

Audited
Financial
Statements

December 31,
2020

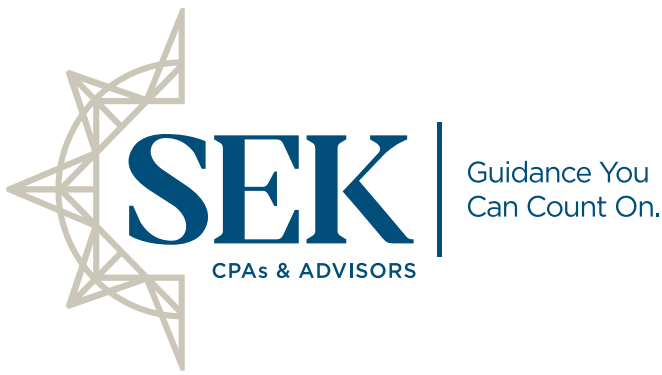
Big Brothers Big Sisters
of York County, Inc. d/b/a



Big Brothers Big Sisters.
OF YORK & ADAMS COUNTIES

CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-18



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Big Brothers Big Sisters of York & Adams Counties
York, Pennsylvania

We have audited the accompanying financial statements of Big Brothers Big Sisters of York County, Inc. d/b/a Big Brothers Big Sisters of York & Adams Counties (a non-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of York County, Inc. d/b/a Big Brothers Big Sisters of York & Adams Counties as of December 31, 2020 and 2019, 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.

Arnite Elliott Hearn & Company, LLC

Hanover, Pennsylvania
July 30, 2021

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 253,067	\$ 339,207
Certificate of deposit	53,749	53,504
CARES funding receivable (Note 9)	24,000	-
Contracted services receivable	6	2,006
Unconditional promises to give - United Way contributions	44,892	60,698
Prepaid expenses	5,018	4,521
Total Current Assets	<u>380,732</u>	<u>459,936</u>
Property and Equipment, Net of Accumulated Depreciation	<u>19,891</u>	<u>-</u>
Other Assets		
Unconditional promises to give - United Way contributions	12,000	8,500
Prepaid expenses	2,251	-
Interest in net assets of the York County Community Foundation	84,587	81,758
Total Other Assets	<u>98,838</u>	<u>90,258</u>
TOTAL ASSETS	<u>\$ 499,461</u>	<u>\$ 550,194</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 6,436	\$ 10,877
Accrued payroll and payroll taxes	7,137	6,404
Accrued vacation	6,573	11,933
Total Current Liabilities/Total Liabilities	<u>20,146</u>	<u>29,214</u>
NET ASSETS		
Without donor restrictions		
Undesignated	313,836	344,024
Board designated	84,587	81,758
Total without donor restrictions	<u>398,423</u>	<u>425,782</u>
With donor restrictions		
Time-restriction for future periods	80,892	69,198
Purpose restriction	-	26,000
Total with donor restrictions	<u>80,892</u>	<u>95,198</u>
Total Net Assets	<u>479,315</u>	<u>520,980</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 499,461</u>	<u>\$ 550,194</u>

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE			
Public Support			
Contributions	\$ 55,284	\$ -	\$ 55,284
Grants	24,500	-	24,500
United Way contributions	29,012	40,678	69,690
Educational improvement tax credit program contributions	38,500	-	38,500
Revenue			
Special events	69,623	-	69,623
Contracted services	13,000	-	13,000
Interest income	1,251	-	1,251
PPP Loan and CARES Act funding (See Note 9)	74,565	24,000	98,565
Change in interest in assets of York County Community Foundation	6,291	-	6,291
Net assets released from restrictions	<u>78,984</u>	<u>(78,984)</u>	<u>-</u>
Total Support and Revenue	<u>391,010</u>	<u>(14,306)</u>	<u>376,704</u>
OPERATING EXPENSES			
Program services	332,166	-	332,166
Supporting services			
General and administrative	31,092	-	31,092
Fundraising	55,111	-	55,111
Total Supporting Services	<u>86,203</u>	<u>-</u>	<u>86,203</u>
Total Operating Expenses	<u>418,369</u>	<u>-</u>	<u>418,369</u>
Change in Net Assets	(27,359)	(14,306)	(41,665)
NET ASSETS AT BEGINNING OF YEAR	<u>425,782</u>	<u>95,198</u>	<u>520,980</u>
NET ASSETS AT END OF YEAR	<u>\$ 398,423</u>	<u>\$ 80,892</u>	<u>\$ 479,315</u>

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Statement of Activities
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE			
Public Support			
Contributions	\$ 55,019	\$ -	\$ 55,019
Grants	63,500	16,000	79,500
United Way contributions	32,649	60,917	93,566
Educational improvement tax credit program contributions	93,000	-	93,000
Revenue			
Special events	103,003	-	103,003
Contracted services	24,000	-	24,000
Interest income	3,101	-	3,101
Miscellaneous income	643	-	643
Change in interest in assets of York County Community Foundation	13,786	-	13,786
Net assets released from restrictions	<u>82,688</u>	<u>(82,688)</u>	<u>-</u>
Total Support and Revenue	<u>471,389</u>	<u>(5,771)</u>	<u>465,618</u>
OPERATING EXPENSES			
Program services	356,345	-	356,345
Supporting services			
General and administrative	42,360	-	42,360
Fundraising	65,750	-	65,750
Total Supporting Services	<u>108,110</u>	<u>-</u>	<u>108,110</u>
Total Operating Expenses	<u>464,455</u>	<u>-</u>	<u>464,455</u>
Change in Net Assets	6,934	(5,771)	1,163
NET ASSETS AT BEGINNING OF YEAR	<u>418,848</u>	<u>100,969</u>	<u>519,817</u>
NET ASSETS AT END OF YEAR	<u>\$ 425,782</u>	<u>\$ 95,198</u>	<u>\$ 520,980</u>

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services			Supporting Services			Totals
	Core	Smart	Total	General and Administrative	Fundraising	Total	
Employee Related Expenses							
Salaries	\$ 103,320	\$ 79,321	\$ 182,641	\$ 6,522	\$ 27,442	\$ 33,964	\$ 216,605
Payroll taxes	8,084	6,207	14,291	510	2,147	2,657	16,948
Group insurance	9,269	9,274	18,543	1,247	5,232	6,479	25,022
Simple IRA employer match	2,045	1,569	3,614	129	543	672	4,286
Travel	309	237	546	19	82	101	647
Operating supplies and expenses	2,380	1,827	4,207	150	632	782	4,989
Conferences	159	122	281	10	42	52	333
Telephone	2,471	1,897	4,368	156	656	812	5,180
Depreciation	1,430	1,098	2,528	90	379	469	2,997
National dues	7,092	5,445	12,537	448	1,884	2,332	14,869
	<u>136,559</u>	<u>106,997</u>	<u>243,556</u>	<u>9,281</u>	<u>39,039</u>	<u>48,320</u>	<u>291,876</u>
Occupancy Expenses							
Occupancy	24,527	17,206	41,733	2,419	4,142	6,561	48,294
Insurance	8,070	9,140	17,210	907	-	907	18,117
	<u>32,597</u>	<u>26,346</u>	<u>58,943</u>	<u>3,326</u>	<u>4,142</u>	<u>7,468</u>	<u>66,411</u>
Expenses Directly Allocated							
Special events	-	-	-	-	7,049	7,049	7,049
Operating supplies and expenses	473	70	543	-	-	-	543
Advertising, printing, and publications	16,340	80	16,420	758	-	758	17,178
Professional fees	-	-	-	16,482	-	16,482	16,482
Dues	4,091	3,415	7,506	-	1,377	1,377	8,883
Program expenses	2,054	396	2,450	-	-	-	2,450
Postage	1,482	644	2,126	64	408	472	2,598
Automobile	-	592	592	328	-	328	920
Miscellaneous expenses	20	10	30	695	-	695	725
Interest expense	-	-	-	158	-	158	158
Uncollectible promises to give	-	-	-	-	3,096	3,096	3,096
	<u>24,460</u>	<u>5,207</u>	<u>29,667</u>	<u>18,485</u>	<u>11,930</u>	<u>30,415</u>	<u>60,082</u>
	<u>\$ 193,616</u>	<u>\$ 138,550</u>	<u>\$ 332,166</u>	<u>\$ 31,092</u>	<u>\$ 55,111</u>	<u>\$ 86,203</u>	<u>\$ 418,369</u>

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services			Supporting Services			Totals
	Core	Smart	Total	General and Administrative	Fundraising	Total	
Employee Related Expenses							
Salaries	\$ 113,384	\$ 79,444	\$ 192,828	\$ 6,619	\$ 28,409	\$ 35,028	\$ 227,856
Payroll taxes	8,683	6,084	14,767	507	2,175	2,682	17,449
Group insurance	7,765	7,559	15,324	1,590	3,469	5,059	20,383
Simple IRA employer match	1,968	1,379	3,347	115	494	609	3,956
Travel	2,631	1,843	4,474	154	658	812	5,286
Operating supplies and expenses	4,125	2,891	7,016	241	1,034	1,275	8,291
Conferences	1,281	898	2,179	75	320	395	2,574
Telephone	2,776	1,945	4,721	162	696	858	5,579
Depreciation	99	70	169	6	24	30	199
National dues	6,622	4,639	11,261	386	1,659	2,045	13,306
	<u>149,334</u>	<u>106,752</u>	<u>256,086</u>	<u>9,855</u>	<u>38,938</u>	<u>48,793</u>	<u>304,879</u>
Occupancy Expenses							
Occupancy	25,159	17,478	42,637	2,505	4,265	6,770	49,407
Insurance	5,486	6,777	12,263	647	-	647	12,910
	<u>30,645</u>	<u>24,255</u>	<u>54,900</u>	<u>3,152</u>	<u>4,265</u>	<u>7,417</u>	<u>62,317</u>
Expenses Directly Allocated							
Special events	-	-	-	-	20,797	20,797	20,797
Operating supplies and expenses	1,059	251	1,310	52	-	52	1,362
Advertising, printing, and publications	18,102	9,599	27,701	3,847	-	3,847	31,548
Professional fees	-	-	-	23,478	-	23,478	23,478
Dues	2,048	1,500	3,548	1,759	-	1,759	5,307
Program expenses	8,452	2,389	10,841	-	-	-	10,841
Postage	1,506	262	1,768	168	235	403	2,171
Miscellaneous expenses	118	73	191	49	100	149	340
Uncollectible promises to give	-	-	-	-	1,415	1,415	1,415
	<u>31,285</u>	<u>14,074</u>	<u>45,359</u>	<u>29,353</u>	<u>22,547</u>	<u>51,900</u>	<u>97,259</u>
	<u>\$ 211,264</u>	<u>\$ 145,081</u>	<u>\$ 356,345</u>	<u>\$ 42,360</u>	<u>\$ 65,750</u>	<u>\$ 108,110</u>	<u>\$ 464,455</u>

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (41,665)	\$ 1,163
Adjustments to reconcile change in net assets to net cash (used by) provided by operating activities:		
Depreciation	2,997	199
Change in interest in net assets of York County Community Foundation	(6,291)	(13,786)
(Increase) decrease in assets		
Receivables	(22,000)	10,000
Unconditional promises to give	12,306	2,346
Prepaid expenses	(2,748)	(233)
Increase (decrease) in liabilities		
Accounts payable	(4,441)	1,978
Accrued payroll and payroll taxes	733	888
Accrued vacation	(5,360)	(1,128)
Net Cash (Used By) Provided By Operating Activities	<u>(66,469)</u>	<u>1,427</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(22,888)	-
Distribution from interest in York County Community Foundation	3,462	3,396
Reinvestment in certificates of deposit	(53,749)	(53,504)
Proceeds from maturity of certificates of deposit	53,504	53,175
Net Cash (Used By) Provided by Investing Activities	<u>(19,671)</u>	<u>3,067</u>
 Net (Decrease) Increase in Cash	 (86,140)	 4,494
CASH AT BEGINNING OF YEAR	<u>339,207</u>	<u>334,713</u>
CASH AT END OF YEAR	<u>\$ 253,067</u>	<u>\$ 339,207</u>
CASH IS COMPRISED OF THE FOLLOWING ON THE STATEMENT OF FINANCIAL POSITION		
Cash and cash equivalents		
Unrestricted	\$ 253,067	\$ 313,207
Restricted	-	26,000
	<u>\$ 253,067</u>	<u>\$ 339,207</u>

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Concentration of Credit Risk

Big Brothers Big Sisters of York County, Inc. d/b/a Big Brothers Big Sisters of York & Adams Counties (Organization), (a Pennsylvania non-profit corporation) was incorporated in 1989 under the laws of the Commonwealth of Pennsylvania for the purpose of serving children between the ages of five and thirteen through one-to-one mentoring programs. Special areas of service and impact include academic performance, self-esteem, and social/emotional development. The Organization also has a school based program that serves children from kindergarten through fourth grade.

Most of the Organization's operating revenue is derived from United Way funding, contributions, grants, and income from special events.

The Organization maintains its cash balances in financial institutions located in Pennsylvania. Cash deposits may exceed the federally insured limits at various times throughout the year. Management does not believe that there is a significant risk of loss as a result of these excess deposits.

Basis of Accounting

The Organization prepares its financial statements on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, support and revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts are reported in accordance with the principles of accounting for not-for-profits. Accordingly, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, including those that are Board designated.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time or are to be maintained permanently. There were no net assets with donor restrictions that are to be maintained in perpetuity as of December 31, 2020 and 2019.

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give/Contributions/Grants

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Educational improvement tax credit program contributions are reported as increases in net assets without donor restrictions since the restrictions historically have expired in the year in which the contributions are recognized. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Donated Services, Equipment, Supplies, Facilities, and Advertising

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible material and facilities are recognized at the fair value when received. In-kind contributions of facilities of \$9,620 and \$10,365 are recorded as contributions of public support on the Statements of Activities for the years ended December 31, 2020 and 2019, respectively. Additionally, the Organization receives a significant amount of skilled and contributed time that does not meet the criteria above. The value of this contributed time has not been determined and is not reflected in the accompanying financial statements. However, a substantial number of volunteers have donated approximately 3,327 and 8,987 hours of their time for the Organization's program services for the years ended December 31, 2020 and 2019, respectively.

Functional Expense Classification

The costs of program and supporting services activities have been summarized on the functional basis in the statements of activities. The statements of functional expenses present the natural classification and detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefited. The expenses that are allocated include employee related expenses which are allocated based on estimated time and effort and occupancy expenses that are allocated on a square-footage basis. All other expenses are directly allocated.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

The Organization's management periodically evaluates the collectability of outstanding receivables and evaluates the need to establish an allowance for doubtful accounts. If an allowance is needed it is determined based on factors surrounding the credit risk of specific receivables and historical trends. The Organization considers receivables to be fully collectible as of December 31, 2020 and 2019 and no such allowance is deemed necessary.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment with costs in excess of \$2,000 and useful lives greater than one year. Purchased property and equipment are stated at cost. Depreciation is computed using the straight-line method of accounting over the estimated useful lives of the respective assets. Currently, all assets have useful lives of 3-5 years.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as an increase in net assets without donor restrictions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit donor-imposed stipulations regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor-imposed stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor-imposed stipulations when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies donor restricted net assets to net assets without donor restrictions at that time.

Advertising, Printing, and Publications

Advertising, printing, and publications costs are expensed as incurred. Advertising, printing and publication costs for the years ended December 31, 2020 and 2019 were \$17,178 and \$31,548, respectively.

Income Taxes

The Organization has elected under provisions of the Internal Revenue Code Section 501(c)(3), and under the laws of the Commonwealth of Pennsylvania to be exempt from federal and state income taxes. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization is not deemed to be a private foundation by the Internal Revenue Service.

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize the tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the government authority. The Organization is subject to routine audits by taxing jurisdictions, generally for a period of three years after the returns are filed; however, there are currently no audits for any tax periods in progress.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following as of December 31:

	2020	2019
Adams County United Way Allocation	\$ 4,500	\$ 4,000
York County United Way Allocation	16,875	20,250
United Way - Donor Designations	35,517	44,948
	<u>\$ 56,892</u>	<u>\$ 69,198</u>
	2020	2019
Promises to give expected to be received in one year	\$ 44,892	\$ 60,698
Promises to give expected to be received in two - five years	12,000	8,500
	<u>\$ 56,892</u>	<u>\$ 69,198</u>

Based on an evaluation of the outstanding promises, there is no allowance for uncollectible promises receivable as of December 31, 2020 and 2019.

NOTE 3 PROPERTY AND EQUIPMENT

Property and Equipment consist of the following as of December 31:

	2020	2019
Property and equipment	\$ 30,835	\$ 8,733
Less: Accumulated depreciation	(10,944)	(8,733)
	<u>\$ 19,891</u>	<u>\$ -</u>

Depreciation expense amounted to \$2,997 and \$199 for the years ended December 31, 2020 and 2019, respectively.

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Notes to Financial Statements

NOTE 4 INTEREST IN NET ASSETS OF A COMMUNITY FOUNDATION

During January 1999, the Organization established an endowment fund with the York County Community Foundation (the foundation). The fund is the property of the foundation and is held as a component fund of the foundation. The foundation holds legal title to the assets of the fund and invests and reinvests the funds. The funds of the Organization may, based on unusual circumstances of need or opportunity deemed sufficient, recommend and request amounts of principal. The board of directors of the foundation will grant such request, if it concludes that such direction is neither unreasonable nor inconsistent with the charitable purpose of the foundation and the Organization. The Organization board generally decides annually to either direct the foundation to reinvest the income from the fund or to receive an annual income distribution as the Foundation assets are board designated assets. A board decision was made to receive income distributions of \$3,462 and \$3,396 during 2020 and 2019, respectively, based on the annual spending policy established by the York County Community Foundation.

The following is a summary of the activity for the years ended December 31:

	2020	2019
Beginning balance	\$ 81,758	\$ 71,368
Plus: realized and unrealized gains (losses)	6,990	14,509
Less: administrative fees	(699)	(723)
Less: distribution	<u>(3,462)</u>	<u>(3,396)</u>
Ending balance	<u>\$ 84,587</u>	<u>\$ 81,758</u>

NOTE 5 LINES OF CREDIT

The Organization has an unsecured \$50,000 working capital line of credit with Fulton Bank. Borrowings against the line of credit bear interest at the bank's prime rate or 3.25% as of December 31, 2020. There were no borrowings against the line of credit as of December 31, 2020 and 2019.

The Organization maintains a \$150,000 working line of credit with York Traditions Bank. Borrowings against the line of credit bear interest at the bank's prime rate or 3.25% as of December 31, 2020. The line of credit is secured against a money market account held at York Traditions Bank. There were no borrowings against the line of credit as of December 31, 2020 and 2019.

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Notes to Financial Statements

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows as of December 31:

	2020	2019
Subject to the passage of time		
Adams County United Way Allocation	\$ 4,500	\$ 4,000
York County United Way Allocation	16,875	20,250
United Way - Donor Designations	35,517	44,948
PPP Loan and CARES Act funding (See Note 9)	24,000	-
	<u>80,892</u>	<u>69,198</u>
Subject to expenditure for specified purpose		
Equipment purchases	-	15,000
Beyond School Walls Program	-	11,000
	<u>-</u>	<u>26,000</u>
Total net assets with donor restrictions	<u>\$ 80,892</u>	<u>\$ 95,198</u>
Cash and cash equivalents	\$ -	\$ 26,000
Unconditional promises to give - United Way contributions	80,892	69,198
	<u>\$ 80,892</u>	<u>\$ 95,198</u>

NOTE 7 LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2020
Cash and cash equivalents	\$ 253,067
Certificate of deposit	53,749
CARES funding receivable	24,000
Promises to give - United Way contributions (less than one year)	44,892
	<u>\$ 375,708</u>

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization has a financial policy to strive to maintain a cash reserve fund ranging from 70% - 90% of annual operating expenses. This reserve fund includes all cash and cash equivalents. Also, the policy states that any cash reserves in excess of 90% of annual operating expenses can be invested in accordance with the Organization's investment policy upon approval by the board.

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Notes to Financial Statements

NOTE 7 LIQUIDITY AND AVAILABILITY (CONTINUED)

As noted above, the total cash and cash equivalents and certificate of deposits at December 31, 2020 available for expenditure within one year is \$306,816 which represents approximately 73% of total annual expenses for 2020 and exceeds the desired reserve of 70% of annual operating expenses. The Organization also, as more fully described in Note 5, has two lines of credit with availability of \$200,000 at December 31, 2020 which it could draw down upon in the event of an unanticipated liquidity need.

NOTE 8 FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices (unadjusted) in active markets for identical assets and liabilities that the organization can access at the measurement date.

Level 2 – Inputs other than quoted process included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable inputs for the asset or liability.

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Notes to Financial Statements

NOTE 8 FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Unconditional Promises To Give – United Way Contributions - Promises to give are valued at the initial promised amount committed by the donor and discounted to their present value less an allowance, if any, if significant amounts are due beyond one year, and for doubtful accounts as determined by management. The most significant unobservable input used in the measurement of fair value for contributions is the determination of the allowance for uncollectible contributions. The allowance for uncollectible contributions is based upon management’s analysis of specific promises made. As of December 31, 2020 and 2019, there are no allowance for uncollectible contributions deemed necessary at this time.

Beneficial Interest in York County Community Foundation -Valued at the net asset value (NAV) of the percentage owned of the underlying assets of the fund. The fund is invested in a variety of fixed income and equity mutual funds whereby the investment policies employed are meant to achieve long-term growth while providing modest investment income. There are no unfunded commitments or restrictions.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value.

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Unconditional promises to give - United Way contributions	\$ -	\$ 56,892	\$ -	\$ 56,892
York County Community Foundation Interest	-	84,587	-	84,587
	<u>\$ -</u>	<u>\$ 141,479</u>	<u>\$ -</u>	<u>\$ 141,479</u>

	Assets at Fair Value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Unconditional promises to give - United Way contributions	\$ -	\$ 69,198	\$ -	\$ 69,198
York County Community Foundation Interest	-	81,758	-	81,758
	<u>\$ -</u>	<u>\$ 150,956</u>	<u>\$ -</u>	<u>\$ 150,956</u>

NOTE 9 PPP LOAN AND CARES ACT FUNDING

In April 2020, the Organization entered into a Paycheck Protection Program (PPP) loan agreement through the Small Business Administration (SBA) in the amount of \$54,565. The Organization has concluded that the PPP loan represents, in substance, a grant, and therefore has accounted for the PPP loan in accordance with FASB ASC 958-605 as a conditional contribution.

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Notes to Financial Statements

NOTE 9 PPP LOAN AND CARES ACT FUNDING (CONTINUED)

All conditions were met by December 31, 2020 to support the recognition of income in the 2020 statement of activities, for the loan proceeds were used to cover payroll costs, mortgage interest, rent and/or utility costs over the 24-week period after the loan was made and employee and compensation levels were maintained. The Organization applied for and received loan forgiveness in the amount of \$54,565 on January 1, 2021.

During 2020, the Organization received CARES Act funding passed down through two local organizations totaling \$44,000 to provide relief during the coronavirus pandemic to local non-profit organizations. Funding was to be used for purposes of the CARES Act to cover costs that were necessary expenditures incurred due to the public health emergency with respect to COVID-19. Income from this funding is included as revenue on the 2020 statement of activities with \$24,000 recorded on the statement of financial position as CARES funding receivable as of December 31, 2020.

NOTE 10 MARKET RISK

Investments of the Organization are exposed to various risks, such as interest rate, market, currency and credit risk. Due to the level of risk associated with the investments in the York County Community Foundation, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment balances reported in the financial statements.

In addition, recent economic uncertainty and market events as a result of the COVID-19 pandemic and other market forces have led to unprecedented volatility in currency, commodity, credit and equity markets. These recent events underscore the level of investment risk associated with the current economic environment, and accordingly the level of risk in investments reported in the financial statements.

NOTE 11 OPERATING LEASES

The York County office operates in a leased office facility pursuant to a lease that expires on September 30, 2022. Future minimum rental payments and other charges under the York County operating lease consist of the following for the years ended December 31:

2021	\$	16,835
2022		<u>12,626</u>
	\$	<u>29,461</u>

The Adams County office operated in a leased office facility pursuant to a lease that is renewed annually. In August 2020, the Organization terminated their lease for the Adams County office but continues to provide service to the Adams County area.

Occupancy expenses for these facilities for the years ended December 31, 2020 and 2019 were \$48,294 and \$49,407, respectively. These amounts include \$9,620 and \$10,365 as an in-kind contribution for 2020 and 2019, respectively.

BIG BROTHERS BIG SISTERS OF YORK COUNTY, INC.
D/B/A BIG BROTHERS BIG SISTERS OF YORK & ADAMS COUNTIES
Notes to Financial Statements

NOTE 12 RETIREMENT PLAN

In January 2000, the Organization adopted a Savings Incentive Match Plan for Employees (SIMPLE) of small employers' retirement plan. The plan allows eligible employees to defer, up to \$10,000 of gross compensation each year. The Organization will match up to three percent of the employee's salary. Contributions to the plan were \$4,286 and \$3,956 for the years ended December 31, 2020 and 2019, respectively.

NOTE 13 CONTINGENCIES

The COVID-19 outbreak in the United States and around the world has caused business disruption through mandated and voluntary closings, including the Organization and its donors. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration and extent of economic impact. Therefore, it is reasonable to expect that the Organization could be negatively impacted, however the degree of such impact is uncertain at this time.

NOTE 14 SUBSEQUENT EVENTS

The Organization has evaluated events and transactions subsequent to December 31, 2020 through July 30, 2021, the date these financial statements were available to be issued. Based on the definitions and requirements of generally accepted accounting principles, management has identified one event, in addition to the event described in Note 9, that have occurred subsequent to December 31, 2020 and through July 30, 2021 that requires recognition or disclosure in the financial statements.

On January 29, 2021, the Organization was approved and received \$52,480 through the U.S. Treasury's Paycheck Protection Program Round 2 (PPP 2), similar to the first PPP loan received in 2020 as discussed in Note 9. Under the terms of the PPP 2, the loan is due in five years and bears interest at 1%, with payments deferred for 6 months and interest continues to accrue over this period. As with the previous loan, the PPP 2 loan may be forgiven if the loan proceeds are used to cover payroll costs and mortgage interest, rent, and utility costs over the 24-week period after the loan was made, provided a certain percentage of employee and compensation levels are maintained. It is the expectation of management that the entire loan amount will be forgiven at the end of the forgiveness period ending in August 2021.