




# **Big Brothers Big Sisters of Northeast Indiana, Inc.**

## **Independent Auditor's Report and Financial Statements**

December 31, 2024 and 2023



**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Contents**  
**December 31, 2024 and 2023**

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## **Independent Auditor's Report**

Board of Directors  
Big Brothers Big Sisters of Northeast Indiana, Inc.  
Fort Wayne, Indiana

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

#### ***Opinion***

We have audited the financial statements of Big Brothers Big Sisters of Northeast Indiana, Inc. (Organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization, as December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

**Fort Wayne, Indiana  
September 29, 2025**

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

|   | <u>2024</u>          | <u>2023</u>          |
|---|----------------------|----------------------|
| <b>ASSETS</b>                               |                      |                      |
| Cash and cash equivalents                   | \$ 986,755           | \$ 1,206,457         |
| Investments                                 | 9,987,610            | 9,032,193            |
| Pledges receivable, net                     | 24,905               | 26,905               |
| Prepaid expenses                            | 32,572               | 53,159               |
| Beneficial interest - Community Foundations | 411,558              | 396,146              |
| Accrued income                              | 47,604               | 40,286               |
| Property and equipment, net                 | 168,361              | 63,512               |
| Right-of-use asset, operating               | 233,324              | 455,835              |
| <b>Total Assets</b>                         | <u>\$ 11,892,689</u> | <u>\$ 11,274,493</u> |
| <b>LIABILITIES AND NET ASSETS</b>           |                      |                      |
| <b>Liabilities</b>                          |                      |                      |
| Accounts payable                            | \$ 35,578            | \$ 66,508            |
| Accrued liabilities and deferred revenue    | 119,886              | 114,739              |
| Operating lease liability                   | 238,081              | 460,560              |
| <b>Total Liabilities</b>                    | <u>393,545</u>       | <u>641,807</u>       |
| <b>Net Assets</b>                           |                      |                      |
| Without donor restrictions                  | 9,448,034            | 8,553,576            |
| With donor restrictions                     | 2,051,110            | 2,079,110            |
| <b>Total Net Assets</b>                     | <u>11,499,144</u>    | <u>10,632,686</u>    |
| <b>Total Liabilities and Net Assets</b>     | <u>\$ 11,892,689</u> | <u>\$ 11,274,493</u> |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2024**

|   | <b>2024</b>                           |                                    |                      |
|---|---------------------------------------|------------------------------------|----------------------|
|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>         |
| <b>Support and Revenue</b>              |                                       |                                    |                      |
| Contributions                           | \$ 993,433                            | \$ -                               | \$ 993,433           |
| Foundation grants                       | 610,165                               | -                                  | 610,165              |
| Government grants                       | 954,954                               | -                                  | 954,954              |
| United Way                              | 8,978                                 | -                                  | 8,978                |
| Fundraising events                      |                                       |                                    |                      |
| Proceeds                                | 1,565,433                             | 17,500                             | 1,582,933            |
| Less: cost of direct benefits to donors | (317,745)                             | -                                  | (317,745)            |
| In-kind contributions                   | 303,548                               | -                                  | 303,548              |
| Investment income                       | 489,373                               | -                                  | 489,373              |
| Unrealized gain on investments          | 395,599                               | -                                  | 395,599              |
| Other income                            | 9,520                                 | -                                  | 9,520                |
| Net assets released from restrictions   | 45,500                                | (45,500)                           | -                    |
| <b>Total Support and Revenue</b>        | <b>5,058,758</b>                      | <b>(28,000)</b>                    | <b>5,030,758</b>     |
| <b>Expenses</b>                         |                                       |                                    |                      |
| Program                                 | 3,264,006                             | -                                  | 3,264,006            |
| Management and general                  | 355,398                               | -                                  | 355,398              |
| Fundraising                             | 544,896                               | -                                  | 544,896              |
| <b>Total Expenses</b>                   | <b>4,164,300</b>                      | <b>-</b>                           | <b>4,164,300</b>     |
| <b>Change in Net Assets</b>             | <b>894,458</b>                        | <b>(28,000)</b>                    | <b>866,458</b>       |
| <b>Net Assets, Beginning of Year</b>    | <b>8,553,576</b>                      | <b>2,079,110</b>                   | <b>10,632,686</b>    |
| <b>Net Assets, End of Year</b>          | <b>\$ 9,448,034</b>                   | <b>\$ 2,051,110</b>                | <b>\$ 11,499,144</b> |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2023**

|   | <b>2023</b>                           |                                    |                      |
|---|---------------------------------------|------------------------------------|----------------------|
|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>         |
| <b>Support and Revenue</b>              |                                       |                                    |                      |
| Contributions                           | \$ 455,052                            | \$ -                               | \$ 455,052           |
| Campaign contributions, net             | 40                                    | -                                  | 40                   |
| Foundation grants                       | 969,101                               | -                                  | 969,101              |
| Government grants                       | 813,142                               | -                                  | 813,142              |
| United Way                              | 10,023                                | -                                  | 10,023               |
| Fundraising events                      |                                       |                                    |                      |
| Proceeds                                | 1,511,754                             | 5,500                              | 1,517,254            |
| Less: cost of direct benefits to donors | (259,845)                             | -                                  | (259,845)            |
| In-kind contributions                   | 295,351                               | -                                  | 295,351              |
| Investment income                       | 218,891                               | -                                  | 218,891              |
| Unrealized gain on investments          | 483,803                               | -                                  | 483,803              |
| Net assets released from restrictions   | 123,500                               | (123,500)                          | -                    |
| <b>Total Support and Revenue</b>        | <b>4,620,812</b>                      | <b>(118,000)</b>                   | <b>4,502,812</b>     |
| <b>Expenses</b>                         |                                       |                                    |                      |
| Program                                 | 3,258,619                             | -                                  | 3,258,619            |
| Management and general                  | 231,569                               | -                                  | 231,569              |
| Fundraising                             | 609,882                               | -                                  | 609,882              |
| <b>Total Expenses</b>                   | <b>4,100,070</b>                      | <b>-</b>                           | <b>4,100,070</b>     |
| <b>Change in Net Assets</b>             | <b>520,742</b>                        | <b>(118,000)</b>                   | <b>402,742</b>       |
| <b>Net Assets, Beginning of Year</b>    | <b>8,032,834</b>                      | <b>2,197,110</b>                   | <b>10,229,944</b>    |
| <b>Net Assets, End of Year</b>          | <b>\$ 8,553,576</b>                   | <b>\$ 2,079,110</b>                | <b>\$ 10,632,686</b> |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2024**

|                                     | <u>Program</u>      | <u>Management<br/>and General</u> | <u>Fundraising</u> | <u>Total</u>        | <u>2023<br/>Total</u> |
|-------------------------------------|---------------------|-----------------------------------|--------------------|---------------------|-----------------------|
| Salaries                            | \$ 1,548,717        | \$ 193,590                        | \$ 193,590         | \$ 1,935,897        | \$ 1,880,330          |
| Employee benefits                   | 247,309             | 30,914                            | 30,914             | 309,137             | 362,925               |
| Payroll taxes                       | 119,512             | 14,939                            | 14,939             | 149,390             | 151,257               |
| Other                               | 260,772             | 20,425                            | 20,425             | 301,622             | 283,111               |
| Total salaries and related expenses | <u>2,176,310</u>    | <u>259,868</u>                    | <u>259,868</u>     | <u>2,696,046</u>    | <u>2,677,623</u>      |
| Program expense                     | 212,130             | -                                 | -                  | 212,130             | 256,869               |
| Supplies                            | 11,406              | 1,426                             | 1,426              | 14,258              | 15,743                |
| Printing                            | 9,581               | 1,198                             | 1,198              | 11,977              | 7,900                 |
| Travel and training                 | 42,777              | -                                 | -                  | 42,777              | 62,083                |
| Mileage                             | 15,381              | 498                               | 4,034              | 19,913              | 21,537                |
| Property and equipment expense      | 22,299              | 2,775                             | 2,775              | 27,849              | 19,084                |
| Building expense                    | 255,535             | 31,938                            | 31,938             | 319,411             | 288,292               |
| Advertising/promotions              | 91,908              | -                                 | -                  | 91,908              | 43,136                |
| Insurance                           | 53,162              | 6,645                             | 6,645              | 66,452              | 65,281                |
| Professional services               | 40,916              | 38,800                            | -                  | 79,716              | 10,500                |
| Postage                             | 7,500               | 938                               | 938                | 9,376               | 9,187                 |
| Dues                                | 107,314             | 2,190                             | 5,315              | 114,819             | 109,145               |
| Telephone and internet              | 33,036              | 4,130                             | 4,130              | 41,296              | 34,497                |
| Miscellaneous                       | 10,943              | 1,687                             | 1,368              | 13,998              | 12,897                |
| Special events                      | 147,364             | -                                 | 221,956            | 369,320             | 429,296               |
| Depreciation                        | 26,444              | 3,305                             | 3,305              | 33,054              | 37,000                |
|                                     | <u>\$ 3,264,006</u> | <u>\$ 355,398</u>                 | <u>\$ 544,896</u>  | <u>\$ 4,164,300</u> | <u>\$ 4,100,070</u>   |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2023**

|                                     | <u>Program</u>      | <u>Supporting<br/>Services</u> | <u>Fundraising</u> | <u>Total</u>        |
|-------------------------------------|---------------------|--------------------------------|--------------------|---------------------|
| Salaries                            | \$ 1,541,871        | \$ 131,623                     | \$ 206,836         | \$ 1,880,330        |
| Employee benefits                   | 297,598             | 25,405                         | 39,922             | 362,925             |
| Payroll taxes                       | 124,031             | 10,588                         | 16,638             | 151,257             |
| Other                               | 241,538             | 16,167                         | 25,406             | 283,111             |
| Total salaries and related expenses | <u>2,205,038</u>    | <u>183,783</u>                 | <u>288,802</u>     | <u>2,677,623</u>    |
| Program expense                     | 256,869             | -                              | -                  | 256,869             |
| Supplies                            | 12,909              | 1,102                          | 1,732              | 15,743              |
| Printing                            | 6,478               | 553                            | 869                | 7,900               |
| Travel and training                 | 62,083              | -                              | -                  | 62,083              |
| Mileage                             | 15,424              | 978                            | 5,135              | 21,537              |
| Property and equipment expense      | 16,516              | 1,141                          | 1,427              | 19,084              |
| Building expense                    | 236,399             | 20,181                         | 31,712             | 288,292             |
| Advertising/promotions              | 43,136              | -                              | -                  | 43,136              |
| Insurance                           | 53,530              | 4,570                          | 7,181              | 65,281              |
| Professional services               | -                   | 10,500                         | -                  | 10,500              |
| Postage                             | 7,533               | 643                            | 1,011              | 9,187               |
| Dues                                | 102,383             | 2,047                          | 4,715              | 109,145             |
| Telephone and internet              | 28,287              | 2,415                          | 3,795              | 34,497              |
| Miscellaneous                       | 10,432              | 1,066                          | 1,399              | 12,897              |
| Special events                      | 171,262             | -                              | 258,034            | 429,296             |
| Depreciation                        | 30,340              | 2,590                          | 4,070              | 37,000              |
|                                     | <u>\$ 3,258,619</u> | <u>\$ 231,569</u>              | <u>\$ 609,882</u>  | <u>\$ 4,100,070</u> |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

|   | <u>2024</u>       | <u>2023</u>         |
|---|-------------------|---------------------|
| <b>Operating Activities</b>                                     |                   |                     |
| Change in net assets  | \$ 866,458        | \$ 402,742          |
| Items not requiring (providing) operating activities cash flows |                   |                     |
| Depreciation  | 33,054            | 37,000              |
| Realized/unrealized gain on investments                         | (615,300)         | (427,218)           |
| Noncash lease expense   | 222,511           | 260,139             |
| Changes in  |                   |                     |
| Pledges receivable  | 2,000             | 1,960               |
| Prepaid expenses  | 20,587            | (23,301)            |
| Beneficial interest   | (15,412)          | (32,107)            |
| Accrued income  | (7,318)           | (3,521)             |
| Accounts payable  | (30,930)          | 48,234              |
| Accrued liabilities   | 5,147             | 58,773              |
| Lease liability   | (222,479)         | (255,414)           |
| <b>Net Cash Provided by Operating Activities</b>                | <u>258,318</u>    | <u>67,287</u>       |
| <b>Investing Activities</b>                                     |                   |                     |
| Purchase of investments   | (3,172,027)       | (215,533)           |
| Proceeds from sale of investments                               | 2,831,910         | -                   |
| Purchase of property and equipment                              | (137,903)         | (20,871)            |
| <b>Net Cash Used in Investing Activities</b>                    | <u>(478,020)</u>  | <u>(236,404)</u>    |
| <b>Decrease in Cash and Cash Equivalents</b>                    | (219,702)         | (169,117)           |
| <b>Cash and Cash Equivalents, Beginning of Year</b>             | <u>1,206,457</u>  | <u>1,375,574</u>    |
| <b>Cash and Cash Equivalents, End of Year</b>                   | <u>\$ 986,755</u> | <u>\$ 1,206,457</u> |

**Note 1. Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

Big Brothers Big Sisters of Northeast Indiana, Inc. (Organization) provides guidance and support to the youth of northeast Indiana and southern Michigan through various programs that match adult mentors with youth. At the present time, the Agency serves the counties of Allen, Adams, Wells, Dekalb, Noble, Huntington, Whitley, Kosciusko, Steuben and Lagrange and the Michigan counties of Branch and Hillsdale. The Organization’s revenues and other support are derived principally from contributions and grants.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenue, expenses gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2024, cash equivalents consisted primarily of money market funds. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents.

At December 31, 2024, the Organization’s cash accounts exceeded federally insured limits by approximately \$214,000.

***Investments and Investment Return***

Investments in equity and debt securities having a readily determinable fair value are carried at fair value. Investment return includes dividends, interest, and realized and unrealized gains and losses on investments carried at fair value.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restriction. Other investment return is reflected in the statements of activities as with donor restrictions or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

***Property and Equipment***

Property and equipment are stated at cost, less accumulated depreciation, except donated assets which are recorded at fair value as of the date of the gift. Items with a cost of \$1,000 or more and a useful life of one year or more are capitalized. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Upon sale or retirement of land, buildings and equipment, the cost and related accumulated depreciation are eliminated from the respective accounts, and resulting gain or loss is included in the statements of activities. Property and equipment are depreciated over their estimated useful lives:

|           |               |
|-----------|---------------|
| Building  | 20 years      |
| Equipment | 3 to 10 years |
| Vehicles  | 5 years       |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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***Right-of-Use (ROU) Assets and Lease Liabilities***

The Organization determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

The Organization combines lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office buildings and employee vehicles.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent and lease incentives. The Organization has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

***Long-Lived Asset Impairment***

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2024 and 2023.

***Net Assets***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for board-designated endowment, which totaled \$4,582,522 and \$3,796,846 at December 31, 2024 and 2023, respectively.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates resources be maintained in perpetuity.

***Government Grants***

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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**Contributions**

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

| Nature of the Gift   | Value Recognized  |
|--|---|
| <i>Conditional gifts, with or without restriction</i>  |   |
| Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds | Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met                     |
| <i>Unconditional gifts, with or without restriction</i>  |   |
| Received at date of gift – cash and other assets   | Fair value  |
| Received at date of gift – property, equipment and long-lived assets                                 | Estimated fair value  |
| Expected to be collected within one year   | Net realizable value  |
| Collected in future years  | Initially reported at fair value determined using the discounted present value of estimated future cash flows technique |

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Gifts having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Gifts of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in a reclass of net assets with donor restrictions are reported when the long-lived assets are placed in service.

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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**Special Events and Sponsorships**

The Organization has multiple special events where tickets are purchased for the event and revenue is recognized upon the occurrence of the event. In addition, the Organization will sell sponsorships for the events. When a sponsorship is sold it contains elements of both an exchange transaction and a contribution. The Organization will recognize the contribution portion once received or unconditionally pledged. The portion related to the exchange transaction is recorded as deferred income until the event occurs at which time it is recognized as revenue.

**In-Kind Contributions**

In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its financial statements and similarly increase contribution revenue by a like amount. The Organization recorded \$303,548 and \$295,351 for the years ended December 31, 2024 and 2023, respectively, related to donated goods and specialized services from various donors.

**Functional Allocation of Expenses**

The costs of supporting the Organization’s program and supporting activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Occupancy and depreciation expenses have been allocated across the various functions based on square footage. All other expenses are allocated based on time and effort.

**Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, the Organization is subject to federal income tax on any unrelated business taxable income.

**Revision**

An immaterial revision has been made to the 2023 financial statements related to the presentation of certificates of deposit within the fair value hierarchy. This revision did not have a significant impact on the financial statement line items impacted.

**Note 2. Pledges Receivable**

Pledges receivable consists of the following at December 31:

|                                     | <b>2024</b>      | <b>2023</b>      |
|-------------------------------------|------------------|------------------|
| Due within one year                 | \$ 25,005        | \$ 27,005        |
| Less                                |                  |                  |
| Allowance for uncollectible pledges | (100)            | (100)            |
| Total                               | <b>\$ 24,905</b> | <b>\$ 26,905</b> |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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**Note 3. Investments**

Investments at December 31 consisted of the following:

|                          | <u>2024</u>         | <u>2023</u>         |
|--------------------------|---------------------|---------------------|
| Cash equivalents         | \$ 615,912          | \$ 138,831          |
| Certificates of deposit  | 222,582             | 222,582             |
| Equities                 | 5,508,600           | 4,855,055           |
| Corporate bonds          | 1,103,025           | 1,652,461           |
| Municipal bonds          | 2,238,867           | 1,731,180           |
| U.S. Treasury securities | 298,624             | 432,084             |
|                          | <u>\$ 9,987,610</u> | <u>\$ 9,032,193</u> |

Total investment return (loss) is comprised of the following:

|                             | <u>2024</u>       | <u>2023</u>       |
|-----------------------------|-------------------|-------------------|
| Interest and dividends, net | \$ 269,672        | \$ 275,476        |
| Realized gain (loss)        | 219,701           | (56,585)          |
| Unrealized gain             | 395,599           | 483,803           |
|                             | <u>\$ 884,972</u> | <u>\$ 702,694</u> |

**Note 4. Beneficial Interest in Funds Held by Others**

Funds held at Community Foundations as of December 31, 2024 and 2023, are summarized as follows:

|  | <u>2024</u>       | <u>2023</u>       |
|--|-------------------|-------------------|
| Community Foundation of Greater Fort Wayne | \$ 398,765        | \$ 383,812        |
| Kosciusko County Community Foundation      | 12,793            | 12,334            |
|  | <u>\$ 411,558</u> | <u>\$ 396,146</u> |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

The investments held by the Community Foundations are the result of agreements whereby the Organization has transferred assets, but not variance power, to the Foundations and has specified itself as the beneficiary of those assets. The Organization may draw up to a certain percentage of the value of the assets each year, but may only obtain a return of the full value of the assets upon consent of the Foundation.

Additionally, the Foundations hold investment assets, with a value of \$400,823 and \$376,720 at December 31, 2024 and 2023, respectively, for the benefit of the Organization for which the Foundations have retained variance power. These assets are not recorded as assets of the Organization.

**Note 5. Disclosures About Fair Value of Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

**Recurring Measurements**

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024 and 2023:

|   | Fair Value | Fair Value Measurements Using   |   |  |
|---|------------|---|---|--|
|   |            | Quoted Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>December 31, 2024</b>                    |            |   |   |  |
| Investments                                 |            |   |   |  |
| Cash equivalents                            | \$ 615,912 | \$ 615,912  | \$ -  | \$ -   |
| Certificates of deposit                     | 222,582    | -   | 222,582   | -  |
| Equities                                    | 5,508,600  | 5,508,600   | -   | -  |
| Corporate bonds                             | 1,103,025  | -   | 1,103,025   | -  |
| Municipal bonds                             | 2,238,867  | -   | 2,238,867   | -  |
| U.S. Treasury securities                    | 298,624    | -   | 298,624   | -  |
| Beneficial interest - Community Foundations | 411,558    | -   | -   | 411,558  |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

|   | <u>Fair Value Measurements Using</u> |   |  |  |
|---|--------------------------------------|---|--|--|
|   | <u>Fair Value</u>                    | <u>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical<br/>Assets<br/>(Level 1)</u> | <u>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</u> | <u>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</u> |
| <b>December 31, 2023</b>                    |                                      |   |  |  |
| Investments                                 |                                      |   |  |  |
| Cash equivalents                            | \$ 138,831                           | \$ 138,831  | \$ -   | \$ -   |
| Certificates of deposit                     | 222,582                              | -   | 222,582  | -  |
| Equities                                    | 4,855,055                            | 4,855,055   | -  | -  |
| Corporate bonds                             | 1,652,461                            | -   | 1,652,461  | -  |
| Municipal bonds                             | 1,731,180                            | -   | 1,731,180  | -  |
| U.S. Treasury securities                    | 432,084                              | -   | 432,084  | -  |
| Beneficial interest - Community Foundations | 396,146                              | -   | -  | 396,146  |

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2024 and 2023.

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

***Level 3 Reconciliation***

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable (Level 3) inputs:

|                            | <u>Beneficial<br/>Interest -<br/>Community<br/>Foundations</u> |
|----------------------------|--|
| Balance, January 1, 2023   | \$ 364,039   |
| Total return on assets     | 47,880   |
| Distributions              | <u>(15,773)</u>  |
| Balance, December 31, 2023 | 396,146  |
| Total return on assets     | 33,223   |
| Distributions              | <u>(17,811)</u>  |
| Balance, December 31, 2024 | <u>\$ 411,558</u>  |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

***Unobservable (Level 3) Inputs***

The following tables present quantitative information about unobservable inputs used in recurring Level 3 fair value measurements at December 31, 2024 and 2023:

|   | <u>Fair Value at<br/>December 31,<br/>2024</u> | <u>Valuation<br/>Technique</u> | <u>Unobservable<br/>Inputs</u>        | <u>Range</u> |
|---|--|--------------------------------|---------------------------------------|--------------|
| Beneficial interest - Community Foundations | \$ 411,558                                     | Discounted cash flows          | Discount rates<br>Market return rates | N/A^         |

|   | <u>Fair Value at<br/>December 31,<br/>2023</u> | <u>Valuation<br/>Technique</u> | <u>Unobservable<br/>Inputs</u>        | <u>Range</u> |
|---|--|--------------------------------|---------------------------------------|--------------|
| Beneficial interest - Community Foundations | \$ 396,146                                     | Discounted cash flows          | Discount rates<br>Market return rates | N/A^         |

**Note 6. Property and Equipment**

Property and equipment at December 31 consisted of the following:

|                               | <u>2024</u>       | <u>2023</u>      |
|-------------------------------|-------------------|------------------|
| Building and improvements     | \$ 49,592         | \$ 33,619        |
| Equipment                     | 312,025           | 266,031          |
| Vehicles                      | <u>123,568</u>    | <u>102,957</u>   |
|                               | 485,185           | 402,607          |
| Less accumulated depreciation | <u>(316,824)</u>  | <u>(339,095)</u> |
| Total                         | <u>\$ 168,361</u> | <u>\$ 63,512</u> |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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**Note 7. Leases**

***Nature of Leases***

The Organization has entered into the following lease arrangements:

***Operating Leases***

The Organization has a lease for a building that expires in 2025. Lease payments have an escalating fee schedule. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

***All Leases***

The Organization has no material related-party leases.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

***Quantitative Disclosures***

The lease cost and other required information for the years ended December 31, 2024 and 2023, is:

|  | <u>2024</u> | <u>2023</u> |
|--|-------------|-------------|
| Lease cost   |             |             |
| Operating lease cost   | \$ 306,902  | \$ 264,864  |
|  | <u>2024</u> | <u>2023</u> |
| Other information  |             |             |
| Cash paid for amounts included in the measurement of lease liabilities |             |             |
| Operating cash flows from operating leases                             | \$ 222,511  | \$ 260,139  |
| Weighted-average remaining lease term                                  |             |             |
| Operating leases   | 1.0 years   | 2.0 years   |
| Weighted-average discount rate   |             |             |
| Operating leases   | 4.71%       | 4.71%       |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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Future minimum lease payments and reconciliation to the statements of financial position at December 31, 2024, are as follows:

|                   | <b>Operating<br/>Leases</b> |
|-------------------|-----------------------------|
| 2025              | \$ 244,198                  |
| Less interest     | (6,117)                     |
| Lease liabilities | <u>\$ 238,081</u>           |

**Note 8. Line of Credit**

The Organization has established a line of credit with PNC Bank in the amount of \$100,000. The line automatically renews annually and bears interest at the prime rate plus 3.37% (10.87% and 11.87% at December 31, 2024 and 2023, respectively). There were no borrowings on the line at December 31, 2024 and 2023.

**Note 9. Net Assets**

***Net Assets With Donor Restrictions***

Donor restricted net assets at December 31 are available for the following purposes or periods:

|  | <b>2024</b>         | <b>2023</b>         |
|--|---------------------|---------------------|
| Subject to expenditure for specified purpose | \$ 57,500           | \$ 85,500           |
| Endowment                                    | <u>1,993,610</u>    | <u>1,993,610</u>    |
| Total net assets with donor restrictions     | <u>\$ 2,051,110</u> | <u>\$ 2,079,110</u> |

Net assets released from restrictions totaled \$45,500 and \$123,500 for the years ended December 31, 2024 and 2023, respectively, related to the passage of time and expenditures satisfying donor stipulations.

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Note 10. Endowment**

The Organization’s endowment consists of two funds established for providing revenue from earnings. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Organization and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Organization
7. Investment policies of the Organization

The composition of net assets by type of endowment fund at December 31, 2024 and 2023, were:

|   | <b>2024</b>                           |                                    |                     |
|---|---------------------------------------|------------------------------------|---------------------|
|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>        |
| Donor-restricted endowment funds                            | \$ -                                  | \$ 1,993,610                       | \$ 1,993,610        |
| Board-designated endowment funds -<br>Community Foundations | 411,558                               | -                                  | 411,558             |
| Board-designated endowment funds                            | 4,170,964                             | -                                  | 4,170,964           |
|   | <u>\$ 4,582,522</u>                   | <u>\$ 1,993,610</u>                | <u>\$ 6,576,132</u> |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

|   | <b>2023</b>                           |                                    |                     |
|---|---------------------------------------|------------------------------------|---------------------|
|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>        |
| Donor-restricted endowment funds                            | \$ -                                  | \$ 1,993,610                       | \$ 1,993,610        |
| Board-designated endowment funds -<br>Community Foundations | 396,146                               | -                                  | 396,146             |
| Board-designated endowment funds                            | 3,400,700                             | -                                  | 3,400,700           |
|   | <u>\$ 3,796,846</u>                   | <u>\$ 1,993,610</u>                | <u>\$ 5,790,456</u> |

Changes in endowment net assets for the years ended December 31, 2024 and 2023, were:

|  | <b>2024</b>                           |                                    |                     |
|--|---------------------------------------|------------------------------------|---------------------|
|  | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>        |
| Endowment net assets, beginning of year              | \$ 3,796,846                          | \$ 1,993,610                       | \$ 5,790,456        |
| Investment return                                    |                                       |                                    |                     |
| Interest income                                      | 244,414                               | -                                  | 244,414             |
| Net appreciation                                     | 603,451                               | -                                  | 603,451             |
| Total investment return                              | 847,865                               | -                                  | 847,865             |
| Transfer in  | 250,000                               | -                                  | 250,000             |
| Appropriation of endowment<br>assets for expenditure | (312,189)                             | -                                  | (312,189)           |
| Endowment net assets, end of year                    | <u>\$ 4,582,522</u>                   | <u>\$ 1,993,610</u>                | <u>\$ 6,576,132</u> |

|  | <b>2023</b>                           |                                    |                     |
|--|---------------------------------------|------------------------------------|---------------------|
|  | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>        |
| Endowment net assets, beginning of year              | \$ 3,279,187                          | \$ 1,993,610                       | \$ 5,272,797        |
| Investment return                                    |                                       |                                    |                     |
| Interest income                                      | 118,956                               | -                                  | 118,956             |
| Net appreciation                                     | 415,288                               | -                                  | 415,288             |
| Total investment return                              | 534,244                               | -                                  | 534,244             |
| Transfer in  | 20,000                                | -                                  | 20,000              |
| Appropriation of endowment<br>assets for expenditure | (36,585)                              | -                                  | (36,585)            |
| Endowment net assets, end of year                    | <u>\$ 3,796,846</u>                   | <u>\$ 1,993,610</u>                | <u>\$ 5,790,456</u> |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

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From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Organization is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. Deficiencies could result from unfavorable market fluctuations that occur shortly after investment of new restricted contributions and continued appropriation for certain purposes that was deemed prudent by the Organization. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. At December 31, 2024 and 2023, there were no such deficiencies.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. The Organization expects its endowment fund, over time, to provide an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

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 current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized).

The Organization has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior four quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to maintain the current value. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. As it pertains to the donor-restricted endowment, this is only one fund, and there are no restrictions placed on any investment return earned on the corpus. As such, the Organization's practice has been to maintain the corpus of the endowment, but in years where investment return is earned, to allocate those to operations rather than applying the spending policy.

**Note 11. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

|                        | <u>2024</u>         | <u>2023</u>         |
|------------------------|---------------------|---------------------|
| Cash                   | \$ 986,755          | \$ 1,206,457        |
| Pledges receivable     | 24,905              | 26,905              |
| Accrued income         | 47,604              | 40,286              |
| Investments            | <u>3,765,536</u>    | <u>3,552,383</u>    |
| Total financial assets | <u>\$ 4,824,800</u> | <u>\$ 4,826,031</u> |

**Note 12. *Coronavirus Aid, Relief, and Economic Security Act (CARES)***

The CARES Act, subsequent expanded under the *Consolidated Appropriations Act (CAA)* contains a business relief provision known as the Employee Retention Credit (ERC), a refundable payroll tax credit for “qualified wages” paid to retain full-time employees. Employers qualified either under a gross receipts decline test or a partial suspension of operations based on a government mandate.

The Organization recorded approximately \$180,000 of grant revenue during 2024 related to this program based on its determination of eligibility, filing of required tax forms and ultimate receipt of payment. There was no such revenue recorded in 2023.

**Note 13. Retirement Plan**

The Organization sponsors a defined contribution plan where contributions to the plan are made for all employees with at least 30 days of continuous employment. The Organization’s contributions are 100% vested after 3 years of employment. The Organization contributes \$3 for each \$1 contributed by eligible employees up to 2% of each employee’s total compensation. Expenses for the years ended December 31, 2024 and 2023, totaled \$58,920 and \$56,372, respectively.

**Note 14. Subsequent Events**

Subsequent events have been evaluated through September 29, 2025, which is the date the financial statements were available to be issued.



# **Big Brothers Big Sisters of Northeast Indiana, Inc.**

## **Single Audit Reports and Schedule of Expenditures of Federal Awards**

December 31, 2024



**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Contents**  
**December 31, 2024**

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**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2024**

| <u>Federal Grantor/Program or Cluster Title</u>    | <u>Federal Assistance Listing Number</u> | <u>Grant or Pass-Through Entity Identifying Number</u> | <u>Total Federal Expenditures</u> |
|--|--|--|-----------------------------------|
| <b>Department of Education</b>                     |  |  |                                   |
| Passed through the Indiana Department of Education |  |  |                                   |
| Student Support and Academic Enrichment Program    | 84.424                                   | S424F220015  | \$ 30,602                         |
| Twenty-First Century Community Learning Centers    | 84.287C                                  | S287C210014  | <u>290,803</u>                    |
| Total Department of Education                      |  |  | <u>321,405</u>                    |
| <b>Department of Treasury</b>                      |  |  |                                   |
| Passed through the City of Fort Wayne              |  |  |                                   |
| COVID-19 - State and Local Fiscal Recovery Funds   | 21.027                                   | SLFRP0313  | 52,069                            |
| Passed through the Indiana Department of Health    |  |  |                                   |
| COVID-19 - State and Local Fiscal Recovery Funds   | 21.027                                   | HIC  | <u>189,951</u>                    |
| Total Department of Treasury                       |  |  | <u>242,020</u>                    |
| <b>Department of Justice</b>                       |  |  |                                   |
| Passed through Big Brothers Big Sisters of America |  |  |                                   |
| Juvenile Mentoring Program                         | 16.726                                   | 15PJDP-23-GG-00851-MENT                                | 110,000                           |
| Juvenile Mentoring Program                         | 16.726                                   | GG-01749-MENT  | 5,245                             |
| Juvenile Mentoring Program                         | 16.726                                   | 15PJDP-23-GG-01309-MENT                                | 60,752                            |
| Juvenile Mentoring Program                         | 16.726                                   | 15PJDP-22-GG-03742-MENT                                | <u>34,462</u>                     |
| Total Department of Justice                        |  |  | <u>210,459</u>                    |
| Total Expenditures of Federal Awards               |  |  | <u>\$ 773,884</u>                 |

**Big Brothers Big Sisters of Northeast Indiana, Inc.  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2024**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Big Brothers Big Sisters of Northeast Indiana, Inc. under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Big Brothers Big Sisters of Northeast Indiana, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Big Brothers Big Sisters of Northeast Indiana, Inc.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3. Indirect Cost Rate**

Big Brothers Big Sisters of Northeast Indiana, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4. Subrecipients**

There were no subrecipients during the year ended December 31, 2024.

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

### **Independent Auditor's Report**

Board of Directors  
Big Brothers Big Sisters of Northeast Indiana, Inc.  
Fort Wayne, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Big Brothers Big Sisters of Northeast Indiana, Inc. (Organization), which comprise the Organization's statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2025.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Forvis Mazars, LLP***

**Fort Wayne, Indiana  
September 29, 2025**

## **Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

### **Independent Auditor's Report**

Board of Directors  
Big Brothers Big Sisters of Northeast Indiana, Inc.  
Fort Wayne, Indiana

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Big Brothers Big Sisters of Northeast Indiana, Inc.'s (Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Organization's major federal programs for the year ended December 31, 2024. Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Organization, as of and for the year ended December 31, 2024, and have issued our report thereon dated September 29, 2025, which contained an unmodified opinion. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

**Forvis Mazars, LLP**

**Fort Wayne, Indiana  
September 29, 2025**

**Big Brothers Big Sisters of Northeast Indiana, Inc.  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2024**

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**Section I – Summary of Auditor’s Results**

***Financial Statements***

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:  
 Unmodified       Qualified       Adverse       Disclaimer
  
2. Internal control over financial reporting:  
 Significant deficiency(ies) identified?       Yes       None reported  
 Material weakness(es) identified?       Yes       No
  
3. Noncompliance material to the financial statements noted?       Yes       No

***Federal Awards***

4. Internal control over major federal awards program:  
 Significant deficiency(ies) identified?       Yes       None reported  
 Material weakness(es) identified?       Yes       No
  
5. Type of auditor’s report issued on compliance for major federal program:  
 Unmodified       Qualified       Adverse       Disclaimer
  
6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?       Yes       No
  
7. Identification of major federal program:

| <b>Assistance Listing Number</b> | <b>Name of Federal Program or Cluster</b>       |
|----------------------------------|---|
| 84.287                           | Twenty-First Century Community Learning Centers |
| 21.027                           | State and Local Fiscal Recovery Funds           |

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
  
9. Auditee qualified as a low-risk auditee?       Yes       No

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**Section II – Financial Statement Findings**

| <b>Reference<br/>Number</b> | <b>Finding</b>             |
|-----------------------------|----------------------------|
|                             | No matters are reportable. |

**Section III – Federal Award Findings and Questioned Costs**

| <b>Reference<br/>Number</b> | <b>Finding</b>             |
|-----------------------------|----------------------------|
|                             | No matters are reportable. |

**Big Brothers Big Sisters of Northeast Indiana, Inc.**  
**Schedule of Prior Audit Findings**  
**Year Ended December 31, 2024**

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| <b>Reference<br/>Number</b> | <b>Summary of Finding</b> | <b>Status</b> |
|-----------------------------|---------------------------|---------------|
|-----------------------------|---------------------------|---------------|

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No matters are reportable.