



Big Brothers Big Sisters®

OF THE LOWCOUNTRY

4151 Spruill Ave., Ste. 140 N. Charleston, SC 29405 • bbbslowcountry.org/TEAM500 • (843) 401-3556



October 28, 2022

To Whom it May Concern:

Big Brothers Big Sisters of the Lowcountry is PROUD to present to you its fiscal year 2021-2022 audit, which is clean and unqualified, a mark we have worked diligently to achieve each year since our founding in 2019.

Our commitment to ignite the great power and potential of deserving youth throughout our region depends on community trust that we will steward funds properly and apply them to their highest purpose. WE THANK YOU for that trust!



Also, with the encouragement of its Board of Trustees, we wanted to include a few notes regarding some of our financial commitments ahead.

As our organization has matured over just three years, our cash position has strengthened, and you will see that reflected in these statements.

Because of this success, we have now achieved the ability to establish a dedicated reserve fund and to explore investments. To that end, BBBSL has included an annual fiscal year 2022-2023 organizational goal to create an investment policy that will include actions to create a dedicated operating fund, create a best practice reserve fund, and establish a new BIG Dreams Endowment.

As you likely know, best practice nonprofit organizations strive for a three (3)- to six (6)-month cash reserve. **Even with a 50% expense increase upcoming for fiscal year 2022-2023 (\$763,555) to support 50% program growth, BBBSL is positioned to embrace this best practice and to codify a strategy to support long-term sustainability and future capacity-building, innovation, and growth.**

We thank our community for helping us to achieve this standard and we look forward to next year's audit, where you will see some of the fruits of our labor.

Sincerely,

Merridith Crowe
President & CEO

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**BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
NORTH CHARLESTON, SOUTH CAROLINA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Big Brothers Big Sisters of the Lowcountry
North Charleston, South Carolina

Opinion

We have audited the accompanying financial statements of Big Brothers Big Sisters of the Lowcountry (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of the Lowcountry as of June 30, 2022 and 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Big Brothers Big Sisters of the Lowcountry and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Big Brothers Big Sisters of the Lowcountry's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Big Brothers Big Sisters of the Lowcountry'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.



Charleston, South Carolina
September 30, 2022

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 489,084	\$ 251,873
Unconditional promises to give, current	36,777	11,600
Prepaid assets	<u>23,266</u>	<u>14,826</u>
Total current assets	<u>549,127</u>	<u>278,299</u>
<u>Non-current Assets</u>		
Unconditional promises to give, net of current portion	54,118	10,532
Deposits	2,238	2,238
Property, plant and equipment, net	<u>435</u>	<u>765</u>
Total non-current assets	<u>56,791</u>	<u>13,535</u>
Total assets	<u><u>\$ 605,918</u></u>	<u><u>\$ 291,834</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts payable and accrued liabilities	<u>\$ 6,125</u>	<u>\$ 12,076</u>
Total current assets	<u>6,125</u>	<u>12,076</u>
<u>Noncurrent Liabilities</u>		
Deferred rent	<u>3,508</u>	<u>3,508</u>
Total liabilities	<u>9,633</u>	<u>15,584</u>
<u>Net Assets</u>		
Net assets without donor restrictions	471,842	234,650
Net assets with donor restrictions	<u>124,443</u>	<u>41,600</u>
Total net assets	<u>596,285</u>	<u>276,250</u>
Total liabilities and net assets	<u><u>\$ 605,918</u></u>	<u><u>\$ 291,834</u></u>

See accompanying notes to the financial statements.

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and Revenues</u>			
Contributions and grants	\$ 653,421	\$ 124,443	\$ 777,864
Fundraising event, net of \$8,920 of expenses	17,428	-	17,428
Miscellaneous	9,956	-	9,956
	<u>680,805</u>	<u>124,443</u>	<u>805,248</u>
Total Support and Revenues			
	<u>680,805</u>	<u>124,443</u>	<u>805,248</u>
Net assets released from restriction	<u>41,600</u>	<u>(41,600)</u>	<u>-</u>
Total support and revenues and net assets released from restriction	<u>722,405</u>	<u>82,843</u>	<u>805,248</u>
<u>Functional Expenses</u>			
Program services:	340,140	-	340,140
Supporting services:			
Administrative	42,403	-	42,403
Fundraising	102,670	-	102,670
	<u>485,213</u>	<u>-</u>	<u>485,213</u>
Total functional expenses			
	<u>485,213</u>	<u>-</u>	<u>485,213</u>
Increase in net assets	237,192	82,843	320,035
Net assets, beginning of year	<u>234,650</u>	<u>41,600</u>	<u>276,250</u>
Net assets, end of year	<u>\$ 471,842</u>	<u>\$ 124,443</u>	<u>\$ 596,285</u>

See accompanying notes to the financial statements.

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support and Revenues</u>			
Contributions and grants	\$ 319,271	\$ 41,600	\$ 360,871
Fundraising event, net of \$6,472 of expenses	7,651	-	7,651
Fees	985	-	985
CARES Act Funding PPP	85,540	-	85,540
Miscellaneous	9,450	-	9,450
	<u>422,897</u>	<u>41,600</u>	<u>464,497</u>
Total Support and Revenues	<u>422,897</u>	<u>41,600</u>	<u>464,497</u>
Net assets released from restriction	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>
Total support and revenues and net assets released from restriction	<u>462,897</u>	<u>1,600</u>	<u>464,497</u>
<u>Functional Expenses</u>			
Program services:	262,312	-	262,312
Supporting services:			
Administrative	20,116	-	20,116
Fundraising	60,901	-	60,901
	<u>343,329</u>	<u>-</u>	<u>343,329</u>
Total functional expenses	<u>343,329</u>	<u>-</u>	<u>343,329</u>
Increase in net assets	119,568	1,600	121,168
Net assets, beginning of year	<u>115,082</u>	<u>40,000</u>	<u>155,082</u>
Net assets, end of year	<u><u>\$ 234,650</u></u>	<u><u>\$ 41,600</u></u>	<u><u>\$ 276,250</u></u>

See accompanying notes to the financial statements.

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Management and General	Fundraising	Total
Payroll	\$ 214,337	\$ 18,737	\$ 53,225	\$ 286,299
Payroll taxes	20,346	1,779	5,052	27,177
Benefits	12,107	1,058	3,007	16,172
	<u>246,790</u>	<u>21,574</u>	<u>61,284</u>	<u>329,648</u>
Accounting fees	-	7,380	-	7,380
Advertising and marketing	2,887	-	-	2,887
Background checks	1,105	-	-	1,105
Contract labor	20,200	1,936	32,189	54,325
Office expense and supplies	1,881	118	353	2,352
Telephone and connectivity	3,749	231	649	4,629
Information technology	10,947	676	1,892	13,515
Local travel	873	-	-	873
Training, seminars and conventions	5,232	323	904	6,459
Rent and utilities	23,936	1,182	4,432	29,550
Bank and card processing fees	-	5,995	-	5,995
Insurance	13,640	977	-	14,617
Depreciation	218	41	71	330
Training and staff building	765	-	-	765
National BBBS dues	2,590	320	288	3,198
Miscellaneous	<u>5,327</u>	<u>1,650</u>	<u>608</u>	<u>7,585</u>
Total expenses	<u>\$ 340,140</u>	<u>\$ 42,403</u>	<u>\$ 102,670</u>	<u>\$ 485,213</u>

See accompanying notes to the financial statements.

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Fundraising	Total
Payroll	\$ 155,120	\$ 3,152	\$ 19,699	\$ 177,971
Payroll taxes	11,759	239	1,493	13,491
Benefits	15,442	314	1,961	17,717
	<u>182,321</u>	<u>3,705</u>	<u>23,153</u>	<u>209,179</u>
Accounting fees	-	9,875	-	9,875
Advertising and marketing	1,323	-	147	1,470
Background checks	2,426	-	-	2,426
Contract labor	13,099	-	31,167	44,266
Office expense and supplies	1,591	398	1,657	3,646
Telephone and connectivity	3,334	625	208	4,167
Information technology	8,154	115	524	8,793
Local travel	-	-	29	29
Training, seminars and conventions	618	-	-	618
Rent and utilities	24,646	501	3,130	28,277
Bank and card processing fees	-	2,876	-	2,876
Insurance	9,529	1,378	100	11,007
Depreciation	218	41	71	330
Training and staff building	391	-	-	391
National BBBS dues	13,591	-	715	14,306
Miscellaneous	<u>1,071</u>	<u>602</u>	<u>-</u>	<u>1,673</u>
Total expenses	<u>\$ 262,312</u>	<u>\$ 20,116</u>	<u>\$ 60,901</u>	<u>\$ 343,329</u>

See accompanying notes to the financial statements.

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>Cash Flows from Operating Activities:</u>		
Increase in net assets	\$ 320,035	\$ 121,168
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Amortization of discount on unconditional promises to give	548	468
Depreciation expense	330	330
CARES Act - Paycheck Protection Program forgiveness	-	(42,770)
(Increase) decrease in assets:		
Unconditional promises to give	(69,311)	15,488
Prepaid expenses	(8,440)	(14,826)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(5,951)	8,379
Deferred rent	-	2,339
Net cash provided by operating activities	<u>237,211</u>	<u>90,576</u>
Net increase in cash and cash equivalents	237,211	90,576
Cash and cash equivalents, beginning of year	<u>251,873</u>	<u>161,297</u>
Cash and cash equivalents, end of year	<u>\$ 489,084</u>	<u>\$ 251,873</u>

See accompanying notes to the financial statements.

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Big Brothers Big Sisters of the Lowcountry (the “Organization”) is an affiliate of Big Brothers Big Sisters of America. The Organization was incorporated on February 8, 2019 under the laws of South Carolina as a nonprofit organization and started operations in 2019. The Organization serves Berkeley, Charleston and Dorchester Counties of South Carolina. Prior to gaining independence, the Organization’s program was part of the Carolina Youth Development Center, a separate legal entity.

Big Brothers Big Sisters of the Lowcountry believes that inherent in every child is incredible potential. The Organization creates and supports meaningful matches between adult volunteers “Bigs” and children “Littles”, ages 7 through young adulthood throughout our Tri-county region. The Organization develops positive relationships that have a direct and lasting effect on the lives of young people.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

In accordance with ASC 958-205, *Presentation of Financial Statements*, the Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are net assets not subject to donor-imposed stipulations. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions; however, donor-restricted contributions that are received and expended in the same year are classified as without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets, (that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed), are reported as reclassifications between the applicable classes of net assets.

Net Assts With Donor Restrictions

Net assets subject to donor-imposed restrictions consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The preparation of financial statements also requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allocation of expenses by function. It is at least reasonably possible that the estimates used will change within the near term.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property, Plant and Equipment

Property, plant and equipment are carried at cost when purchased or, if contributed, at the estimated fair market value at the date of donation. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives of three years. Maintenance and repairs are charged to the expense as incurred; major renewals and betterments are capitalized. When items of property, plant and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

Contributions, Promises to Give, and Grants Receivables

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Unconditional promises to give and grants that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The average discount rates used for the years ended June 30, 2022 and 2021 was 0.42% to 0.46%. Amortization of the discount is presented with contribution revenues.

The Organization uses the allowance method to account for uncollectible amounts based on management's estimate of the collectability of the amount receivable. Management does not accrue interest or finance charges on overdue balances. Receivables are considered impaired if payments are not received in accordance with the terms of the receivable. It is the Organization's policy to charge off uncollectible amounts when management determines the receivable will not be collected. Due to the nature and sources of grants receivable and unconditional promises to give, the Organization has not recorded an allowance for doubtful accounts in accordance with the assessment that such receivables are fully collectible.

Contributions and grants received are recorded as with and without donor-imposed restrictions, depending on the existence and/or nature of those restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor-imposed restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-imposed restricted contributions are reported as increases in donor-imposed restricted net assets depending on the nature of the restrictions. When a restriction expires, net assets are reclassified to net assets without donor-imposed restrictions.

Gifts of land, buildings, and equipment are presented as without donor-imposed restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations concerning the length of time those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Functional Expenses

Salaries and related expenses are allocated based on job descriptions, time and effort, and best estimates of management. Expenses other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated on the best estimates of management including allocations based on salaries, FTE or other direct costs.

Advertising

Advertising and marketing costs are expensed as incurred.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is classified by the IRS as other than a private foundation under Section 509(a)(1) and, therefore, is exempt from federal and state income taxes.

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The Organization has adopted Financial Accounting Standards Board (“FASB”) guidance related to accounting for uncertainty in income taxes which clarifies the accounting for income taxes by prescribing the minimum recognition threshold that a tax position is required to meet before being recognized in the Organization’s financial statements. The interpretation also provides guidance on derecognition classification, interest and penalties, disclosure, and transition.

Recent Accounting Pronouncements Issued Not Yet Effective - Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires the recognition of a “right of use” asset and a lease liability, initially measured at the present value of the lease payments, on all of the Organization’s lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the effect that this pronouncement will have on its financial statements and related disclosures.

Risks and Uncertainties

The COVID-19 pandemic has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. It is unknown the extent and duration to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the Organization’s and its supporter’s costs, demand for the communities’ services, and the U.S. economy. Furthermore, there is a possibility of closure by government or state order for a period of time in response to COVID-19. The full impact on the operational and financial activity cannot be estimated at this time.

2. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Unconditional promises to give	\$ 91,443	\$ 22,600
Less: Unamortized discount	<u>(548)</u>	<u>(468)</u>
Unconditional promises to give, net	<u><u>\$ 90,895</u></u>	<u><u>\$ 22,132</u></u>

Gross amounts of unconditional promises to be collected in future years is as follows at June 30, 2022:

2023	\$ 36,777
2024	54,666
Thereafter	<u>-</u>
	<u><u>\$ 91,443</u></u>

3. Line of Credit

On July 17, 2020, the Organization signed an \$85,000 line of credit with Synovus Bank. The revolving line of credit matures on March 15, 2023. The line of credit bears interest at prime plus 0.50%. The Organization has not drawn on the line of credit.

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

4. PAYCHECK PROTECTION PROGRAM NOTE

On April 6, 2020, the Organization received a \$42,770 Paycheck Protection Program (“PPP”) loan from the US Small Business Administration (“SBA”) through a commercial lender. On January 29, 2021, the Organization received a second PPP loan in the amount of \$42,770. The loans were forgivable under expanding terms if the Organization was able to retain employees and expend funds under the criteria of the PPP. The Organization met the terms of PPP forgiveness and applied for and received approval for forgiveness of these notes on March 26, 2021 and June 22, 2021, respectively. In accordance with generally accepted accounting principles in the United States of America (US GAAP), an organization can elect to treat a PPP note as federal financial assistance if it is probable it will meet the PPP forgiveness criteria at the time of note issuance or during the term of the related note. Accordingly, the Organization has treated the forgiveness as federal financial assistance, and not gain on forgiveness of debt under US GAAP. Further, the Foundation presented such federal financial assistance in the operating section of the statements of cash flows versus the financing section under these standards.

5. CONCENTRATIONS

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000. Deposits may at times exceed the federally insured limits, and credit exposure is limited to deposits at any one institution in excess of this limit. The Organization has not experienced any losses on its cash and cash equivalents. The Organization had \$239,084 in uninsured cash balances as of June 30, 2022.

6. COMPENSATED ABSCENCES

Full time employees of the Organization are granted vacation benefits depending on length of service with the Organization. The Organization does not accrue earned but unused vacation at the end of the year. Management deems any difference between this method and that recommended by accounting principles generally accepted in the United States of America to be immaterial to the financial statements as a whole.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30th are available for the following purposes:

	<u>2022</u>	<u>2021</u>
Subject to purpose restrictions:		
Youth Mentoring Program	\$ -	\$ 9,000
Subject to passage of time:		
Future Year General Support	<u>124,443</u>	<u>32,600</u>
	<u>\$ 124,443</u>	<u>\$ 41,600</u>

8. OPERATING LEASE

On April 15, 2019, the Organization signed a five-year lease agreement for its 1,033 square foot operating and corporate office space. Current monthly payments of \$2,444 are required under the terms of the lease. Lease payments increase 4.5% annually and the lease matures on April 30, 2024. The Organization has a one-time right to terminate the lease following the third year of the term provided 180 days’ notice is provided. The Organization recognizes the impact of straight-lining lease expense over the term of the lease agreement is immaterial to the financial statements as a whole, and current recognition is reasonable and consistent with accounting principles generally accepted in the United States of America.

BIG BROTHERS BIG SISTERS OF THE LOWCOUNTRY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

8. OPERATING LEASE - continued

On June 9, 2020 and November 11, 2021, the Organization signed a first and second amendment, respectively, to lease agreement for its operating and corporate office space. The amendment recognized the deferral of 50% of the rent payments due for July 2020, August 2020 and September 2020 totalling \$3,508 shall be added to the final three months of the lease, unless terminated earlier, and changes the maturity date of the lease to April 30, 2023.

Future required minimum payments under lease agreements (as amended) are as follows at June 30:

2023	\$ 25,541
Thereafter	<u>-</u>
	<u>\$ 25,541</u>

Lease expense under the terms of this lease was \$29,550 and \$28,277 for the years ended June 30, 2022 and 2021, respectively.

9. DISCLOSURE OF LIQUIDITY INFORMATION

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date (June 30th).

	<u>2022</u>	<u>2021</u>
Financial assets, at end of year	\$ 579,979	\$ 274,005
Less those unavailable for general expenditure within one year:		
Subject to satisfaction of donor-imposed restriction	<u>(54,666)</u>	<u>(11,000)</u>
Financial assets to meet the cash needs for general expenditures within one year	<u>\$ 525,313</u>	<u>\$ 263,005</u>

10. SUBSEQUENT EVENTS

In accordance with ASC 855, *Subsequent Events*, the Organization's management has evaluated subsequent events at June 30, 2022 through September 30, 2022, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements except those presented below.