



Big Brothers Big Sisters of Flint and Genesee County  
Audited Financial Statements  
June 30, 2019

*Prepared by Taylor & Morgan, P.C.*

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Big Brothers Big Sisters of Flint and Genesee County  
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## INDEPENDENT AUDITOR'S REPORT

October 29, 2019

Board of Directors  
Big Brothers Big Sisters of Flint and Genesee County

### Report on the Financial Statements

We have audited the accompanying financial statements of Big Brothers Big Sisters of Flint and Genesee County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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 and Genesee County as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Big Brothers Big Sisters of Flint and Genesee County's June 30, 2018 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 12, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Emphasis of Matter-Change in Accounting Principle**

As described in Note 1: Financial Statement Presentation, the Agency adopted Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to that matter.

*Taylor & Morgan, P.C.*

Taylor & Morgan, P.C.  
Certified Public Accountants

Big Brothers Big Sisters of Flint and Genesee County  
 Statements of Financial Position  
 June 30, 2019  
 With Summarized information for June 30, 2018

ASSETS	<u>2019</u>	<u>2018</u>
Cash and equivalents	\$ 270,408	\$ 390,983
Investment in Principal Financial Group	-	9,888
Long-term investments	455,476	451,088
Grants receivable	27,991	5,966
Other receivables	26,024	7,867
Prepaid expenses	10,118	12,991
Property and equipment net of depreciation	<u>11,046</u>	<u>8,858</u>
Total assets	<u>\$ 801,063</u>	<u>\$ 887,641</u>
LIABILITIES		
Accounts payable	\$ 15,711	\$ 2,136
Accrued payroll and related liabilities	<u>8,142</u>	<u>7,028</u>
Total liabilities	23,853	9,164
NET ASSETS		
Without donor restrictions:		
Designated for long-term investment	461,010	457,602
Undesignated	290,109	403,375
With donor restrictions	<u>26,091</u>	<u>17,500</u>
Total net assets	<u>777,210</u>	<u>878,477</u>
Total liabilities and net assets	<u>\$ 801,063</u>	<u>\$ 887,641</u>

Big Brothers Big Sisters of Flint and Genesee County  
Statements of Activities  
For the Year Ended June 30, 2019  
With Summarized Information for the Year Ended June 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2019</u>	<u>Total 2018</u>
Operating activities				
Revenues and other support				
Grant income				
Ruth Mott Foundation	\$ -	75,000	75,000	\$ 70,000
BBBS of America	-	18,225	18,225	-
Bishop	-	20,000	20,000	-
CFGF-100 M/B-PLAAY Grant	-	12,293	12,293	-
State of Michigan-My Brother's Keeper	-	-	-	14,907
Community Foundation-My Sister's Keeper	-	-	-	15,000
CDBG	-	40,000	40,000	35,000
Flint Recast	-	5,000	5,000	30,000
United Way-BEST Project	-	-	-	7,000
United way	-	64,000	64,000	77,400
Contributions and sponsorships	85,017	7,000	92,017	82,349
Fundraising activities:			-	
Bowling challenge	140,626	-	140,626	169,428
Agency Golf	58,627	-	58,627	62,196
Other	81,491	-	81,491	67,132
Miscellaneous income	12,510	-	12,510	9,043
Interest and dividends	7,297	-	7,297	7,384
Gains (losses) on assets	-	-	-	(650)
Net assets released from restrictions	<u>232,927</u>	<u>(232,927)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	618,495	8,591	627,086	646,189
Expenses				
Program services	522,768	-	522,768	544,533
Support services				
Fundraising	108,666	-	108,666	145,468
Management and general	94,365	-	94,365	87,078
Total expenses	<u>725,799</u>	<u>-</u>	<u>725,799</u>	<u>777,079</u>
Change in net assets from operations	(107,304)	8,591	(98,713)	(130,890)
Nonoperating activities				
Investment return, net	<u>(2,554)</u>	<u>-</u>	<u>(2,554)</u>	<u>35,817</u>
Total nonoperating activities	<u>(2,554)</u>	<u>-</u>	<u>(2,554)</u>	<u>35,817</u>
Change in net assets	(109,858)	8,591	(101,267)	(95,073)
Net assets, beginning of year	<u>860,977</u>	<u>17,500</u>	<u>878,477</u>	<u>973,550</u>
Net assets, end of year	<u>\$ 751,119</u>	<u>\$ 26,091</u>	<u>\$ 777,210</u>	<u>\$ 878,477</u>

Big Brothers Big Sisters of Flint and Genesee County  
Statement of Functional Expenses  
For the Year Ended June 30, 2019

	Program Services	Support Services		Total Support Services	Total Expenses
	Providing Mentors to Children	Fundraising	Management and General		
Salaries and wages	\$ 324,991	41,346	41,676	\$ 83,022	\$ 408,013
Fringe benefits and taxes	63,193	2,940	4,557	7,497	70,690
Total salaries and related expenses	388,184	44,286	46,233	90,519	478,703
Advertising	1,659	5,970	-	5,970	7,629
Occupancy	46,200	12,756	-	12,756	58,956
Leased equipment	4,556	-	-	-	4,556
Supplies	6,264	35,181	-	35,181	41,445
Postage	2,748	675	-	675	3,423
Printing	2,035	3,094	-	3,094	5,129
Dues and fees	-	85	22,050	22,135	22,135
Telephone and internet	10,304	-	-	-	10,304
Travel and mileage	4,659	35	-	35	4,694
Legal checks	989	-	-	-	989
Professional services	-	-	22,815	22,815	22,815
Maintenance and repairs	515	-	-	-	515
Insurance	28,878	762	-	762	29,640
Miscellaneous	-	2,520	3,267	5,787	5,787
Activities	18,029	2,835	-	2,835	20,864
Board training and staff development	3,254	-	-	-	3,254
Meetings and conferences	1,546	467	-	467	2,013
Depreciation	2,948	-	-	-	2,948
Total Expenses	\$ <u>522,768</u>	\$ <u>108,666</u>	\$ <u>94,365</u>	\$ <u>203,031</u>	\$ <u>725,799</u>

Big Brothers Big Sisters of Flint and Genesee County  
Statement of Functional Expenses  
For the Year Ended June 30, 2018

	<u>Program Services</u>		<u>Support Services</u>		<u>Total Support Services</u>	<u>Total Expenses</u>
	<u>Providing Mentors to Children</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Management and General</u>		
Salaries and wages	\$ 317,817	\$ 65,474	\$ 48,384	\$ 113,858	\$ 431,675	
Fringe benefits and taxes	51,991	5,604	4,317	9,921	61,912	
Total salaries and related expenses	369,808	71,078	52,701	123,779	493,587	
Contractual services	3,334	-	5,669	5,669	9,003	
Advertising	1,155	10,015	-	10,015	11,170	
Occupancy	41,354	16,625	-	16,625	57,979	
Leased equipment	4,949	-	-	-	4,949	
Supplies	7,927	39,852	-	39,852	47,779	
Postage	2,860	495	-	495	3,355	
Printing	1,741	3,339	-	3,339	5,080	
Dues and fees	-	100	18,442	18,542	18,542	
Telephone and internet	9,600	-	-	-	9,600	
Travel and mileage	4,420	115	-	115	4,535	
Legal checks	2,905	-	-	-	2,905	
Professional services	-	-	10,266	10,266	10,266	
Maintenance and repairs	1,162	-	-	-	1,162	
Insurance	26,574	-	-	-	26,574	
Miscellaneous	-	3,398	-	3,398	3,398	
Activities	24,761	-	-	-	24,761	
Board training and staff development	12,329	-	-	-	12,329	
Meetings and conferences	4,485	451	-	451	4,936	
Unified Sisters	21,926	-	-	-	21,926	
Depreciation	3,243	-	-	-	3,243	
Total Expenses	\$ <u>544,533</u>	\$ <u>145,468</u>	\$ <u>87,078</u>	\$ <u>232,546</u>	\$ <u>777,079</u>	



Big Brothers Big Sisters of Flint and Genesee County  
Statements of Cash Flows  
For the Year Ended June 30, 2019  
With Summarized Information for the Year Ended June 30, 2018

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase/(decrease) in net assets	\$ (101,267)	\$ (95,073)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	2,948	3,243
Investment Income	(7,297)	(7,384)
(Gains)/losses on investments	2,554	(35,817)
(Gains)/losses on asset disposal	-	650
(Increase)/decrease in:		
Due from grantors/contributors	(40,182)	33,488
Pre-paid expenses	2,873	4,113
Increase/(decrease) in:		
Accounts payable	13,575	(3,565)
Accrued payroll	1,114	(1,035)
	<u>                    </u>	<u>                    </u>
<b>Net cash provided by/(used) by operating activities</b>	(125,682)	(101,380)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(5,137)	-
Sales of investments	210,607	55,369
Purchase of investments	(200,363)	(69,638)
	<u>                    </u>	<u>                    </u>
<b>Net cash provided by/(used) by investing activities</b>	5,107	(14,269)
Net increase/(decrease) in cash	(120,575)	(115,649)
Beginning cash	<u>390,983</u>	<u>506,632</u>
Ending cash	\$ <u><u>270,408</u></u>	\$ <u><u>390,983</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	\$ -	\$ -

**Big Brothers Big Sisters of Flint and Genesee County**  
**Notes to Financial Statements**  
**June 30, 2019**

**Note 1 - Description of the Organization and Summary of Significant Accounting Policies**

**Description of the Organization:**

Big Brothers Big Sisters of Flint and Genesee County (“the Agency”) is a Michigan nonprofit organization providing services for children and their families by adult volunteers, primarily on a one-to-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.

**Basis of Presentation:**

The financial statements of the Agency have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Agency to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Agency’s management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**Measure of Operations:**

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Agency’s ongoing services for children and their families and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**Cash and Cash Equivalents:**

The Agency’s cash consists of cash on deposit with financial institutions. Cash equivalents represent money market funds or short-term investments with original maturities of 90 days or less from the date of purchase. Cash equivalents designated for long-term investment have been segregated from cash and are listed as investments on the statement of financial position.

**Concentrations of credit risk:**

Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Agency maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Agency’s cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Agency has not experienced, nor does it anticipate, any losses with respect to such accounts.

**Big Brothers Big Sisters of Flint and Genesee County**  
**Notes to Financial Statements**  
**June 30, 2019**

**Note 1 - Description of the Organization and Summary of Significant Accounting Policies-**  
**(continued)**

**Grants Receivable:**

Reimbursement for grant related expenditures that are expected to be collected within one year are recorded at net realizable value. Grants receivable for the years ended June 30, 2019 and 2018, was \$27,991 and \$5,966, respectively.

**Other Receivables:**

Other receivables consist of unconditional promises to give that are expected to be collected within one year and are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are met. Other receivables for the years ended June 30, 2019 and 2018, were \$26,024 and \$7,867, respectively.

**Property and Equipment, Net:**

Property, equipment and leasehold improvements are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Assets with a cost exceeding \$500 are generally capitalized. Depreciation is calculated using the straight-line method over the respective useful lives of the assets or the lease term. The Agency's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

**Fair Value Measurements:**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on these assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Agency groups its assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
  
- Level 2: Other observable inputs, either directly or indirectly, including:
  - Quoted prices for similar assets/liabilities in active markets;
  - Quoted process for identical or similar assets in non-active markets;
  - Inputs other than quoted process that are observable for the asset/liability; and,
  - Inputs that are derived principally from or corroborated by other observable market data.
  
- Level 3: Unobservable inputs that cannot be corroborated by observable market data.

**Big Brothers Big Sisters of Flint and Genesee County**  
**Notes to Financial Statements**  
**June 30, 2019**

**Note 1 - Description of the Organization and Summary of Significant Accounting Policies-**  
**(continued)**

**Investments:**

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

**Grant and Contributions:**

Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Grants and contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted grants and contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

**Donated Services:**

Several volunteers have made significant contributions of their time in furtherance of the Agency's mission. These services were not reflected in the accompanying statements of activities because they do not meet the criteria for recognition under US GAAP.

**Expense Allocation:**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: advertising, occupancy, supplies and office expenses, which are allocated on a square-footage basis; as well as salaries & benefits, which are allocated on the basis of estimates of time & effort.

**Estimates:**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Big Brothers Big Sisters of Flint and Genesee County**  
**Notes to Financial Statements**  
**June 30, 2019**

**Note 1 - Description of the Organization and Summary of Significant Accounting Policies-(continued)**

**Prior Year Summarized Comparative Information:**

The financial statements and certain notes include certain prior year summarized comparative information in total, but not by fund balance. Such information does not always include sufficient detail to constitute a presentation in conformity US GAAP. Accordingly, such information should be read in conjunction with the Agency's financial statements as of and for the year ended June 30, 2018, from which the summarized comparative information is derived.

**Tax Exempt Status:**

The Agency is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Agency has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Agency has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

**New Accounting Pronouncement:**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958)-*Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Agency has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**Note 2 - Cash and Investments**

The Agency holds deposit accounts at two separate local financial institutions. At June 30, 2019, the carrying amount of deposits was \$264,874 and the bank balance was \$249,911. The entire bank balance of \$249,911 was covered by federal depository insurance.

Investments consist of an "agency trust" administered by Merrill Lynch and a stock investment in Principal Financial Group, Inc. Trust assets are invested in money market funds (cash equivalents), U.S. Treasury and corporate notes of varying maturities and interest rates (fixed income obligations), and various corporate stocks (equities). Investments are reported at fair value on the statement of financial position.

**Big Brothers Big Sisters of Flint and Genesee County**  
**Notes to Financial Statements**  
**June 30, 2019**

**Note 2 - Cash and Investments – (continued)**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. The values of these investments at June 30, 2019 and 2018, are as follows:

	2019	2019	2018	2018
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash Equivalents	\$ 5,534	\$ 5,534	\$ 6,514	\$ 6,514
Equities/Mutual Funds	<u>393,565</u>	<u>455,476</u>	<u>394,439</u>	<u>451,088</u>
Total	<u>\$ 399,099</u>	<u>\$ 461,010</u>	<u>\$ 400,953</u>	<u>\$ 457,602</u>

The following schedule reflects an activity summary of the “agency trust” investment account for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Beginning Balance	\$457,602	\$417,284
Dividends and Interest	7,297	7,385
Account Fees	(4,528)	(4,911)
Realized Gains/(Losses)	(4,623)	11,459
Unrealized Gains/(Losses)	<u>5,262</u>	<u>26,385</u>
Ending Balance	<u>\$461,010</u>	<u>\$457,602</u>

In April 2019, the Agency sold its 186 share investment in Principal Financial Group at a loss of \$3,152. This loss is included in the financial statements as gains (losses) on Investments.

**Note 3 - Building and Equipment, and Depreciation**

A summary of building and equipment at June 30, 2019 and 2018, is as follows:

	<u>2019</u>	<u>2018</u>
Leasehold Improvements	\$ 2,724	\$ 2,724
Furniture and Fixtures	57,684	56,733
Condominium-timeshare	9,000	9,000
Equipment & Software	<u>41,966</u>	<u>37,780</u>
Subtotal	111,374	106,237
Less: Accumulated Depreciation	<u>(100,328)</u>	<u>(97,379)</u>
Total	<u>\$ 11,046</u>	<u>\$ 8,858</u>

Equipment and leasehold improvements are stated at cost if purchased and fair market value if contributed. Assets with a cost exceeding \$500 are generally capitalized. Depreciation is calculated using the straight-line method over the respective useful lives. Depreciation expense for the years ended June 30, 2019 and 2018, amounted to \$2,948 and \$3,243, respectively.

**Big Brothers Big Sisters of Flint and Genesee County**  
**Notes to Financial Statements**  
**June 30, 2019**

**Note 4 – Liquidity and Availability of Funds**

The Agency is substantially supported by restricted contributions. 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 responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Agency's liquidity management, it has a policy to structure 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. The Agency's financial assets available within one year of the balance sheet date for general expenditure are as follows for the years ended June 30, 2019 and 2018:

Financial assets at year end:	<u>2019</u>	<u>2018</u>
Cash and equivalents	\$ 270,408	\$ 390,983
Investments	455,476	460,976
Grants and Accounts receivable	<u>54,015</u>	<u>13,833</u>
Total financial assets	779,899	865,792
Less amounts not available to be used within one year:		
Net assets with donor restrictions	26,091	17,500
Less net assets with purpose restrictions to be met in less than a year	<u>(26,091)</u>	<u>(17,500)</u>
	<u>          -</u>	<u>          -</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 779,899</u>	<u>\$ 865,792</u>

**Note 5 – Donor Restricted Net Assets**

As of June 30, 2019 and 2018, donor restricted net assets were available from the following grants for specific program purposes:

	<u>2019</u>	<u>2018</u>
CFGF-100 Men/Boys	\$ 6,540	\$ -
Ruth Mott-School Mentoring	<u>19,551</u>	<u>17,500</u>
	<u>\$ 26,091</u>	<u>\$ 17,500</u>

**Note 6 - Retirement Plan**

The Agency maintains a defined contribution pension 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, 2019 and 2018, the Agency contributed \$6,741 and \$6,746, respectively.

**Big Brothers Big Sisters of Flint and Genesee County**  
**Notes to Financial Statements**  
**June 30, 2019**

**Note 7 – Fundraising Income**

Revenue and direct expenses for fundraising activities for the year ended June 30, 2019 are as follows:

	Bowl-a-Mania	Bowling Challenge	Golf Outing	Ice Races	74th Anniversary	Other
Revenue	\$ 5,342	\$ 140,626	\$ 58,627	\$ 20,484	\$ 35,116	\$ 20,549
Expenses	<u>(2,474)</u>	<u>(27,486)</u>	<u>(17,769)</u>	<u>-</u>	<u>(10,240)</u>	<u>(6,410)</u>
	<u>\$ 2,868</u>	<u>\$ 113,140</u>	<u>\$ 40,858</u>	<u>\$ 20,484</u>	<u>\$ 24,876</u>	<u>\$ 14,139</u>

Revenue and direct expenses for fundraising activities for the year ended June 30, 2018 are as follows:

	Bowl-a-Mania	Bowling Challenge	Golf Outing	Ice Races	73rd Anniversary	Other
Revenue	\$ 5,645	\$ 169,428	\$ 62,196	\$ 18,993	\$ 26,352	\$ 16,142
Expenses	<u>(2,453)</u>	<u>(30,849)</u>	<u>(22,291)</u>	<u>(38)</u>	<u>(11,839)</u>	<u>(6,805)</u>
	<u>\$ 3,192</u>	<u>\$ 138,579</u>	<u>\$ 39,905</u>	<u>\$ 18,955</u>	<u>\$ 14,513</u>	<u>\$ 9,337</u>

**Note 8 – Operating Leases**

The Agency leases office space located at 410 E. Second St., Flint. For the years ended June 30, 2019 and 2018, the lease called for monthly payments of \$3,850 and \$3,434, respectively. Total lease expense under this agreement for the years ended June 30, 2019 and 2018, was \$46,200 and \$41,354, respectively.

In May of 2018, the Agency agreed to an extension on its current lease until June 30, 2020. This extension calls for monthly payments ranging from \$3,850 to \$4,100 with an option to terminate after one year with 120-days advance notice. In October 2019, the Agency exercised the option to terminate this lease and will vacating the premises by January 31, 2020. Future minimum lease obligations are \$28,700 for the year ended June 30, 2020.

In October of 2019, the Agency entered into a new lease agreement. This lease agreement is effective February 1, 2020 until January 31, 2025, and calls for monthly payments ranging from \$2,657 to \$2,737. A security deposit of \$2,657 has been paid, of which \$500 is a non-refundable cleaning fee. Future minimum lease obligations under this lease are as follows:

Year ended June 30, 2020	\$ 13,285
Year ended June 30, 2021	\$ 31,884
Year ended June 30, 2022	\$ 31,884
Year ended June 30, 2023	\$ 32,284
Year ended June 30, 2024	\$ 32,844
Year ended June 30, 2025	<u>\$ 19,159</u>
	<u>\$161,340</u>

**Note 9 – Line of Credit**

The Agency has a line of credit available to fund cash flow needs in the amount of \$100,000 with a local financial institution. This line of credit bears interest at the rate of Prime plus 1.0%. For the years ended June 30, 2019 and 2018, there were no balances on the line of credit.



**Big Brothers Big Sisters of Flint and Genesee County**  
**Notes to Financial Statements**  
**June 30, 2019**

**Note 10 – Endowment Funds**

The Agency is beneficiary of two endowment funds held by the Community Foundation of Greater Flint. For the years ended June 30, 2019 and 2018, the Agency received \$8,552 and \$8,413, respectively from these funds.

**Note 11 – Subsequent Events**

Subsequent events have been reviewed through October 29, 2019, which is the date the financial statements were available to be issued.