



FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

June 30, 2023 and 2022

# **BIG BROTHERS BIG SISTERS OF CENTRAL INDIANA, INC.**

## **CONTENTS**

	<b>Page</b>
<b>FINANCIAL STATEMENTS</b>	
Independent Auditor's Report	1-3
Statements of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8-20
<b>SUPPLEMENTARY INFORMATION</b>	
Independent Auditor's Report on Supplementary Information	21
Schedule of Financial Position by Fund	22
Schedule of Activities by Fund	23
Revenue Graphs, Excluding Investment Return and Campaign and Sustainability Fund Revenue	24
Expense Graphs, Excluding Expenses Related to the Capital Campaign and Sustainability Fund	25

## *Independent Auditor's Report*

Board of Directors  
Big Brothers Big Sisters of Central Indiana, Inc.

### ***Opinion***

We have audited the financial statements of Big Brothers Big Sisters of Central Indiana, Inc., which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Central Indiana, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit 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 Central Indiana, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 Central Indiana, Inc.'s ability to continue as a going concern within one year after the date 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 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 Central Indiana Inc.'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 Central Indiana, Inc.'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.

## Report on Summarized Comparative Information

We have previously audited Big Brothers Big Sisters of Central Indiana, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
September 21, 2023

# BIG BROTHERS BIG SISTERS OF CENTRAL INDIANA, INC.

## STATEMENTS OF FINANCIAL POSITION June 30, 2023 and 2022

ASSETS		2023	2022
<b>CURRENT ASSETS</b>			
Cash and equivalents		\$ 1,540,858	\$ 1,815,379
Cash and equivalents, RISE campaign		140,427	287,930
Accounts receivable		50,000	36,500
Grants receivable		225,306	294,306
Promises to give, net		602,485	425,235
Prepaid expenses		105,615	83,940
Investments - current		2,990,735	
Total Current Assets		<u>5,655,426</u>	<u>2,943,290</u>
<b>LONG-TERM ASSETS</b>			
Property and equipment, net		4,324,971	4,408,894
Promises to give, net		896,392	647,351
Investments		4,277,609	5,804,416
Investments - endowment		8,794,505	8,627,516
Total Long-term Assets		<u>18,293,477</u>	<u>19,488,177</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 23,948,903</u></u>	<u><u>\$ 22,431,467</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable		\$ 43,224	\$ 29,680
Accrued expenses		145,618	65,673
Deferred revenue		153,500	157,500
Total Liabilities		<u>342,342</u>	<u>252,853</u>
<b>NET ASSETS</b>			
Without donor restrictions:			
Undesignated		10,190,484	10,029,594
Designated by the Board		817,620	771,498
		<u>11,008,104</u>	<u>10,801,092</u>
With donor restrictions:			
Purpose restrictions		5,205,494	3,984,559
Perpetual in nature		7,392,963	7,392,963
		<u>12,598,457</u>	<u>11,377,522</u>
Total Net Assets		<u>23,606,561</u>	<u>22,178,614</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><u>\$ 23,948,903</u></u>	<u><u>\$ 22,431,467</u></u>

See accompanying notes.

**BIG BROTHERS BIG SISTERS OF CENTRAL INDIANA, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2023**  
**With Summarized Comparative Information for Year Ended June 30, 2022**

	<b>2023</b>		<b>2022</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND OTHER SUPPORT</b>			
Direct public support:			
Special events revenue	\$ 687,538		\$ 687,538
Donated goods and services for special events	115,413		115,413
Special events expenses	<u>(340,185)</u>		<u>(340,185)</u>
Net special events	462,766		462,766
Contributions and promises to give	1,360,818	\$ 851,276	2,212,094
Contributions - private grant			2,900,000
Grants - non-governmental	121,647	710,680	832,327
Donated goods and services	236,729		236,729
Indirect public support:			
Allocated by United Way of Johnson County		36,504	36,504
Total Public Support	<u>2,181,960</u>	<u>1,598,460</u>	<u>3,780,420</u>
Grants from governmental agencies	<u>135,072</u>		<u>135,072</u>
Other revenues:			
Gain on forgiveness of note payable - PPP			361,355
Investment return	<u>338,262</u>	<u>736,563</u>	<u>1,074,825</u>
Total Other Revenues	<u>338,262</u>	<u>736,563</u>	<u>1,074,825</u>
Net assets released from restrictions	<u>1,114,088</u>	<u>(1,114,088)</u>	
Total Revenues and Other Support	<u>3,769,382</u>	<u>1,220,935</u>	<u>4,990,317</u>
<b>EXPENSES</b>			
Program services	2,680,401		2,680,401
Support services:			
Management and general	349,467		349,467
Fundraising	<u>532,502</u>		<u>532,502</u>
Total Expenses	<u>3,562,370</u>		<u>3,562,370</u>
<b>CHANGE IN NET ASSETS</b>	207,012	1,220,935	1,427,947
<b>NET ASSETS</b>			
Beginning of Year	<u>10,801,092</u>	<u>11,377,522</u>	<u>22,178,614</u>
End of Year	<u>\$ 11,008,104</u>	<u>\$ 12,598,457</u>	<u>\$ 23,606,561</u>

See accompanying notes.

**BIG BROTHERS BIG SISTERS OF CENTRAL INDIANA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2023**

**With Summarized Comparative Information for Year Ended June 30, 2022**

	<b>2023</b>				<b>2022</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	<b>Total</b>
Salaries	\$ 1,505,178	\$ 166,305	\$ 300,575	\$ 1,972,058	\$ 1,646,798
Employee health and pension benefits	193,986	22,740	38,674	255,400	256,964
Payroll taxes	108,408	11,978	21,648	142,034	119,243
Total	<u>1,807,572</u>	<u>201,023</u>	<u>360,897</u>	<u>2,369,492</u>	<u>2,023,005</u>
Professional fees and contract services	51,127	38,837	205,278	295,242	223,824
Occupancy	58,768	5,293	8,251	72,312	67,010
Office expenses	38,978	10,284	24,040	73,302	99,624
Information technology	134,281	8,718	48,118	191,117	122,558
Transportation	24,146	765	623	25,534	3,337
Conferences and meetings	8,485	2,632	731	11,848	10,754
Mentoring activity expenses	330,400			330,400	257,807
Assistance to others	21,864			21,864	17,202
Marketing and communications	17,611	35,490	80,115	133,216	86,789
Insurance	34,804	4,351	4,351	43,506	43,379
Miscellaneous	778	177	119,001	119,956	58,488
Total	<u>721,242</u>	<u>106,547</u>	<u>490,508</u>	<u>1,318,297</u>	<u>990,772</u>
Depreciation	<u>151,587</u>	<u>13,653</u>	<u>21,282</u>	<u>186,522</u>	<u>183,877</u>
Payments to Big Brothers Big Sisters of America		<u>28,244</u>		<u>28,244</u>	<u>27,002</u>
Total Expenses before Special Events Expenses	2,680,401	349,467	872,687	3,902,555	3,224,656
Special events expenses netted with revenues on statement of activities			<u>(340,185)</u>	<u>(340,185)</u>	<u>(185,550)</u>
<b>TOTAL EXPENSES</b>	<u><u>\$ 2,680,401</u></u>	<u><u>\$ 349,467</u></u>	<u><u>\$ 532,502</u></u>	<u><u>\$ 3,562,370</u></u>	<u><u>\$ 3,039,106</u></u>
<b>TOTAL, YEAR ENDED JUNE 30, 2022</b>	<u><u>\$ 2,240,021</u></u>	<u><u>\$ 336,123</u></u>	<u><u>\$ 462,962</u></u>		

*See accompanying notes.*

# BIG BROTHERS BIG SISTERS OF CENTRAL INDIANA, INC.

## STATEMENTS OF CASH FLOWS Years Ended June 30, 2023 and 2022

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 1,427,947	\$ 2,089,850
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	186,522	183,877
Unrealized (gain) loss on investments	(1,155,389)	1,626,534
Realized (gain) loss on investments	408,834	(303,531)
Gain on forgiveness of note payable - PPP		(361,355)
Provision for uncollectible promises to give	6,701	38,175
Contributions restricted for long-term purposes		(2,520)
(Increase) decrease in certain assets:		
Accounts receivable	(13,500)	(31,250)
Grants receivable	69,000	(137,217)
Promises to give	(639,446)	(303,753)
Prepaid expenses	(21,675)	2,467
Increase (decrease) in certain liabilities:		
Accounts payable	13,544	(5,744)
Accrued expenses	79,945	42,019
Deferred revenue	(4,000)	124,000
Net Cash Provided by Operating Activities	<u>358,483</u>	<u>2,961,552</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(102,599)	(34,358)
Proceeds from sale of investments		61,613
Purchases of investments	(2,570,753)	(1,556,535)
Net Cash Used by Investing Activities	<u>(2,673,352)</u>	<u>(1,529,280)</u>
<b>FINANCING ACTIVITIES</b>		
Cash received for RISE campaign	206,454	252,647
Cash received for endowments		2,520
Net Cash Provided by Financing Activities	<u>206,454</u>	<u>255,167</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	(2,108,415)	1,687,439
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>5,965,297</u>	<u>4,277,858</u>
End of Year	<u><u>\$ 3,856,882</u></u>	<u><u>\$ 5,965,297</u></u>
<b>CASH AND EQUIVALENTS</b>		
Cash and equivalents	\$ 1,540,858	\$ 1,815,379
Cash and equivalents, RISE campaign	140,427	287,930
Cash equivalents included in endowment and other investments	<u>2,175,597</u>	<u>3,861,988</u>
<b>TOTAL CASH AND EQUIVALENTS</b>	<u><u>\$ 3,856,882</u></u>	<u><u>\$ 5,965,297</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Noncash investing and financing activities:		
Note payable - PPP forgiveness		\$ 361,355

See accompanying notes.

# BIG BROTHERS BIG SISTERS OF CENTRAL INDIANA, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Big Brothers Big Sisters of Central Indiana, Inc. (BBBSCI or the Organization) creates and supports one-to-one mentoring relationships that ignite the power and promise of youth. BBBSCI partners with parents/guardians, volunteers, schools, and other community stakeholders to help youth achieve socioemotional competency, increase educational success, and avoid risky behaviors. Using an evidence-based approach, BBBSCI recruits, screens, matches, and trains adult volunteers ("Bigs") to mentor youth ("Littles") ages 8 to 18 who will benefit the most. Mentors and mentees meet at least four hours per month for a minimum of one year and are provided ongoing professional staff support from the agency through regularly scheduled phone calls, meetings, and agency-sponsored activities. BBBSCI was proud to serve 1,032 Central Indiana children during the 2022-2023 year.

**Basis of Presentation:** The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, 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** are not subject to donor-imposed restrictions and may be used at the discretion of the Organization's management and Board of Directors. This net asset category includes funds functioning as an endowment through designation by the Board of Directors.
- **Net Assets With Donor Restrictions** are subject to stipulations imposed by donors. 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, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets without donor restrictions if the restrictions expire in the same year in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, and 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. Restrictions expire when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Promises to give with donor restriction associated with the acquisition of long-lived assets are released from restriction when the assets are placed in service.

The Organization has an Operating Fund, Endowment Fund, Campaign Fund, and Sustainability Fund. The Operating Fund is designated for the current day-to-day operations of the Organization. The Endowment Fund holds assets that are for future purposes only. All contributions to the Endowment Fund are invested and earnings are used for the support of the Organization or for scholarships, depending on donor intent. A portion of the donations have been donated to be held in perpetuity and, accordingly, are recorded as net assets with donor restrictions. Additionally, a portion of the funds have been designated by the Board of Directors for use in future needs and are recorded as net assets without donor restrictions. The portion of net assets with donor restrictions that is purpose restricted represents the interest from funds held in perpetuity as designated by donors coupled with donations to be used for support of the Organization and scholarships. The Campaign Fund holds net assets with donor restrictions held for the purchase of a building, improvements to the building, and additional staffing over the next five years to help support the Organization's mission. The Sustainability Fund holds net assets with donor restrictions received in fiscal year 2020. Of the \$7.5 million Sustainability Fund grant to the Organization, \$7.1 million was placed in an endowment fund that is perpetual in nature to support strategic initiatives including technology upgrades, employee recruitment and retention efforts, and new fundraising initiatives that will enable the Organization to sustain and strengthen its service. The remainder was used to fund critical strategic projects completed between 2020 and 2023.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional expense class. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended June 30, 2022, from which the summarized information was derived.

**Estimates:** The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

**Cash and Equivalents** include highly liquid investments purchased with an original maturity of three months or less. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Organization has not experienced any losses from its bank accounts.

**Investment Valuation and Income Recognition:** Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are stated at fair value. See Note 3 for discussion of fair value measurements.

Investment return reported in the statement of activities consists of interest and dividend income and realized and unrealized capital gains and losses, net of external investment expenses. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded on the trade date. Gains and losses on the sale of investments are determined using the specific-identification method.

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in value of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

**Promises to Give and Grants Receivable:** Unconditional promises to give and grants receivable expected to be collected within one year are recorded at net realizable value. Amounts expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted rates applicable in the years in which those promises are received. Amortization of the discounts is included in contributions and promises to give or grants in the statement of activities. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Promises to give and grants receivable are reviewed for collectability and a provision for doubtful accounts is recorded based on management's judgment and analysis of the creditworthiness of the donors and grantors, historical experience, economic conditions, and other relevant factors.

**Contributions** are recognized as support when they are received or unconditionally promised. Grants and contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met. The Organization had a conditional contribution of \$25,000 as of June 30, 2023. There were no outstanding conditional contributions as of June 30, 2022.

For the year ended June 30, 2023, contributions from two donors accounted for approximately 39% of total revenues and other support. For the year ended June 30, 2022, the Organization received an unrestricted contribution from an individual donor's private foundation through Fidelity Charitable totaling \$2,900,000, which accounted for approximately 49% of total revenues and other support.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Goods and Services:** Contributions of services are recorded at estimated fair value when received if they create or enhance a nonfinancial asset or if such services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. Volunteers contribute significant amounts of time to the Organization's activities that do not meet recognition criteria, and the value of these contributed services is not reflected in the financial statements. Other contributions of nonfinancial assets are recorded at estimated fair value when received.

**Special Event Revenue:** The Organization has multiple special events where tickets are purchased for the event and revenue is recognized upon the occurrence of the event. In addition, the Organization will sell sponsorships for the events. When a sponsorship is sold, it contains elements of both an exchange transaction and a contribution. The Organization will recognize the contribution portion once received or unconditionally pledged. The portion related to the exchange transaction is recorded as deferred income until the event occurs at which time it is recognized as revenue. Deferred income related to special events totaled \$33,500 at June 30, 2021.

**Property and Equipment:** Expenditures for property and equipment are recorded at cost for purchased assets, or at fair value at the date of donation for donated assets, less accumulated depreciation. The carrying amount of assets sold, retired, or otherwise disposed of and the related accumulated depreciation and amortization are eliminated from the accounts and any resulting gain or loss is included in income or expense.

Depreciation of property and equipment is provided by monthly charges to expense. The charges are calculated to amortize, on a straight-line basis, the gross carrying amounts of the depreciable assets over the expected useful lives of the various classes of assets. The ranges of estimated useful lives in computing depreciation are:

Building and improvements	20-40 years
Furniture and equipment	3-10 years

Expenditures for major replacements are capitalized. Expenditures for routine repairs and maintenance are expensed as incurred.

The Organization's property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. No adjustments to the carrying amount of property and equipment were required in fiscal years 2023 or 2022.

**Beneficial Interest in Assets Held by Community Foundation:** The Organization established an endowment fund that is perpetual in nature with the Central Indiana Community Foundation, Inc. (Community Foundation) by transferring assets without donor restrictions to the Community Foundation and naming itself as the beneficiary of the fund. The Organization granted variance power to the Community Foundation, which allows the Community Foundation to modify the terms of the fund if continued adherence to any condition or restriction is in the judgment of the Community Foundation's Board of Directors unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by the Community Foundation. The fund is held and invested by the Community Foundation for the benefit of the Organization, and the Organization may draw up to a certain percentage of the value each year, as specified in the Community Foundation's spending policy, which is currently 5%. The fund is reported at fair value as a part of endowment fund and other investments in the statements of financial position, with distributions and changes in fair value recognized in the statement of activities. See Note 3 for discussion of fair value measurements.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Functional Expense Allocation:** The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to the specific programs and supporting services benefited. Expenses related to more than one function are allocated among program and support services based on occupied space (including, occupancy, office expenses, and depreciation and amortization), time spent by Organization staff (including, personnel expenses, information technology and conferences and meetings) and other estimates made by management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Income Taxes:** The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income tax for 2023 and 2022.

The Organization files U.S. federal and state of Indiana information tax returns. The Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for tax years before 2019. Management believes that the Organization's income tax filing positions will be sustained on audit and does not anticipate any adjustments that will result in a material change.

**Reclassifications:** Certain amounts in the 2022 financial statements have been reclassified to conform to the presentation of the 2023 financial statements.

**Subsequent Events:** The Organization has evaluated the financial statements for subsequent events occurring through September 21, 2023, the date the financial statements were available to be issued.

## NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY

The following reflects the Organization's financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date:

	2023	2022
Cash and equivalents	\$ 1,681,285	\$ 2,103,309
Accounts receivable	50,000	36,500
Grants receivable	225,306	294,306
Endowment fund and other investments	16,062,849	14,431,932
Promises to give, net	1,498,877	1,072,586
Total Financial Assets	19,518,317	17,938,633
Donor-imposed Restrictions:		
Cash and equivalents restricted for RISE campaign related projects, less appropriation for use over next year	(140,427)	(287,930)
Investments restricted for RISE campaign related projects	(1,767,270)	(1,445,481)
Promises to give restricted for RISE campaign related projects	(148,873)	(340,628)
Endowment fund – held in perpetuity	(7,392,963)	(7,392,963)
Other donor restrictions not available for general expenditure within one year	(3,944,200)	(2,574,953)
Board-designated endowment	(817,620)	(771,498)
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 5,306,964</u>	<u>\$ 5,125,180</u>

## NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)

As part of the Organization's liquidity management plan, 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 Organization invests cash in excess of daily requirements in short-term investments and money market funds.

The Organization's endowment funds consist of donor-restricted endowments and a fund designated by the Board of Directors as an endowment. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. Although the Organization does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval, a portion of its board-designated endowment could be made available, if necessary. The portion that could be made available with approval by the board of directors was \$596,107 and \$556,967 as of June 30, 2023 and 2022, respectively. The remaining portion of the board-designated endowment of \$221,513 and \$214,531 as of June 30, 2023 and 2022, respectively, represents a beneficial interest in assets held by Community Foundation. See Note 1 and Note 6 for additional information on the availability of those funds.

The Organization also has a line of credit available to meet short-term needs. See Note 9 for information about this arrangement.

## NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability'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.

The three levels of the fair value hierarchy are described as follows:

**Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**Level 2** – Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Organization makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

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

**Mutual Fund Shares and Money Market Fund Shares:** Valued at the closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds are deemed to be actively traded.

**Common Stocks and Exchange-traded Funds:** Valued at the closing price reported on the active market on which the individual securities are traded.

### NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

**Corporate and Government Bonds:** Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

**Beneficial Interest in Community Foundation:** Valued based on the Organization's proportionate share of the fair value of the underlying investments in the Community Foundation's pooled investment portfolio as reported by the Community Foundation, without adjustment.

**Alternative Investments:** Valued at net asset value (NAV), as provided by the fund manager. NAV is used as a practical expedient to estimate fair value and is based on the fair value of the underlying investments less liabilities. The practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. When NAV is used to estimate fair value, these funds are not classified in the fair value hierarchy.

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Organization's assets that are measured at fair value on a recurring basis as of June 30, 2023 and 2022:

	2023	Level 1	Level 2	Total
<b>Assets</b>				
Cash Equivalents:				
Money market fund shares		\$ 1,080,050		\$ 1,080,050
Investments – current:				
Money market fund shares		78,026		78,026
Government bonds		2,912,709		2,912,709
Total Investments – Current		2,990,735		2,990,735
Endowment Fund and Other Investments:				
Money market fund shares		2,097,571		2,097,571
Exchange-traded funds		2,601,987		2,601,987
Mutual fund shares		5,887,565		5,887,565
Corporate and government bonds			\$1,702,325	1,702,325
Beneficial interest in assets held by Community Foundation			221,513	221,513
Total Endowment Fund and Other Investments in the Fair Value Hierarchy		10,587,123	1,923,838	12,510,961
Alternative investments measured at Net Asset Value				561,153
Total Assets at Fair Value		\$14,657,908	\$1,923,838	\$17,142,899
<b>2022</b>				
<b>Assets</b>				
Cash Equivalents:				
Money market fund shares		\$ 1,402,612		\$ 1,402,612
Endowment Fund and Other Investments:				
Money market fund shares held in endowment		3,861,988		3,861,988
Exchange-traded funds		1,988,959		1,988,959
Mutual fund shares		6,245,274		6,245,274
Corporate and government bonds			\$1,603,004	1,603,004

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Beneficial interest in assets held by Community Foundation	<u>                    </u>	<u>\$ 214,531</u>	<u>214,531</u>
Total Endowment Fund and Other Investments in the Fair Value Hierarchy	<u>12,096,221</u>	<u>1,817,535</u>	<u>13,913,756</u>
Alternative investments measured at Net Asset Value			<u>518,176</u>
Total Assets at Fair Value	<u>\$13,498,833</u>	<u>\$1,817,535</u>	<u>\$15,834,544</u>

The Organization also holds cash of \$601,235 and \$700,697 at June 30, 2023 and 2022, respectively, which is not included above, but is included in cash and equivalents on the statements of financial position.

The cumulative unrealized gain on investments was \$789,078 and \$52,350 at June 30, 2023 and 2022, respectively.

**NOTE 4 - UNCONDITIONAL PROMISES TO GIVE**

Promises to give consisted of the following at June 30, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Amount due in:		
Less than one year	\$ 616,264	\$ 443,869
One to five years	890,833	542,444
More than five years	<u>150,000</u>	<u>200,000</u>
	1,657,097	1,186,313
Less: Unamortized discounts	(100,527)	(46,348)
Less: Allowance for uncollectible promises to give	<u>(57,693)</u>	<u>(67,379)</u>
Promises to Give, net	<u>\$1,498,877</u>	<u>\$1,072,586</u>
Without donor restrictions	\$1,348,877	\$ 731,958
With donor restrictions:		
RISE campaign	<u>150,000</u>	<u>340,628</u>
Promises to Give, net	<u>\$1,498,877</u>	<u>\$1,072,586</u>

Of the Organization's gross promises to give balance, approximately 72% was due from two individuals at June 30, 2023 and approximately 77% was due from three individuals at June 30, 2022.

Promises to give are discounted at rates ranging from 1.52% to 4.18% as of June 30, 2023.

## NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2023 and 2022:

	2023	2022
Land	\$ 241,100	\$ 241,100
Building	4,223,607	4,222,501
Building improvements	39,439	39,439
Furniture and equipment	<u>591,654</u>	<u>556,878</u>
	5,095,800	5,059,918
Less: Accumulated depreciation	<u>(824,326)</u>	<u>(651,024)</u>
	4,271,474	4,408,894
Construction in progress	<u>53,497</u>	
Property and Equipment, net	<u>\$4,324,971</u>	<u>\$4,408,894</u>

## NOTE 6 - ENDOWMENT

The Organization's endowment funds consist of donor-restricted contributions that were made to provide a source of income for operations and scholarships to program participants, as well as creating sustainability for the Organization.

The Organization also holds a board-designated endowment fund, which is without donor restriction and was made to provide a source of income for operations. A portion of this endowment is held with the Community Foundation. The principal amount will permanently remain with the Community Foundation, with investment income earned on the investment to be paid back to the Organization. Future transfers made to the Community Foundation endowment will continue to remain permanently with the Community Foundation, with income earned on those funds to be paid to the Organization as described above.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Net assets without donor restriction are board-designated assets for the endowment.

### *Interpretation of Relevant Law*

The Organization is subject to the Indiana Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions, because those assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

**NOTE 6 - ENDOWMENT (CONTINUED)**

The endowment net asset composition by type of fund consisted of the following as of June 30, 2023 and 2022:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>2023</b>			
Board-designated funds	\$817,620		\$ 817,620
Donor-restricted Endowment Funds:			
Original gifts and amounts required to be maintained in perpetuity by donors		\$7,392,963	7,392,963
Accumulated investment gains		<u>923,950</u>	<u>923,950</u>
Total Endowment Funds	<u>\$817,620</u>	<u>\$8,316,913</u>	<u>\$9,134,533</u>
<b>2022</b>			
Board-designated funds	\$771,498		\$ 771,498
Donor-restricted Endowment Funds:			
Original gifts and amounts required to be maintained in perpetuity by donors		\$7,392,963	7,392,963
Accumulated investment gains		<u>463,055</u>	<u>463,055</u>
Total Endowment Funds	<u>\$771,498</u>	<u>\$7,856,018</u>	<u>\$8,627,516</u>

Changes in endowment by net asset class are as follows for the years ended June 30, 2023 and 2022:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Balance at June 30, 2021	\$ 914,180	\$ 8,850,240	\$ 9,764,420
Contributions		2,520	2,520
Released from endowment		(8,636)	(8,636)
Transfer to Operating Fund	(44,003)		(44,003)
Investment income	43,488	144,960	188,448
Unrealized gain (loss)	132,885	(1,411,112)	(1,278,227)
Realized gain (loss)	(268,465)	384,389	115,924
Allowable endowment expenses	<u>(6,587)</u>	<u>(106,343)</u>	<u>(112,930)</u>
Balance at June 30, 2022	771,498	7,856,018	8,627,516
Released from endowment		(13,943)	(13,943)
Transfer to Operating Fund	(44,529)		(44,529)
Investment income	20,833	138,595	159,428
Unrealized gain	107,641	967,166	1,074,807
Realized loss	(31,039)	(369,198)	(400,237)
Allowable endowment expenses	<u>(6,784)</u>	<u>(261,725)</u>	<u>(268,509)</u>
Balance at June 30, 2023	<u>\$ 817,620</u>	<u>\$ 8,316,913</u>	<u>\$ 9,134,533</u>

## NOTE 6 - ENDOWMENT (CONTINUED)

### ***Underwater Endowment Funds***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of gifts donated to the donor-restricted endowment or the level that the donors otherwise require the Organization to retain as a fund of perpetual duration. The original value of gifts donated to the donor-restricted endowment was \$7,392,963 at June 30, 2023 and 2022. There were no underwater endowment funds at June 30, 2023 and 2022.

### ***Return Objectives and Risk Parameters***

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments.

### ***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on long-term growth and a reasonable return.

### ***Spending Policy and How the Investment Objectives Relate to Spending Policy***

The Organization has a policy whereby the earnings on the endowment account may be disbursed for possible expenses by the Board of Directors, unless specific donor restrictions apply. Once appropriated for general expenditure or spent for its donor-restricted purpose, the funds then become net assets without donor restrictions. Funds received under the sustainability endowment are subject to the spending policy as designated by the donor. Whenever the balance of the Sustainability Fund is equal to or less than the original gift value, the maximum spending from the Sustainability Fund for the Organization's next fiscal year is 2% of the endowment fund balance. This maximum spending limit continues until the sustainability endowment fund balance exceeds the original gift value. Whenever the Sustainability Fund balance is greater than the original gift value, the Organization may spend any percentage or amount of the Sustainability Fund as is consistent with its prudent spending policies for donor-designated endowments and applicable law; provided, however, that if such spending would cause the sustainability endowment fund balance to fall below the original gift value, then the spending for the next fiscal year is limited to the greater of (i) the excess of the Sustainability Fund balance over the original gift value or (ii) 2% of the Sustainability Fund balance.

As of June 30, 2023, and 2020, endowment assets consisted of the following:

	<b>2023</b>	<b>2022</b>
Endowment investments	\$ 8,794,505	\$ 8,627,516
Cash restricted for endowment	<u>340,028</u>	<u>          </u>
Total endowment	<u>\$ 9,134,533</u>	<u>\$ 8,627,516</u>

## NOTE 7 - EMPLOYEE BENEFIT PLAN

The Organization sponsors a 401(k) retirement savings plan for the benefit of substantially all its employees. The Organization matches employee's contributions up to 2% of employees' salary and contributed 1% as a discretionary match.

A participant's matching contributions are 100% vested upon completion of three years of service or upon attainment of early retirement age. Total expense for this Plan was \$44,703 and \$37,936 for the years ended June 30, 2023 and 2022, respectively.

## NOTE 8 - DONATED GOODS AND SERVICES

For the years ended June 30, 2023 and 2022, donated goods and services recognized in the statements of activities consisted of the following:

	2023	2022
Tickets and activities	\$212,129	\$165,716
Auction items	56,337	49,059
Advertising	43,936	38,040
Fixed assets	3,000	10,585
Event space	29,000	
Professional fees and other	<u>7,740</u>	<u>5,163</u>
Total Recognized Donated Goods and Services	<u>\$352,142</u>	<u>\$268,563</u>

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The contributed tickets and activities will be used for match activities. In valuing the contributed tickets and activities, which is located in donated goods and services revenue, the Organization estimated the fair value based on value of similar items or activities.

The contributed auction items will be used for fundraising at special events. In valuing the auction items, which is located in special event revenue, the Organization estimated the fair value based on value of similar items or activities.

The contributed advertising will be used for fundraising and advertising program activities. In valuing the advertising, which is located in special event revenue and donated goods and services revenue, the Organization estimated the fair value based on invoices received.

The contributed fixed assets will be used for match activities. In valuing the contributed fixed assets, which is located in donated goods and services revenue, the Organization estimated the fair value based on value of similar items.

The contributed event space will be used for special events and for match activities. In valuing the contributed event space, which is located in donated goods and services revenue, the Organization estimated the fair value based on value of similar items.

The contributed professional fees and other will be used for various match and management activities. In valuing the contributed professional fees and other, which is located in donated goods and services revenue, the Organization estimated the fair value based on value of similar items or services.

Other donated services that have not been reflected in the financial statements, due to not meeting the recognition criteria, include over 80,000 hours of volunteer service by the Organization's mentors during the year ended June 30, 2023, and over 2,300 hours of volunteer service by the Organization's Board of Directors during the year ended June 30, 2023.

## NOTE 9 - DEBT AND CREDIT ARRANGEMENTS

The Organization has a \$300,000 line of credit with a bank that matures on May 20, 2024. The line of credit is collateralized by funds without donor restrictions. At June 30, 2023 and 2022, there were no amounts outstanding on the line of credit. Interest on outstanding borrowings is payable monthly at an interest rate of prime less 0.5% (7.75% at June 30, 2023). During the years ended June 30, 2023 and 2022, the Organization incurred no interest expense related to the line of credit.

On February 4, 2021, the Organization received a loan of \$361,355 under the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), as expanded and amended under the Consolidated Appropriations Act, 2021. PPP loans, including accrued interest, are forgivable as long as the entity uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities. Under the PPP, the amount of forgiveness is reduced if the entity terminates employees or reduces salaries during the covered period. The Organization used the proceeds for purposes consistent with the PPP and has received forgiveness from the bank. The Organization recognized a gain on loan forgiveness as other income upon legal release of the obligation by the bank on January 19, 2022.

## NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2023 and 2022, were available for the following purposes or periods:

	2023	2022
Purpose Restricted:		
United Way – restricted for use within Johnson County	\$ 30,420	\$ 29,971
United Way – Parent Advisory Council	33,330	
RISE campaign	2,044,768	2,031,523
Robert Clifford Memorial	38,929	31,179
Lilly Endowment – Sustainability	272,421	400,802
Family Opportunity Funds	25,000	31,250
Colts Partnership – Recruitment, Youth Leadership, Youth Trauma, and DEI training	50,000	100,000
Lilly Endowment – Technology Enhanced Mentoring		50,000
Lilly Endowment – Technology		25,000
Lilly Endowment – Strengthening Youth Programs	376,250	
Miscellaneous	61,718	37,649
Earnings from endowment funds:		
Gary Ford Memorial Match Fund	31,565	36,927
Restricted for Scholarships	45,886	45,239
Lilly Endowment - Sustainability	846,499	380,077
Time Restricted:		
Various donor pledges	1,348,708	784,942
Endowments, the income of which is expendable to support:		
Lilly Endowment – Sustainability	7,100,000	7,100,000
General support of the Organization	271,843	271,843
Scholarships	21,120	21,120
Total Net Assets With Donor Restrictions	<u>\$12,598,457</u>	<u>\$11,377,522</u>

**NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor restrictions during the years ended June 30, 2023 and 2022, by incurring expenses satisfying the following restricted purposes or by occurrence of other events specified by donors:

	2023	2022
Purpose Restrictions Accomplished:		
RISE Campaign – strategic initiatives		\$ 320
United Way – restricted for use within Johnson County	\$ 36,055	29,167
Lilly Endowment – Mentor recruitment and match support		45,293
Lilly Endowment – Youth Program Resilience Fund		44,526
Hamilton County Community Foundation		15,000
NFL Foundation – Inspire Change		30,600
Family Opportunity Funds	140,000	113,751
Lilly Endowment – Technology Enhanced Mentoring	50,000	50,000
Lilly Endowment – Technology	25,000	
Colts Partnership – Recruitment, Youth Leadership, Youth Trauma, and DEI training	50,000	50,000
Lilly Endowment – Strengthening Youth Programs	123,750	
Lilly Endowment – Sustainability grant	128,381	
Miscellaneous	51,087	69,455
Earnings from endowment funds:		
Lilly Endowment – Sustainability	261,712	106,343
Gary Ford Memorial Match Fund	8,916	7,386
Restricted for Scholarships	5,434	1,250
Time restrictions expired – pledges	<u>233,753</u>	<u>336,468</u>
Total Net Assets Released From Restrictions	<u>\$1,114,088</u>	<u>\$899,559</u>

**NOTE 11 - CAPITAL CAMPAIGN**

In 2018, the Organization conducted a multi-year capital campaign (the RISE campaign), a \$7 million effort to further the mission of the Organization and help the lives of more kids in the community. This campaign focused on expanding and sustaining operations to reach more children through high-quality mentoring and creating a prominent new youth mentoring hub near downtown Indianapolis. Through June 30, 2023, the Organization received RISE campaign promises to give of \$7,011,855 of which \$6,862,982 has been collected. The majority of the remaining pledges are due within one year. See Note 4. There were no campaign related expenses during the fiscal years ended June 30, 2023 and 2022.

**NOTE 12 - RELATED PARTY TRANSACTIONS**

The Organization recognized contributions, including multi-year pledges, from members of its Board of Directors of \$164,787 and \$148,106 in the years ended June 30, 2023 and 2022, respectively. The Organization had promises to give from members of its Board of Directors of \$106,585 and \$102,500 at June 30, 2023 and 2022, respectively. The Organization received cash payments from members of its Board of Directors relating to one-time gifts and payments on multi-year pledges of \$71,953 and \$112,687 in the years ended June 30, 2023 and 2022, respectively.

## **SUPPLEMENTARY INFORMATION**

*Independent Auditor's Report  
on Supplementary Information*

Board of Directors  
Big Brothers Big Sisters of Central Indiana, Inc.

We have audited the financial statements of Big Brothers Big Sisters of Central Indiana, Inc. as of and for the year ended June 30, 2023, and our report thereon dated September 21, 2023, which contained an unmodified opinion on those financial statements, appears on pages 1 through 3. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial position by fund, schedule of activities by fund, revenue graphs, excluding investment return and campaign and sustainability fund revenue, and expense graphs, excluding expenses related to the capital campaign and sustainability fund as of and for the year ended June 30, 2023, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2023 financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Big Brothers Big Sisters of Central Indiana, Inc. as of and for the year ended June 30, 2022, and we expressed an unmodified opinion on those financial statements. The audit was conducted for purposes of forming an opinion on the financial statements as a whole. The revenue graphs, excluding investment return and campaign and sustainability fund revenue, and expense graphs, excluding expenses related to the capital campaign and sustainability fund for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 financial statements or to the 2022 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information included in the revenue graph and expense graph for the year ended June 30, 2022, is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
September 21, 2023

**BIG BROTHERS BIG SISTERS OF CENTRAL INDIANA, INC.**

**SCHEDULE OF FINANCIAL POSITION BY FUND**  
June 30, 2023

<b>ASSETS</b>					
	<b>Operating Fund</b>	<b>Endowment Fund</b>	<b>Campaign Fund</b>	<b>Sustainability Fund</b>	<b>Total</b>
<b>CURRENT ASSETS</b>					
Cash and equivalents	\$ 745,986		\$ 34,227	\$ 760,645	\$ 1,540,858
Cash and equivalents, RISE campaign			140,427		140,427
Accounts receivable	50,000				50,000
Grants receivable	225,306				225,306
Promises to give, net	453,612		148,873		602,485
Prepaid expenses	105,615				105,615
Investments - current	2,990,735				2,990,735
Total Current Assets	<u>4,571,254</u>		<u>323,527</u>	<u>760,645</u>	<u>5,655,426</u>
<b>LONG-TERM ASSETS</b>					
Promises to give, net					
Property and equipment, net	4,324,971				4,324,971
Cash and equivalents, RISE campaign					
Promises to give, net	896,392				896,392
Investments	2,510,339		1,767,270		4,277,609
Investments - endowment, including amounts invested in perpetuity of \$7,392,963		1,200,754		7,593,751	8,794,505
Total Long-term Assets	<u>7,731,702</u>	<u>1,200,754</u>	<u>1,767,270</u>	<u>7,593,751</u>	<u>18,293,477</u>
<b>TOTAL ASSETS</b>	<u>\$ 12,302,956</u>	<u>\$ 1,200,754</u>	<u>\$ 2,090,797</u>	<u>\$ 8,354,396</u>	<u>\$ 23,948,903</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 42,711			\$ 513	\$ 43,224
Accrued expenses	58,294			87,324	145,618
Deferred revenue	153,500				153,500
Interfund	(26,635)	\$ 12,719	\$ (34,523)	48,439	
Total Current Liabilities	<u>227,870</u>	<u>12,719</u>	<u>(34,523)</u>	<u>136,276</u>	<u>342,342</u>
<b>NET ASSETS</b>					
Without donor restrictions:					
Undesignated	10,109,944		80,540		10,190,484
Designated by the Board		817,620			817,620
	<u>10,109,944</u>	<u>817,620</u>	<u>80,540</u>		<u>11,008,104</u>
With donor restrictions:					
Purpose restrictions	1,965,142	77,452	2,044,780	1,118,120	5,205,494
Perpetual in nature		292,963		7,100,000	7,392,963
	<u>1,965,142</u>	<u>370,415</u>	<u>2,044,780</u>	<u>8,218,120</u>	<u>12,598,457</u>
Total Net Assets	<u>12,075,086</u>	<u>1,188,035</u>	<u>2,125,320</u>	<u>8,218,120</u>	<u>23,606,561</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 12,302,956</u>	<u>\$ 1,200,754</u>	<u>\$ 2,090,797</u>	<u>\$ 8,354,396</u>	<u>\$ 23,948,903</u>

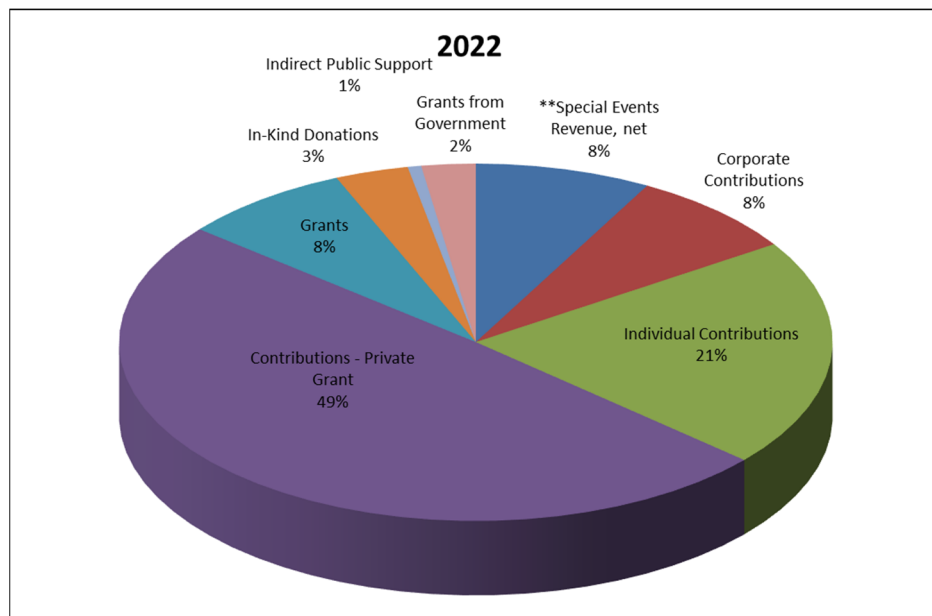
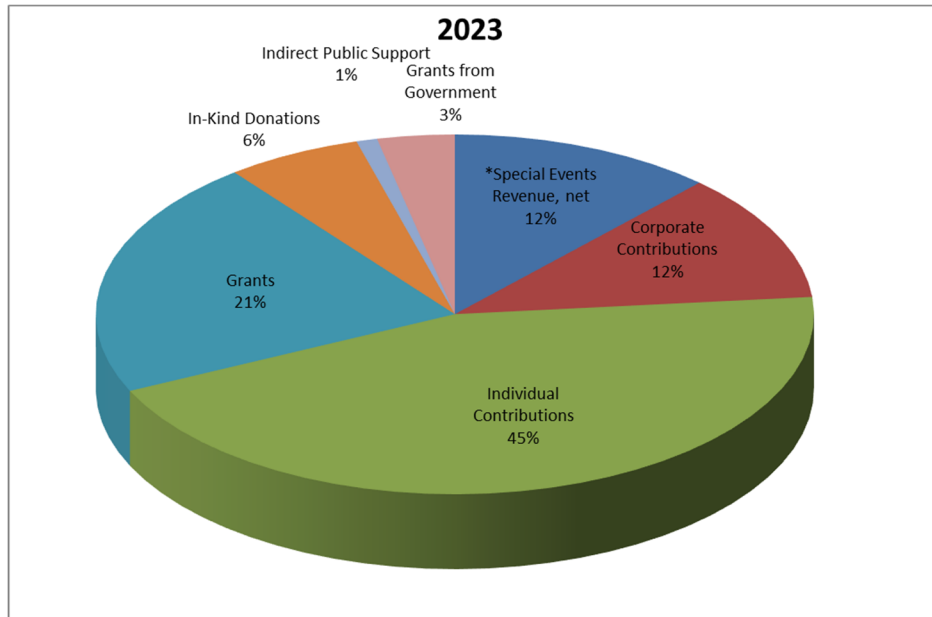
**BIG BROTHERS BIG SISTERS OF CENTRAL INDIANA, INC.**

**SCHEDULE OF ACTIVITIES BY FUND**  
Year Ended June 30, 2023

	OPERATING FUND			ENDOWMENT FUND			CAMPAIGN FUND			SUSTAINABILITY FUND			Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUES AND OTHER SUPPORT</b>													
Direct public support:													
Special events revenue	\$ 687,538		\$ 687,538										\$ 687,538
Donated goods and services for special events	115,413		115,413										115,413
Special events expenses	<u>(340,185)</u>		<u>(340,185)</u>										<u>(340,185)</u>
Net special events	462,766		462,766										462,766
Contributions and promises to give	1,360,818	\$ 838,019	2,198,837					\$ 13,257	\$ 13,257				2,212,094
Grants - non-governmental	121,647	710,680	832,327										832,327
Donated goods and services	236,729		236,729										236,729
Indirect public support:													
Allocated by United Way of Johnson County		36,504	36,504										36,504
Total Public Support	<u>2,181,960</u>	<u>1,585,203</u>	<u>3,767,163</u>					<u>13,257</u>	<u>13,257</u>				<u>3,780,420</u>
Grants from governmental agencies	<u>135,072</u>		<u>135,072</u>										<u>135,072</u>
Other Revenues:													
Investment return	218,336		218,336	\$ 90,652	\$ 9,229	\$ 99,881	\$ 29,274		29,274		\$ 727,334	\$ 727,334	1,074,825
Total Other Revenues	<u>218,336</u>	<u>-</u>	<u>218,336</u>	<u>90,652</u>	<u>9,229</u>	<u>99,881</u>	<u>29,274</u>		<u>29,274</u>		<u>727,334</u>	<u>727,334</u>	<u>1,074,825</u>
Net assets released from restrictions	710,052	(710,052)		13,943	(13,943)					\$ 390,093	(390,093)		
Total Revenues and Other Support	<u>3,245,420</u>	<u>875,151</u>	<u>4,120,571</u>	<u>104,595</u>	<u>(4,714)</u>	<u>99,881</u>	<u>29,274</u>	<u>13,257</u>	<u>42,531</u>	<u>390,093</u>	<u>337,241</u>	<u>727,334</u>	<u>4,990,317</u>
<b>EXPENSES</b>													
Program services	2,464,063		2,464,063							\$ 216,338		216,338	2,680,401
Support services:													
Management and general	233,095		233,095							116,372		116,372	349,467
Fundraising	<u>475,119</u>		<u>475,119</u>							<u>57,383</u>		<u>57,383</u>	<u>532,502</u>
Total Expenses	<u>3,172,277</u>		<u>3,172,277</u>							<u>390,093</u>		<u>390,093</u>	<u>3,562,370</u>
<b>CHANGE IN NET ASSETS</b>	73,143	875,151	948,294	104,595	(4,714)	99,881	29,274	13,257	42,531		337,241	337,241	1,427,947
<b>TRANSFER OF NET ASSETS BETWEEN FUNDS</b>	58,473		58,473	(58,473)		(58,473)							
<b>NET ASSETS</b>													
Beginning of Year	<u>9,978,328</u>	<u>1,089,991</u>	<u>11,068,319</u>	<u>771,498</u>	<u>375,129</u>	<u>1,146,627</u>	<u>51,266</u>	<u>2,031,523</u>	<u>2,082,789</u>		<u>7,880,879</u>	<u>\$ 7,880,879</u>	<u>22,178,614</u>
End of Year	<u>\$ 10,109,944</u>	<u>\$ 1,965,142</u>	<u>\$ 12,075,086</u>	<u>\$ 817,620</u>	<u>\$ 370,415</u>	<u>\$ 1,188,035</u>	<u>\$ 80,540</u>	<u>\$ 2,044,780</u>	<u>\$ 2,125,320</u>	<u>\$ -</u>	<u>\$ 8,218,120</u>	<u>\$ 8,218,120</u>	<u>\$ 23,606,561</u>

## BIG BROTHERS BIG SISTERS OF CENTRAL INDIANA, INC.

### REVENUE GRAPHS, EXCLUDING INVESTMENT RETURN AND CAMPAIGN AND SUSTAINABILITY FUND REVENUE Years Ended June 30, 2023 and 2022



\* In 2023, 89% of the special events revenue were corporate contributions with the remaining 11% from individual contributions.

\*\* In 2022, 90% of the special events revenue were corporate contributions with the remaining 10% from individual contributions.

**BIG BROTHERS BIG SISTERS OF CENTRAL INDIANA, INC.**

**EXPENSE GRAPHS, EXCLUDING EXPENSES RELATED TO THE CAPITAL CAMPAIGN AND  
SUSTAINABILITY FUND**

**Years Ended June 30, 2023 and 2022**

