

BFIT Big Dreams
Nonprofit organization

FINANCIAL STATEMENTS
WITH INDEPENDENT ACCOUNTANTS'
AUDIT REPORT

MARCH 6TH, 2025

INDEPENDENT ACCOUNTANTS' AUDIT REPORT

To Whom It May Concern,

BFIT Big Dreams Youth Inc.

6125 Dwightware Blvd Charlotte NC 28227

Opinion

We have audited the accompanying financial statements of BFIT Big Dreams Youth Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BFIT Big Dreams Youth Inc. as of December 31, 2024, 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 (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Organization and have fulfilled our other ethical responsibilities in accordance with the relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 (GAAP), and for designing, implementing, and maintaining internal control relevant to the financial statements to ensure they are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not absolute. We perform risk assessments, evaluate accounting estimates, and assess the financial statement presentation in accordance with GAAP.

Kingsley Ifedi, CPA

North Carolina Certified Public Accountant,

License Number #46610

March 6th, 2025



FINANCIAL STATEMENTS

BFIT Big Dreams Youth Inc.
Statement of Activity
For the Year Ended December 31, 2024

	<u>Without Donor Restriction (\$)</u>	<u>With Donor Restriction (\$)</u>
Revenue		
Contributed Income	4,975.00	-
Corporate & Foundation Grants	42,634.59	-
Donations Directed by Individuals	3,150.00	-
Government Grants & Contracts	17,675.00	-
In-Kind Donations	85,443.00	-
Total Contributed Income	153,877.59	-
Fundraising	9,418.44	-
Non-Profit Revenue	1,000.00	-
Sales	100.00	-
Sales of Product Revenue	2,250.00	-
Services	5,879.55	-
Total Revenue	172,525.58	-
Expenditures		
Advertising & Marketing	186.01	-
Awards & Grants to Others	167.90	-
Contract & Professional Fees	5,838.00	-
Insurance	1,090.56	-
Occupancy	2,441.07	-
Office Expenses	3,897.52	-
Payroll Expenses	43,928.39	-
Supplies	18,385.68	-
Travel	10,216.76	-
Total Expenses	86,368.72	-
Net Operating Revenue	86,156.86	-
Other Expenses		
Vehicle Expenses	1,049.84	-
Total Other Expenses	1,049.84	-
Net Other Revenue	(1,049.84)	-
Net Revenue	85,107.02	-

BFIT Big Dreams Youth Inc.
Statement of Financial Position
As of December 31, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Cash	6,453.94
Checking	15,921.52
Educational	400.00
Enrollment	-500.69
Food	2,889.30
In-kind clearing	85,443.00
Program	638.60
Reimbursement	-225.57
State taxes	549.84
Trainer	1,710.00
Trust bank	200.00
Mobile	-3,358.66
Total Trust bank	-3,158.66
Total Bank Accounts	\$110,121.28
Accounts Receivable	
Accounts Receivable (A/R)	0.00
Total Accounts Receivable	\$0.00
Other Current Assets	
Inventory	294.95
Payments to deposit	-12,500.00
Total Other Current Assets	\$ -12,205.05
Total Current Assets	\$97,916.23
Other Assets	
Security deposits	-9,222.69
Total Other Assets	\$ -9,222.69
TOTAL ASSETS	\$88,693.54
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	-85.64
Total Accounts Payable	\$ -85.64
Credit Cards	
Car Credit Card	-772.00
Credit Card	-632.00
Food/snacks	-447.00
Total Credit Cards	\$ -1,851.00
Other Current Liabilities	
Lines of credit	-545.34
Payroll wages and tax to pay	
Wages to pay	7,475.12
Total Payroll wages and tax to pay	7,475.12
Sales tax to pay	-293.00
Total Other Current Liabilities	\$6,636.78
Total Current Liabilities	\$4,700.14
Total Liabilities	\$4,700.14
Equity	
Opening balance equity	-24.22
Retained Earnings	-1,089.40
Net Revenue	85,107.02
Total Equity	\$83,993.40
TOTAL LIABILITIES AND EQUITY	\$88,693.54

BFIT Big Dreams Youth Inc.
Statement of Cash Flows
For the Year Ended December 31, 2024

	TOTAL
OPERATING ACTIVITIES	
Net Revenue	85,107.02
Adjustments to reconcile Net Revenue to Net Cash provided by operations:	
Accounts Receivable (A/R)	0.00
Inventory	-294.95
Accounts Payable (A/P)	-85.64
Car Credit Card	-772.00
Credit Card	-632.00
Food/snacks	-394.50
Lines of credit	-545.34
Payroll wages and tax to pay:Wages to pay	7,475.12
Sales tax to pay	-293.00
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	4,457.69
Net cash provided by operating activities	\$89,564.71
INVESTING ACTIVITIES	
Security deposits	9,222.69
Net cash provided by investing activities	\$9,222.69
FINANCING ACTIVITIES	
Opening balance equity	-24.22
Net cash provided by financing activities	\$ -24.22
NET CASH INCREASE FOR PERIOD	\$98,763.18
Cash at beginning of period	-1,141.90
CASH AT END OF PERIOD	\$97,621.28

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

Note 1. Organization and Nature of Activities

BFIT Big Dreams Youth Inc. (the “Organization”) is a nonprofit entity dedicated to **empowering young minds by fostering physical, mental, and social growth**. The Organization offers structured youth development programs, including **after-school enrichment, summer experiences, family-strengthening initiatives, and health education programs** focused on fitness, academic support, career exposure, and wellness. Funding is primarily derived from **contributions, grants, and program revenue**.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with **Generally Accepted Accounting Principles (GAAP)** under the **accrual basis** of accounting. Revenue is recognized when earned, and expenses are recorded when incurred, regardless of cash flows.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Revenue Recognition

- **Contributed Income:** Contributions, including cash and in-kind donations, are recognized as revenue when received or unconditionally pledged.
- **Grants and Contracts:** Grant revenue is recognized when qualifying expenditures are incurred and contractual conditions are met.
- **Fundraising and Program Revenue:** Revenue from fundraising events and service fees is recognized when earned.
- **Sales Revenue:** Revenue from product sales is recognized when goods are delivered or services performed.

In-Kind Contributions

The Organization receives donated goods and services, which are recorded at their estimated fair value at the time of donation. For the year ended **December 31, 2024**, in-kind contributions totaled **\$85,443**.

Functional Allocation of Expenses

The Organization allocates expenses across **program services, management, and fundraising** based on direct usage or reasonable estimates.

Note 3. Cash and Cash Equivalents

Cash and cash equivalents include checking and savings accounts used for operational purposes. As of **December 31, 2024**, the Organization had total cash and cash equivalents of **\$110,121.28**.

Note 4. Accounts Receivable

As of December 31, 2024, the Organization had **no outstanding accounts receivable**.

Note 5. Inventory

The Organization reported an inventory balance of **\$294.95** as of December 31, 2024, consisting primarily of supplies and materials related to program activities.

Note 6. Liabilities

As of December 31, 2024, total liabilities amounted to **\$4,700.14**, including accounts payable, payroll liabilities, and credit card balances:

- **Accounts Payable:** \$(85.64) *(credit balance)*
 - **Credit Card Liabilities:** \$(1,851.00) *(outstanding obligations)*
 - **Payroll Wages Payable:** \$7,475.12
 - **Lines of Credit:** \$(545.34)
-

Note 7. Net Assets

As of December 31, 2024, the Organization's net assets totaled **\$83,993.40**, comprising:

- **Retained Earnings:** \$(1,089.40)
 - **Net Revenue for 2024:** \$85,107.02
-

Note 8. Revenue and Expenses Analysis

Revenue Breakdown

- **Contributed Income:** \$153,877.59 *(89% of total revenue)*
- **Program Service Revenue:** \$9,418.44 *(5% of total revenue)*
- **Sales Revenue:** \$3,350.00 *(2% of total revenue)*
- **Government Grants & Contracts:** \$17,675.00 *(10% of total revenue)*

Expense Breakdown

- **Payroll & Benefits:** \$43,928.39 *(51% of total expenses)*
- **Office & Administrative Costs:** \$3,897.52 *(5% of total expenses)*
- **Occupancy Costs (Rent, Utilities, Cleaning):** \$2,441.07 *(3% of total expenses)*
- **Professional Services & Fundraising Fees:** \$5,838.00 *(7% of total expenses)*
- **Travel & Lodging:** \$10,216.76 *(12% of total expenses)*

Note 9. Financial Ratios

Liquidity Ratios

- **Current Ratio:** *Current Assets / Current Liabilities = 20.8*
(Indicates a strong ability to cover short-term liabilities)
- **Cash Ratio:** *Cash & Cash Equivalents / Current Liabilities = 23.4*
(Suggests strong liquidity and cash reserves)

Profitability Ratios

- **Operating Margin:** *(Net Operating Revenue / Total Revenue) = 49.96%*
(Reflects high operational efficiency and cost management)
 - **Expense Ratio:** *(Total Expenses / Total Revenue) = 50.1%*
(Indicates half of the revenue is spent on operations, leaving significant retained earnings)
-

Note 10. Subsequent Events

Management has evaluated subsequent events through the issuance date of these financial statements and determined that no material subsequent events require disclosure.

Note 11. Tax-Exempt Status

The Organization is recognized as a **501(c)(3) nonprofit** and is exempt from federal income tax under **Internal Revenue Code (IRC) Section 501(c)(3)**. Contributions to the Organization are tax-deductible as permitted by law.

Note 12. Commitments and Contingencies

The Organization has ongoing commitments related to payroll, rent, and program funding. There are no significant legal contingencies as of December 31, 2024.

Note 13. In-Kind Donations Disclosure

In-kind donations, totaling **\$85,443**, are recorded entirely as revenue on the Statement of Activity. This accounting treatment gives the impression of greater liquidity than the organization actually possesses. In-kind contributions include donated goods and services such as volunteer labor, discounts received, donated equipment, or space. While these donations are essential to program operations, they do not contribute to cash resources. Users of the financial statements should note that while these contributions support program operations, they do not increase available cash resources.

Note 14. Program Expenses Breakdown

The following table summarizes the income and expenses allocated to each program as a percentage of total revenue and total expenditures:

- **After School Program:** 11.0% of total revenue, 2.3% of total expenses
- **NC GO Grant:** 1.6% of total revenue, 0% of total expenses
- **SAFE CLT:** 17.3% of total revenue, 0% of total expenses
- **Summer Camp:** 17.9% of total revenue, 14.0% of total expenses
- **UW Capacity:** 13.9% of total revenue, 5.8% of total expenses

The following table presents a specific **expense ratio for each program**, calculated as **total program expenses divided by total program income**. This ratio helps determine the efficiency of each program's funding utilization.

- **After School Program:** Income: **\$18,910.00**, Expenses: **\$1,982.19**, **Expense Ratio: 10.5%**
- **NC GO Grant:** Income: **\$2,795.00**, Expenses: **\$0.00**, **Expense Ratio: 0%**
- **SAFE CLT:** Income: **\$29,940.00**, Expenses: **\$0.00**, **Expense Ratio: 0%**
- **Summer Camp:** Income: **\$30,849.31**, Expenses: **\$12,071.11**, **Expense Ratio: 39.1%**
- **UW Capacity:** Income: **\$24,000.00**, Expenses: **\$4,995.00**, **Expense Ratio: 20.8%**

Additional Financial Insights

- **High Liquidity:** The Organization holds **strong liquidity** with a **current ratio of 20.8**, indicating **ample cash and assets to cover short-term liabilities**.
- **Efficient Cost Management:** The **expense ratio of 50.1%** suggests that **half of the revenue is allocated to expenses**, leaving room for future growth and reserves.
- **Revenue Dependency:** A significant **89% of revenue comes from contributions**, highlighting reliance on donor support and grants.