015 and 2014 was \$6,190 and zero, respectively.

NOTE E– TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include the following as of December 31,	2015	Restated 2014
Child sponsorship programs	\$45,179	\$30,889
Total	\$45,179	\$30,889

BRIGHTPOINT FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2015

NOTE F– OPERATING LEASE

During 2015 BrightPoint entered into an operating lease at \$1,600 per month commencing August 1, 2015 and expiring July 31, 2018 with an optional renewal clause at \$1,700 per month for an additional 36 months. Future minimum lease payments are:

For the Year Ended December 31,	Amounts
2016	\$19,200
2017	19,200
2018	11,200
	\$49,600

During the years ended December 31, 2015 and 2014, rental expenses totaled \$15,445 and \$12,755, respectively.

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, 2015 and 2014, there were no amounts held at financial institutions in excess of the FDIC limits.

BrightPoint generated approximately 25% of its total support and revenue from one source during the fiscal year ended December 31, 2015; and, approximately 30% from two sources during the fiscal year ended December 31, 2014.

NOTE H– RELATED PARTY TRANSACTIONS

During the years ended December 31, 2015 and 2014, respectively, BrightPoint received donations approximating \$27,000 and \$40,000 from members of its Board of Directors or from their related organizations or from organizations from which they can direct funds.

NOTE I - RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The financial statements for the fiscal year ended December 31, 2014 were restated to properly report the components of net assets.

The cumulative effect of those changes on beginning net assets for December 31, 2014 was an increase of \$32,095 in temporarily restricted net assets with a corresponding decrease in unrestricted net assets. The cumulative effect on ending net assets for December 31, 2014 was an increase of \$27,547 in temporarily restricted net assets with a corresponding decrease in unrestricted net assets. However, there was no cumulative effect on ending net assets as of December 31, 2014.