

**BIG BROTHERS BIG SISTERS OF FLINT &  
GENESEE COUNTY**

**REPORT ON FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2024  
AND 2023**

## TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Functional Expenses .....	5-6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8-16



2425 E. Grand River Ave.,  
Suite 1, Lansing, MI 48912

☎ 517.323.7500

📠 517.323.6346

## 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, 2024 and 2023, 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, 2024 and 2023, 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.

### 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.

*Maney Costeiran PC*

November 13, 2024

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 577,956	\$ 433,225
Contributions and grants receivable	129,737	59,995
Prepaid expenses	8,149	8,192
Total current assets	715,842	501,412
Long-term assets		
Investments, long term	571,436	516,904
Operating leases right-of-use assets	22,252	55,516
Fixed assets, net of accumulated depreciation	5,554	7,224
Beneficial interest in assets held at CFGF	74,024	69,197
Total long-term assets	673,266	648,841
<b>TOTAL ASSETS</b>	<b>\$ 1,389,108</b>	<b>\$ 1,150,253</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 7,319	\$ -
Accrued payroll and payroll withholdings	18,760	15,336
Current portion of operating leases	20,103	33,487
Total current liabilities	46,182	48,823
Operating leases liability, net of current portion	2,296	22,399
<b>TOTAL LIABILITIES</b>	<b>48,478</b>	<b>71,222</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Designated	571,436	516,904
Undesignated	651,095	512,539
With donor restrictions	118,099	49,588
<b>TOTAL NET ASSETS</b>	<b>1,340,630</b>	<b>1,079,031</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,389,108</b>	<b>\$ 1,150,253</b>

See notes to financial statements.

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions of cash and other financial assets	\$ 415,062	\$ 207,050	\$ 622,112	\$ 346,752	\$ 115,213	\$ 461,965
Special events	279,253	-	279,253	262,325	-	262,325
Other income	540	-	540	1,332	-	1,332
Investment return, net	59,359	-	59,359	19,270	-	19,270
Net assets released from restrictions	138,539	(138,539)	-	118,614	(118,614)	-
<b>TOTAL SUPPORT AND REVENUE</b>	892,753	68,511	961,264	748,293	(3,401)	744,892
<b>EXPENSES</b>						
Program services						
Mentor program	464,917	-	464,917	375,476	-	375,476
Supporting services						
Management and general	127,822	-	127,822	113,482	-	113,482
Fundraising	106,926	-	106,926	106,225	-	106,225
<b>TOTAL EXPENSES</b>	699,665	-	699,665	595,182	-	595,182
<b>CHANGE IN NET ASSETS</b>	193,088	68,511	261,599	153,111	(3,401)	149,710
<b>NET ASSETS - beginning of year</b>	1,029,443	49,588	1,079,031	876,332	52,989	929,321
<b>NET ASSETS - end of year</b>	\$ 1,222,531	\$ 118,099	\$ 1,340,630	\$ 1,029,443	\$ 49,588	\$ 1,079,031

See notes to financial statements.

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	Program Services	Supporting Services			Total
	Mentor Program	Management and General	Fundraising	Total Supporting Services	
Salaries and related	\$ 242,001	\$ 35,000	\$ 46,964	\$ 81,964	\$ 323,965
Contracted services	53,955	-	-	-	53,955
Employee benefits	23,564	4,158	-	4,158	27,722
Occupancy	51,480	11,300	-	11,300	62,780
Professional fees	4,088	41,332	-	41,332	45,420
Events	-	-	57,139	57,139	57,139
Direct program expenses	43,459	-	-	-	43,459
Supplies	2,492	-	-	-	2,492
Postage and printing	725	-	725	725	1,450
Dues	-	26,644	-	26,644	26,644
Insurance	20,048	-	-	-	20,048
Repairs and maintenance	-	1,378	-	1,378	1,378
Travel, meetings, training	21,435	-	-	-	21,435
Fees	-	8,010	-	8,010	8,010
Depreciation	1,670	-	-	-	1,670
Miscellaneous	-	-	2,098	2,098	2,098
Total expenses	<u>\$ 464,917</u>	<u>\$ 127,822</u>	<u>\$ 106,926</u>	<u>\$ 234,748</u>	<u>\$ 699,665</u>

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			Total
	Mentor Program	Management and General	Fundraising	Total Supporting Services	
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
<b>Total expenses</b>	<b>\$ 375,476</b>	<b>\$ 113,482</b>	<b>\$ 106,225</b>	<b>\$ 219,706</b>	<b>\$ 595,182</b>

See notes to financial statements.



**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Change in net assets	\$ 261,599	\$ 149,710
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	1,670	1,670
Net realized and unrealized gain on investments	(45,489)	(8,367)
Contributions and grants receivable	(69,742)	(36,220)
Operating lease right-of-use assets	33,264	(55,516)
Change in beneficial interest in assets held at CFGF	(4,827)	(3,167)
Prepaid expenses	43	(5,270)
Accounts payable	7,319	(4,460)
Accrued payroll and payroll withholdings	3,424	4,689
Operating lease liability	(33,487)	55,886
Total adjustments	(107,825)	(50,755)
Net cash provided by operating activities	153,774	98,955
Cash flows from investing activities		
Purchase of investments	(94,260)	(161,935)
Sale of investments	85,217	124,199
Net cash used by investing activities	(9,043)	(37,736)
NET INCREASE IN CASH AND CASH EQUIVALENTS	144,731	61,219
CASH AND CASH EQUIVALENTS		
Beginning of year	433,225	372,006
End of year	\$ 577,956	\$ 433,225

See notes to financial statements.

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**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.

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**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.

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**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, 2024, 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, 2024 and 2023, 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:

	2024	2023
Cash and cash equivalents	\$ 577,956	\$ 433,225
Contributions and grants receivable	129,737	59,995
Financial assets available to meet cash needs for general expenditure within one year	\$ 707,693	\$ 493,220

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**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, 2024, investments are reported in the statement of financial position as follows:

	<u>Fair Value</u>	<u>Cost</u>
Mutual funds and exchange traded funds		
Fixed income	\$ 323,238	\$ 217,113
Equities	224,197	280,203
Bank deposit program	<u>24,000</u>	<u>31,442</u>
Total investments	<u>\$ 571,435</u>	<u>\$ 528,758</u>

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

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

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

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 14,399	\$ 12,848
Realized and unrealized gain	45,489	8,367
Fees	(5,356)	(5,112)
Change in beneficial interest in assets held at Community Foundation	<u>4,827</u>	<u>3,167</u>
	<u>\$ 59,359</u>	<u>\$ 19,270</u>

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**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, 2024 and 2023.

*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.

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**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, 2024, 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	\$ 323,238	\$ -	\$ -	\$ 323,238
Equities	224,197	-	-	224,197
Beneficial interest in assets held at community foundation	-	-	74,024	74,024
Total valued on a recurring basis	<u>\$ 547,435</u>	<u>\$ -</u>	<u>\$ 74,024</u>	<u>\$ 621,459</u>

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	<u>\$ 497,163</u>	<u>\$ -</u>	<u>\$ 69,197</u>	<u>\$ 566,360</u>

**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 \$74,024 and \$69,167 as of June 30, 2024 and 2023, 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.

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - FIXED ASSETS**

Fixed assets at June 30 consist of the following:

	<u>Estimated Lives</u>	<u>2024</u>	<u>2023</u>
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		<u>(84,592)</u>	<u>(82,922)</u>
		<u>\$ 5,554</u>	<u>\$ 7,224</u>

Depreciation expense charged to operations amounted to \$1,670 for the years ended June 30, 2024 and 2023.

**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 \$33,079 and \$32,627 were made under this agreement for the years ended June 30, 2024 and 2023, 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 were \$22,252 and \$55,516 as of the years ended June 30, 2024 and 2023, respectively.

Future minimum operating lease payments and reconciliations to the balance sheet at June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2025	\$ 20,191
2026	1,032
2027	1,032
2028	<u>258</u>
Total undiscounted cash flows	22,513
Less present value discount	<u>(114)</u>
Total lease liability	<u>\$ 22,399</u>
Current portion of operating lease liability	\$ 20,103
Long-term portion of operating lease liability	<u>2,296</u>
	<u>\$ 22,399</u>



**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**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, 2024 and 2023, the Agency contributed \$5,942 and \$4,865, 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, 2024 and 2023.

**NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS**

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

	2024	2023
Subject to expenditure for specified purpose		
CFGF-Mentoring Matters	\$ 48,963	\$ -
Ruth Mott-School Mentoring	26,134	33,347
ReCAST	155	1,268
CS Mott MLMD	9,470	4,111
Bishop Trust	22,377	862
Bank Trusts	11,000	10,000
	\$ 118,099	\$ 49,588

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:

	2024	2023
Satisfaction of purpose restriction		
CFGF-Mentoring Matters	\$ 11,037	\$ -
Ruth Mott-School Mentoring	72,213	67,548
ReCAST	26,113	8,732
CS Mott-Youth Mentoring	-	4,493
CS Mott MLMD	15,691	1,102
Bishop Trust	3,485	27,739
Bank Trusts	10,000	9,000
	\$ 138,539	\$ 118,614

**BIG BROTHERS BIG SISTERS OF FLINT & GENESEE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - ADOPTION OF A NEW ACCOUNTING STANDARD**

For the year ended June 30, 2024, the Agency implemented the following new pronouncement: Financial Accounting Standards Board (the "FASB") Accounting Standard Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326) ("ASU 2016-13").

**Summary:**

In June 2016, the FASB issued ASU 2016-13 and thereafter issued additional ASUs to clarify and update the guidance in ASU 2016-13 (collectively, "CECL"). The objective of the ASU 2016-13 is to provide financial statement users with more decision-useful information about current expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The Agency adopted the new standard on July 1, 2023 using the modified-retrospective approach.

The Agency determined that the adoption of ASU 2016-13 did not have a material impact on net assets, assets, or liabilities as of the date of adoption and primarily resulted in enhanced disclosures.