BIG BROTHERS BIG SISTERS OF
EASTERN MISSOURI AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022

Big Brothers
Big Sisters®
EASTERN MISSOURI

Contents

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Directors
Big Brothers Big Sisters of Eastern Missouri
St. Louis, Missouri

Opinion

We have audited the consolidated financial statements of Big Brothers Big Sisters of Eastern Missouri and affiliates (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2022 and 2021, and the results of their consolidated operations and 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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.

Emphasis Of Matter: Change In Accounting Principle

As discussed in Note 6 to the consolidated financial statements, as of January 1, 2022, the Organization has adopted Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to the matter.

Responsibilities Of Management For The Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities For The Audit Of The Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditing standards generally accepted in the United States of America 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 consolidated financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

RubinBrown LLP

June 1, 2023

BIG BROTHERS BIG SISTERS OF EASTERN MISSOURI AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	December 31, 2022	December 31, 2021
Cash and cash equivalents	$ 8,346,767	$ 2,819,537
Promises to give, net (Note 3)	1,101,491	1,002,830
Grants receivable (Note 2)	452,741	395,339
Other receivables	27,491	12,723
Employee retention credit receivable (Note 2)	—	332,292
Prepaid expenses	7,037	7,004
Other assets	9,101	9,081
Investments (Note 4)	2,905,017	3,169,433
Investment in 501 North Grand Condominium Association (Note 2)	132,513	135,553
Property and equipment, net (Notes 5, 7, 8 and 9)	10,273,724	10,643,967
Right of use assets - operating leases (Note 6)	64,334	—
Note receivable (Note 7)	2,689,000	2,689,000
Assets restricted for permanent investment (Notes 4 and 10)	55,472	55,472
Total Assets	$ 26,064,688	$ 21,272,231

Liabilities And Net Assets

	2022	2021
Liabilities		
Accounts payable and accrued expenses	$ 419,102	$ 242,576
Operating lease liabilities (Note 6)	65,034	—
Deferred revenue	15,450	31,200
Debt (Note 9)	3,840,000	3,965,000
Total Liabilities	4,339,586	4,238,776
Net Assets		
Without donor restrictions:		
Undesignated, available for operations	11,140,630	6,061,280
Invested in note and interest receivable	2,689,000	2,689,000
Invested in property and equipment, net	6,433,724	6,678,967
Total without donor restrictions	20,263,354	15,429,247
With donor restrictions (Note 10)	1,461,748	1,604,208
Total Net Assets	21,725,102	17,033,455
Total Liabilities And Net Assets	$ 26,064,688	$ 21,272,231

BIG BROTHERS BIG SISTERS OF EASTERN MISSOURI AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES

	For The Years Ended December 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support						
Contributions (net of direct special event expenses of $249,362 and $0 in 2022 and 2021, respectively)	$ 6,648,894	$ 1,215,084	$ 7,863,978	$ 755,991	$ 1,200,596	$ 1,956,587
United Way allocation	—	422,087	422,087	—	413,617	413,617
Grants	2,431,601	—	2,431,601	2,470,211	—	2,470,211
In-kind contributions (Note 2)	48,258	82,576	130,834	19,496	82,615	102,111
Total Public Support	9,128,753	1,719,747	10,848,500	3,245,698	1,696,828	4,942,526
Revenues And Gains (Losses)						
Contract services - Amachi Initiative (Note 12)	20,400	—	20,400	20,400	—	20,400
Net investment income (loss) (Note 4)	(273,189)	1,634	(271,555)	225,780	81	225,861
Loss on equity method investment (Note 2)	(3,040)	—	(3,040)	(2,887)	—	(2,887)
Rental income (Note 6)	157,248	—	157,248	151,570	—	151,570
Anew revenue	1,300	—	1,300	8,884	—	8,884
Total Revenues And Gains (Losses)	(97,281)	1,634	(95,647)	403,747	81	403,828
Total Public Support, Revenues And Gains (Losses)	9,031,472	1,721,381	10,752,853	3,649,445	1,696,909	5,346,354
Net Assets Released From Restrictions (Note 10)	1,863,841	(1,863,841)	—	1,591,594	(1,591,594)	—
Total Public Support, Revenues And Gains (Losses)	10,895,313	(142,460)	10,752,853	5,241,039	105,315	5,346,354
Expenses						
Mentoring program	4,285,112	—	4,285,112	4,251,278	—	4,251,278
General and administrative	778,957	—	778,957	675,126	—	675,126
Fundraising	671,050	—	671,050	459,399	—	459,399
Volunteer mentor recruitment	326,087	—	326,087	310,502	—	310,502
Total Expenses	6,061,206	—	6,061,206	5,696,305	—	5,696,305
Increase (Decrease) In Net Assets From Operations	4,834,107	(142,460)	4,691,647	(455,266)	105,315	(349,951)
Forgiveness Of Paycheck Protection Program Loan (Note 2)	—	—	—	620,000	—	620,000
Employee Retention Credit (Note 2)	—	—	—	332,292	—	332,292
Increase (Decrease) In Net Assets	4,834,107	(142,460)	4,691,647	497,026	105,315	602,341
Net Assets - Beginning Of Year	15,429,247	1,604,208	17,033,455	14,932,221	1,498,893	16,431,114
Net Assets - End Of Year	$ 20,263,354	$ 1,461,748	$ 21,725,102	$ 15,429,247	$ 1,604,208	$ 17,033,455

BIG BROTHERS BIG SISTERS OF EASTERN MISSOURI AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	For The Years Ended December 31,									
	2022					2021				
	Mentoring Program	General And Administrative	Fundraising	Volunteer Mentor Recruitment	Total	Mentoring Program	General And Administrative	Fundraising	Volunteer Mentor Recruitment	Total
Salaries	$ 2,412,283	$ 393,599	$ 376,196	$ 193,133	$ 3,375,211	$ 2,459,943	$ 356,736	$ 267,443	$ 193,550	$ 3,277,672
Payroll taxes	169,284	27,621	26,400	13,553	236,858	176,607	25,611	19,201	13,896	235,315
Employee benefits	356,475	58,164	55,592	28,540	498,771	412,470	59,815	44,843	32,453	549,581
Amachi Initiative*	18,000	—	18,000	—	36,000	18,123	—	18,122	—	36,245
Background checks	5,003	—	—	—	5,003	5,054	—	—	—	5,054
Bad debts	—	—	46,144	—	46,144	—	—	663	—	663
Conferences and travel	111,714	16,808	18,456	7,019	153,997	37,485	931	7,026	505	45,947
Depreciation and amortization	269,457	43,966	42,022	21,573	377,018	287,226	41,653	31,227	22,599	382,705
Equipment repairs	9,562	1,560	1,491	765	13,378	11,565	1,677	1,257	910	15,409
In-kind materials (Note 2)	130,834	—	—	—	130,834	102,111	—	—	—	102,111
Insurance	63,357	2,576	2,072	1,208	69,213	59,987	2,104	1,577	1,141	64,809
Interest (Notes 8 and 9)	39,251	6,404	6,121	3,142	54,918	42,387	6,147	4,608	3,335	56,477
Mileage	15,268	578	391	140	16,377	6,749	701	181	153	7,784
Miscellaneous	22,754	10,445	4,923	1,710	39,832	5,014	20,549	3,936	395	29,894
Occupancy (Note 6)	264,651	43,182	41,272	21,189	370,294	273,062	39,599	29,687	21,485	363,833
Organization dues	60,234	28,880	—	—	89,114	63,726	25,948	—	—	89,674
Postage	3,846	512	—	—	4,358	3,354	409	—	—	3,763
Printing	16,189	4,438	2,086	14,147	36,860	28,855	3,121	2,336	13,355	47,667
Professional fees:										
Accounting	—	57,358	—	—	57,358	—	47,342	—	—	47,342
Lobbying	18,000	—	18,000	—	36,000	18,000	—	18,000	—	36,000
Other	146,766	75,185	4,543	16,199	242,693	52,974	35,435	3,784	2,739	94,932
Supplies and office	3,919	640	611	314	5,484	1,537	223	167	121	2,048
Telephone	14,742	2,405	2,299	1,180	20,626	18,533	2,688	2,015	1,458	24,694
Utilities	28,411	4,636	4,431	2,275	39,753	30,596	4,437	3,326	2,407	40,766
Volunteer activities	105,112	—	—	—	105,112	135,920	—	—	—	135,920
	$ 4,285,112	$ 778,957	$ 671,050	$ 326,087	$ 6,061,206	$ 4,251,278	$ 675,126	$ 459,399	$ 310,502	$ 5,696,305

* Expenses include lobbying ($36,000 for both 2022 and 2021) and printing ($245 for 2021).

BIG BROTHERS BIG SISTERS OF EASTERN MISSOURI AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
	2022	**2021**
Cash Flows From Operating Activities		
Increase in net assets	$ 4,691,647	$ 602,341
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Bad debt expense	46,144	663
Depreciation and amortization	377,018	382,705
Imputed interest on capital lease obligations	—	43
Unrealized (gains) losses on investments	505,169	(83,144)
Loss on equity method investment	3,040	2,887
Changes in assets and liabilities:		
Promises to give	(153,805)	420,661
Right of use assets and lease liabilities	700	—
Grants receivable	(57,402)	241,082
Employee retention credit receivable	332,292	(332,292)
Prepaid expenses	(33)	(3,012)
Other receivables	(14,768)	31,508
Other assets	(20)	1,243
Accounts payable and accrued expenses	176,526	14,483
Deferred revenue	(15,750)	30,451
Net Cash Provided By Operating Activities	5,890,758	1,309,619
Cash Flows From Investing Activities		
Purchases of property and equipment	(6,775)	—
Proceeds from sale of investments	—	366,454
Purchases of investments	(240,753)	(853,302)
Net Cash Used In Investing Activities	(247,528)	(486,848)
Cash Flows From Financing Activities		
Collection of contributions restricted for capital campaign	9,000	10,459
Repayment of debt borrowings	(125,000)	—
Principal payments on capital lease obligations	—	(2,651)
Net Cash Provided By (Used In) Financing Activities	(116,000)	7,808
Net Increase In Cash And Cash Equivalents	5,527,230	830,579
Cash And Cash Equivalents - Beginning Of Year	2,819,537	1,988,958
Cash And Cash Equivalents - End Of Year	$ 8,346,767	$ 2,819,537
Supplemental Disclosure Of Cash Flow Information		
Interest paid	$ 54,918	$ 56,434

1. Organization And Operations

Big Brothers Big Sisters of Eastern Missouri (BBBSEMO) is a not-for-profit corporation organized to promote the welfare of children and to advance and promote public interest in children. BBBSEMO accomplishes this by providing professionally screened volunteers to serve as positive role models in one-to-one friendships with youth ages 5 to 25. BBBSEMO was founded locally in 1914 and serves youth residing in St. Louis City, St. Louis County, St. Charles County, Jefferson County, Scott County and Cape Girardeau and has offices in St. Louis City, St. Charles and Cape Girardeau.

Mentor Missouri, Inc. (Mentor Missouri) is a not-for-profit corporation formed by BBBSEMO on July 5, 2007, to promote and support the charitable activities of BBBSEMO. Mentor Missouri acts as a financial conduit for BBBSEMO to make investments which promote BBBSEMO's efforts to foster youth mentoring, as described in Note 13.

ABCToday Inc. (ABCToday) was formed by BBBSEMO on January 5, 2015, to promote, advance, and support education and educational outcomes for youth. ABCToday had no activity during 2022 or 2021.

BBBSEMO's primary sources of revenue are contributions and grants.

In addition, BBBSEMO is the recipient of a number of awards, including the following:

- For ten years, 2013 to 2022, BBBSEMO has been named a Gold Standard Agency in recognition of demonstrated exemplary achievement and quality outcomes for the children and families served. This is an elite distinction achieved by only a small number of BBBS agencies.

- BBBSEMO is one of the larger affiliates among Big Brothers Big Sisters agencies and one of the first affiliates to offer a comprehensive support model from ages 5 to 25.

2. Summary Of Significant Accounting Policies

Principles Of Consolidation

The accompanying consolidated financial statements include the accounts of BBBSEMO and its affiliates, Mentor Missouri and ABCToday (collectively, the Organization). Mentor Missouri and ABCToday are consolidated as a result of common control and economic interest by BBBSEMO. All significant inter-entity investments, transactions and account balances have been eliminated in consolidation.

Basis Of Accounting

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis Of Presentation

Consolidated financial statement presentation follows guidance set forth by generally accepted accounting principles for not-for-profit organizations by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity, and financial flexibility. As a result, the Organization is required to report information regarding its financial position and activities according to the following two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Estimates And Assumptions

Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Operating And Non-Operating Activity

Operating results in the consolidated statement of activities reflect all transactions except the forgiveness of the Paycheck Protection Program loan and Employee Retention Credit.

Cash And Cash Equivalents

Cash and cash equivalents include highly liquid short-term investments with original maturities of three months or less.

The Organization maintains cash and cash equivalents at financial institutions with strong credit ratings. At times, such investments may be in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits of $250,000 per financial institution. At December 31, 2022, cash and cash equivalents in excess of FDIC insurance limits approximated $359,000.

Promises To Give And Grants Receivable

Promises to give and grants receivable are stated at the amount management expect to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Those balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. Management believes that no valuation allowances are necessary for promises to give or grants receivable at December 31, 2022 or 2021.

Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided an employee retention credit which was a refundable tax credit against certain employment taxes up to $5,000 per employee for eligible employers. The credit was equal to 50% of qualified wages paid to employees during a quarter, capped at $10,000 of qualified wages through December 31, 2020.

The Consolidated Appropriations Act of 2021 extended and expanded the availability of the employee retention credit through December 31, 2021. However, certain provision applied only after December 31, 2020. This new legislation amended the employee retention credit to be equal to 70% of qualified wages paid to employees after December 31, 2020, and before December 31, 2021, with a maximum of $10,000 in qualified wages for each employee per calendar quarter. Therefore, the maximum tax credit that could be claimed by an eligible employer in 2021 was $7,000 per employee per calendar quarter. The Infrastructure Investment and Jobs Act, which was signed into law in November 2021, changed the ending date of availability of the employee retention credit to September 30, 2021.

During the year ended December 31, 2021, revenue in the amount of $332,292 was recognized and was included in employee retention credit receivable on the consolidated statement of financial position. The Organization received these funds in 2022.

Investments

Investments are reported at fair value. The fair values of securities are based on quoted market prices on national exchanges. Investments for which quoted market prices are not available are carried at estimated realizable values as determined by the investment manager and reviewed by management. Gains and losses on sales of investments are determined on the average cost method. Unrealized gains and losses are determined based on year-end fair value fluctuations.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated statement of financial position.

Investment In 501 North Grand Condominium Association

BBBSEMO is a member of 501 North Grand Condominium Association, an entity established to manage, operate and maintain the building. This investment is carried at cost adjusted for BBBSEMO's share of earnings or losses subsequent to acquisition (i.e. the equity method).

The following is a summary of selected financial information for this entity:

	As Of December 31, 2022			As Of December 31, 2021		
	Total Assets	Total Liabilities	Total Equity	Total Assets	Total Liabilities	Total Equity
501 North Grand Condominium Association	$ 168,287	$ 35,893	$ 132,394	$ 165,991	$ 29,440	$ 136,551

	For The Years Ended December 31,						
		2022			2021		
	Ownership Interest	Revenues	Net Loss	Allocated Share Of Loss	Revenues	Net Income	Allocated Share Of Income
501 North Grand Condominium Association	73.13%	$ 307,975	$ (4,157)	$ (3,040)	$ 299,618	$ (3,948)	$ (2,887)

Property And Equipment

Property and equipment acquired in excess of $2,000 are carried at cost if purchased or fair value at date of donation, less accumulated depreciation and amortization computed using the straight-line method over the following estimated useful lives:

Building	40 years
Building improvements	30 years
Computer equipment	3 - 7 years
Software	5 years
Furniture and fixtures	7 - 15 years

Leases

On January 1, 2022, the Organization utilized the modified retrospective approach to adopt the provisions of Accounting Standards Codification (ASC) Topic 842, *Leases*, which includes a number of optional practical expedients that entities may elect to apply. The Organization has elected certain practical expedients, including the use of hindsight in determining the lease term at transition and in assessing impairment of an entity's right-of-use (ROU) assets and the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs. The Organization has also elected the practical expedient not to assess whether existing leases that were not previously accounted for as leases under ASC Topic 840 are or contain a lease under ASC 842. The initial adoption of ASC 842 did not result in a cumulative adjustment to net assets. Results for 2022 are presented under ASC 842, while the prior period consolidated financial statements have not been adjusted and continue to be presented under ASC 840, the accounting standard in effect at that time.

As further described in Note 6, the Organization maintains leases of office space and copiers. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The ROU assets represent the lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received. The Organization's leases generally have terms of one to five years. The Organization does not record ROU assets or lease liabilities for leases with an initial expected lease term of 12 months or less. For operating leases, lease expense for minimum lease payments is recognized on a straight-line basis over the term of the lease.

The lease terms utilized in determining ROU assets and lease liabilities include the noncancellable portion of the underlying leases along with renewal periods, only if it is reasonably certain that the option will be exercised. When determining if a renewal option is reasonably certain of being exercised, the factors considered, include but are not limited to, the cost of moving to another location, the cost of disruption of operations, the purpose or location of the lease asset and the terms associated with extending the lease. The lease for the office space includes a renewal option for two successive periods of five years. The Organization has not included this renewal period in the term when determining the ROU asset and lease liability as management is not reasonably certain if such renewal will be exercised. Accordingly, only the initial term is included in the lease term when calculating the ROU asset and lease liability with respect to the office space lease. The Organization has not included any termination penalties in its lease payments, nor shortened any lease terms related to options to terminate a lease.

As most leases do not provide an implicit discount rate, the Organization has made an election available to private companies that allows the use of the risk-free rate at the lease commencement date to determine the present value of the lease payments.

The Organization's operating leases may contain fixed rent escalations over the lease term, and the Organization recognizes expense for these leases on a straight-line basis over the lease term of the respective ROU asset. The Organization recognizes the related lease expense on a straight-line basis and records the difference between the recognized lease expense and amounts payable under the lease as part of the ROU asset.

The Organization does not separate non-lease components of a contract from the lease components to which they relate for all classes of lease assets.

The Organization, as lessor, leases office space to a tenant as described in Note 6. Under ASC 842, the Organization classifies the lease as an operating lease and elects not to separate the lease component, comprised of monthly rent from the tenant, from the associated non-lease components, comprised of fees related to utility costs. The Organization accounts for the combined lease and non-lease components under ASC 842.

Note Receivable

Note receivable is stated at the amount management expects to collect from balances outstanding at year end. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of the note. Management's periodic evaluation of the adequacy of the allowance is based on the note's past performance, known and other inherent risks, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. Balances still outstanding after management has used reasonable collection efforts will be written off through a charge to the valuation allowance and a credit to note receivable. Based on management's assessment of its credit history and current relationship with the borrower, management does not believe an allowance is necessary as of December 31, 2022 or 2021.

In-Kind Contributions

Effective January 1, 2022, the Organization adopted Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07).* ASU 2020-07 requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. Contributed nonfinancial assets, commonly referred to as gifts-in-kind, include assets (such as land, buildings and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services and unconditional promises of those assets.

In-kind contributions are recorded at fair value at the date of donation.

The Organization periodically receives materials, including supplies and tickets to cultural and sporting events, which are used in the mentoring program. These materials are valued at the price for the item or a similar item on publicly available websites. During the years ended December 31, 2022 and 2021, $82,576 and $82,615 of these donated materials were donor restricted for programming.

The Organization received the following contributed nonfinancial assets:

	2022	**2021**
Donated materials	$ 106,216	$ 95,677
Donated tickets	24,618	6,434
	$ 130,834	$ 102,111

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are performed by individuals possessing these skills, and would typically need to be purchased if not provided by donation. No donated services were received in 2022 or 2021.

The Organization generates numerous volunteer hours each year that add a dimension to the quality of life for individuals served by the Organization over and above the amount provided by salaried personnel. These donated services have not been recognized as contributions in the consolidated financial statements since the aforementioned recognition criteria, as stated by generally accepted accounting principles, were not met.

Revenue Recognition

Public Support

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. 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 on which they depend have been met. 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. 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 restrictions and reported in the consolidated statement of activities as net assets released from restrictions. The Organization has adopted the policy of reporting net assets released from restrictions upon completion of the donor purpose restriction, regardless of whether the related cash has been received.

A portion of the Organization's support is derived from cost-reimbursable federal and state contracts, which are conditional upon the incurrence of allowable qualifying expenses. Revenue is recognized when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the consolidated statement of financial position. The Organization received cost-reimbursable government contracts of approximately $1,308,000 that have not been recognized at December 31, 2022 because qualifying expenditures have not yet been incurred. At December 31, 2022 and 2021, grants receivable in the consolidated statement of financial position include $452,741 and $395,339, respectively, of qualifying expenditures that have been incurred but not yet reimbursed.

The Organization also receives grants from private institutions that are conditional upon the achievement of certain performance requirements and outcomes. Revenue is recognized when these specific requirements and outcomes are achieved.

Special Events

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Amounts received in advance of the event for the fair value of direct benefits to donors are recorded as deferred revenue.

Contract Services - Amachi Initiative

The Organization coordinates the Amachi Initiative (Initiative) for the state of Missouri with other Big Brothers Big Sisters affiliates in Missouri. The Organization incurs costs related to this Initiative and charges fees to the other agencies in proportion to their share of the revenues. These fees are recognized as revenue when Initiative costs are incurred.

Rental Income

Rental property is leased to a tenant under a noncancellable operating lease (Note 6). Rental income is recognized on a straight-line basis over the term of the lease.

The opening and closing balances of receivables from contracts with clients for the year ended December 31, 2022 are $12,723 and $13,231, respectively. The opening and closing balances of receivables from contracts with clients for the year ended December 31, 2021 are $12,354 and $12,723, respectively. These balances are included in other receivables on the consolidated statement of financial position.

Anew Income

The Organization executes contracts with outside parties for the rental of the rooftop space for events. Revenue is recognized when the event takes place. Any cash received prior to the event is recorded as deferred revenue.

There were no receivables from contracts with clients for the year ended December 31, 2022 and 2021.

Forgivable Note Payable

In response to the COVID-19 pandemic, the Paycheck Protection Program (PPP) was established under the CARES Act to be administered by the U.S. Small Business Administration (SBA). Entities who met the eligibility requirements set forth by the PPP could qualify for PPP loans. In accordance with the requirements of the CARES Act, if the Organization used the proceeds from the loan exclusively for qualified expenses under the PPP, including payroll costs, mortgage interest, rent and utility costs, the full principal amount of the PPP loan, along with any accrued interest, may qualify for loan forgiveness, subject to potential reduction based on the level of full-time employees maintained by the Organization.

When it applied for the loan, the Organization believed it would qualify to have the loan forgiven under the terms of the PPP, and therefore considered the loan to be substantively a conditional contribution by the SBA. Under the provisions of Accounting Standards Codification (ASC) 958-605, a conditional contribution is recognized as revenue when the condition or conditions are substantially met.

In January 2021, the Organization applied and received a second PPP loan in the amount of $620,000. The unsecured loan bore interest at 1%, and had a term of 5 years. During 2021, the Organization met the conditions necessary in order for the loan to be forgiven and received approval of this forgiveness from the SBA in September 2021. As such, the Organization recognized forgiveness of PPP loan of $620,000 on the consolidated statement of activities during 2021.

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying consolidated financial statements:

Program Services

Mentoring Program: BBBSEMO is the oldest and largest one-to-one mentoring organization in the state of Missouri. Additionally, with more than 1,500 young people served annually in one-to-one mentoring relationships, BBBSEMO is one of the larger affiliates in the 230 Big Brothers Big Sisters of America (BBBS) federation of agencies.

Supporting Activities

General And Administrative: Provides the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Organization's program strategy, secure proper administrative functioning of the Board of Directors, maintain competent legal services for the program administration of the Organization, and manage the financial and budgetary responsibilities of the Organization.

Fundraising: Provides the structure necessary to encourage and secure private financial support from individuals, organizations, corporations, and public agencies for operations.

Volunteer Mentor Recruitment: Provides the structure and support necessary to recruit volunteer mentors ("Bigs") which allow the Organization to carry out its mission. The Organization's unique mission requires a significant number of volunteer mentors to guarantee a 1:1 match between each Big and Little. Significant volunteer mentor recruitment costs are thus incurred annually to recruit the new Bigs necessary to allow the Organization to continually expand its one-on-one mentoring program.

Functional Expense Allocation

Expenses which are directly identifiable as related to specific functions such as background checks, bad debts, in-kind materials, interest, accounting and professional fees and volunteer activities are charged directly to those specific functions. Expenses such as salaries, payroll taxes, employee benefits, depreciation and amortization, equipment repairs, insurance, occupancy, supplies and office, telephone and utilities are allocated to multiple functions based on an analysis of personnel time and related activities. Amachi Initiative, conferences and travel, mileage, miscellaneous, organization dues, postage, printing and lobbying and other professional fees are allocated to multiple functions based on the nature of the expenditure.

Tax Status

BBBSEMO and Mentor Missouri are exempt from federal income taxes on related, exempt income under Section 501(c)(3) of the Internal Revenue Code.

The Organization's federal tax returns for tax years 2019 and later remain subject to examination by taxing authorities.

Subsequent Events

Management evaluates subsequent events through the date the consolidated financial statements are available for issue, which is the date of the Independent Auditors' Report.

3. Promises To Give

Promises to give are collectible as follows:

	2022	2021
Less than one year		
United Way	$ 401,688	$ 392,624
Building rooftop project	—	9,000
Other	401,744	593,302
	803,432	994,926
One to five years		
Other	305,000	8,083
Discount to record promise to give at present value	(6,941)	(179)
	$ 1,101,491	$ 1,002,830

A discount rate of 2% has been used to record the promises to give at the present value of estimated future cash flows.

4. Investments

Investments consist of the following:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Mutual funds:				
Large cap growth	$ 520,252	$ 656,699	$ 507,327	$ 786,942
Large cap value	1,037,504	1,020,966	962,748	1,122,010
Inflation protected bonds	389,365	319,574	363,700	362,698
Ultrashort bonds	64,895	62,818	63,041	63,039
Short-term bonds	256,084	241,755	251,092	250,730
Intermediate-term bonds	704,529	559,193	683,369	639,486
Fixed income:				
U.S. treasury note	99,401	99,484	—	—
	$ 3,072,030	2,960,489	$ 2,831,277	3,224,905
Less: Assets restricted for permanent investment (Note 10)		55,472		55,472
		$ 2,905,017		$ 3,169,433

Investments are allocated within the net asset classes as follows:

	2022	2021
Without donor restrictions	$ 2,903,383	$ 3,169,352
With donor restrictions:		
Earnings on assets restricted for endowment	1,634	81
Assets restricted for endowment	55,472	55,472
	$ 2,960,489	$ 3,224,905

Net investment income (loss) consists of the following:

	2022	2021
Interest and dividends	$ 266,217	$ 157,291
Unrealized gains (losses) on investments	(505,169)	83,144
Investment management fees	(32,603)	(14,574)
	$ (271,555)	$ 225,861

In 2022 and 2021, interest and dividends above include $27,263 of interest income on the note receivable (Note 7).

The Organization accounts for investments at fair value as required by generally accepted accounting principles. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

There are three general valuation techniques that may be used to measure fair value, as described below:

- *Market approach* - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- *Cost approach* - Based on the amount that currently would be required to replace the service capacity of an asset.
- *Income approach* - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts.

Investments measured and reported at fair value are classified and disclosed in one of the following three categories:

Level 1 Quoted prices that are readily available in active markets/ exchanges for identical investments.

Level 2 Pricing inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.

Level 3 Significant pricing inputs that are unobservable for the investment and includes investments for which there is little, if any, market activity for the investment.

The following are the major categories of assets measured at fair value on a recurring basis during the years ended December 31:

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds:				
Large cap growth	$ 656,699	$ —	$ —	$ 656,699
Large cap value	1,020,966	—	—	1,020,966
Inflation protected bonds	319,574	—	—	319,574
Ultrashort bonds	62,818	—	—	62,818
Short-term bonds	241,755	—	—	241,755
Intermediate-term bonds	559,193	—	—	559,193
Fixed Income:				
U.S. treasury note	—	99,484	—	99,484
	$ 2,861,005	$ 99,484	$ —	$ 2,960,489

	2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds:				
Large cap growth	$ 786,942	$ —	$ —	$ 786,942
Large cap value	1,122,010	—	—	1,122,010
Inflation protected bonds	362,698	—	—	362,698
Ultrashort bonds	63,039	—	—	63,039
Short-term bonds	250,730	—	—	250,730
Intermediate-term bonds	639,486	—	—	639,486
	$ 3,224,905	$ —	$ —	$ 3,224,905

At June 30, 2022, the Level 2 assets utilize the following valuation techniques and inputs:

> *U.S. Treasury Note*: The fair value of investments in U.S. treasury notes is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issue spreads, and security specific characteristics, such as early redemption options.

During 2022 and 2021, there were no changes in the methods and/or assumptions utilized to derive the fair value of the Organization's assets.

5. Property And Equipment

Property and equipment consists of:

	2022	2021
Land	$ 91,000	$ 91,000
Building and building improvements (Note 13)	12,477,479	12,477,479
Computer equipment and software	64,110	137,493
Furniture and fixtures	613,751	613,751
	13,246,340	13,319,723
Less: Accumulated depreciation and amortization	2,972,616	2,675,756
	$ 10,273,724	$ 10,643,967

6. Leases

Lease Commitments

The Organization has an operating lease for office space, which expires in January 2025, and an operating lease for copiers, which expires in November 2025. The office space lease can be renewed by the Organization for two additional five-year terms, which is not included in the calculation of the lease liability or ROU asset. This lease also includes escalating rents, which are reported as a reduction of the ROU asset as of December 31, 2022.

Rent expense under operating leases was $72,642 for the year ended December 31, 2022, which is included in occupancy on the consolidated statement of functional expenses. The weighted-average remaining term for the operating leases is 2.44 years and the weighted-average discount rate is .95%.

The reconciliation of the undiscounted cash flows for each of the next three years of the lease liabilities recorded on the consolidated statement of financial position is as follows:

Year		Operating Leases
2023	$	27,736
2024		27,786
2025		10,186
Total minimum lease payments		65,708
Less: Amount of lease payments representing interest		674
Present value of future minimum lease payments	$	65,034

On January 1, 2022, the Organization adopted the new lease standard using a modified-retrospective approach by recognizing and measuring leases at the adopting date with a cumulative effect of initially applying the guidance recognized at the date of initial application and did not restate the prior periods presented in the consolidated financial statements. Accordingly, the following information is presented for the year ended December 31, 2021 under ASC Topic 840.

Rental payments associated with the leases had been recognized on a straight-line basis over the lease terms. Lease expense for the year ended December 31, 2021 amounted to $39,906, which was included in occupancy on the consolidated statement of functional expenses.

Future minimum lease commitments related to the operating leases as of December 31, 2021 were as follows:

Year		Amount
2022	$	37,698
2023		30,377
2024		27,786
2025		10,186
	$	106,047

Rental Agreements

Since the acquisition of the building in 2014, the Organization has been negotiating a lease agreement with the building's existing tenant. The initial lease agreement has been amended at various times to extend the maturity date through March 2024. Rental income of $157,248 and $151,570 was recognized from this tenant in 2022 and 2021, respectively.

Future minimum rents to be received, based on the lease agreement, are as follows:

Year	Amount
2023	$ 163,534
2024	41,281
	$ 204,815

7. Note Receivable

At December 31, 2022 and 2021, the note receivable consists of a $2,689,000 note receivable from USBCDC Investment Fund 175, LLC (the Investment Fund) to Mentor Missouri with an origination date of August 2, 2016. During the year ended December 31, 2016, $2,689,000 was loaned to the Investment Fund. The note accrues interest at an annual rate of 1%, with quarterly payments of accrued interest due. Commencing March 10, 2024, quarterly principal and interest payments of $33,344 shall be due with the final payment of principal and accrued interest due on the note's maturity on August 1, 2046. The note is secured primarily by the Investment Fund's membership interest in St. Louis New Markets Tax Credit Fund 42, LLC (the Tax Credit Fund). No accrued interest was outstanding as of December 31, 2022 or 2021.

During 2023, the note receivable was repaid in connection with the collapse of the NMTC transaction (Note 13).

8. Line Of Credit

The Organization has a line of credit with a bank with maximum borrowings of $1,200,000. This line of credit is secured by substantially all assets of BBBSEMO. Borrowings under the line of credit bear interest at the prime rate at the beginning of the month less 1% (6.00% and 2.50% at December 31, 2022 and 2021, respectively) and matures in August 2023. There was no outstanding balance at December 31, 2022 or 2021.

No interest expense was incurred during 2022 or 2021.

9. Debt

During 2015, the Organization obtained financing from a bank with maximum borrowings of $2,500,000. This note was secured by substantially all assets of BBBSEMO. Borrowing under the note bore interest at a rate equal to the LIBOR monthly rate plus 1.95% (2.05% at December 31, 2021) and interest payments were due monthly. Beginning in July 2017, the note required annual principal payments of one-sixth of the outstanding principal balance as of July 27, 2017 (which was $900,000), with all outstanding interest and principal due in July 2022. In January and May 2019, principal payments of $100,000 and $50,000, respectively, were made. In August 2019, the terms of the note were modified to reduce the maximum borrowings to $250,000 and the note's amortization schedule was adjusted accordingly. In February 2020, principal payments of $125,000 were made, reducing the outstanding balance to $125,000 at December 31, 2021. At December 31, 2022, no amount was outstanding due to the $125,000 principal payment made on the note's maturity in July 2022.

During 2022 and 2021, $2,694 and $4,210, respectively, of interest expense was incurred.

During August 2016, loan financing was provided by the Tax Credit Fund under a loan commitment of $3,840,000 to finance the construction and renovation of the Organization's restaurant and rooftop spaces. This loan is secured primarily by a security interest and lien on all of the Organization's personal property and fixtures within these spaces and a right to the revenues generated from these spaces. This loan bears interest at a rate of 1.36% per annum with quarterly interest payments due. Commencing March 1, 2024, quarterly principal and interest payments of $34,652 shall be due, with a final principal and interest payment due upon the loan's maturity on August 1, 2046. This loan may not be prepaid in whole or in part at any time prior to December 30, 2022. On a semi-annual basis, the Organization must certify to the Tax Credit Fund the Organization's compliance with New Markets Tax Credit (NMTC) compliance requirements, including that the Organization remains a Qualified Active Low- Income Community Business (QALICB). At December 31, 2022 and 2021, principal of $3,840,000 was outstanding. Interest incurred and paid during 2022 and 2021 amounted to $52,224 and $53,094, respectively.

During 2023, this loan was repaid in connection with the collapse of the NMTC transaction (Note 13).

10. Net Assets

Net assets with donor restrictions consist of the following:

	2022	2021
Purpose Restricted:		
Mentoring program	$ 301,050	$ 559,512
United Way allocation	20,399	20,993
Unappropriated endowment earnings	1,634	81
	323,083	580,586
Time Restricted:		
United Way allocation	381,288	371,631
Corporate contributions	550,000	466,399
Trust and foundation contributions	—	25,000
Multi-year promises to give (net of discounts of $6,942 and $179, respectively)	151,905	105,120
	1,083,193	968,150
Assets restricted for endowment	55,472	55,472
	$ 1,461,748	$ 1,604,208

Net assets were released from net assets with donor-imposed restrictions as follows:

		2022		2021
Purpose Restrictions:				
Mentoring program	$	859,119	$	966,764
United Way allocation		41,392		38,534
		900,511		1,005,298
Time Restrictions:				
United Way allocation		371,631		362,273
Corporate contributions		466,399		90,000
Trust and foundation contributions		25,000		27,500
Multi-year promises to give		100,300		106,523
		963,330		586,296
	$	1,863,841	$	1,591,594

Net Assets Restricted For Endowment

The Organization's endowment consists of a donor-restricted endowment fund established to fund the operations, capital and scholarship activities of the Organization. As required by accounting standards, assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation Of Relevant Law

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies earnings amounts in its donor-restricted endowment fund as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Some of those earnings also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors of the Organization 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. As a result of this interpretation, when reviewing its donor-restricted endowment fund, 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. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with 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:

1) The duration and preservation of the fund,
2) The purposes of the Organization 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 Organization, and
7) The investment policies of the Organization.

Endowment Asset Composition By Type Of Fund As Of December 31:

	With Donor Restrictions		
	Earnings	Principal	Total
Donor-restricted endowment fund	$ 1,634	$ 55,472	$ 57,106

	With Donor Restrictions		
	Earnings	Principal	Total
Donor-restricted endowment fund	$ 81	$ 55,472	$ 55,553

Changes In Endowment Assets:

	With Donor Restrictions		
	Earnings	Principal	Total
Endowment assets - January 1, 2021	$ 2,485	$ 55,472	$ 57,957
Investment return	81	—	81
Appropriation of endowment assets for expenditure	(2,485)	—	(2,485)
Endowment assets - December 31, 2021	81	55,472	55,553
Investment return	1,634	—	1,634
Appropriation of endowment assets for expenditure	(81)	—	(81)
Endowment assets - December 31, 2022	$ 1,634	$ 55,472	$ 57,106

Funds With Deficiencies

From time to time, the fair value of assets associated with the donor-restricted endowment fund may fall below the level that the donors require the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature related to market fluctuations are reported in net assets with donor restrictions. There were no such deficiencies as of December 31, 2022 or 2021.

Return Objectives And Risk Parameters

The goals of the Organization's investment policy are to manage the Organization's investment portfolio for preservation of capital with a small portion invested in the equity market. Specifically, the investment policy shall offer the necessary guidelines to attain the following goals and objectives: a) safety of funds invested; b) adequate liquidity through marketability and appropriate schedules of maturing investments; c) reasonable total return on all funds invested; and d) full employment of all available funds in earning assets.

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 of 60% allocated to treasuries, government bonds, CDs and/or AAA corporate paper and 40% allocated to balanced mutual funds including exchange traded funds, I shares, and index funds.

Spending Policy And How The Investment Objectives Relate To Spending Policy

The Organization's investment and spending policies are designed to preserve the value of endowment assets against inflation. The current spending policy is a draw of five percent of the average of the previous 12 quarters' ending endowment value.

The minimum draw rate is 4% of the average of the previous 12 quarters' ending endowment value and the maximum draw rate is 6% of the average of the previous 12 quarters' ending endowment value.

11. Employee Retirement Plan

The Organization's employees may be eligible to receive pension benefits under a 401(k) retirement plan. Employees who have one year of service and are age 18 or older are eligible to receive employer contributions. The Organization provides a matching contribution up to 3% of the employee's salary deferral. Employer contributions to the plan were $84,229 and $83,754 for the years ended December 31, 2022 and 2021, respectively.

12. Related Party Transactions

The Organization coordinates the Amachi Initiative for the state of Missouri with other Big Brothers Big Sisters affiliates in Missouri. The Organization incurs costs related to this Initiative and charges fees to the other agencies in proportion to their share of the revenues. The Organization receives the funds from the state and distributes to the other agencies accordingly. No amount was due at December 31, 2022 or 2021.

The Organization receives a significant amount of support from its Board of Directors (including their related organizations and companies). Such support totaled approximately $862,000 and $719,000 for 2022 and 2021, respectively.

13. Building Project

On August 2, 2016, BBBSEMO and its affiliate, Mentor Missouri, entered into a NMTC transaction to provide funds for the expansion of the existing building and to complete the Organization's vision for the building to serve as a community gathering place by constructing a rooftop restaurant and event space. This was accomplished through the Organization's fundraising efforts, borrowings from outside lenders, and borrowings from the Tax Credit Fund as described in Note 9.

The transaction also included a guaranty agreement on behalf of US Bancorp Community Development Corporation (USBCDC) and a put and call agreement with USBCDC as described below.

BBBSEMO is a QALICB, and as a result, guarantees NMTC compliance in connection with the loan obtained from the Tax Credit Fund (Note 9) to prevent recapture of these credits. In addition, BBBSEMO has made other guarantees for the benefit of USBCDC, such as payment of the NMTC Guaranteed Amount and environmental indemnification. The maximum potential amount of future payments cannot readily be determined due to the nature of these guarantees.

BBBSEMO entered into a Put and Call Agreement with USBCDC, which includes both a "put" and a "call" option. These options are expected to be exercised and will ultimately result in BBBSEMO owning USBCDC's interest in USBCDC Investment Fund 75, LLC, including the note receivable from Mentor Missouri (Note 7), as well as the debt to BBBSEMO (Note 9). This ownership acquisition will allow BBBSEMO to "collapse" the NMTC deal, repaying all outstanding obligations with no additional capital outlay.

Subsequent to year end, the options described above were exercised and the NMTC deal was collapsed. The accounting implications for this business consolidation have not yet been determined. As a result of this transaction, all outstanding obligations were forgiven.

14. Concentrations

In 2022, the Organization received approximately 56% of its total public support from one donor.

In 2021, the Organization received approximately 26% of its total public support from two donors.

15. Liquidity And Availability Of Resources

The Organization has the following financial assets available for general expenditures in the next year:

	2022	2021
Cash and cash equivalents	$ 8,346,767	$ 2,819,537
Promises to give	1,101,491	1,002,830
Grants receivable	452,741	395,339
Other receivables	27,491	12,723
Employee retention credit receivable	—	332,292
Investments	2,905,017	3,169,433
Total financial assets	12,833,507	7,732,154
Less: Amounts subject to donor restrictions	(1,406,276)	(1,548,736)
	$ 11,427,231	$ 6,183,418

The Organization regularly monitors liquidity required to meet its operating needs and contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, mutual funds and a line of credit. As part of its liquidity management plan, the Organization invests excess cash in short-term investments.

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**Independent Auditors' Report
On Supplementary Information**

Board of Directors
Big Brothers Big Sisters of Eastern Missouri
St. Louis, Missouri

We have audited the consolidated financial statements of Big Brothers Big Sisters of Eastern Missouri and affiliates (collectively, the Organization) as of and for the years ended December 31, 2022 and 2021, and our report thereon dated June 1, 2023, which contained an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidated Operating Results Comparison (With 2023 Budget) and the Community And Children's Resource Board Of St. Charles County - Schedule of Project Unit Costs, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements.

The Consolidated Operating Results Comparison (With 2023 Budget) has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The Community And Children's Resource Board Of St. Charles County - Schedule of Project Unit Costs was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information, except for the total units served, has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole. The total units served have not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

RubinBrown LLP

June 1, 2023

BIG BROTHERS BIG SISTERS OF EASTERN MISSOURI AND AFFILIATES

CONSOLIDATED OPERATING RESULTS COMPARISON (WITH 2023 BUDGET)

	2023 Budget (Unaudited)	Consolidated Statement Of Activities 2022	2021
Public Support, Revenues And Gains (Losses)			
Contributions	$ 1,923,000	$ 7,863,978	$ 1,956,587
United Way allocation	414,000	422,087	413,617
Grants	2,500,000	2,431,601	2,470,211
In-kind contributions	—	130,834	102,111
Special events (net)	170,000	—	—
Contract services - Amachi Initiative	40,000	20,400	20,400
Net investment income (loss)	300,000	(271,555)	225,861
Loss on equity method investment	—	(3,040)	(2,887)
Earned income	160,000	158,548	160,454
Total Public Support, Revenues And Gains (Losses)	5,507,000	10,752,853	5,346,354
Expenses			
Salaries	3,794,000	3,375,211	3,277,672
Payroll taxes	260,000	236,858	235,315
Employee benefits	650,000	498,771	549,581
Amachi Initiative	40,000	36,000	36,245
Background checks	8,000	5,003	5,054
Bad debts	—	46,144	663
Conferences and travel	130,000	153,997	45,947
Depreciation and amortization	—	377,018	382,705
Equipment repairs	—	13,378	15,409
In-kind materials	—	130,834	102,111
Insurance	66,000	69,213	64,809
Interest	18,000	54,918	56,477
Mileage	26,000	16,377	7,784
Miscellaneous	15,000	39,832	29,894
Occupancy	444,000	370,294	363,833
Organization dues	89,000	89,114	89,674
Postage	6,000	4,358	3,763
Printing	100,000	36,860	47,667
Professional fees:			
Accounting	60,000	57,358	47,342
Consulting	42,000	—	—
Lobbying	56,000	36,000	36,000
Other	69,000	242,693	94,932
Special events	250,000	—	—
Supplies and office	10,000	5,484	2,048
Telephone	28,000	20,626	24,694
Utilities	—	39,753	40,766
Volunteer activities	125,000	105,112	135,920
Total Expenses	6,286,000	6,061,206	5,696,305
Increase (Decrease) In Net Assets From Operations	$ (779,000)	$ 4,691,647	$ (349,951)

BIG BROTHERS BIG SISTERS OF EASTERN MISSOURI AND AFFILIATES

COMMUNITY AND CHILDREN'S RESOURCE BOARD OF ST. CHARLES COUNTY - SCHEDULE OF PROJECT UNIT COSTS

		Project Community Based Services
Project Expenses		
Direct Project Expenses:		
1.	Salaries	$ 13,025
2.	Employee benefits	1,925
3.	Payroll taxes	914
4.	Occupancy	1,426
5.	Telephone	80
6.	Utilities	153
7.	Supplies	21
8.	Client volunteer activities	406
9.	Background checks	278
10.	Mileage	63
11.	Postage	17
12.	Printing	142
13.	Equipment repairs	52
14.	Insurance	267
15.	Conferences, meetings, and travel	594
16.	Total Direct Project Expenses	19,363
Indirect (Administrative) Expenses:		
17.	Depreciation	1,455
18.	Interest	264
19.	Miscellaneous	103
20.	Organization dues and subscriptions	344
21.	Professional services - Accounting	221
22.	Professional services - Other	937
23.	Total Indirect Project Expenses	3,323
24.	Total Project Expenses	$ 22,686
25.	Total Units Served	598.16
Cost Per Unit: Line 24/25		$ 37.93