BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

Maner Costerisan

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Big Brothers Big Sisters of Flint & Genesee County

Opinion

We have audited the accompanying financial statements of Big Brothers Big Sisters of Flint & Genesee County (a nonprofit organization) which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 Big Brothers Big Sisters of Flint & Genesee County as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits 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 our report. We are required to be independent of Big Brothers Big Sisters of Flint & Genesee County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 13 to the financial statements, management has implemented FASB Accounting Standard Update 2016-02, *Leases*. Our opinion is not modified with respect to this matter.

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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Big Brothers Big Sisters of Flint & Genesee County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Big Brothers Big Sisters of Flint & Genesee County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Big Brothers Big Sisters of Flint & Genesee County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Maner Costerisan PC

November 13, 2023

BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 433,225	$ 372,006
Contributions and grants receivable	59,995	23,775
Prepaid expenses	8,192	2,922
Total current assets	501,412	398,703
Other assets		
Investments, long term	516,904	500,801
Operating leases right-of-use assets	55,516	-
Fixed assets, net of accumulated depreciation	7,224	8,894
Beneficial interest in assets held at CFGF	69,197	36,030
Total other assets	648,841	545,725
TOTAL ASSETS	$ 1,150,253	$ 944,428
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	$ -	$ 4,460
Accrued payroll and payroll withholdings	15,336	10,647
Current portion of operating leases	33,487	-
Total current liabilities	48,823	15,107
Operating leases liability, net of current portion	22,399	-
TOTAL LIABILITIES	71,222	15,107
NET ASSETS		
Without donor restrictions		
Designated	516,904	500,801
Undesignated	512,539	375,531
With donor restrictions	49,588	52,989
TOTAL NET ASSETS	1,079,031	929,321
TOTAL LIABILITIES AND NET ASSETS	$ 1,150,253	$ 944,428

See notes to financial statements.

BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions of cash and other financial assets	$ 346,752	$ 115,213	$ 461,965	$ 374,527	$ 120,050	$ 494,577
Special events	262,325	-	262,325	229,879	-	229,879
Other income	1,332	-	1,332	874	-	874
Investment return (loss), net	19,270	-	19,270	(91,638)	-	(91,638)
Net assets released from restrictions	118,614	(118,614)	-	166,410	(166,410)	-
TOTAL SUPPORT AND REVENUE	748,293	(3,401)	744,892	680,052	(46,360)	633,692
EXPENSES						
Program services						
Mentor program	375,476	-	375,476	434,379	-	434,379
Supporting services						
Management and general	113,482	-	113,482	100,907	-	100,907
Fundraising	106,225	-	106,225	97,567	-	97,567
TOTAL EXPENSES	595,182	-	595,182	632,853	-	632,853
CHANGE IN NET ASSETS	153,111	(3,401)	149,710	47,199	(46,360)	839
NET ASSETS - beginning of year	876,332	52,989	929,321	829,133	99,349	928,482
NET ASSETS - end of year	$ 1,029,443	$ 49,588	$ 1,079,031	$ 876,332	$ 52,989	$ 929,321

See notes to financial statements.

BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services	Supporting Services			
	Mentor Program	Management and General	Fundraising	Total Supporting Services	Total
Salaries and related	$ 243,382	$ 35,000	$ 37,225	$ 72,225	$ 315,607
Employee benefits	16,244	2,867	-	2,867	19,110
Occupancy	47,249	10,291	-	10,291	57,540
Professional fees	4,966	44,690	-	44,690	49,656
Events	-	-	65,035	65,035	65,035
Direct program expenses	19,344	-	-	-	19,344
Supplies	1,534	-	-	-	1,534
Postage and printing	1,880	-	-	-	1,880
Dues	6,775	15,915	-	15,915	22,690
Insurance	25,193	-	-	-	25,193
Repairs and maintenance	-	2,185	-	2,185	2,185
Travel, meetings, training	3,275	-	-	-	3,275
Fees	-	2,534	-	2,534	2,534
Depreciation	1,670	-	-	-	1,670
Miscellaneous	3,965	-	3,965	3,965	7,929
Total expenses	$ 375,476	$ 113,482	$ 106,225	$ 219,706	$ 595,182

See notes to financial statements.

BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services	Supporting Services			
	Mentor Program	Management and General	Fundraising	Total Supporting Services	Total
Salaries and related	$ 298,317	$ 35,262	$ 24,545	$ 59,807	$ 358,124
Employee benefits	33,610	5,931	-	5,931	39,541
Occupancy	45,433	9,973	-	9,973	55,406
Professional fees	1,467	14,844	-	14,844	16,311
Events	-	-	66,741	66,741	66,741
Direct program expenses	11,459	-	-	-	11,459
Supplies	3,264	-	-	-	3,264
Postage and printing	1,300	-	2,577	2,577	3,877
Dues	-	31,556	-	31,556	31,556
Insurance	35,111	-	-	-	35,111
Repairs and maintenance	-	1,354	-	1,354	1,354
Travel, meetings, training	2,746	-	-	-	2,746
Fees	-	1,987	-	1,987	1,987
Depreciation	1,672	-	-	-	1,672
Miscellaneous	-	-	3,704	3,704	3,704
Total expenses	$ 434,379	$ 100,907	$ 97,567	$ 198,474	$ 632,853

See notes to financial statements.

BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
INCREASE (DECREASE) IN CASH		
AND CASH EQUIVALENTS		
Cash flows from operating activities		
Change in net assets	$ 149,710	$ 839
Adjustments to reconcile change in net assets to		
net cash provided (used) by operating activities		
Depreciation	1,670	1,672
Net realized and unrealized (gain) loss on investments	(8,367)	84,705
Contributions and grants receivable	(36,220)	7,924
Operating lease right-of-use assets	(55,516)	-
Change in beneficial interest		
in assets held at CFGF	(3,167)	7,613
Prepaid expenses	(5,270)	9,044
Accounts payable	(4,460)	2,200
Accrued payroll and payroll withholdings	4,689	(858)
Operating lease liability	55,886	-
Total adjustments	(50,755)	112,300
Net cash provided by operating activities	98,955	113,139
Cash flows from investing activities		
Purchase of investments	(161,935)	(372,134)
Sale of investments	124,199	370,105
Net cash used by investing activities	(37,736)	(2,029)
NET INCREASE IN CASH AND CASH EQUIVALENTS	61,219	111,110
CASH AND CASH EQUIVALENTS		
Beginning of year	372,006	260,896
End of year	$ 433,225	$ 372,006

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks, certificates of deposits with original maturities of less than 90 days, and cash on hand.

Investments

Investments are stated at fair value. Net investment return or loss is included in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses.

Contributions and Grants Receivable

Unconditional promises to give are recognized as revenues in the period received and as net assets, decreases in liabilities, or expenses depending on the form of the benefits received. Contributions receivable due beyond one year have not been discounted due to the effect being immaterial. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions receivable. Currently, no allowance for doubtful accounts is considered necessary.

Fixed Assets

Furniture and equipment are stated at cost or fair market value at the date received. Major improvements are capitalized while ordinary maintenance and repairs are expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The Agency's policy for capitalizing is to capitalize all fixed asset expenses greater than $500.

Operating Leases

The Agency determines whether an arrangement is or contains a lease at lease inception. On the commencement date, operating leases are recorded as operating lease right-of-use (ROU) assets in the statements of financial position while finance leases are recorded as finance lease ROU assets. Lease liabilities represent the Agency's contractual obligation to make lease payments over the lease term.

The lease liability is measured as the present value of the lease payments over the lease term using either the rate implicit in the lease, if it is determinable, or a risk-free rate if the implicit rate is not determinable. Operating ROU assets are calculated as the present value of the remaining lease payments plus unamortized initial direct costs and prepayments of rent, less any unamortized lease incentives. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight-line basis over the lease term. The Agency has elected to not recognize a ROU asset and lease liability for leases with an initial term of 12 months or less but includes the expense associated with short-term leases in the statements of activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. The Agency has designated a portion of net assets for long-term investment.

Net Assets with Donor Restrictions - Net assets subject to donor (or grantor) imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished (see Note 10).

Functional Allocation of Expenses

The costs of providing program and other activities have been reported in the statement of activities. The statement of functional expenses presents the natural classification of expenses that are allocated to program or supporting functions of the Agency. Allocated expenses primarily consist of payroll and related, professional fees, maintenance and repair, depreciation, utilities, and various other expense classifications necessary to support the day-to-day operations of the Agency. Employee driven expenses are allocated based on salary and wage analysis. All other allocated expenses utilize management's estimated use of resources.

Contribution Revenue

Contributions of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

The Agency receives a significant amount of donated services from unpaid volunteers who are matched with the children as well as others who assist with office work and special projects. No amounts have been recognized in the statement of activities, because the criteria for recognition under accounting principles generally accepted in the United States of America have not been satisfied.

Conditional contributions depend on the occurrence of a specified future and uncertain event to bind the donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

NOTE 2 - ORGANIZATION, RISKS AND UNCERTAINTIES

Big Brothers Big Sisters of Flint & Genesee County (the Agency) is a Michigan non-profit organization, established to provide services for children and their families by adult volunteers, primarily on a one-on-one basis, under the supervision of professional staff. The children accepted into the program are those whose needs exceed the support and nurturing available from their families, schools, churches or neighborhood organizations. The Agency's main sources of revenue are contributions from various organizations in the form of grants, special events, and donations from the general public. The Agency is exempt from income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation.

The Agency is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Agency to concentrations of credit risk consist primarily of temporary cash investments. The Agency places its temporary cash investments with FDIC insured financial institutions. Although such investments and cash balances may exceed the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk.

The process of preparing financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The Agency evaluates events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through November 13, 2023, which is the date the financial statements were available to be issued.

In the preparation of tax returns, tax positions are taken based on interpretation of federal, state, and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state, and local tax returns generally remain open for examination by the various taxing authorities for a period of three to four years.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The following reflects the Agency's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the statement of financial position. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following at June 30:

	2023	2022
Cash and cash equivalents	$ 433,225	$ 372,006
Contributions and grants receivable	59,995	23,775
Financial assets available to meet cash needs for general expenditure within one year	$ 493,220	$ 395,781

NOTE 3 - LIQUIDITY AND AVAILABILITY (continued)

The Agency is substantially supported by contribution and grant revenue. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Agency must maintain sufficient resources to meet those requirements. Therefore, certain financial assets may not be available for general expenditure within one year. The Agency structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Agency has a $100,000 line of credit available to meet cash flow needs.

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

At June 30, 2023, investments are reported in the statement of financial position as follows:

	Fair Value	Cost
Mutual funds and exchange traded funds		
Fixed income	$ 211,614	$ 217,113
Equities	285,549	280,203
Bank deposit program	19,741	31,442
Total investments	$ 516,904	$ 528,758

At June 30, 2022, investments are reported in the statement of financial position as follows:

	Fair Value	Cost
Mutual funds and exchange traded funds		
Fixed income	$ 170,256	$ 173,321
Equities	225,819	240,323
Alternate investments	73,284	81,094
Bank deposit program	31,442	31,442
Total investments	$ 500,801	$ 526,180

Investment return, net consists of the following as of June 30:

	2023	2022
Interest and dividends	$ 12,848	$ 7,460
Realized and unrealized gain (loss)	8,367	(85,710)
Fees	(5,112)	(5,775)
Change in beneficial interest in assets held at Community Foundation	3,167	(7,613)
	$ 19,270	$ (91,638)

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Accounting standards establish a hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) when market prices are not readily available or reliable. The three levels of the hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the Agency's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

From time to time, changes in valuation techniques may result in reclassification of an investment's assigned level within the hierarchy.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Mutual Funds and Exchange Traded Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Agency are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds and exchange traded funds held by the Agency are deemed to be actively traded.

Beneficial Interest in Assets Held at community foundation: Valued by the foundation as the Agency's portion of the total fair values of the underlying securities held by the foundation.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The inputs or methodologies used for valuing securities may not be an indication of the risk associated with investing in those securities.

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The following is a market value summary by the level of the inputs used, as of June 30, 2023, in evaluating the Agency's assets carried at fair value.

Description	Level 1	Level 2	Level 3	Total
Mutual funds and exchange traded funds				
Fixed income	$ 211,614	$ -	$ -	$ 211,614
Equities	285,549	-	-	285,549
Beneficial interest in assets held at community foundation	-	-	69,197	69,197
Total valued on a recurring basis	$ 497,163	$ -	$ 69,197	$ 566,360

The following is a market value summary by the level of the inputs used, as of June 30, 2022, in evaluating the Agency's assets carried at fair value.

Description	Level 1	Level 2	Level 3	Total
Mutual funds and exchange traded funds				
Fixed income	$ 170,256	$ -	$ -	$ 170,256
Equities	225,819	-	-	225,819
Alternate investments	73,284	-	-	73,284
Beneficial interest in assets held at community foundation	-	-	36,030	36,030
Total valued on a recurring basis	$ 469,359	$ -	$ 36,030	$ 505,389

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD AT CFGF

The Agency established an endowment at the Community Foundation of Greater Flint (CFGF) and named itself as the beneficiary. During 2023, the Agency transferred $30,000 to CFGF to establish an additional endowment. This amount, in addition to net earnings, is presented on the statements of financial position as "Beneficial Interest in Assets Held at CFGF" in the amounts of $69,197 and $36,030 as of June 30, 2023 and 2022, respectively. Although this amount has been recorded as an asset, the Agency has granted variance power to Community Foundation of Greater Flint. Distributions from the endowment will be made annually to the Agency according to the spending guidelines established by the Board of Trustees of the CFGF.

NOTE 6 - FIXED ASSETS

Fixed assets at June 30 consist of the following:

	Estimated Lives	2023	2022
Furniture and fixtures	5 - 10 years	$ 57,130	$ 57,130
Condominium-timeshare	30 years	9,000	9,000
Equipment and software	5 - 7 years	24,016	24,016
Less accumulated depreciation		(82,922)	(81,252)
		$ 7,224	$ 8,894

Depreciation expense charged to operations amounted to $1,670 and $1,672 for the years ended June 30, 2023 and 2022, respectively.

NOTE 7 – OPERATING LEASES

As of October 2019, the Agency leases its office space under an operating agreement which expires January 1, 2025, with monthly payments ranging from $2,657 to $2,737. Total lease payments of $32,627 and $31,884 were made under this agreement for the years ended June 30, 2023 and 2022, respectively. The Agency leases a printer under an operating agreement with monthly payments ranging from $75 to $86 through October 2028. The right-of-use assets for both operating leases was $55,516 as of June 30, 2023.

Future minimum operating lease payments and reconciliations to the balance sheet at June 30, 2023, are as follows:

Year Ending June 30,	Operating Leases
2024	$ 33,876
2025	20,191
2026	1,032
2027	1,032
2028	258
Total undiscounted cash flows	56,389
Less present value discount	(503)
Total lease liability	$ 55,886
Current portion of operating lease liability	$ 33,487
Long-term portion of operating lease liability	22,399
	$ 55,886

NOTE 8 - RETIREMENT PLAN

The Agency maintains a 403b retirement plan for its employees. Employees become eligible after they have completed two years of full-time service to the Agency. Employer contributions are at the discretion of the Agency. For the years ended June 30, 2023 and 2022, the Agency contributed $4,865 and $6,031, respectively.

NOTE 9 - LINE OF CREDIT

The Agency maintains a $100,000 line of credit bearing interest at the rate of prime plus 1%, collateralized by substantially all assets of the Agency. No amounts were outstanding as of June 30, 2023 and 2022.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at June 30:

	2023	2022
Subject to expenditure for specified purpose		
Ruth Mott-School Mentoring	$ 33,347	$ 35,895
ReCAST	1,268	-
CS Mott-Youth Mentoring	-	4,493
CS Mott MLMD	4,111	-
Bishop Trust	862	3,601
Bank Trusts	10,000	9,000
	$ 49,588	$ 52,989

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as of June 30:

	2023	2022
Satisfaction of purpose restriction		
CFGF-Mentoring Matters	$ -	$ 19,907
Ruth Mott-School Mentoring	67,548	68,846
ReCAST	8,732	-
CS Mott-Youth Mentoring	4,493	21,930
CS Mott MLMD	1,102	-
Bishop Trust	27,739	23,568
Bank Trusts	9,000	13,000
Big Raffle-individuals	-	2,980
Golf Outing-individuals	-	16,179
	$ 118,614	$ 166,410

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2023, the Agency implemented the following new pronouncement: Financial Accounting Standards Board (the “FASB”) Accounting Standard Update (“ASU”) No. 2016-02, Leases (Topic 842) (“ASU 2016-02”),

Summary:

On February 25, 2016, the FASB issued ASU 2016-02 and thereafter issued additional ASUs to clarify and update the guidance in ASU 2016-02 (collectively, the “new leases standard”). The objective of ASU 2016-02 is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. The Agency adopted the new lease standard using the effective date method of the modified retrospective transition, under which amounts in prior periods presented were not restated. For adoption, the Agency elected to not reassess (i) whether any existing contracts contain leases, (ii) initial direct costs, and (iii) and classification of existing leases.

The restatement of the beginning of the year had no impact on net assets. The change in assets and liabilities are as follows:

	Assets	Liabilities
Balances as of June 30, 2022, as previously stated	$ 944,428	$ 15,107
Adoption of FASB ASU 2016-02	88,461	88,461
Balances as of July 1, 2022, as restated	$ 1,032,889	$ 103,568