

**FIRST NORTH CAROLINA**

2016 Financial Statements

*(Including Supplementary Information)*

**FINANCIAL STATEMENTS**

For the Year Ended June 30, 2016

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
FIRST North Carolina  
Greensboro, North Carolina

We have reviewed the accompanying financial statements of FIRST North Carolina (the Organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***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.

### ***Accountant's Responsibility***

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

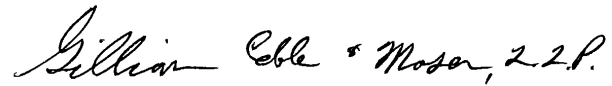
### ***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors  
FIRST North Carolina

***Supplementary Information***

The supplementary information on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles general accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.



Certified Public Accountants

October 18, 2016

**FIRST NORTH CAROLINA**  
**STATEMENT OF FINANCIAL POSITION**  
(See Independent Accountants' Review Report)  
June 30, 2016

**Assets**

Current assets:

Cash	\$ 207,345
Lease deposit	3,815
Sales tax receivable	<u>3,891</u>

Total current assets 215,051

Property and equipment - net 52,125

Total assets \$ 267,176

**Net Assets**

Unrestricted	\$ 162,158
Temporarily restricted	<u>105,018</u>

Total net assets \$ 267,176

The accompanying notes are an integral part of this financial statement.

**FIRST NORTH CAROLINA  
STATEMENT OF ACTIVITIES**

(See Independent Accountants' Review Report)  
For the Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue</b>			
Individual	\$ 10,581	\$ -	\$ 10,581
Corporate	224,125	-	224,125
Team grants	1,864	56,742	58,606
Foundation grants	-	141,500	141,500
Non-profit organizations	163,000	-	163,000
Event income	5,350	-	5,350
Fundraising	5,993	-	5,993
In-kind donations	42,031	-	42,031
Miscellaneous income	93	-	93
Net assets released from restrictions	<u>103,985</u>	<u>(103,985)</u>	<u>-</u>
Total revenue	<u>557,022</u>	<u>94,257</u>	<u>651,279</u>
<b>Expenses</b>			
Program	489,685	-	489,685
Management and general	24,952	-	24,952
Fundraising	<u>15,537</u>	<u>-</u>	<u>15,537</u>
Total expenses	<u>530,174</u>	<u>-</u>	<u>530,174</u>
Increase in net assets	26,848	94,257	121,105
Net assets - beginning of year	135,485	10,586	146,071
Prior period reclassification	<u>(175)</u>	<u>175</u>	<u>-</u>
Net assets - end of year	<u>\$ 162,158</u>	<u>\$ 105,018</u>	<u>\$ 267,176</u>

The accompanying notes are an integral part of this financial statement.

**FIRST NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
(See Independent Accountants' Review Report)  
For the Year Ended June 30, 2016

**Cash Flows From Operating Activities**

Increase in net assets \$ 121,105

Adjustments to reconcile increase in net assets  
to net cash provided by operating activities:

Depreciation 5,872

Lease deposit (3,815)

Sales tax receivable (3,277)

Net cash provided by operating activities 119,885

**Cash Flows From Investing Activities**

Purchases of property and equipment (32,868)

Net cash used in investing activities (32,868)

Net increase in cash 87,017

Cash - beginning 120,328

Cash - ending \$ 207,345

The accompanying notes are an integral part of this financial statement.

**FIRST NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
(See Independent Accountants' Review Report)  
June 30, 2016

**Note 1: Nature of Activities and Summary of Significant Accounting Policies**

**Nature of activities** – FIRST North Carolina (the Organization) was established in North Carolina on November 5, 2012. The Organization's purpose is to expose students to the excitement of science, technology, engineering, and math so as to help prepare the workforce for the technically advanced workplace of the future.

**Financial statement presentation** - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

**Use of accounting estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. Those estimates and assumptions affect reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Cash** - Cash includes cash in the bank and on hand at period end.

**Property and equipment** – It is the policy of the Organization to capitalize property and equipment over \$5,000; lesser amounts are expensed. Property and equipment are valued at cost less accumulated depreciation. Maintenance and repair costs are charged to expenses as incurred. Gains and losses on disposals are reflected in operating income. Donated assets are recorded at their estimated market value on the date of the donation. Property and equipment for the year ended June 30, 2016 was \$52,125, which represents a mobile machine shop and competition materials.

**Depreciation** – The cost of property and equipment is depreciated over the assets' estimated useful lives using the straight-line method. Depreciation expense was \$5,872 for the year ended June 30, 2016.

**Note 2: Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes as of June 30, 2016:

Team Re-Grants	\$ 633
Charlotte zone grant	25,385
Team and event support	<u>79,000</u>
	<u>\$ 105,018</u>

**Note 3: Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of Internal Revenue Code and is also exempt from North Carolina income tax. Therefore, no provision has been made for federal or state income taxes in the accompanying financial statements. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2016.



**FIRST NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
(See Independent Accountants' Review Report)  
June 30, 2016June 30, 2016

**Note 4: Lease Commitments**

The Organization leases office and warehouse space on a month to month basis at a monthly rate of \$3,815.

Rent expense for the operating lease was \$29,251.

**Note 5: Corporate Name Change**

On November 16, 2015, the name of this Organization was changed from NC FIRST Robotics, Inc. to FIRST North Carolina.

**Note 6: Reclassification**

The financial statements previously issued included an error related to the classification of a net asset, which has been corrected.

**Note 7: Events Occurring After Reporting Date**

The Organization has evaluated events and transactions that occurred between June 30, 2016June 30, 2016 and October 18, 2016, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**SUPPLEMENTARY INFORMATION**

**FIRST NORTH CAROLINA**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
For the Year Ended June 30, 2016

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Banking fees and charges	\$ -	\$ 68	\$ -	\$ 68
Capital equipment	40,589	-	-	40,589
Depreciation	5,872	-	-	5,872
Event fees	104,280	-	-	104,280
Fundraising	-	-	2,960	2,960
In-kind donations	31,523	10,508	-	42,031
Insurance	3,476	763	-	4,239
Licenses/permits	-	-	225	225
Marketing	1,429	-	-	1,429
Membership fees	355	-	720	1,075
Miscellaneous	1,404	-	-	1,404
Payroll	86,864	10,858	10,858	108,580
Professional services	16,688	-	-	16,688
Program materials	3,850	-	-	3,850
Programs	548	-	-	548
Rent	36,165	-	-	36,165
Supplies	1,189	897	-	2,086
Team re-grants	66,988	-	-	66,988
Team support	72,795	-	-	72,795
Travel/meetings	12,849	1,858	774	15,481
Volunteer expenses	<u>2,821</u>	<u>-</u>	<u>-</u>	<u>2,821</u>
Total expenses	<u>\$ 489,685</u>	<u>\$ 24,952</u>	<u>\$ 15,537</u>	<u>\$ 530,174</u>