

# **BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.**

## **FINANCIAL STATEMENTS**

**JUNE 30, 2024 and 2023**

# **BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Big Brothers Big Sisters of New York City, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Big Brothers Big Sisters of New York City, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Big Brothers Big Sisters of New York City, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for each of 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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.

#### ***Responsibilities of Management for the Financial Statements***

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

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 Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibility 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 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 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 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.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
December 18, 2024



# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Statements of Financial Position

	June 30,	
	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 239,550	\$ 876,345
Government grants receivables	138,985	1,474,808
Contributions receivable, net	514,289	445,242
Investments	5,073,040	4,507,991
Due from investment manager	-	177,370
Prepaid expenses and other assets	205,773	115,109
Property and equipment, net	11,769,128	12,167,216
Right-of-use asset - operating lease	31,971	55,631
	<b>\$ 17,972,736</b>	<b>\$ 19,819,712</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	1,429,832	1,251,796
Lease liability	31,971	55,631
Line-of-credit payable	286,448	650,916
Bonds payable, net	6,161,286	6,514,308
Total liabilities	<b>7,909,537</b>	<b>8,472,651</b>
Commitments and contingencies (see Note J)		
Net assets:		
Without donor restrictions	8,617,915	9,900,009
With donor restrictions	1,445,284	1,447,052
Total net assets	<b>10,063,199</b>	<b>11,347,061</b>
	<b>\$ 17,972,736</b>	<b>\$ 19,819,712</b>

# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Statements of Activities

	Year Ended June 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public support and revenue:</b>						
Contributions	\$ 3,238,897	\$ 527,732	\$ 3,766,629	\$ 3,265,635	\$ 870,631	\$ 4,136,266
Special events (net of direct benefits to donors of \$617,103 and \$589,161 in 2024 and 2023, respectively)	3,666,646	-	3,666,646	3,769,076	-	3,769,076
Government contracts	1,271,913	-	1,271,913	1,254,122	-	1,254,122
Bequests	1,428	-	1,428	400,000	-	400,000
Investment income, net	670,128	-	670,128	455,965	-	455,965
In-kind services	288,240	-	288,240	215,329	-	215,329
Total public support and revenue before release of restrictions	9,137,252	527,732	9,664,984	9,360,127	870,631	10,230,758
Net assets released from restrictions	529,500	(529,500)	-	198,605	(198,605)	-
Total public support and revenue	9,666,752	(1,768)	9,664,984	9,558,732	672,026	10,230,758
<b>Expenses:</b>						
Program services - Youth Mentoring	7,710,130	-	7,710,130	8,057,926	-	8,057,926
Supporting services:						
Management and general	1,762,832	-	1,762,832	1,909,757	-	1,909,757
Fund-raising	1,475,884	-	1,475,884	1,443,480	-	1,443,480
Total expenses	10,948,846	-	10,948,846	11,411,163	-	11,411,163
<b>Change in net assets</b>	(1,282,094)	(1,768)	(1,283,862)	(1,852,431)	672,026	(1,180,405)
Net assets, beginning of year	9,900,009	1,447,052	11,347,061	11,752,440	775,026	12,527,466
<b>Net assets, end of year</b>	<u>\$ 8,617,915</u>	<u>\$ 1,445,284</u>	<u>\$ 10,063,199</u>	<u>\$ 9,900,009</u>	<u>\$ 1,447,052</u>	<u>\$ 11,347,061</u>

See notes to financial statements.

## BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

### Statement of Functional Expenses

Year Ended June 30, 2024

(with summarized financial information for 2023)

	Program Services	Supporting Services			Total	
	Youth Mentoring	Management and General	Fund-Raising	Total Supporting Services	2024	2023
Salaries and wages	\$ 4,086,983	\$ 873,669	\$ 630,695	\$ 1,504,364	\$ 5,591,347	\$ 6,182,152
Payroll taxes and employee benefits	1,013,990	216,759	156,477	373,236	1,387,226	1,455,426
Telephone	55,678	11,902	8,592	20,494	76,172	84,616
Venue, décor, gifts and entertainment	-	-	991,503	991,503	991,503	864,548
Office supplies	19,849	4,243	3,063	7,306	27,155	28,833
Printing, postage and publications	-	1,511	16,216	17,727	17,727	19,943
Insurance	67,993	14,535	10,493	25,028	93,021	101,618
Conferences and travel	66,783	-	16,756	16,756	83,539	46,516
Professional fees	515,189	317,237	79,503	396,740	911,929	907,814
Temporary help	77,413	16,549	11,946	28,495	105,908	105,024
Equipment rental and maintenance	20,418	4,365	3,151	7,516	27,934	47,748
Building maintenance	61,451	13,136	9,483	22,619	84,070	198,795
Membership dues and subscriptions	174,177	37,234	26,879	64,113	238,290	217,591
Data processing	19,138	4,091	2,953	7,044	26,182	24,658
Background check	182,923	-	-	-	182,923	122,512
Occupancy	196,947	42,101	30,392	72,493	269,440	300,466
Depreciation and amortization	290,974	62,210	44,904	107,114	398,088	396,082
Education and development	3,512	-	-	-	3,512	3,932
Meals and refreshments	57,500	-	-	-	57,500	50,262
Venues and admissions	47,826	-	-	-	47,826	41,129
Interest	257,167	54,974	39,685	94,659	351,826	357,456
Recruitment outreach	84,971	-	-	-	84,971	62,821
Honorariums and stipends	227,370	-	-	-	227,370	196,344
Bad debt expense	-	74,053	-	74,053	74,053	77,266
Scholarships	115,158	-	-	-	115,158	48,000
Miscellaneous	66,720	14,263	10,296	24,559	91,279	58,772
Total expenses	7,710,130	1,762,832	2,092,987	3,855,819	11,565,949	12,000,324
Less: direct benefits to donors	-	-	(617,103)	(617,103)	(617,103)	(589,161)
Total expenses per statements of activities	\$ 7,710,130	\$ 1,762,832	\$ 1,475,884	\$ 3,238,716	\$ 10,948,846	\$ 11,411,163

See notes to financial statements.

# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Statement of Functional Expenses Year Ended June 30, 2023

	Program Services	Supporting Services			
	Youth Mentoring	Management and General	Fund-Raising	Total Supporting Services	Total
Salaries and wages	\$ 4,574,793	\$ 865,501	\$ 741,858	\$ 1,607,359	\$ 6,182,152
Payroll taxes and employee benefits	1,077,015	203,760	174,651	378,411	1,455,426
Telephone	62,616	11,846	10,154	22,000	84,616
Venue, décor, gifts and entertainment	-	-	864,548	864,548	864,548
Office supplies	21,336	4,037	3,460	7,497	28,833
Printing, postage and publications	4,469	-	15,474	15,474	19,943
Insurance	75,197	14,227	12,194	26,421	101,618
Conferences and travel	46,516	-	-	-	46,516
Professional fees	462,566	415,853	29,395	445,248	907,814
Temporary help	-	105,024	-	105,024	105,024
Equipment rental and maintenance	35,334	6,685	5,729	12,414	47,748
Building maintenance	147,108	27,831	23,856	51,687	198,795
Membership dues and subscriptions	186,484	16,750	14,357	31,107	217,591
Data processing	18,247	3,452	2,959	6,411	24,658
Background check	122,512	-	-	-	122,512
Occupancy	222,345	42,065	36,056	78,121	300,466
Depreciation and amortization	293,101	55,451	47,530	102,981	396,082
Education and development	2,910	550	472	1,022	3,932
Meals and refreshments	50,262	-	-	-	50,262
Venues and admissions	41,129	-	-	-	41,129
Interest	264,517	50,044	42,895	92,939	357,456
Recruitment outreach	62,821	-	-	-	62,821
Honorariums and stipends	195,157	1,187	-	1,187	196,344
Bad debt expense	-	77,266	-	77,266	77,266
Scholarships	48,000	-	-	-	48,000
Miscellaneous	43,491	8,228	7,053	15,281	58,772
Total expenses	8,057,926	1,909,757	2,032,641	3,942,398	12,000,324
Less: direct benefits to donors	-	-	(589,161)	(589,161)	(589,161)
Total expenses per statements of activities	\$ 8,057,926	\$ 1,909,757	\$ 1,443,480	\$ 3,353,237	\$ 11,411,163

See notes to financial statements.



# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (1,283,862)	\$ (1,180,405)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	398,088	396,082
Amortization of bond issuance costs	11,447	11,447
Bad debt expense	74,053	77,266
Lease amortization	23,660	42,296
Donated securities	(51,309)	(65,132)
Proceeds from sale of donated securities	51,309	65,132
Net realized and unrealized gains on investments	(505,335)	(74,850)
Changes in:		
Government contracts receivable	1,335,823	1,339,393
Contributions receivable	(143,100)	250,679
Due from investment manager	177,370	(177,370)
Prepaid expenses and other assets	(90,664)	5,324
Accounts payable and accrued expenses	178,036	(353,167)
Lease liability	(23,660)	(42,296)
Net cash provided by operating activities	151,856	294,399
<b>Cash flows from investing activities:</b>		
Purchases of investments	(162,344)	(4,063,797)
Proceeds from sales of investments	102,630	5,555,041
Net cash (used in) provided by investing activities	(59,714)	1,491,244
<b>Cash flows from financing activities:</b>		
Drawdowns on line of credit	1,201,453	500,000
Repayments of line of credit	(1,565,921)	(1,214,084)
Principal payments on long term debt	(364,469)	(316,820)
Net cash used in financing activities	(728,937)	(1,030,904)
<b>Net change in cash and cash equivalents</b>	<b>(636,795)</b>	<b>754,739</b>
Cash and cash equivalents, beginning of year	876,345	121,606
<b>Cash and cash equivalents, end of year</b>	<b>\$ 239,550</b>	<b>\$ 876,345</b>
<b>Supplemental disclosure of cash flows information:</b>		
Interest paid	\$ 340,379	\$ 346,008
In-kind services	\$ 288,240	\$ 215,329
Non-cash lease liability arising from obtaining right-of-use asset	\$ -	\$ 97,927

See notes to financial statements.

# **BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.**

## **Notes to Financial Statements June 30, 2024 and 2023**

### **NOTE A - ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES**

#### **[1] Organization:**

Big Brothers Big Sisters of New York City, Inc. (the "Organization"), was founded in 1904 in the State of New York. The Organization is a not-for-profit community-based organization, which provides a trained adult volunteer to a needy youngster in a one-to-one mentoring program. In addition, the Organization also provides programs through local school districts and police departments. Program services are in the form of support groups, referral, advocacy, recreation and counseling.

The Organization is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and from state and local taxes under comparable laws.

#### **[2] Basis of accounting:**

The financial statements of the Organization have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

#### **[3] Use of estimates:**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, public support and revenue and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

#### **[4] Cash and cash equivalents:**

The Organization considers all highly liquid investments, purchased with an original maturity of three months or less, to be cash equivalents.

#### **[5] Investments:**

The Organization's investment in a certificate of deposit is reported at its fair value in the statements of financial position as of each fiscal year end. The Organization's investments in a multi-asset fund, for which a readily determinable fair value does not exist, is recorded at its estimated fair value based on the respective net asset value ("NAV") per share (or its equivalent unit), as reported by the particular investment manager. Because of the complex management structures and nature of the underlying investments and the inherent uncertainty of the valuation, the Organization's management monitors its position to reduce the risk of potential losses due to changes in fair value or the failure of counterparties to perform on a routine basis. Management believes the carrying amount of the multi-asset fund is a reasonable estimate of fair value. However, such estimated fair values may differ significantly from the values that would have been used had a ready market for this investment existed.

The Organization's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

# **BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.**

## **Notes to Financial Statements June 30, 2024 and 2023**

### **NOTE A - ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **[5] Investments: (continued)**

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investments' cost bases to the fair value at the end of each fiscal year. The earnings from dividends and interest are recognized when earned. Investment fees are embedded in various investment transactions.

Donated securities are recorded at their estimated fair values on the dates of donation. The Organization's policy is to sell donated securities as soon as practicable, and, accordingly, for purposes of the statements of cash flows, donated securities received, and the proceeds generated from their sale are included within operating activities.

#### **[6] Due from investment manager:**

From time-to-time, investment transactions may be initiated prior to fiscal year end but may not be settled until the following fiscal year. Accordingly, amounts to be received by the Organization are reported as "due from investment manager" in the accompanying statements of financial position. At June 30, 2024, there were no unsettled transaction, included in the accompanying statements of financial position. There were \$177,370 of unsettled transactions as of June 30, 2023, which were fully collected during fiscal year 2024.

#### **[7] Property and equipment:**

Property and equipment are stated at their original costs at the date of acquisition, or, if contributed, at their fair values at the dates of donation, net of accumulated depreciation. The Organization capitalizes items of property and equipment that have a cost of \$1,000 or more and a useful life greater than one year, whereas minor costs of repairs and maintenance are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Office equipment is depreciated over three to five years and condominium improvements are depreciated over fifteen to forty years.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. There were no triggering events during fiscal year 2024 or 2023 requiring management to test for impairment that would require any adjustments to property and equipment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

#### **[8] Accrued vacation:**

Accrued vacation is included as a liability in the financial statements and represents the Organization's obligation for the cost of unused employee vacation time payable in the event of employee terminations; the obligation is recalculated every year. At June 30, 2024 and 2023, the accrued vacation obligation was approximately \$201,000 and \$355,000, respectively, and was included in accounts payable and accrued expenses in the accompanying statements of financial position.

# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE A - ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [9] Bond issuance costs:

Bond issuance costs in connection with bond financing are presented in the statements of financial position as a direct reduction of the related debt. Bond issuance costs are being amortized over the term of the debt, using the straight-line method, which approximates the effective-interest method. Amortization of bond issuance costs is reported as interest expense in the statements of functional expenses and amounted to \$11,447 in both fiscal years 2024 and 2023 (see Note E[1]).

#### [10] Net assets:

##### (i) *Net assets without donor restrictions:*

Net assets without donor restrictions represent those resources for which there are no restrictions by donors as to their use and are therefore available for current operations.

##### (ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or a specific period of time.

When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions." Contributions with donor restrictions, the requirements of which are met in the year of donation, are reported as without donor restrictions.

#### [11] Revenue recognition:

##### (i) *Contributions and government contracts:*

Contributions made to the Organization are recognized as revenue upon the receipt of cash, other assets, or of unconditional pledges/contracts. Contributions are recorded as "with donor restrictions" if they are received with donor stipulations or time considerations as to their use that have not been satisfied within the year of receipt. Conditional contributions or government contracts are recorded when the conditions have been met by requisite actions of the Organization's management or necessary events have taken place.

An allowance for doubtful collections on contributions receivable has been provided using management's judgement of potential defaults, which takes into consideration factors such as prior collection history, the type of contributions received, and the nature of the Organization's fund-raising activity.

During fiscal year 2022, the Organization applied for the Employee Retention Credit ("ERC") for pay periods that occurred in 2020 and 2021, and accordingly, recorded a receivable of approximately \$1,666,000 which is included in government grants receivables in the accompanying statements of financial position. The Organization received approximately \$423,000 during fiscal year 2023 and has fully collected the remaining balance of approximately \$1,243,000 during fiscal year 2024.

# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE A - ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [11] Revenue recognition: (continued)

##### (ii) *Special events:*

The Organization holds various fund-raising events to raise money for its operations. Gross proceeds paid by attendees at special events represents contribution revenue as well as the payment of the direct costs of the benefits received by the attendee at the event, considered exchange revenue. Special-event revenue is reported net of the direct benefits to donors. The exchange portion of the cash received is recognized as revenue when the special event takes place. The exchange portion of special event proceeds for a future year's event is deferred and recognized when the event takes place. The contribution portion is considered restricted by donors for time until the event takes place.

##### (iii) *Bequests:*

The Organization receives occasional bequests from decedents' estates. Because of the uncertainties associated with bequests pending the finalization of various legal and estate matters, the Organization does not recognize bequests in its financial statements until the amounts to be received can be determined with reasonable certainty or are actually received in cash.

#### [12] In-kind services and volunteers:

In-kind services are recognized in the financial statements if the services: (i) create or enhance non-financial assets or require specialized skills; (ii) are provided by individuals possessing these skills; and (iii) would typically need to be acquired if not provided by donation. Accordingly, donated services are recorded at their estimated fair value at the dates of donation and are reported as support without donor restrictions. Donated services are reported as both contributions and expenses in the statements of activities. In fiscal years 2024 and 2023, the Organization received legal services and other professionals services valued at \$288,240 and \$215,329, respectively.

In addition, the Organization receives a significant amount of donated services from numerous trained individuals who volunteer as big brothers and big sisters. Although the Organization could not conduct its programs without these volunteers, who are an integral part of the scope of the Organization's activities, the value of this contributed time does not meet the above criteria for recognition of contributed services required under U.S. GAAP and, accordingly, is not included in the financial statements. The number of trained volunteers that provided services to the Organization in fiscal years 2024 and 2023 was 1,586 and 1,711, respectively.

#### [13] Functional allocation of expenses:

The costs of providing the Organization's program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by natural classification and function. Accordingly, direct costs have been functionalized within the program and supporting services based on the nature of the expense. Indirect costs have been functionalized on the basis of time and effort by the employees. Costs that have been allocated include salaries and related expenses, occupancy expenses, interest expense, insurance expense, and depreciation and amortization expenses.

#### [14] Income taxes:

The Organization is subject to the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because of the Organization's general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have, a material impact on the Organization's financial statements.

# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE A - ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [15] Subsequent events:

The Organization evaluated subsequent events through December 18, 2024, the date on which the financial statements were available to be issued.

### NOTE B - CONTRIBUTIONS RECEIVABLE

At each fiscal year end, contributions receivable were estimated to be due as follows:

	June 30,	
	2024	2023
Less than one year	\$ 625,336	\$ 539,048
One to five years	51,500	-
	676,836	539,048
Less: allowance for doubtful accounts	(162,547)	(93,806)
	\$ 514,289	\$ 445,242

### NOTE C - INVESTMENTS

At each fiscal year end, investments consisted of the following:

	June 30,			
	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Certificate of deposit	\$ 327,944	\$ 327,944	\$ 314,762	\$ 314,762
Multi-asset fund	4,745,096	4,209,738	4,193,229	4,163,206
	\$ 5,073,040	\$ 4,537,682	\$ 4,507,991	\$ 4,477,968

During each fiscal year, investment returns consisted of the following:

	June 30,	
	2024	2023
Interest and dividends, net	\$ 164,793	\$ 381,115
Realized losses	-	(109,881)
Unrealized gains	505,335	184,731
	\$ 670,128	\$ 455,965

# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE C - INVESTMENTS (CONTINUED)

The FASB's ASC Topic 820, *Fair Value Measurement*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

- Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments at the reporting date.
- Level 2: Valuations are based on: (i) quoted prices for similar investments in active markets; or (ii) quoted prices for those investments, or similar investments, in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.
- Level 3: Valuations are based on pricing inputs that are unobservable and include situations where: (i) there is little, if any, market activity for the investments; or (ii) the investments cannot be independently valued.

Certain of the Organization's investments are valued using NAV per share (or its equivalent unit) as a practical expedient of fair value. This applies to investments: (i) which do not have a readily determinable fair value; and (ii) whose financial statements were prepared by the respective investment managers consistent with the measurement principles of an investment company or have the attributes of an investment company. Investments that are valued using NAV per share (or its equivalent unit) are not required to be categorized within the fair value hierarchy and accordingly, have been excluded from the fair value hierarchy.

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following tables summarize the fair value of the Organization's financial assets at each fiscal year end, in accordance with ASC Topic 820 valuation levels:

June 30, 2024			
	Amounts Within Fair- Value Hierarchy		Measured at NAV
	Level 2	Total	Total
Certificate of deposit	\$ 327,944	\$ 327,944	\$ -
Multi-asset fund	-	-	4,745,096
Total	\$ 327,944	\$ 327,944	\$ 4,745,096
			\$ 5,073,040

# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE C - INVESTMENTS (CONTINUED)

June 30, 2023			
	Amounts Within Fair- Value Hierarchy		Measured at NAV
	Level 2	Total	
Certificate of deposit	\$ 314,762	\$ 314,762	\$ -
Multi-asset fund	-	-	4,193,229
Total	\$ 314,762	\$ 314,762	\$ 4,193,229
			\$ 4,507,991

At June 30, 2024, concentrations of the Organization's investments in excess of 10% of the fair values of its portfolio included approximately 94% in a multi-asset fund. At June 30, 2023, such concentrations consisted of approximately 93% in a multi-asset fund.

The following table describes the funding commitment and redemption information for the Organization's investment measured at NAV:

	Fair Value		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
	2024	2023			
Multi-asset fund	\$ 4,745,096	\$ 4,193,229	\$ -	Daily	N/A

### NOTE D - PROPERTY AND EQUIPMENT

At each fiscal year end, property and equipment consisted of the following:

	June 30,	
	2024	2023
Condominium and improvements	\$ 15,594,740	\$ 15,594,740
Office equipment	492,437	492,437
	16,087,177	16,087,177
Less: accumulated depreciation and amortization	(4,318,049)	(3,919,961)
	\$ 11,769,128	\$ 12,167,216



## BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

### Notes to Financial Statements June 30, 2024 and 2023

#### NOTE E - BONDS PAYABLE, LINE OF CREDIT, AND LOAN PAYABLE

##### [1] New York City Industrial Development Agency Bonds:

In order to finance the acquisition and renovation of the Organization's facility at 40 Rector Street, the Organization entered into an agreement with the Build NYC Resource Corporation ("BNRC") whereby BNRC issued \$7,000,000 of Series A and \$2,000,000 of Series B Civic Facility Revenue Bonds (the "bonds") on May 1, 2014, which are secured by the facility. In June 2024, the Organization was notified by the bank that the bonds were subject to tender effective May 1, 2024, the Organization is currently in discussions with the bank to refinance the bonds, as of the date of this audit report.

Payments on the bonds were interest-only for the first year which began June 1, 2014, principal payments are due monthly and began June 1, 2015, and continue through May 1, 2039. Interest is charged at a fixed rate of 3.39% on the Series A and a floating rate of 72% of the 30-day LIBOR plus 1.44% for Series B, which was 7.18% and 7.20% at June 30, 2024 and 2023, respectively, and is payable monthly. Interest expense for 2024 and 2023 was \$297,099 and \$244,063, respectively.

Certain covenants exist under the terms of the bond borrowings. During fiscal years 2024 and 2023, the Organization applied for and received an extension of time with respect to the submission of financial statements and, accordingly, was in compliance with all covenants for both fiscal years.

At June 30, 2024 and 2023, the combined outstanding balance of the Series A and B bonds were \$6,161,286 and \$6,514,308, respectively, which are net of unamortized bond issuance costs of \$157,918 and \$169,365, respectively.

Principal payments due on the bonds subsequent to June 30, 2024, are as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2025	\$ 345,129
2026	354,247
2027	363,683
2028	373,069
2029	383,452
Thereafter	4,499,624
	6,319,204
Deferred insurance costs, net	(157,918)
	<u>\$ 6,161,286</u>

##### [2] Line of credit:

The Organization has a commercial line of credit with JP Morgan Chase ("Chase") for \$2,000,000, due to expire on May 5, 2024, was renewed and extended to April 10, 2025. There is a requirement for the Organization to maintain its primary depository accounts with the bank. Interest rate charged is the Applicable Margin Rate per annum, which is 5.76% and 4.03% at June 30, 2024 and 2023, respectively, plus the Secured Overnight Financing Rate ("SOFR"), totaling interest charged of 11.08% and 9.35% at June 30, 2024 and 2023, respectively. Interest expense for the years ended June 30, 2024 and 2023 was \$43,280 and \$101,945, respectively. As of June 30, 2024 and 2023, there was an outstanding balance of \$286,448 and \$650,916, respectively.

## BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

### Notes to Financial Statements June 30, 2024 and 2023

#### NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

At each fiscal year end, net assets with donor restrictions were categorized as follows:

	June 30,	
	2024	2023
Restricted for future periods	\$ 363,661	\$ 179,500
Purpose-restricted:		
Lindsay Morehouse Scholarship	650,362	618,062
Other program	431,261	649,490
Total purpose restrictions	1,081,623	1,267,552
Total	\$ 1,445,284	\$ 1,447,052

During each fiscal year, net assets released from restrictions were for the following:

	June 30,	
	2024	2023
Time-restrictions satisfied	\$ 179,500	\$ 150,605
Purpose-restrictions satisfied:		
Lindsay Morehouse Scholarship	15,000	15,000
Other program	335,000	33,000
Total purpose-restrictions satisfied	350,000	48,000
	\$ 529,500	\$ 198,605

#### NOTE G - EMPLOYEE-BENEFIT PLAN

The Organization sponsors a contributory tax-deferred 403(b) annuity plan for all full-time employees who have completed two years of service. During fiscal years 2024 and 2023, the Organization contributes an amount equal to 2% and 5%, respectively, of eligible employees' earnings whether or not the employees contribute to the plan. The pension expense for the fiscal years 2024 and 2023 was \$72,940 and \$117,650, respectively.

#### NOTE H - CONCENTRATION OF REVENUE

Approximately 14% and 13% of the Organization's total public support was provided by one grantor during fiscal years 2024 and 2023, respectively.

# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE I - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in high-credit-quality financial institutions in amounts which, at times, may be in excess of federally insured limits. Management monitors the risk associated with the concentration on an ongoing basis. The Organization has not experienced any losses in such accounts, and management believes that the Organization is not exposed to any significant risk or loss that might result from the failure of the financial institutions that maintain the Organization's assets.

### NOTE J - COMMITMENTS AND CONTINGENCIES

#### [1] Leases:

The Organization leases office equipment under various non-cancelable operating leases expiring through 2026.

Information relating to the "lease costs," which include all costs during the period associated with all operating leases, were \$27,934 and \$47,748 for fiscal years 2024 and 2023, respectively. There were no variable costs included in the total lease costs for fiscal year 2024 or 2023.

The future minimum lease payments required under all operating leases are as follows:

<b>Year Ending June 30,</b>	<b>2024</b>	<b>2023</b>
2024	\$ -	\$ 25,668
2025	20,179	20,179
2026	13,120	13,120
Total minimum lease payments	33,299	58,967
Less: amount representing interest	(1,328)	(3,336)
Amount reported on statements of financial position	<u>\$ 31,971</u>	<u>\$ 55,631</u>
Weighted average remaining term: Operating leases	1.6 years	2.6 years
Weighted average discount: Operating leases	4.11%	3.68%

#### [2] Litigation:

From time to time, the Organization may be subject to either asserted or unasserted claims arising during the course of its business activities. Although the final outcome cannot be determined as of the date of these financial statements, management believes that to the extent it does not have insurance coverage, any losses that might be sustained as a result, could have a material effect on the Organization's financial position.

# BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE J - COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### [3] Government-funded activities:

Government-funded activities are subject to audit by the applicable granting agencies. As of June 30, 2024, no such audits had been undertaken at the Organization, and management has no reason to believe that unaudited projects would result in any material obligations.

#### [4] Other contracts:

In the normal course of business, the Organization enters into various contracts for professional and other services, which are typically renewable on a year-to-year basis.

### NOTE K - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of each year end available for general expenditures within one year of the statements of financial position dates:

	June 30,	
	2024	2023
Cash	\$ 239,550	\$ 876,345
Government contracts receivable	138,985	1,474,808
Contributions receivable, net	514,289	445,242
Investments	5,073,040	4,507,991
Due from investment manager	-	177,370
Total financial assets available within one year	5,965,864	7,481,756
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors for:		
Purpose restrictions	(1,081,623)	(1,267,552)
Time restrictions	(51,500)	-
Total financial assets available to meet cash needs for general expenditures within one year	\$ 4,832,741	\$ 6,214,204

#### Liquidity policy:

As part of the Organization's liquidity management, it maintains a sufficient level of operating cash and investments to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization has a line of credit is available for general expenditures.

## BIG BROTHERS BIG SISTERS OF NEW YORK CITY, INC.

### Notes to Financial Statements June 30, 2024 and 2023

#### NOTE L - IN-KIND DONATIONS

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included the following:

Year Ended June 30, 2024				
	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated legal services	\$ 278,240	Utilized in operations for various administrative matters	N/A	Contributed services are considered to reflect fair market rates for services performed in the New York marketplace
Donated audio and visual services	\$ 10,000	Utilized in operations for various fundraising events.	N/A	Contributed services are considered to reflect fair market rates for services performed in the New York marketplace

  

Year Ended June 30, 2023				
	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated legal services and professional services	\$ 215,329	Utilized in operations for various administrative matters	N/A	Contributed services are considered to reflect fair market rates for services performed in the New York marketplace