Big Brothers Big Sisters
OF METRO ATLANTA

AUDITED
FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Big Brothers Big Sisters of Metro Atlanta, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Big Brothers Big Sisters of Metro Atlanta, Inc. (the "Agency") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2021 and 2020, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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 Agency'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency'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.

Jones and Kolb

March 25, 2022

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
ASSETS		
Cash	$ 1,524,196	$ 850,852
Cash held in escrow	-	1,225,000
Grants and other receivables	57,310	2,340
Promises to give	429,563	292,712
Prepaid expense	50,483	3,139
Investments	5,546,127	229,909
Property and equipment, net	655,795	5,460,334
Total assets	$ 8,263,474	$ 8,064,286
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 417,763	$ 301,876
Accrued lease payable	95,637	-
Earnest money	-	1,500,000
Lines of credit	-	804,982
Notes payable	-	1,437,196
Total liabilities	513,400	4,044,054
NET ASSETS		
Without donor restrictions	6,569,338	3,105,270
With donor restrictions	1,180,736	914,962
Total net assets	7,750,074	4,020,232
Total liabilities and net assets	$ 8,263,474	$ 8,064,286

The accompanying notes to financial statements
are an integral part of these statements.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support			
United Way	$ 111,984	$ 225,000	$ 336,984
Grants	113,315	-	113,315
Other public support	510,131	-	510,131
Corporate contributions	1,075,744	62,500	1,138,244
Capacity building contributions	626,500	852,500	1,479,000
Special events	954,174	-	954,174
Less: Costs of direct benefits to donors	(198,203)	-	(198,203)
Total public support	3,193,645	1,140,000	4,333,645
Revenue			
Gain on sale of building	2,412,850	-	2,412,850
Paycheck protection program loan forgiveness and other income	549,892	-	549,892
Investment income	142,211	966	143,177
Total revenue	3,104,953	966	3,105,919
Total public support and revenue	6,298,598	1,140,966	7,439,564
NET ASSETS RELEASED FROM PROGRAM RESTRICTIONS	875,192	(875,192)	-
EXPENSES			
Program services	2,618,306	-	2,618,306
Support services			
Management and general	420,660	-	420,660
Fundraising	670,756	-	670,756
Total support services	1,091,416	-	1,091,416
Total expenses	3,709,722	-	3,709,722
CHANGE IN NET ASSETS	3,464,068	265,774	3,729,842
NET ASSETS Beginning of year	3,105,270	914,962	4,020,232
NET ASSETS End of year	$ 6,569,338	$ 1,180,736	$ 7,750,074

The accompanying notes to financial statements
are an integral part of this statement.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public support			
United Way	$ 262,108	$ 150,000	$ 412,108
Grants	137,078	-	137,078
Other public support	530,171	-	530,171
Corporate contributions	645,130	75,000	720,130
Special events	719,807	-	719,807
Less: Costs of direct benefits to donors	(127,516)	-	(127,516)
Total public support	2,166,778	225,000	2,391,778
Revenue			
Paycheck protection program loan forgiveness and other income	543,982	-	543,982
Investment income	18,227	2,851	21,078
Total revenue	562,209	2,851	565,060
Total public support and revenue	2,728,987	227,851	2,956,838
NET ASSETS RELEASED FROM PROGRAM RESTRICTIONS	760,777	(760,777)	-
EXPENSES			
Program services	2,569,085	-	2,569,085
Support services			
Management and general	449,983	-	449,983
Fundraising	673,707	-	673,707
Total support services	1,123,690	-	1,123,690
Total expenses	3,692,775	-	3,692,775
CHANGE IN NET ASSETS	(203,011)	(532,926)	(735,937)
NET ASSETS			
Beginning of year	3,308,281	1,447,888	4,756,169
NET ASSETS			
End of year	$ 3,105,270	$ 914,962	$ 4,020,232

The accompanying notes to financial statements are an integral part of this statement.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

		Support Services			
	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	$ 1,655,463	$ 285,492	$ 459,103	$ 744,595	$ 2,400,058
Fringe benefits	183,173	31,589	50,799	82,388	265,561
Payroll taxes	115,165	19,861	31,938	51,799	166,964
Total compensation and benefits	1,953,801	336,942	541,840	878,782	2,832,583
Professional fees	117,249	31,339	95,078	126,417	243,666
Occupancy	124,260	15,489	19,157	34,646	158,906
Office expenses	69,811	5,861	43,685	49,546	119,357
Depreciation	75,485	9,410	11,637	21,047	96,532
IT expenses	73,472	9,159	11,327	20,486	93,958
Facility rental	-	-	68,731	68,731	68,731
Match support activities	52,651	-	-	-	52,651
Insurance	36,925	4,603	5,692	10,295	47,220
Marketing	25,702	1,324	12,927	14,251	39,953
Big Brothers Big Sisters of America	25,316	1,304	7,490	8,794	34,110
Interest	26,665	3,324	4,111	7,435	34,100
Food and beverage	-	-	26,043	26,043	26,043
Miscellaneous	14,257	735	10,052	10,787	25,044
Awards and prizes	14,780	761	8,842	9,603	24,383
Conferences and meetings	7,932	409	2,347	2,756	10,688
Total expenses	2,618,306	420,660	868,959	1,289,619	3,907,925
Less: Costs of direct benefits to donors	-	-	198,203	198,203	198,203
Total functional expenses	$ 2,618,306	$ 420,660	$ 670,756	$ 1,091,416	$ 3,709,722

The accompanying notes to financial statements
are an integral part of this statement.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

		Support Services			
	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	$ 1,626,439	$ 237,605	$ 488,966	$ 726,571	$ 2,353,010
Fringe benefits	181,023	26,445	54,422	80,867	261,890
Payroll taxes	115,357	16,853	34,681	51,534	166,891
Total compensation and benefits	1,922,819	280,903	578,069	858,972	2,781,791
Professional fees	65,991	28,051	43,060	71,111	137,102
Occupancy	74,528	9,785	7,905	17,690	92,218
Office expenses	59,751	18,824	30,723	49,547	109,298
Depreciation	124,011	16,281	13,153	29,434	153,445
IT expenses	97,904	12,854	10,383	23,237	121,141
Facility rental	-	-	56,034	56,034	56,034
Match support activities	26,108	-	-	-	26,108
Insurance	47,079	6,181	4,993	11,174	58,253
Marketing	9,545	441	11,901	12,342	21,887
Big Brothers Big Sisters of America	27,305	1,262	8,517	9,779	37,084
Interest	87,385	11,473	9,268	20,741	108,126
Food and beverage	-	-	16,539	16,539	16,539
Miscellaneous	22,639	56,533	7,551	64,084	86,723
Awards and prizes	1,922	7,298	2,472	9,770	11,692
Conferences and meetings	2,098	97	655	752	2,850
Total expenses	2,569,085	449,983	801,223	1,251,206	3,820,291
Less: Costs of direct benefits to donors	-	-	127,516	127,516	127,516
Total functional expenses	$ 2,569,085	$ 449,983	$ 673,707	$ 1,123,690	$ 3,692,775

The accompanying notes to financial statements
are an integral part of this statement.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Public support received	$ 3,596,800	$ 3,049,246
Payroll protection program loan forgiveness	541,615	523,477
Other income received	8,277	10,734
Rental income received	-	9,771
Interest and dividends received	43,456	5,843
Payments for compensation and benefits	(2,798,390)	(2,840,622)
Payments for professional fees	(243,666)	(114,625)
Payments for occupancy	(63,269)	(96,041)
Payments for interest	(34,100)	(108,126)
Payments for IT expenses	(93,958)	(121,141)
Payments for other expenses	(335,603)	(221,772)
Net cash provided by operating activities	621,162	96,744
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchases of investments	(5,271,417)	(35,288)
Proceeds from sales of investments	54,920	54,445
Proceeds from sale of building	7,636,550	-
Proceeds from escrow on sale of building	-	275,000
Payments for purchases of property and equipment	(640,693)	(49,351)
Net cash provided by investing activities	1,779,360	244,806
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from capital campaign	515,000	-
Net (payments) proceeds from lines of credit	(804,982)	199,982
Payments on notes payable	(1,437,196)	(96,422)
Proceeds from FICA deferral	-	81,494
Net cash (used in) provided by financing activities	(1,727,178)	185,054
NET INCREASE IN CASH	673,344	526,604
CASH, Beginning of year	850,852	324,248
CASH, End of year	$ 1,524,196	$ 850,852

The accompanying notes to financial statements
are an integral part of these statements.

BIG BROTHERS BIG SISTERS OF METRO ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Big Brothers Big Sisters of Metro Atlanta, Inc. (the "Agency") is a Georgia nonprofit organization that creates and supports one-to-one mentoring relationships that ignite the power and promise of youth. The Agency actively seeks to assist children of every ethnic, racial, national, cultural and religious group in the metropolitan Atlanta area who may need additional positive role models to enrich their lives.

The Agency is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified the Agency as a publicly supported charitable organization as described in Section 509(a) of the Internal Revenue Code, which allows donors to take the maximum charitable contribution deduction.

B. The financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

C. The Agency classifies net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operation of the Agency.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating those resources be maintained in perpetuity. The donors of these assets permit the Agency to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are gifts for which restrictions have not been met.

When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Net Assets as "net assets released from program restrictions." The Agency's policy is to record contributions received with restrictions and expended in the same period as contributions without donor restrictions.

D. Contributions are recognized as revenue when the donor makes a promise to give to the Agency that is, in substance, unconditional. Unconditional pledges that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts, if any, is included in contributions in the accompanying Statements of Activities and Net Assets. An allowance is made for uncollectible promises to give based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions are substantially met.

The Agency records non-cash contributions at their estimated fair market value at the date of the contribution. The Agency records contributed services as contribution revenue and as an expense if the services create or enhance a nonfinancial asset, or the services would (1) need to be purchased by the Agency if not provided by contribution, (2) require specialized skills, and (3) are provided by individuals with those skills. Contributed goods and services recorded for the years ended December 31, 2021 and 2020 were approximately $55,600 and $33,900, respectively.

The Agency records grant revenues over the period of the award and the provisions of the grant determine the timing of revenue recognition. Government fees and grants received by the Agency in the form of cost-reimbursable grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific contract or grant provisions. Amounts that have been earned but not received are included in grants and other receivables on the Statements of Financial Position. Amounts received in advance are recorded as deferred revenue and recognized in the period in which allowable expenses are incurred.

The Agency recognizes revenues from fundraising events in the period the event occurs. Amounts received prior to the event are reported as deferred revenue on the Statements of Financial Position.

E. The Agency maintains cash balances with a bank and a brokerage firm. Occasionally, the Agency's cash balances may be in excess of the federally insured limits. However, given the strength of the financial institution, management believes such excess deposits do not create significant loss exposure.

F. Investments include equities, fixed income instruments and money market accounts that are carried at fair value. Unrealized gains and losses are included with investment income on the Statements of Activities and Net Assets. Interest, dividends and gains and losses on investments are recorded as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or by law.

G. Purchased property and equipment with values greater than or equal to $500 are stated at historical cost. Donated property and equipment are recorded at the approximate fair value at the date of donation. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Estimated useful lives of the assets range from three to thirty-nine years. Depreciation expense was $96,532 and $153,445 for the years ended December 31, 2021 and 2020, respectively.

H. The accompanying financial statements report certain categories of expenses that are attributable to one or more functions of the Agency, which are defined as program services, management and general and fundraising. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The significant expense categories that are allocated include: compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy, depreciation, interest and equipment rental and maintenance, which are allocated on a square-footage basis; and professional fees, which are allocated through a specific identification to the functional expense category due to the nature of the expense. The remainder of the expenses are primarily allocated on an average headcount basis.

I. The Agency presents an unclassified Statement of Financial Position with additional qualitative information about the availability of resources and liquidity in Note 2.

J. The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Certain prior year amounts have been reclassified to conform to the current year financial statements presentation.

L. Subsequent events have been evaluated by management through March 25, 2022, the date these financial statements were available to be issued.

2. LIQUIDITY

As part of the Agency's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021 and 2020, comprise the following:

	2021	2020
Cash	$ 1,524,196	$ 850,852
Grants and other receivables	57,310	2,340
Promises to give	429,563	292,712
Investments	4,652,891	189,947
Total financial assets available for general expenditure	$ 6,663,960	$ 1,335,851

Investments include board-designated endowment funds of $3,469,071 and $189,947 at December 31, 2021 and 2020, respectively, which may be drawn upon in the event of an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets or settling financial liabilities.

3. PROMISES TO GIVE

Unconditional promises to give are expected to be received in less than one year and were $429,563 and $292,712 at December 31, 2021 and 2020, respectively. As of December 31, 2021 and 2020, management believes all promises to give are fully collectible. Therefore, no allowance for doubtful accounts is recorded in the accompanying financial statements.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

U.S. generally accepted accounting principles establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets or other observable inputs other than quoted market prices. Level 3 within the hierarchy states that valuations are based on significant unobservable inputs. At December 31, 2021 and 2020, the only assets that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments. Such investments are classified within Level 1 of the valuation hierarchy.

The following is a summary of investments, stated at fair value based on quoted market prices, held at December 31:

	2021	2020
Equities	$ 2,627,037	$ 140,807
Fixed income instruments	2,631,814	75,965
Money market	287,276	13,137
Total investments	$ 5,546,127	$ 229,909

The following schedule summarizes investment income for the years ended December 31:

	2021	2020
Net realized and unrealized gain	$ 20,525	$ 15,235
Interest and dividend income	161,587	8,484
Investment fees	(38,935)	(2,641)
Total investment income	$ 143,177	$ 21,078

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2021	2020
Land - see Note 15	$ -	$ 2,108,884
Building - see Note 15	-	4,170,271
Equipment and computer software	235,381	233,964
Furniture and fixtures	413,418	307,795
Leasehold improvements	370,550	45,069
Total	1,019,349	6,865,983
Less accumulated depreciation	(363,554)	(1,405,649)
Total property and equipment, net	$ 655,795	$ 5,460,334

6. LINES OF CREDIT

The Agency had a line of credit with a maximum borrowing limit of $500,000 and an extended maturity date of June 16, 2021, secured by the land and building. The line bears interest at the prime rate plus one percentage point, subject to a floor of 3.00%. This line of credit agreement was modified to remove the land and building as collateral and extend the maturity date to June 17, 2022. At December 31, 2021 and 2020, the outstanding balance on this line of credit was $0 and $500,000, respectively. The effective interest rate was 4.25% and 5.25% at December 31, 2021 and 2020, respectively.

During the year ended December 31, 2019, the Agency obtained an additional unsecured line of credit of $200,000 and an extended maturity date of March 20, 2020. The line bears interest at the prime rate plus one percentage point. This line of credit agreement was modified to increase the maximum borrowing limit to $500,000 and extend the maturity date to April 8, 2021. At December 31, 2021 and 2020, the outstanding balance on this line of credit was $0 and $304,982, respectively. The effective interest rate was 5.25% at December 31, 2020. The line of credit matured in 2021 and was not renewed.

7. NOTES PAYABLE

The Agency has a $1,634,000 note secured by the land and building. The note bears interest at a rate of 4.85% and matures on December 20, 2021. Interest and principal payments of $10,709 are due monthly. The outstanding principal and accrued interest are due in full upon maturity. The land and building were sold in 2021, and the note was paid in full (see Note 15). At December 31, 2020 the outstanding principal balance was $1,421,873.

8. PAYCHECK PROTECTION PROGRAM LOAN

During the year ended December 31, 2020, the Agency applied for and received loan proceeds of $538,800 under the Paycheck Protection Program ("PPP") as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The Agency is eligible for loan forgiveness up to 100% of the loan and accrued interest, upon meeting certain requirements. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1.00%, with deferral of payments for the first ten months. In accordance with generally accepted accounting principles, the Agency has chosen to recognize the proceeds for the amount estimated to be forgiven as revenue. As of December 31, 2020, the Agency applied for loan forgiveness totaling $523,477 of the initial loan amount. The remaining $15,323 was recorded as a note payable for the year ended December 31, 2020. During the year ended December 31, 2021, the remaining $15,323 was forgiven and is presented as a component of paycheck protection program loan forgiveness and other income on the Statement of Activities and Net Assets for the year ended December 31, 2021.

In February 2021, the Agency received loan proceeds of $526,292 from a second PPP loan. The Agency is eligible for loan forgiveness up to 100% of the loan and accrued interest, upon meeting certain requirements. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1.00%, with deferral of payments for the first ten months. In accordance with generally accepted accounting principles, the Agency has chosen to recognize the proceeds for the amount estimated to be forgiven as revenue. During the year ended December 31, 2021, the Agency applied for and received loan forgiveness for the entire loan amount. The amount of forgiveness is presented as a component of paycheck protection program loan forgiveness and other income on the Statements of Activities and Net Assets for the year ended December 31, 2021.

9. NET ASSETS

Changes to net assets with donor restrictions are as follows at December 31:

	2020	Additions	Releases	2021
Subject to expenditure for specified purpose:				
Capacity building	$ -	$ 852,500	$ -	$ 852,500
Subject to passage of time:				
Mentoring programs	650,000	-	(650,000)	-
Match support	225,000	287,500	(225,000)	287,500
	875,000	287,500	(875,000)	287,500
Subject to the Agency's endowment spending policy and appropriation:				
Endowment	39,962	966	(192)	40,736
	$ 914,962	$ 1,140,966	$ (875,192)	$ 1,180,736

	2019	Additions	Releases	2020
Subject to expenditure for specified purpose:				
Information technology	$ 26,964	$ -	$ (26,964)	$ -
Subject to passage of time:				
Mentoring programs	1,170,000	-	(520,000)	650,000
Match support	213,813	225,000	(213,813)	225,000
	1,383,813	225,000	(733,813)	875,000
Subject to the Agency's endowment spending policy and appropriation:				
Endowment	37,111	2,851	-	39,962
	$ 1,447,888	$ 227,851	$ (760,777)	$ 914,962

10. ENDOWMENT

The Agency's endowment consists of a quasi-endowment, board-designated fund established for a variety of purposes and one donor-restricted endowment fund. Endowment assets include those assets of donor-restricted funds that the Agency must hold in perpetuity for a donor-specified period as well as board-designated funds. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

The Board of Directors of the Agency has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") as requiring the 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 Agency classifies the original value of gifts donated to the permanent endowment and original value of subsequent gifts to the permanent endowment as perpetual in nature. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as restricted until those amounts are appropriated for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by UPMIFA. The Board of Directors appropriates funds from the endowment funds based on specific needs and budgeting requirements from year to year. In accordance with UPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the Agency and the donor-restricted endowment fund;

(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Agency; and,
(7) The investment policies of the Agency.

The Agency has adopted investment and spending policies that attempt to preserve endowment assets by using funding, via the annual operating budget, of up to 40% of the earnings on the endowment from the prior year. The Board of Directors has additional authority to approve additional funding when operating cash is insufficient. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed common benchmarks for a balanced portfolio, while assuming a moderate level of risk.

To satisfy its long-term rate-of-return objectives, the Agency relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Agency targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The composition of and changes in endowment funds at December 31, 2021 consisted of the following:

	Board Designated	Investment Earnings	Perpetual In Nature	Total
Endowment net assets, beginning of year	$ 189,947	$ 14,962	$ 25,000	$ 229,909
Investment return:				
Investment income, net	42,871	313	-	43,184
Net realized and unrealized gain	63,212	461	-	63,673
Total investment return	106,083	774	-	106,857
Transfers in	3,173,041	-	-	3,173,041
Endowment net assets, end of year	$ 3,469,071	$ 15,736	$ 25,000	$ 3,509,807

The composition of and changes in endowment funds at December 31, 2020 consisted of the following:

	Board Designated	Investment Earnings	Perpetual In Nature	Total
Endowment net assets, beginning of year	$ 196,720	$ 12,111	$ 25,000	$ 233,831
Investment return:				
Investment income, net	482	12	-	494
Net realized and unrealized gain	17,745	2,839	-	20,584
Total investment return	18,227	2,851	-	21,078
Appropriation for unrestricted use	(25,000)	-	-	(25,000)
Endowment net assets, end of year	$ 189,947	$ 14,962	$ 25,000	$ 229,909

11. LEASE COMMITMENTS

During the year ended December 31, 2018, the Agency leased a portion of its building space to a tenant under a noncancelable operating lease with a 37-month term expiring in 2021. On August 23, 2019, the Agency entered into a termination agreement with the tenant for the leased space. Per the agreement, the lease was terminated on March 28, 2020, at which time the Agency paid the tenant $75,000 for canceling the lease prior to the lease's original expiration date. During the year ended December 31, 2020, rental income from the lease totaled $9,711.

In December 2020, the Agency signed into an operating lease agreement for new office space. The lease is set to expire in May 2031 and the Agency will receive rent concessions totaling $168,524 over the first 14 months. The Agency will start paying base rent $19,057 in September 2022. The base monthly rent expense includes yearly escalation of approximately 2.0%. The Agency records rent expense on the straight-line basis in accordance with generally accepted accounting principles. Accrued lease payable of $95,637 has been recorded on the Statement of Financial Position as of December 31, 2021. Rent expense associated with this lease was approximately $114,300 for the year ended December 31, 2021.

Future minimum rental payments required under this lease obligation are:

Year ending December 31,	Amount
2022	$ 151,335
2023	230,971
2024	235,590
2025	240,302
2026	245,108
Thereafter	1,164,414
	$ 2,267,720

12. RETIREMENT PLAN

The Agency has established a defined contribution plan for the benefit of its employees for which the Agency matches 100% of the first 3% and 50% of the next 3% of each employee's contributions to the Plan. For the years ended December 31, 2021 and 2020, the Agency made contributions to the Plan totaling $55,848 and $56,391, respectively.

13. RELATED PARTY

During the years ended December 31, 2021 and 2020, the Agency received passthrough grants totaling $444,452 and $298,766, respectively, from Big Brothers Big Sisters of America.

14. CONCENTRATIONS

For the years ended December 31, 2021 and 2020, approximately 46% and 51% of the Agency's promises to give, net was derived from one donor.

15. SALE OF BUILDING

In January 2020, the Agency entered into a purchase and sale agreement to sell its building and land. As part of the original agreement and amendments, the buyer deposited earnest money into a non-interest-bearing escrow account held by a third-party agent. During the year ended December 31, 2020, the buyer deposited a total of $1,500,000 into the escrow account and $275,000 was released to the Agency in accordance with the terms of the agreement. At December 31, 2020, cash in escrow totaling $1,225,000 and earnest money totaling $1,500,000 were recorded as an asset and liability, respectively, on the accompanying Statements of Financial Position.

The sale of the land and building closed in April 2021. The Agency recognized a gain on the sale of $2,412,850, and this amount is included on the Statement of Activities and Net Assets for the year ending December 31, 2021.

16. CORONAVIRUS PANDEMIC

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a pandemic, with the outbreak widespread in the U.S. Therefore, the Agency had to hold certain special events virtually which caused disruptions in their ability to fundraise for program services. Future potential impacts to the Agency may include continued disruptions or restrictions on the Agency's employees' ability to work. No adjustments have been made to these financial statements as a result of this uncertainty.