

**BIG BROTHERS BIG SISTERS
OF THE CENTRAL PIEDMONT, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2012

BIG BROTHERS BIG SISTERS OF THE CENTRAL PIEDMONT, INC.

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STATEMENT OF PURPOSE

It is the mission of Big Brothers Big Sisters of the Central Piedmont, Inc. to help children reach their full potential through professionally supported one-on-one relationships with measurable impact. We seek to provide successful mentoring relationships for all children who need and want them, contributing to better schools, brighter futures and stronger communities for all.

GARY D. WALKER

CERTIFIED PUBLIC ACCOUNTANT

706 WESTCHESTER DRIVE, HIGH POINT, NORTH CAROLINA

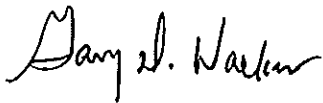
To the Board of Directors and Officers
Big Brothers Big Sisters of the Central Piedmont, Inc.
High Point, North Carolina

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statement of financial position of Big Brothers Big Sisters of the Central Piedmont, Inc. as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, I express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of the Central Piedmont, Inc. as of June 30, 2012, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



February 11, 2013

BIG BROTHERS BIG SISTERS OF THE CENTRAL PIEDMONT, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	85,222
Accounts receivable		7,930
Prepaid insurance		<u>2,409</u>

Total current assets 95,561

PROPERTY AND EQUIPMENT

Office equipment		50,249
Less accumulated depreciation		<u>(44,470)</u>
		<u>5,779</u>

Total assets \$ 101,340

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	5,387
Withheld from employees		<u>1,311</u>

Total current liabilities 6,698

NET ASSETS

Unrestricted		<u>94,642</u>
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Total liabilities and net assets \$ 101,340

BIG BROTHERS BIG SISTERS OF THE CENTRAL PIEDMONT, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

PUBLIC SUPPORT AND REVENUES

United Way	\$ 130,678
Grants	81,043
Contributions	66,789
Special events	84,712
Sales tax refunds	397
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	363,619
Donated office space	42,000
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Total public support and revenue	405,619

EXPENSES

Program services	306,912
Supporting services	
Management and general	72,970
Fund raising	29,620
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Total expenses	409,502

CHANGE IN NET ASSETS	(3,883)
NET ASSETS, beginning of year	98,525
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NET ASSETS, end of year	\$ 94,642

BIG BROTHERS BIG SISTERS OF THE CENTRAL PIEDMONT, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012

	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING	TOTAL
Salaries	\$ 191,259	\$ 37,700	\$ 22,090	\$ 251,049
Retirement benefits	7,726	3,471	1,691	12,888
Employee benefits	16,197	1,880	870	18,947
Payroll taxes	16,192	3,192	1,870	21,254
Total salaries and related expenses	231,374	46,243	26,521	304,138
Professional services	-	8,476	-	8,476
Office supplies and expenses	14,994	4,095	569	19,658
Occupancy	5,397	284	-	5,681
Travel	789	-	-	789
Conferences and meetings	605	1,233	-	1,838
Payments to affiliates	7,119	-	-	7,119
Depreciation	3,456	922	230	4,608
Board liability insurance	-	1,225	-	1,225
Recruitment	9,619	-	-	9,619
Awards and recognition	1,456	355	-	1,811
Dues	603	602	-	1,205
Miscellaneous	-	1,135	200	1,335
Donated office space utilized	31,500	8,400	2,100	42,000
Total expenses	\$ 306,912	\$ 72,970	\$ 29,620	\$ 409,502

BIG BROTHERS BIG SISTERS OF THE CENTRAL PIEDMONT, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$ (3,883)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	4,608
Increase in accounts receivable	(5,555)
Increase in prepaid expenses	(2,409)
Increase in accounts payable and accrued expenses	1,060
Increase in withheld from employees	<u>163</u>
Net cash used by operating activities	<u>(6,016)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of office equipment	<u>(1,975)</u>
Net cash used by investing activities	<u>(1,975)</u>

Net decrease in cash and cash equivalents (7,991)

CASH AND CASH EQUIVALENTS, beginning of year	<u>93,213</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 85,222</u>

BIG BROTHERS BIG SISTERS OF THE CENTRAL PIEDMONT, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

The Corporation is required to report 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.

CONTRIBUTIONS AND RECOGNITION OF DONOR RESTRICTIONS

Contributions and support received with donor stipulations that limit the use of the gifts are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the gift is received. All other donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restrictions. When restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

PROPERTY AND EQUIPMENT

Purchased property and equipment are carried at cost. Expenditures for maintenance, repairs, and minor renewals are charged to expense as incurred. Major renewals and betterments are capitalized. Depreciation is provided by the straight-line method over the estimated useful lives of the assets. Donations of property and equipment are recorded as support at their estimated fair value on date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor restrictions regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

EXPENSE ALLOCATIONS

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Certain costs have been allocated among the programs and supporting services benefited.

INCOME TAXES

The Corporation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as other than a private foundation by the Internal Revenue Service. Accordingly, no provision for income taxes is reflected in the financial statements.

ADVERTISING

Advertising costs are charged to expense as incurred.

CASH AND CASH EQUIVALENTS

For the purpose of reporting cash flows, the Corporation includes all cash accounts which are not subject to withdrawal restrictions and all highly liquid debt instruments with an initial maturity of three months or less as cash and cash equivalents.

BIG BROTHERS BIG SISTERS OF THE CENTRAL PIEDMONT, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 11, 2013, the date on which the financial statements were available to be issued.

NOTE 2 - NATURE OF OPERATIONS AND CONCENTRATIONS

The Corporation is a non-profit United Way agency providing one-on-one professionally supported mentoring for youth between the ages of five and eighteen in the Greater Piedmont area of North Carolina. The Corporation receives a substantial portion of its support from United Way allocations and from individuals and organizations through fund raising appeals and grants.

NOTE 3 - DONATED FACILITIES

The Corporation's central office facilities are donated by a local bank. Management's estimate of the annual fair rental value of the donated facilities has been included in the accompanying statement of activities.

NOTE 4 - EMPLOYEE BENEFIT PLAN

The Corporation provides a 403(b) employee benefit retirement plan for its employees. The Corporation contributes 10% of eligible employees' earnings to the plan annually. Total contributions of \$ 12,888 were made to the plan for the year ended June 30, 2012.