

**BIG BROTHERS BIG SISTERS
OF GREATER CINCINNATI, INC.**

FINANCIAL STATEMENTS

**TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022**

DRAFT

**BIG BROTHERS BIG SISTERS
OF GREATER CINCINNATI, INC.**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

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**BIG BROTHERS BIG SISTERS
OF GREATER CINCINNATI, INC.
BOARD OF DIRECTORS AND
MANAGEMENT STAFF
For the Year Ended December 31, 2023**

Board of Directors

Board Chair

Mike Bruggeman

Vice Chair

Carrie Little

Treasurer

Joy Whinery

Secretary

Jessica Esterkamp

Rob Appel

John Atkinson

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David Spaccarelli

Ira Thomsen

Management Staff

Interim President & CEO

Cherise Duncan

Independent Auditor's Report

**The Board of Directors
Big Brothers Big Sisters of Greater Cincinnati, Inc.
Cincinnati, Ohio**

Opinions

We have audited the accompanying financial statements of Big Brothers Big Sisters of Greater Cincinnati, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Greater Cincinnati, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with accounting 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 Greater Cincinnati, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 Greater Cincinnati, 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 Brother Big Sisters of Greater Cincinnati, 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.

Chamberlin Owen & Co., Inc.

Chamberlin Owen, & Co., Inc.
Erlanger, Kentucky
February 13, 2024

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC. STATEMENTS OF FINANCIAL POSITION December 31, 2023 and 2022

Assets	2023	2022
Current Assets		
Cash and cash equivalents	\$ 1,331,228	\$ 1,503,546
Pledges receivable	-	180,067
Investments	635,411	566,913
Total Current Assets	<u>1,966,639</u>	<u>2,250,526</u>
Other Assets		
Property and equipment, net	-	160,636
Accumulation depreciation	-	(160,636)
Total Other Assets	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,966,639</u>	<u>\$ 2,250,526</u>
Liabilities and Net Assets		
Other Non-Current Liability	<u>\$ 120,566</u>	<u>\$ 143,978</u>
Net Assets		
With donor restrictions	-	180,067
Without donor restrictions	1,846,073	1,926,481
Total Net Assets	<u>1,846,073</u>	<u>2,106,548</u>
Total Liabilities and Net Assets	<u>\$ 1,966,639</u>	<u>\$ 2,250,526</u>

The accompanying notes are an integral part of the financial statements.

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC. STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	2023		Total	2022
	Without Donor Restrictions	With Donor Restrictions		
Revenues and Support				
United Way	\$ 132,924	\$ -	\$ 132,924	\$ 177,762
Contributions	410,352	770	411,122	424,768
Bequests	-	359,443	359,443	-
Foundations, grants, and trusts	548,269	-	548,269	550,372
Special events	597,001	-	597,001	564,291
Investment income	68,498	-	68,498	(80,740)
Total Revenues and Gains	1,757,044	360,213	2,117,257	1,636,453
Net assets released from restrictions				
Satisfaction of program restrictions	540,280	(540,280)	-	-
Total Net Assets Released from Restrictions	540,280	(540,280)	-	-
Total Revenues, and Other Support	2,297,324	(180,067)	2,117,257	1,636,453
Expenses				
Program services	1,621,163	-	1,621,163	1,591,324
Management and general	173,260	-	173,260	126,054
Fundraising	290,509	-	290,509	268,562
Transfer to Foundation	292,800	-	292,800	-
Total Expenses	2,377,732	-	2,377,732	1,985,940
Change in Net Assets	(80,408)	(180,067)	(260,475)	(349,487)
Net Assets, Beginning of Year	1,926,481	180,067	2,106,548	2,456,035
Net Assets, End of Year	\$ 1,846,073	\$ -	\$ 1,846,073	\$ 2,106,548

The accompanying notes are an integral part of the financial statements.

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC. STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2023

	Program Services	Support Services		Total
	Supportive Guidance	Management & General	Fundraising	
Salaries and payroll taxes	\$ 1,058,116	\$ 137,169	\$ 118,643	\$ 1,313,928
Benefits	201,609	14,448	28,310	244,367
Total Salaries and Related Expenses	1,259,725	151,617	146,953	1,558,295
Activites	10,468	-	-	10,468
Advertising	27,400	-	-	27,400
Dues	35,639	-	-	35,639
Conferences	9,585	-	-	9,585
Insurance	44,100	3,471	449	48,020
Marketing and promotions	6,085	-	29,723	35,808
Miscellaneous	20,029	693	2,408	23,130
Postage	1,142	-	14	1,156
Printing	4,972	-	138	5,110
Professional fees and purchased services	44,176	9,400	107,512	161,088
Occupancy	47,483	2,499	-	49,982
Equipment	54,887	2,889	1,219	58,995
Staff education	4,348	-	-	4,348
Supplies	28,281	1,489	733	30,503
Telephone	8,632	454	-	9,086
Travel	14,211	748	1,360	16,319
Subtotal Before Depreciation	1,621,163	173,260	290,509	2,084,932
Depreciation	-	-	-	-
Total Functional Expenses	\$ 1,621,163	\$ 173,260	\$ 290,509	\$ 2,084,932

The accompanying notes are an integral part of the financial statements.

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC. STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2022

	<u>Program Services</u>	<u>Support Services</u>		
	<u>Supportive Guidance</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 1,119,328	\$ 102,786	\$ 129,275	\$ 1,351,389
Benefits	170,191	4,807	15,591	190,589
Total Salaries and Related Expenses	<u>1,289,519</u>	<u>107,593</u>	<u>144,866</u>	<u>1,541,978</u>
Activites	2,229	-	-	2,229
Advertising	20,740	-	-	20,740
Dues	33,229	550	-	33,779
Conferences	10,203	-	-	10,203
Insurance	40,238	3,373	-	43,611
Marketing and promotions	13,968	-	15,863	29,831
Miscellaneous	23,142	766	500	24,408
Postage	1,492	-	-	1,492
Printing	6,672	-	45	6,717
Professional fees and purchased services	24,731	7,200	104,663	136,594
Occupancy	63,280	3,331	-	66,611
Equipment	31,331	1,649	684	33,664
Staff education	280	-	-	280
Supplies	3,540	186	1,394	5,120
Telephone	12,875	678	-	13,553
Travel	13,855	728	547	15,130
Subtotal Before Depreciation	<u>1,591,324</u>	<u>126,054</u>	<u>268,562</u>	<u>1,985,940</u>
Depreciation	-	-	-	-
Total Functional Expenses	<u>\$ 1,591,324</u>	<u>\$ 126,054</u>	<u>\$ 268,562</u>	<u>\$ 1,985,940</u>

The accompanying notes are an integral part of the financial statements.

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC. STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (260,475)	\$ (349,487)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net investment return	(68,498)	80,740
(Increase) decrease assets:		
Pledges receivable	180,067	326,467
Increase (decrease) liabilities:		
Other liabilities	(23,412)	(43,069)
Net Change in Cash from Operating Activities	<u>(172,318)</u>	<u>14,651</u>
Net Change in Cash and Cash Equivalents	(172,318)	14,651
Cash and Cash Equivalents, Beginning of Year	<u>1,503,546</u>	<u>1,488,895</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,331,228</u></u>	<u><u>\$ 1,503,546</u></u>

The accompanying notes are an integral part of the financial statements.

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC. NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022
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NOTE 1 – NATURE OF ACTIVITIES

Big Brothers Big Sisters of Greater Cincinnati, Inc. (the Organization) is incorporated in the state of Ohio as a charitable organization and maintains tax exempt status under Internal Revenue Code Section 501 (c)(3).

The mission of the Organization is to create and support one-to-one mentoring relationships that ignite the power and promise of youth, allowing the youth served to achieve their full potential.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes to the financial statements are representations of the Organization's management, who is responsible for their integrity and objectivity.

Basis of Accounting

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Support is recognized when earned, whether received or not, and expenses are recognized when incurred, whether paid or not.

Comprehensive Income

Comprehensive Income consists of net income and other comprehensive income (loss). Other comprehensive income (loss) refers to revenues, expenses, gains and losses that are not included in net income, but rather are recorded directly in net assets. For years ended December 31, 2022 and 2021, the Organization had no items of other comprehensive income (loss), and accordingly, comprehensive income is the same as net income.

Financial Statement Presentation

Under Statement of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205-45-4 (formerly SFAS No. 117) the Organization is required to present a complete set of financial statements. Net assets are required to be presented in two separate classes, as follows: net assets without donor restrictions and net assets with donor restrictions.

FASB ASC 958-225 provides specific guidance for the statement of activities. The statement reports the support, expenses, gains and losses that affect the Organization's net assets.

FASB ASC 958-230 provides specific guidance for the statement of cash flows. The statement addresses whether certain transactions are operating, investing, or financial activities.

The statement of functional expenses shows, in a matrix format, how the natural expense classifications are allocated to significant program and supporting services. Salaries and related expenses are charged to program services based on the estimated time spent by personnel on the related programs. Direct expenses are charged to the program based on costs incurred when specifically identifiable with a program. All other expenses are allocated to program services based upon budgeted amounts as allowed by the funding agency.

Support and Expenses

The Organization derives a portion of its support from the Community Chest and Council of the Cincinnati Area, Inc. (the United Way). The support received from the United Way is reported as unrestricted support.

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC. NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022
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Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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 restriction and reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire "long lived" assets are reported as restricted support. Absent any explicit donor stipulations about how long those "long lived" assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Advertising

Advertising costs are expensed as incurred for both direct-response and non-direct-response types of advertising.

Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of support and expenses. Actual results could differ from the estimates and assumptions used, and those differences could be material.

Cash and Cash Equivalents

Cash and Cash Equivalents include investments in highly liquid debt instruments with a maturity of three months or less, excluding amounts whose use is restricted by board designation or other arrangements under trust agreements. At year-end and throughout the year, the Organization's cash balances were deposited in several financial institutions. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents. During 2023 and 2022, the Organization had no specific requirements to hold cash in separate accounts.

For purposes of the Statements of Cash Flows the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The Organization's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. Unrealized gains and losses are included in investment income and reported on the statement of activities and changes in net assets. Investment income and gains restricted by a donor are reported as an increase in unrestricted net assets if the restrictions are met, either by passage of time or by use, in the reporting period in which the income and gains are recognized.

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

Fair Value Measurements

The fair value measurements authoritative literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1, Level 2, and Level 3. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

Level 1 Fair Value Measurements

Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Assets utilizing Level 1 inputs include exchange-traded equity securities and closed end funds that are actively traded. The Organization has only Level 1 investments at December 31, 2023 and 2022.

Level 2 Fair Value Measurements

Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. The Organization has no Level 2 investments at December 31, 2023 and 2022.

Level 3 Fair Value Measurements

Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Unobservable input may be developed by outside third parties using marketing models based on information available to them. Unobservable inputs shall reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing. Unobservable input shall be developed based on the best information available in circumstances, which might include the reporting entity's own data. The Organization has no Level 3 investments at December 31, 2023 and 2022.

Property and Equipment

Property and equipment over the \$5,000 capitalization threshold for individual items are capitalized. Purchased items are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. The depreciation is computed on the straight-line method based on estimated useful lives of 3 to 20 years on leasehold improvements, departmental equipment, transportation equipment and office furniture and fixtures.

Leases

The Organization adopted the requirements of Accounting Standards Update 2016-02 – *Leases* (Topic 842) which eliminates “operating leases” and requires entities to recognize, on the balance sheet, both a “right of use” asset that is amortized over the lease term and a lease liability, initially measured at the present value of the future lease payments. The standard only applies to leases longer than 1 year. The Organization leases its office space from the United Way on an annual basis, therefore this standard does not apply to the Organization's lease.

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

Net Assets

Resources are classified into two net asset categories according to externally (donor) imposed restrictions. A description of the two net asset categories, as applied to the Organization is as follows:

- 1) Net assets without donor restrictions:
 - Include the assets and liabilities associated with the principal mission of the Organization, including its net property and equipment. Board designated net assets can be an internally tracked subset of this category. This includes net assets which the board has determined should be invested for future needs of the Organization.
- 2) Net assets with donor restrictions:
 - Include grants and contributions for which donor restrictions have not yet been met.

Donated Materials

Donated materials are reflected in the accompanying financial statements at their estimated value of the date of receipt.

Contributed Services

No amounts have been reflected in the financial statements for contributed services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization in achieving its mission, but these services do not meet the criteria for recognition as contributed services.

Compensated Absences

The Organization requires vacation time must be used within the year it is earned. Sick time accrues at the rate of one day per month with a maximum of 90 days to accrue. In the event of retirement, termination, or resignation the Organization does not pay for unused sick time. Compensated absences are not accrued due to the ongoing time and expense involved to reasonably estimate. It is further believed that sick time used is offset by salaries and fringe benefits that are included in the Organization's annual operating budget.

Tax Status

The Organization is a non-profit corporation as described in Section 501 (c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code.

The Organization's form 990, Return of Organization Exempt from Income Tax, is timely filed on an annual basis. Accounting principles generally accepting in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability for any uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Organization is subject to routine income tax examinations by tax authorities; however, there are currently no audits for any tax periods in progress. Management believes the Organization has no uncertain tax positions and is no longer subject to income tax examinations for tax years prior to 2018.

Public Support – Grants and other contributions of cash and other assets are reported as *net assets with donor restrictions* if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, such *net assets with donor restrictions* are reclassified to *net assets without donor restrictions* and reported in the statement of activities as net assets released by satisfaction of restrictions. Gifts are considered to be available for unrestricted use or designation by the governing board unless specifically restricted by the donor. Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt.

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

Functional Allocation of Expenses – The costs of providing the various program services have been summarized on a functional basis in the statements of functional expenses. Expenses directly attributable to a particular program service are allocated directly to that program. Compensation and related expenses are allocated among programs and supporting services based upon actual time incurred by the employees. Occupancy and related expenses are allocated based upon estimated space used in the Organization for that program or service.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include only unrestricted amounts at December 31, 2023 and 2022.

NOTE 4 – INVESTMENTS

Investments are held in one account for investment management purposes. Investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value as Level 1 inputs, Level 2, and Level 3 inputs. The Organization's investments' fair value measurements are as follows at December 31, 2023:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mutual funds:				
Stock funds	\$ 276,661	\$ 276,661	\$ -	\$ -
Bond funds	96,974	96,974	-	-
Subtotal mutual funds	373,635	373,635	-	-
Exchange traded funds:				
Fixed income	118,008	118,008	-	-
Equity	85,226	85,226	-	-
Subtotal exchange traded funds	203,234	203,234	-	-
Cash and cash equivalents:				
Government cash reserves	58,542	58,542	-	-
Total investments	\$ 635,411	\$ 635,411	\$ -	\$ -

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC. NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022
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The Organization's investments' fair value measurements are as follows at December 31, 2022:

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mutual funds:				
Stock funds	\$ 261,663	\$ 261,663	\$ -	\$ -
Bond funds	74,615	74,615	-	-
Subtotal mutual funds	336,278	336,278	-	-
Exchange traded funds:				
Equity	58,424	58,424	-	-
Fixed income	115,321	115,321	-	-
Subtotal exchange traded funds	173,745	173,745	-	-
Cash and cash equivalents:				
Government cash reserves	56,890	56,890	-	-
Total investments	\$ 566,913	\$ 566,913	\$ -	\$ -

The Organization's management does not believe that the portfolio of investments contains any undue concentration of risk.

NOTE 5 – PLEDGES RECEIVABLE

During 2023 and 2022, the Organization received pledges to give cash contributions from several unrelated donors. Due to the short-term nature of these pledges, the Organization has elected to record these pledges receivable in the financial statements at the pledged value. Management has determined that due to the nature of these pledges, no allowance for uncollectible pledges receivable is necessary. Total pledges receivable at December 31, 2023 and 2022 were \$0 and \$180,067, respectively.

All Pledges have been paid by December 31, 2023.

NOTE 6 – PROPERTY AND EQUIPMENT

During the year ended December 31, 2023, the Organization moved into a new office space. Existing furniture, fixtures, and computer equipment were disposed of. The new office space was furnished and equipped with items that, individually, do not meet the Organization's capitalization policy and were expensed. The following property and equipment balances existed at December 31, 2023 and 2022, respectively:

Asset	December 31,	Additions	Deletions	December 31,
	2022			2023
Computer Equipment	\$ 23,436	\$ -	\$ (23,436)	\$ -
Furniture & fixtures	137,200	-	(137,200)	-
Subtotal	160,636	-	(160,636)	-
Less: accumulated depreciation	(160,636)	-	160,636	-
Net fixed assets	\$ -	\$ -	\$ -	\$ -

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC. NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022
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NOTE 7 – ADVERTISING, MARKETING AND PROMOTION

Advertising, marketing and promotion expense for 2023 and 2022 were \$63,208 and \$50,571, respectively. There were no advertising barter transactions during 2023 and 2022.

NOTE 8 – IN-KIND CONTRIBUTIONS

In accordance with Statement of Financial Accounting Standards No. 116 (FAS-116), *Accounting for Contributions Received and Contributions Made*, the Organization recognizes contributions of “Other Assets”, as defined in FAS-116, as public support and revenue in the period received and as assets or expenses depending on the form of the benefit received. Contributions received are measured at their fair values and are reported based upon donor-imposed restrictions. Contributions of services shall be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria shall not be recognized. The Organization recognized no in-kind contributions for the years ended December 31, 2023 and 2022.

NOTE 9 – TRANSACTIONS WITH UNITED WAY

In addition to providing funding to the Organization, the United Way charges the Organization for various services such as office supplies, mail handling, parking space, printing, office space, and meeting space. The United Way also provides various financial services through its Agency Financial Services program on a contractual basis. The total cost of these services for the years ended December 31, 2023 and 2022 was \$49,982 and \$66,611, respectively.

NOTE 10 – INVESTMENT INCOME

The components of the Organizations investment income for the years ended December 31, 2023 and 2022 are as follows:

Investment Income	2023	2022
Interest	\$ -	\$ -
Dividends	15,395	11,055
Realized gain	692	2,700
Unrealized gain	55,273	(91,583)
Gross investment income	71,360	(77,828)
Less: fees	(2,862)	(2,912)
Net investment income	\$ 68,498	\$ (80,740)

NOTE 11 – RELATED PARTY TRANSACTIONS

The Organization receives loans and funding, from time to time, from the Big Brothers and Big Sisters Foundation of Greater Cincinnati, Inc. (the “Foundation”). The Foundation is a separate legal entity with a board of directors and management team independent of the Organization. The Foundation’s mission is to provide funding for the educational, recreational and/or medical needs of children who participate in the program services of Big Brothers Big Sisters of Greater Cincinnati, Inc. The organization received \$25,000 and \$45,000 in grants from the Foundation during 2023 and 2022, respectively.

The Organization’s investment account, as detailed in *NOTE 4 – INVESTMENTS* above, is held in a

BIG BROTHERS BIG SISTERS OF GREATER CINCINNATI, INC. NOTES TO FINANCIAL STATEMENTS December 31, 2023 and 2022
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separate investment account from the Foundation. An investment committee oversees the Foundation's investment account and regularly monitors its performance, costs, and allocations. The fair value of this Foundation's investments as of December 31, 2023 and 2022 was \$938,708 and \$532,785, respectively.

NOTE 12 – OPERATING LEASE COMMITMENT

The Organization annually enters into a non-cancelable operating lease for its office facility with United Way annually. Rent expense for 2023 and 2022 was \$49,478 and \$66,107, respectively.

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

During 2023 and 2022, the Organization had the following net assets and associated donor restrictions:

Restricted Use	2023	2022
Pledges receivable	\$ -	\$ 180,067
Total net assets with donor restrictions	\$ -	\$ 180,067

NOTE 14 – CONTRIBUTED SERVICES

The Organization had 118,755 and 117,526 hours of donated services by volunteers in the years ended December 31, 2023 and 2022, respectively.

NOTE 15 – SPECIAL EVENTS

Special events revenue for the year ended December 31, 2023 was \$597,001; related special events expenses were \$143,556 for the same period for a 24.0% expense to revenue ratio. Special events revenue for the year ended December 31, 2022 was \$564,291; related special events expenses were \$123,696 for the same period for a 21.9% expense to revenue ratio.

NOTE 16 – CONCENTRATION IN REVENUE

The Organization is supported primarily through 1) Contributions, 2) Foundations, Grants, and Trusts, 3) Special Events, and 4) the United Way. Approximately 6.3% and 10.9% of the Organization's support for the years ended December 31, 2023 and 2022 respectively, came from allocations from the United Way. The loss or reduction of this funding significantly impacts the operation of the Organization. For fiscal year 2024, the Organization has been notified by the United Way that funding will continue at its present reduced rate.

NOTE 17 – CONCENTRATION OF CREDIT RISK

The cash and cash equivalents balances are held at a large regional bank whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023 and 2022, the Organization had balances of \$1,081,228 and \$1,253,546, respectively, in excess of FDIC insured limit. The Organization maintains its cash with a high-quality financial institution which the Organizations believes limits these risks.

NOTE 18 – LIQUIDITY RISK

The Organization manages its cash liquidity risk by maintaining adequate cash reserves as well as a significant, highly liquid cash-equivalent investment portfolio on which to draw, if necessary. The Organization normally maintains approximately six-seven months of operating expenses in cash, cash equivalents, and highly liquid investments. During the COVID-19 pandemic, Organization management made an effort to increase amounts of highly liquid investments (cash, cash equivalents, and highly liquid

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investments) to 12 months of operating expenses. The amount of highly liquid assets held as a percentage of operating expense was 94.3% and 104.3% at December 31, 2023 and 2022, respectively.

The Organization has the following net assets available for use within one year:

Liquidity Analysis	2023	2022
Financial assets, at year end	\$ 1,966,639	\$ 2,250,526
Less: assets unavailable for general expenditure within one year due to:		
Donor restrictions	-	(180,067)
Financial assets available to meet cash needs for general expenditures within one year:	\$ 1,966,639	\$ 2,070,459

NOTE 19 – SUBSEQUENT EVENTS

The Organization’s management has evaluated events through February 13, 2024, the date on which the financial statements were available for issue. The Organization has no events subsequent to December 31, 2023, but before the report date of February 13, 2024, to disclose.

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