

**BIG BROTHERS BIG SISTERS
OF BUTLER COUNTY, INC.**

**Audited Financial Statements
For the Years Ended
December 31, 2019 and 2018**

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Big Brothers Big Sisters of Butler County, Inc.
Hamilton, Ohio

We have audited the accompanying financial statements of Big Brothers Big Sisters of Butler County, Inc., (an Ohio nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, statements of functional expenses, and statements of cash flows, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 Butler County, Inc. as of December 31, 2019 and 2018, 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.

Sheldon Reder CPAs

Sheldon Reder CPAs
March 23, 2020

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 68,535	\$ 82,299
Accounts receivable	8,142	25,547
Pledges receivable	4,500	3,000
Gift cards	178	-
Prepaid expenses	2,146	2,146
TOTAL CURRENT ASSETS	83,501	112,992
NON-CURRENT ASSETS		
FIXED ASSETS		
Office furniture and equipment	52,779	54,575
Leasehold improvements	2,581	2,581
Less accumulated depreciation	(47,156)	(42,575)
FIXED ASSETS, NET	8,204	14,581
OTHER NON-CURRENT ASSETS		
Cash in savings, restricted	1,165	1,218
Deposits	2,250	2,250
TOTAL NON-CURRENT ASSETS	11,619	18,049
TOTAL ASSETS	\$ 95,120	\$ 131,041
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 4,015
Payroll liabilities	22,518	14,756
TOTAL CURRENT LIABILITIES	22,518	18,771
NET ASSETS		
Without donor restrictions	66,937	108,052
With donor restrictions	5,665	4,218
TOTAL NET ASSETS	72,602	112,270
TOTAL LIABILITIES AND NET ASSETS	\$ 95,120	\$ 131,041

See accompanying notes and independent auditors' report.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING ACTIVITIES			
REVENUE AND PUBLIC SUPPORT			
Contributions	\$ 88,942	\$ 4,500	\$ 93,442
Foundations and trusts	143,341	-	143,341
Grants			
Government agencies	380,085	-	380,085
United Way	103,399	-	103,399
Donated professional services	35,928		35,928
In-Kind contributions	48,720	-	48,720
Gross special events revenue	71,411	-	71,411
Less cost of direct benefits to donors	(29,044)	-	(29,044)
Net special events revenue	<u>42,367</u>	<u>-</u>	<u>42,367</u>
Net assets released from restrictions	<u>3,053</u>	<u>(3,053)</u>	<u>-</u>
TOTAL REVENUE AND PUBLIC SUPPORT	<u>845,835</u>	<u>1,447</u>	<u>847,282</u>
EXPENSES			
Program services expense	657,413	-	657,413
Supporting services expense			
Management and general	111,466	-	111,466
Fundraising and development	118,071	-	118,071
Total supporting services expenses	<u>229,537</u>	<u>-</u>	<u>229,537</u>
TOTAL OPERATING EXPENSES	<u>886,950</u>	<u>-</u>	<u>886,950</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(41,115)	1,447	(39,668)
NET ASSETS - BEGINNING OF YEAR	<u>108,052</u>	<u>4,218</u>	<u>112,270</u>
NET ASSETS - END OF YEAR	<u>\$ 66,937</u>	<u>\$ 5,665</u>	<u>\$ 72,602</u>

See accompanying notes and independent auditors' report.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING ACTIVITIES			
REVENUE AND PUBLIC SUPPORT			
Contributions	\$ 73,645	\$ 3,000	\$ 76,645
Foundations and trusts	89,932	-	89,932
Grants			
Government agencies	420,353	-	420,353
United Way	135,615	-	135,615
Donated professional services	69,764	-	69,764
In-Kind contributions	41,273	-	41,273
Gross special events revenue	124,217	-	124,217
Less cost of direct benefits to donors	(40,194)	-	(40,194)
Net special events revenue	<u>84,023</u>	<u>-</u>	<u>84,023</u>
Net assets released from restrictions	<u>23</u>	<u>(23)</u>	<u>-</u>
TOTAL REVENUE AND PUBLIC SUPPORT	<u>914,628</u>	<u>2,977</u>	<u>917,605</u>
EXPENSES			
Program services expense	651,055	-	651,055
Supporting services expense			
Management and general	112,638	-	112,638
Fundraising and development	74,987	-	74,987
Total supporting services expenses	<u>187,625</u>	<u>-</u>	<u>187,625</u>
TOTAL OPERATING EXPENSES	<u>838,680</u>	<u>-</u>	<u>838,680</u>
CHANGE IN NET ASSETS FROM OPERATIONS	75,948	2,977	78,925
NET ASSETS - BEGINNING OF YEAR	<u>32,104</u>	<u>1,241</u>	<u>33,345</u>
NET ASSETS - END OF YEAR	<u>\$ 108,052</u>	<u>\$ 4,218</u>	<u>\$ 112,270</u>

See accompanying notes and independent auditors' report.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Cost of Direct Donor Benefits</u>	<u>Total</u>
Compensation and related expenses:					
Salaries	\$ 422,405	\$ 88,141	\$ 106,348	\$ -	\$ 616,894
Payroll taxes	32,280	6,736	8,219	-	47,235
Health insurance and benefits	2,612	545	665	-	3,822
Total compensation and related expense	<u>457,297</u>	<u>95,422</u>	<u>115,232</u>	<u>-</u>	<u>667,951</u>
Program activities	30,108	-	-	-	30,108
Contract services	35,928	-	1,250	-	37,178
Rent	24,411	4,308	-	-	28,719
Professional fees	13,807	2,437	1,097	-	17,341
Insurance	12,222	2,157	-	-	14,379
National and local dues	9,222	-	-	-	9,222
Recruitment and records checks	24,594	-	-	-	24,594
Equipment maintenance	4,968	877	-	-	5,845
Utilities	7,507	1,325	-	-	8,832
Other expenses	10,265	1,811	302	1,090	13,468
Depreciation	7,223	-	-	-	7,223
Transportation	5,613	990	-	-	6,603
Conferences and meetings	3,500	618	-	-	4,118
Telephone	2,764	488	-	-	3,252
Office supplies	2,117	374	-	-	2,491
Site based materials	2,600	-	-	-	2,600
Event supplies	-	-	-	1,273	1,273
Event prizes	-	-	-	15,016	15,016
Event food, entertainment, decorations	-	-	-	11,665	11,665
Interest	-	360	-	-	360
Postage	1,694	299	130	-	2,123
Printing and publications	1,573	-	60	-	1,633
Total expenses	<u>\$ 657,413</u>	<u>\$ 111,466</u>	<u>\$ 118,071</u>	<u>\$ 29,044</u>	<u>\$ 915,994</u>

See accompanying notes and independent auditors' report.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Cost of Direct Donor Benefits</u>	<u>Total</u>
Compensation and related expenses:					
Salaries	\$ 396,365	\$ 89,171	\$ 62,330	\$ -	\$ 547,866
Payroll taxes	34,552	7,716	5,394	-	47,662
Health insurance and benefits	2,194	490	342	-	3,026
Total compensation and related expense	<u>433,111</u>	<u>97,377</u>	<u>68,066</u>	<u>-</u>	<u>598,554</u>
Program activities	29,871	-	-	-	29,871
Contract services	69,764	-	1,100	-	70,864
Rent	23,755	4,192	-	-	27,947
Professional fees	8,180	1,443	552	-	10,175
Insurance	10,750	1,897	-	-	12,647
National and local dues	8,700	-	-	-	8,700
Recruitment and records checks	15,138	-	-	-	15,138
Equipment maintenance	6,666	1,176	-	-	7,842
Utilities	7,877	1,390	-	-	9,267
Other expenses	9,824	1,734	1,441	5,235	18,234
Depreciation	7,436	-	-	-	7,436
Transportation	5,413	955	-	-	6,368
Conferences and meetings	3,030	535	-	-	3,565
Telephone	2,616	462	-	-	3,078
Office supplies	2,159	381	-	-	2,540
Site based materials	2,714	-	-	-	2,714
Event supplies	-	-	-	3,048	3,048
Event rentals	-	-	-	5,299	5,299
Event prizes	-	-	-	17,694	17,694
Event food, entertainment, decorations	-	-	-	8,918	8,918
Interest	-	912	-	-	912
Postage	1,040	184	475	-	1,699
Printing and publications	3,011	-	3,353	-	6,364
	<u>\$ 651,055</u>	<u>\$ 112,638</u>	<u>\$ 74,987</u>	<u>\$ 40,194</u>	<u>\$ 878,874</u>

See accompanying notes and independent auditors' report.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (39,668)	\$ 78,925
Adjustments to reconcile change in net assets with cash flow from operations:		
Depreciation	7,223	7,436
(Gain) loss on disposal of fixed asset	654	-
(Increase) decrease in:		
Accounts receivable	17,405	(5,751)
Pledges receivable	(1,500)	(3,000)
Prepaid expense	-	-
Gift card	(178)	-
Increase (decrease) in:		
Accounts payable	(4,015)	(3,689)
Payroll liabilities	7,762	(1,806)
	<u>(12,317)</u>	<u>72,115</u>
Net cash provided (used) by operating activities		
CASH FLOWS FROM INVESTING		
Purchase of fixed assets	<u>(1,500)</u>	<u>-</u>
Net cash used by investing activities	<u>(1,500)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on line of credit	(145,363)	(150,900)
Draws on line of credit	<u>145,363</u>	<u>150,900</u>
Net cash used by financing activities	<u>-</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(13,817)	72,115
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>83,517</u>	<u>11,402</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 69,700</u>	<u>\$ 83,517</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid during year	<u>\$ 360</u>	<u>\$ 912</u>

See accompanying notes and independent auditors' report.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

1. ORGANIZATION AND NATURE OF ACTIVITIES

Big Brothers Big Sisters of Butler County, Inc. (the “Organization”) is a nonprofit corporation organized in 1974 under the laws of the State of Ohio. The mission of the Organization is to provide children facing adversity with strong and enduring, professionally supported one-to-one relationships that change their lives for the better, forever. The Organization is dependent upon contributions from the general public, United Way, foundations, government grants, fundraising events and volunteers for its support.

2. DATE OF MANAGEMENT REVIEW

Management reviews events and transactions occurring subsequent to the date of the financial statements for matters requiring potential recognition or disclosure in the financial statements. The Organization has evaluated subsequent events through March 23, 2020, the date the financial statements were available to be issued.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization’s financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization 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 Organization’s management and 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 Organization 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. The Organization currently does not have net assets with restrictions that are perpetual in nature.

Donor restricted contributions are reported as increases in net assets without donor restrictions if the purpose of the restriction is met in the year of the donation. Net assets with donor restrictions represent pledges receivable and purpose restricted funds that will expire with the passage of time. 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.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing programs. Non-operating activities include resources that generate return from investments, interest and dividends earned on investments, and other activities considered to be of a more unusual or nonrecurring nature. The Organization did not have non-operating activities in 2019 or 2018.

Cash and Cash Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Restricted Cash

Restricted cash represents the remaining balance of a prior year memorial donation made in honor of Doris Atkinson, former Executive Director of Middletown Big Brothers Big Sisters. Funds are to be used exclusively for the purpose of site-based programs in Middletown, Ohio, a city in Butler County.

Concentrations of Credit Risk

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

As of December 31, 2019 and 2018, the Organization did not have cash balances in excess of federally insured limits.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. All contributions receivable as of December 31, 2019 were unconditional and expected to be collected within one year.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

The Organization receives grants from various government agencies. Accounts receivable as of December 31, 2019 and 2018 consist primarily of reimbursable program expenses incurred during each respective year that are expected to be received from government agencies under the various grant contracts.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives range from five to ten years. The Organization's policy is to capitalize renewals and betterments acquired for greater than \$1,000 and expense normal repairs and maintenance as incurred. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Contributions

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 at the end of the year. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the purpose of the restriction is met in the year of the donation.

Net assets with donor restrictions remaining at year end, either due to a purpose restriction or the passage of time (pledges receivable), are recorded as net assets with donor restrictions. When the 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 and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services; however, the financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by generally accepted accounting principles (See Footnote 11). Contributed goods are recorded at fair value at the date of donation.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated professional services are recorded as public support only if they create or enhance nonfinancial assets or require specialized services. The Organization received \$35,928 of donated professional services for the year ended December 31, 2019. The Organization received \$69,764 of donated professional services for the year ended December 31, 2018. They are recorded as contract service expense in the statement of functional expenses for each year.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs and supporting services benefited. Management, on an equitable basis that reflects time and effort, determines such allocations.

In 2019, approximately 74% of the Organization's total expenses related to program services, 13% to management and general services, and 13% to fundraising activities. In 2018, approximately 78% of the Organization's total expenses related to program services, 13% to management and general services, and 9% to fundraising activities.

Income Taxes

The Organization is an Ohio nonprofit corporation and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report any 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 Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Use of 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. Accordingly, actual results could differ from those estimates.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards Update

Revenue Recognition Standard

In May, 2014 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to. This standard may have an impact on the timing of when an entity recognizes certain revenue. The ASU is effective for nonpublic companies for years beginning after December 15, 2018.

Lease Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases that are not excluded by this standard. Such leases create an asset and a liability for the lessee in accordance with FASB Concepts Statement No. 6, Elements of Financial Statements, and therefore, recognition of the lease assets and lease liabilities represent an improvement over previous GAAP, which did not require lease obligations to be recognized for most leases. The ASU is effective for nonpublic companies for years beginning after December 15, 2019.

4. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 69,700	\$ 83,517
Pledges receivable	4,500	3,000
Accounts receivable	<u>8,142</u>	<u>25,547</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 82,342</u>	<u>\$ 112,064</u>
Available line of credit at year end	<u>\$ 55,000</u>	<u>\$ 55,000</u>

The Organization has normal and recurring monthly expenses of approximately \$60,000. Cashflows fluctuate throughout the year due to the start dates of governmental grants and the promptness of corporate sponsorship payments. It is the desire of the Organization to maintain availability (cash and line of credit) sufficient to cover approximately three months of operating expenses. Refer also to Footnote 8 below regarding the Line of Credit.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

AVAILABILITY AND LIQUIDITY (Continued)

Currently, excess cash is not invested in interest bearing accounts. The Financial Oversight Committee has begun the process of examining interest bearing investment accounts that would generate some investment income while maintaining a high degree of flexibility and liquidity.

5. NET ASSETS

Net assets with donor restrictions for the years ended December 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Specific Purpose - Atkinson Memorial	\$ 1,165	\$ 1,218
Passage of Time - Pledges Receivable	<u>4,500</u>	<u>3,000</u>
Total	<u>\$ 5,665</u>	<u>\$ 4,218</u>

Net assets without donor restrictions for the years ended December 31, 2019 and 2018 were as follows:

Undesignated	<u>\$ 66,937</u>	<u>\$ 108,052</u>
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Net assets released from net assets with donor restrictions were as follows:

Satisfaction of Time Restrictions	<u>\$ 3,053</u>	<u>\$ 23</u>
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6. FUNDRAISING EVENTS

The following events contributed to the resources available for programs during the year ended December 31, 2019:

	<u>Revenue</u>	<u>Cost of Direct Donor Benefit</u>	<u>Net Profit</u>
Run for Kids	\$ 38,550	\$ 4,065	\$ 34,485
Other Events	21,757	22,040	(283)
Car Wash	<u>11,104</u>	<u>2,939</u>	<u>8,165</u>
	<u>\$ 71,411</u>	<u>\$ 29,044</u>	<u>\$ 42,367</u>

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

FUNDRAISING EVENTS (Continued)

The following events contributed to the resources available for programs during the year ended December 31, 2018:

	<u>Revenue</u>	<u>Cost of Direct Donor Benefit</u>	<u>Net Profit</u>
Run for Kids	\$ 63,393	\$ 10,789	\$ 52,604
Anniversary Event	48,502	25,202	23,300
Other Events	<u>12,322</u>	<u>4,203</u>	<u>8,119</u>
	<u>\$ 124,217</u>	<u>\$ 40,194</u>	<u>\$ 84,023</u>

The expenses presented above include in-kind donations (raffle prizes, gift certificates, other goods) of \$13,030 and \$16,365 for the years ended December 31, 2019 and 2018, respectively.

7. OPERATING LEASES

The Organization has a 5-year copier lease which began in November, 2015. The lease calls for monthly payments of \$154. The Organization also rents offices space for a term of 5 years, which began in 2016. Total rent expense for the years ended December 31, 2019 and 2018 was \$28,719 and \$27,947, respectively.

Total future minimum lease payments are as follows:

2020	31,198
2021	<u>27,046</u>
	<u>\$ 58,244</u>

8. LINE OF CREDIT

The Organization has a \$55,000 line of credit with a local bank. The line carries an interest rate of prime plus 1.5%, (therefore, 4.75% at December 31, 2019) and matures on August 14, 2021. The balance outstanding as of December 31, 2019 and 2018 was zero. The Organization had withdrawals and repayments of \$145,363 and \$150,900 during the years ended December 31, 2019 and 2018, respectively.

9. CONCENTRATIONS

During 2019, one government grantor represented approximately 25% of the Organization's total revenue for the year. At December 31, 2019, four grantors represented 100% of accounts receivable.

BIG BROTHERS BIG SISTERS OF BUTLER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

CONCENTRATIONS (Continued)

During 2018, two government grantors represented approximately 30% of the Organization's total revenue for the year. At December 31, 2018, three government grantors represented approximately 90% of accounts receivable.

The Organization expects various local and state government agencies to continue to be a reliable source of funds, and therefore they do not pose a significant concentration risk.

10. RELATED PARTY TRANSACTIONS

The Organization pays certain fees and dues to the Big Brothers Big Sisters of America, a separate 501(c)(3) national organization. During the years ended December 31, 2019 and 2018, the Organization paid \$14,734 and \$12,700, respectively, to Big Brothers Big Sisters of America.

11. VOLUNTEER HOURS

Volunteers contribute significant amounts of time to the Organization; however, the financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by generally accepted accounting principles. During the years ended December 31, 2019 and 2018, 439 and 481 volunteers, respectively, contributed an average of 8 hours per month to our program services. Using the Independent Sector estimated value of a volunteer hour of \$25.43, the estimated value of volunteer time was \$1,071,722 and \$1,174,256 for the years ended December 31, 2019 and 2018, respectively.