Big Brothers Big Sisters.
OF METRO ATLANTA

AUDITED
FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Big Brothers Big Sisters of Metro Atlanta, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Big Brothers Big Sisters of Metro Atlanta, Inc. (the "Agency") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and net assets, 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 the Agency 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 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 the Agency 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 the Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 the Agency'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.

Jones and Kolb

May 6, 2024

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
ASSETS		
Cash	$ 1,209,163	$ 611,442
Grants and other receivables	319,701	175,360
Promises to give, net	3,116,039	1,850,750
Prepaid expense	25,167	50,226
Investments	6,797,280	7,740,704
Property and equipment, net	558,180	656,487
Right of use asset	1,435,131	1,591,814
Total assets	$ 13,460,661	$ 12,676,783
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 619,489	$ 615,069
Lease obligation	1,605,738	1,764,757
Total liabilities	2,225,227	2,379,826
NET ASSETS		
Without donor restrictions	8,002,687	8,464,135
With donor restrictions	3,232,747	1,832,822
Total net assets	11,235,434	10,296,957
Total liabilities and net assets	$ 13,460,661	$ 12,676,783

The accompanying notes to financial statements
are an integral part of these statements.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support			
United Way	$ 98,944	$ 62,500	$ 161,444
Government grants	507,371	-	507,371
Other public support	264,137	-	264,137
Corporate contributions	1,346,488	307,500	1,653,988
Corporate contributions - in-kind	10,963	-	10,963
Foundation contributions	295,550	3,037,958	3,333,508
Special events	835,973	-	835,973
Special events - in-kind	93,477	-	93,477
Less: costs of direct benefits to donors	(329,494)	-	(329,494)
Total public support	3,123,409	3,407,958	6,531,367
Revenue			
Employee Retention Credit	661,827	-	661,827
Investment income	794,592	3,089	797,681
Total revenue	1,456,419	3,089	1,459,508
Total public support and revenue	4,579,828	3,411,047	7,990,875
NET ASSETS RELEASED FROM RESTRICTIONS	2,011,122	(2,011,122)	-
EXPENSES			
Program services	5,245,590	-	5,245,590
Support services			
Management and general	565,580	-	565,580
Fundraising	1,241,228	-	1,241,228
Total support services	1,806,808	-	1,806,808
Total expenses	7,052,398	-	7,052,398
CHANGE IN NET ASSETS	(461,448)	1,399,925	938,477
NET ASSETS			
Beginning of year	8,464,135	1,832,822	10,296,957
NET ASSETS			
End of year	$ 8,002,687	$ 3,232,747	$ 11,235,434

The accompanying notes to financial statements
are an integral part of this statement.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support			
United Way	$ 130,732	$ 100,000	$ 230,732
Government grants	213,923	-	213,923
Other public support	3,930,699	-	3,930,699
Corporate contributions	924,822	370,528	1,295,350
Corporate contributions - in-kind	106,145	-	106,145
Capacity building contributions	-	10,000	10,000
Foundation contributions	861,961	1,300,000	2,161,961
Special events	970,785	-	970,785
Special events - in-kind	44,304	-	44,304
Less: costs of direct benefits to donors	(333,800)	-	(333,800)
Total public support	6,849,571	1,780,528	8,630,099
Revenue (Loss)			
Employee Retention Credit	245,533	-	245,533
Miscellaneous income	7,486	-	7,486
Investment loss	(604,804)	(620)	(605,424)
Total revenue (loss)	(351,785)	(620)	(352,405)
Total public support and revenue	6,497,786	1,779,908	8,277,694
NET ASSETS RELEASED FROM RESTRICTIONS	1,127,822	(1,127,822)	-
EXPENSES			
Program services	4,074,535	-	4,074,535
Support services			
Management and general	560,856	-	560,856
Fundraising	1,095,420	-	1,095,420
Total support services	1,656,276	-	1,656,276
Total expenses	5,730,811	-	5,730,811
CHANGE IN NET ASSETS	1,894,797	652,086	2,546,883
NET ASSETS			
Beginning of year	6,569,338	1,180,736	7,750,074
NET ASSETS			
End of year	$ 8,464,135	$ 1,832,822	$ 10,296,957

The accompanying notes to financial statements
are an integral part of this statement.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

		Support Services			
	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	$ 3,363,074	$ 388,493	$ 857,098	$ 1,245,591	$ 4,608,665
Fringe benefits	332,037	38,356	84,622	122,978	455,015
Payroll taxes	246,936	28,525	62,933	91,458	338,394
Total compensation and benefits	3,942,047	455,374	1,004,653	1,460,027	5,402,074
Professional fees	220,608	34,919	168,459	203,378	423,986
Occupancy	253,300	25,787	43,383	69,170	322,470
IT expenses	157,187	16,002	26,922	42,924	200,111
Facility rental	-	-	186,845	186,845	186,845
Depreciation	114,853	11,690	19,671	31,361	146,214
Office expenses	97,321	6,777	32,052	38,829	136,150
Fiscal agent	127,316	-	-	-	127,316
Conferences and meetings	94,749	4,561	25,644	30,205	124,954
Marketing	49,121	2,365	19,059	21,424	70,545
Insurance	50,216	5,112	8,601	13,713	63,929
Match support activities	53,479	-	-	-	53,479
Big Brothers Big Sisters of America	35,025	1,686	9,479	11,165	46,190
Miscellaneous	21,270	1,013	13,814	14,827	36,097
Scholarships	23,000	-	-	-	23,000
Awards and prizes	6,098	294	8,583	8,877	14,975
Food and beverage	-	-	3,557	3,557	3,557
Total expenses	5,245,590	565,580	1,570,722	2,136,302	7,381,892
Less: costs of direct benefits to donors	-	-	329,494	329,494	329,494
Total functional expenses	$ 5,245,590	$ 565,580	$ 1,241,228	$ 1,806,808	$ 7,052,398

The accompanying notes to financial statements are an integral part of this statement.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Support Services: Management and General	Support Services: Fundraising	Support Services: Total Support Services	Total
Salaries	$ 2,420,037	$ 391,322	$ 716,037	$ 1,107,359	$ 3,527,396
Fringe benefits	253,298	40,959	74,945	115,904	369,202
Payroll taxes	184,240	29,792	54,513	84,305	268,545
Total compensation and benefits	2,857,575	462,073	845,495	1,307,568	4,165,143
Professional fees	221,204	35,252	141,641	176,893	398,097
Occupancy	231,542	23,567	39,653	63,220	294,762
IT expenses	84,719	8,623	14,509	23,132	107,851
Facility rental	-	-	148,513	148,513	148,513
Depreciation	104,875	10,675	17,961	28,636	133,511
Office expenses	74,773	7,068	41,110	48,178	122,951
Fiscal agent	51,373	-	-	-	51,373
Conferences and meetings	43,461	2,152	14,735	16,887	60,348
Marketing	18,107	3,171	32,400	35,571	53,678
Insurance	37,527	3,820	6,427	10,247	47,774
Match support activities	150,982	-	-	-	150,982
Big Brothers Big Sisters of America	134,506	1,213	8,309	9,522	144,028
Miscellaneous	30,881	3,160	26,524	29,684	60,565
Scholarship	32,541	-	-	-	32,541
Awards and prizes	469	82	12,958	13,040	13,509
Food and beverage	-	-	78,985	78,985	78,985
Total expenses	4,074,535	560,856	1,429,220	1,990,076	6,064,611
Less: costs of direct benefits to donors	-	-	333,800	333,800	333,800
Total functional expenses	$ 4,074,535	$ 560,856	$ 1,095,420	$ 1,656,276	$ 5,730,811

The accompanying notes to financial statements are an integral part of this statement.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Public support received	$ 5,099,737	$ 7,127,362
Other income received	-	7,486
Employee Retention Credit	661,827	245,533
Interest and dividends received	166,538	159,083
Payments for compensation and benefits	(5,360,247)	(4,076,057)
Payments for professional fees	(423,986)	(398,097)
Payments for fiscal agent	(127,316)	(51,373)
Payments for occupancy	(324,806)	(217,456)
Payments for interest	-	-
Payments for IT expenses	(200,111)	(107,851)
Payments for other expenses	(420,575)	(518,097)
Net cash (used in) provided by operating activities	(928,939)	2,170,533
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchases of investments	(2,377,320)	(6,563,905)
Proceeds from sales of investments	3,951,887	3,604,821
Proceeds from sale of building	-	-
Payments for purchases of property and equipment	(47,907)	(134,203)
Net cash provided (used in) by investing activities	1,526,660	(3,093,287)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from capital campaign	-	10,000
Net cash provided by financing activities	-	10,000
NET INCREASE (DECREASE) IN CASH	597,721	(912,754)
CASH, Beginning of year	611,442	1,524,196
CASH, End of year	$ 1,209,163	$ 611,442

The accompanying notes to financial statements
are an integral part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Big Brothers Big Sisters of Metro Atlanta, Inc. (the "Agency") is a Georgia nonprofit organization that creates and supports one-to-one mentoring relationships that ignite the power and promise of youth. The Agency actively seeks to assist children of every ethnic, racial, national, cultural and religious group in the metropolitan Atlanta area who may need additional positive role models to enrich their lives.

The Agency is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified the Agency as a publicly supported charitable organization as described in Section 509(a) of the Internal Revenue Code, which allows donors to take the maximum charitable contribution deduction.

B. The financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

C. The Agency classifies net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

<u>Net assets without donor restrictions</u> - Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operation of the Agency.

<u>Net assets with donor restrictions</u> - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that those resources be maintained in perpetuity. The donors of these assets permit the Agency to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are gifts for which restrictions have not been met.

When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Net Assets as "net assets released from restrictions." The Agency's policy is to record contributions received with restrictions and expended in the same period as contributions without donor restrictions.

D. Contributions are recognized as revenue when the donor makes a promise to give to the Agency that is, in substance, unconditional. Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts, if any, is included in contributions in the accompanying Statements of Activities and Net Assets. An allowance is made for uncollectible promises to give based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions are substantially met.

The Agency records non-cash contributions at their estimated fair market value at the date of the contribution. The Agency records contributed services as contribution revenue and as an expense if the services create or enhance a nonfinancial asset, or the services would (1) need to be purchased by the Agency if not provided by contribution, (2) require specialized skills, and (3) are provided by individuals with those skills.

The Agency records grant revenues over the period of the award and the provisions of the grant determine the timing of revenue recognition. Government fees and grants received by the Agency in the form of cost-reimbursable grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific contract or grant provisions. Amounts that have been earned but not received are included in grants and other receivables on the Statements of Financial Position. Amounts received in advance are recorded as deferred revenue and recognized in the period in which allowable expenses are incurred.

The Agency recognizes revenues from fundraising events in the period the event occurs. Amounts received prior to the event are reported as deferred revenue on the Statements of Financial Position.

E. The Agency maintains cash balances with a bank and a brokerage firm. Occasionally, the Agency's cash balances may be in excess of the federally insured limits. However, given the strength of the financial institution, management believes such excess deposits do not create significant loss exposure.

F. Investments include equities, U.S. Treasuries, fixed income instruments and money market accounts that are carried at fair value. Unrealized gains and losses are included with investment income (loss) on the Statements of Activities and Net Assets. Interest, dividends and gains and losses on investments are recorded as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or by law.

G. Purchased property and equipment with values greater than or equal to $500 are stated at historical cost. Donated property and equipment are recorded at the approximate fair value at the date of donation. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Estimated useful lives of the assets range from three to thirty-nine years. Depreciation expense was $146,214 and $133,511 for the years ended December 31, 2023 and 2022, respectively.

H. The accompanying financial statements report certain categories of expenses that are attributable to one or more functions of the Agency, which are defined as program services, management and general and fundraising. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The significant expense categories that are allocated include: compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy, depreciation, interest and equipment rental and maintenance, which are allocated on a square-footage basis; and professional fees, which are allocated through a specific identification to the functional expense category due to the nature of the expense. The remainder of the expenses are primarily allocated on an average headcount basis.

I. The Agency presents an unclassified Statement of Financial Position with additional qualitative information about the availability of resources and liquidity in Note 11.

J. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Certain prior year amounts have been reclassified to conform to the current year financial statement presentation.

L. Subsequent events have been evaluated by management through May 6, 2024, the date these financial statements were available to be issued.

2. PROMISES TO GIVE

Unconditional promises to give are expected to be collected as follows:

	2023	2022
Less than one year	$ 2,000,158	$ 1,144,964
One to five years	1,285,000	750,000
Total promises to give	3,285,158	1,894,964
Less discount to net present value at rates ranging from 2.66% - 4.90%	(169,119)	(34,214)
Less allowance for uncollectible promises to give	-	(10,000)
Total promises to give, net	$ 3,116,039	$ 1,850,750

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

U.S. generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets or other observable inputs other than quoted market prices. Level 3 within the hierarchy states that valuations are based on significant unobservable inputs.

At December 31, 2023 and 2022, the only assets that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments. Such investments are classified within Level 1 of the valuation hierarchy.

The following is a summary of investments, stated at fair value based on quoted market prices, held at December 31:

	2023	2022
Equities	$ 3,688,446	$ 3,071,744
U.S. Treasuries	987,665	2,644,224
Fixed income instruments	1,316,623	1,309,217
Money market	804,546	715,519
Total investments	$ 6,797,280	$ 7,740,704

The following schedule summarizes investment income (loss) for the years ended December 31:

	2023	2022
Net realized and unrealized gain/(loss)	$ 631,187	$ (764,507)
Interest and dividend income	200,608	206,052
Investment fees	(34,114)	(46,969)
Total investment income (loss)	$ 797,681	$ (605,424)

4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2023	2022
Leasehold improvements	$ 428,804	$ 428,804
Equipment and computer software	326,672	303,988
Furniture and fixtures	269,550	256,796
Total	1,025,026	989,588
Less accumulated depreciation	(466,846)	(333,101)
Total property and equipment, net	$ 558,180	$ 656,487

5. RIGHT OF USE ASSET AND LEASE OBLIGATION

In December 2020, the Agency entered into an operating lease agreement for new office space. The lease, which is set to expire in May 2031, allows for rent concessions totaling $168,524 over the first 14 months. The Agency started paying base rent of $19,057 in September 2022. The base monthly rent expense includes yearly escalations of approximately 2.0%. Upon adoption of ASU No. 2016-02, an ROU asset and lease obligation were recorded at the present value of future payments using an incremental annual borrowing rate of 4.25%. The ROU asset is amortized over the life of the lease and is considered rent expense.

Rent expense associated with this lease was approximately $228,600 and $114,300 for the years ended December 31, 2023 and 2022, respectively.

Future minimum rental payments for the Agency are as follows at December 31:

Year	Amount	Discount	Lease Obligation
2024	$ 235,590	$ 64,971	$ 170,619
2025	240,302	57,484	182,818
2026	245,108	49,467	195,641
2027	250,010	40,892	209,118
2028	255,011	31,731	223,280
Thereafter	659,393	35,131	624,262
	$ 1,885,414	$ 279,676	$ 1,605,738

6. LINE OF CREDIT

At December 31, 2021, the Agency had an unsecured line of credit with a maximum borrowing limit of $500,000 and a maturity date of June 17, 2022. During 2022, the line was extended to June 8, 2024. The line bears interest at the prime rate plus one percentage point, subject to a floor of 3.00%. At December 31, 2023 and 2022, there was no outstanding balance on this line of credit. The effective interest rate was 5.75% and 8.50% at December 31, 2023 and 2022, respectively.

7. NET ASSETS WITH DONOR RESTRICTIONS

Changes to net assets with donor restrictions are as follows at December 31:

	2022	Increases	Releases	2023
Subject to expenditure for specified purpose:				
Level Up	$ -	$ 890,000	$ (848,901)	$ 41,099
Scholarships	43,310	-	(4,000)	39,310
Capacity building	34,910	-	(34,910)	-
	78,220	890,000	(887,811)	80,409
Subject to passage of time:				
Mentoring programs	1,300,000	1,910,000	(650,000)	2,560,000
Match support	421,218	607,958	(473,137)	556,039
	1,721,218	2,517,958	(1,123,137)	3,116,039
Subject to the Agency's endowment spending policy and appropriation:				
Endowment	33,384	3,089	(174)	36,299
	$ 1,832,822	$ 3,411,047	$ (2,011,122)	$ 3,232,747

	2021	Increases (Decreases)	Releases	2022
Subject to expenditure for specified purpose:				
Scholarships	$ -	$ 49,310	$ (6,000)	$ 43,310
Capacity Building	852,500	10,000	(827,590)	34,910
	852,500	59,310	(833,590)	78,220
Subject to passage of time:				
Mentoring programs	-	1,300,000	-	1,300,000
Match support	287,500	421,218	(287,500)	421,218
	287,500	1,721,218	(287,500)	1,721,218
Subject to the Agency's endowment spending policy and appropriation:				
Endowment	40,736	(620)	(6,732)	33,384
	$ 1,180,736	$ 1,779,908	$ (1,127,822)	$ 1,832,822

8. ENDOWMENT

The Agency's endowment consists of a quasi-endowment, board-designated fund established for a variety of purposes and one donor-restricted endowment fund. Endowment assets include those assets of donor-restricted funds that the Agency must hold in perpetuity for a donor-specified period as well as board-designated funds. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

The Board of Directors of the Agency has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Agency classifies the original value of gifts donated to the permanent endowment and original value of subsequent gifts to the permanent endowment as perpetual in nature. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as restricted until those amounts are appropriated for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by UPMIFA. The Board of Directors appropriates funds from the endowment funds based on specific needs and budgeting requirements from year to year. In accordance with UPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the Agency and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Agency; and,
(7) The investment policies of the Agency.

The Agency has adopted investment and spending policies that attempt to preserve endowment assets by using funding, via the annual operating budget, of up to 40% of the earnings on the endowment from the prior year. The Board of Directors has additional authority to approve additional funding when operating cash is insufficient. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed common benchmarks for a balanced portfolio, while assuming a moderate level of risk.

To satisfy its long-term rate-of-return objectives, the Agency 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 Agency targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The composition of and changes in endowment funds at December 31, 2023 consisted of the following:

	Board Designated	Investment Earnings	Perpetual In Nature	Total
Endowment net assets, beginning of year	$ 2,571,812	$ 8,384	$ 25,000	$ 2,605,196
Investment return:				
Investment income, net	74,821	680	-	75,501
Net realized and unrealized gain	264,960	2,409	-	267,369
Total investment return	339,781	3,089	-	342,870
Appropriations	(41,811)	(174)	-	(41,985)
Endowment net assets, end of year	$ 2,869,782	$ 11,299	$ 25,000	$ 2,906,081

The composition of and changes in endowment funds at December 31, 2022 consisted of the following:

	Board Designated	Investment Earnings	Perpetual In Nature	Total
Endowment net assets, beginning of year	$ 3,469,071	$ 15,736	$ 25,000	$ 3,509,807
Investment return:				
Investment income, net	136,826	1,121	-	137,947
Net realized and unrealized (loss)	(212,435)	(1,741)	-	(214,176)
Total investment return	(75,609)	(620)	-	(76,229)
Appropriations	(821,650)	(6,732)	-	(828,382)
Endowment net assets, end of year	$ 2,571,812	$ 8,384	$ 25,000	$ 2,605,196

9. IN-KIND CONTRIBUTIONS

In-kind contributions consisted of the following for the years ended December 31:

	2023	2022
Auction items	$ 74,575	$ 44,304
Match support	29,865	46,145
Professional services	-	60,000
Total	$ 104,440	$ 150,449

During the year ended December 31, 2022, the Agency received contributed technology services related to a software migration. The professional services were valued using current rates for similar services. Professional services are used in program services.

The Agency receives items to be sold at auction at its annual special events. Contributed auction items are valued at the gross selling price received.

In-kind contributions related to match support include event tickets and other items. The Agency uses these contributions in their mentoring programs. The match support contributions are valued using the actual ticket prices for the related event and average prices of identical or similar other items.

10. RETIREMENT PLAN

The Agency has established a defined contribution plan for the benefit of its employees for which the Agency matches 100% of the first 3% and 50% of the next 3% of each employee's contributions to the Plan. For the years ended December 31, 2023 and 2022, the Agency made contributions to the Plan totaling $88,646 and $80,378, respectively.

11. LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022, comprise the following:

	2023	2022
Financial assets:		
Cash	$ 1,209,163	$ 611,442
Grants and other receivables	319,701	175,360
Promises to give, net	3,116,039	1,850,750
Investments	6,797,280	7,740,704
Total financial assets, at year end	11,442,183	10,378,256
Less amounts unavailable for general purposes:		
Designated by the Board for an endowment	(2,869,782)	(2,571,812)
Long-term pledges receivable	(1,285,000)	(750,000)
Donor restrictions for specified purpose	(80,409)	(78,220)
Subject to endowment spending policy	(36,299)	(33,384)
Total financial assets available for general expenditure	$ 7,170,693	$ 6,944,840

The Agency has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Agency has a board designated endowment of $2,869,782 and $2,571,812 as of December 31, 2023 and 2022, respectively, which is subject to an annual spending policy as described in Note 8. Although the Agency does not intend to spend from the Board designated endowment (other than amounts appropriated for general expenditures as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary. Additionally, the Agency has a $500,000 line of credit that can be drawn upon if needed (see Note 6).

12. RELATED PARTY

During the years ended December 31, 2023 and 2022, the Agency received passthrough grants totaling $635,715 and $363,173, respectively, from Big Brothers Big Sisters of America ("BBBSA"). During the year ended December 31, 2022, the Agency contributed $110,000 to BBBSA's Bigger Together Fund.

13. CONCENTRATIONS

For the years ended December 31, 2023 and 2022, approximately 65% and 64% of the Agency's promises to give, net, was derived from two and one donors, respectively. For the years ended December 31, 2023 and 2022, approximately 40% and 64% of the Agency's total public support came from two donors, respectively.