



Big Brothers Big Sisters of the Midlands

Financial Statements
and
Independent Auditors' Report

Years Ended December 31, 2025 and 2024

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Independent Auditor's Report

To the Board of Directors
Big Brothers Big Sisters of the Midlands
Omaha, Nebraska

Opinion

We have audited the financial statements of Big Brothers Big Sisters of the Midlands (the Organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, 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 Big Brothers Big Sisters of the Midlands as of December 31, 2025 and 2024, 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Big Brothers Big Sisters of the Midlands and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Responsibilities of Management for the Financial Statements (Continued)

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

In performing an audit in accordance with GAAS, we:

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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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.

BLAND + ASSOCIATES, P.C.

Bland & Associates, P.C.

Omaha, Nebraska

May 21, 2026

Big Brothers Big Sisters of the Midlands

Statements of Financial Position

As of December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents		
Cash and cash equivalents	\$ 3,407,143	\$ 3,959,865
Receivables		
Grants receivable	-	77,370
Current portion of contributions receivable	473,917	367,500
Prepaid expenses	40,856	39,041
Total current assets	3,921,916	4,443,776
Property and equipment, net of accumulated depreciation of \$112,042 and \$24,133, respectively	679,936	751,618
Contributions receivable, less current portion	240,000	-
Beneficial interest in assets held by Omaha Community Foundation	18,017	16,062
Right-of-use assets, finance leases, net of accumulated amortization of \$29,994 and \$21,996, respectively	9,998	17,996
Right-of-use assets, operating leases	820,523	891,176
Total assets	\$ 5,690,390	\$ 6,120,628
Liabilities and net assets		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 221,103	\$ 297,987
Current portion of finance lease liabilities	8,079	8,079
Current portion of operating lease liabilities	95,694	89,376
Total current liabilities	324,876	395,442
Finance lease liabilities, less current portion	2,177	10,256
Operating lease liabilities, less current portion	1,016,697	1,112,390
Total liabilities	1,343,750	1,518,088
Net assets		
Net assets with donor restrictions	874,917	443,500
Net assets without donor restrictions	3,471,723	4,159,040
Net assets	4,346,640	4,602,540
Total liabilities and net assets	\$ 5,690,390	\$ 6,120,628

See accompanying notes to financial statements.

Big Brothers Big Sisters of the Midlands
Statements of Activities and Changes in Net Assets
For the years ended December 31, 2025 and 2024

	Without Donor Restriction 2025	With Donor Restriction 2025	2025	Without Donor Restriction 2024	With Donor Restriction 2024	2024
Operating Revenues and Support:						
Contributions and grants	\$ 2,929,208	\$ 863,917	\$ 3,793,125	\$ 2,235,374	\$ 312,500	\$ 2,547,874
Contribution received in acquisition of affiliate	-	-	-	30,126	-	30,126
Employee retention credit grant revenue	79,447	-	79,447	153,890	-	153,890
Contributed nonfinancial assets	46,177	-	46,177	25,858	-	25,858
Special events revenue	171,278	-	171,278	257,864	-	257,864
Loss on disposal of property and equipment	-	-	-	(30,201)	-	(30,201)
Total Operating Revenues and Support	3,226,110	863,917	4,090,027	2,672,911	312,500	2,985,411
Net assets released from restriction	432,500	(432,500)	-	258,177	(258,177)	-
Total support and revenues	3,658,610	431,417	4,090,027	2,931,088	54,323	2,985,411
Expenses:						
Program services	3,395,639	-	3,395,639	3,279,915	-	3,279,915
Management and general	299,813	-	299,813	249,305	-	249,305
Fundraising	731,847	-	731,847	649,842	-	649,842
Total expenses	4,427,299	-	4,427,299	4,179,062	-	4,179,062
Nonoperating activities:						
Investment return, net	81,372	-	81,372	132,718	-	132,718
Miscellaneous other income	-	-	-	785	-	785
Total nonoperating activities	81,372	-	81,372	133,503	-	133,503
Changes in net assets	(687,317)	431,417	(255,900)	(1,114,471)	54,323	(1,060,148)
Net assets at beginning of year	4,159,040	443,500	4,602,540	5,273,511	389,177	5,662,688
Net assets at end of year	\$ 3,471,723	\$ 874,917	\$ 4,346,640	\$ 4,159,040	\$ 443,500	\$ 4,602,540

See accompanying notes to financial statements.

Big Brothers Big Sisters of the Midlands
Statements of Functional Expenses
For the years ended December 31, 2025 and 2024

	Mentoring Program Services 2025	Management and General 2025	Fundraising 2025	Total 2025
Salaries	\$ 2,023,468	\$ 197,126	\$ 400,237	\$ 2,620,831
Benefits	288,755	30,105	58,383	377,243
Taxes and Withholdings	155,929	15,347	31,995	203,271
Professional Fees	143,406	13,848	33,979	191,233
Fund Development	-	-	93,540	93,540
Occupancy	151,771	17,675	28,032	197,478
Mentoring Activities	97,965	-	-	97,965
Depreciation and Amortization	78,646	5,754	11,507	95,907
Recruitment	108,560	-	-	108,560
Insurance	52,008	5,002	10,296	67,306
Supplies and Technologies	117,682	11,322	32,447	161,451
In-Kind Donations	46,177	-	-	46,177
Membership Dues and Fees	39,177	128	3,329	42,634
Travel	38,310	249	7,222	45,781
Conferences and Meetings	14,557	1,753	3,981	20,291
Bank Charges and Fees	-	-	14,153	14,153
Miscellaneous	18,898	430	728	20,056
Equipment Rental and Maintenance	12,445	1,074	2,018	15,537
Background Checks	7,885	-	-	7,885
Total expenses	\$ 3,395,639	\$ 299,813	\$ 731,847	\$ 4,427,299

See accompanying notes to financial statements.

Big Brothers Big Sisters of the Midlands
Statements of Functional Expenses
For the years ended December 31, 2025 and 2024

	Mentoring Program Services 2024	Management and General 2024	Fundraising 2024	Total 2024
Salaries	\$ 1,838,428	\$ 161,969	\$ 361,743	\$ 2,362,140
Benefits	267,704	25,132	51,137	343,973
Taxes and Withholdings	135,455	12,280	26,210	173,945
Professional Fees	316,290	10,950	32,553	359,793
Fund Development	57	-	78,212	78,269
Occupancy	208,387	15,022	29,221	252,630
Mentoring Activities	56,188	-	-	56,188
Depreciation and Amortization	62,629	4,583	9,165	76,377
Recruitment	90,193	-	-	90,193
Insurance	51,465	4,450	8,197	64,112
Supplies and Technologies	117,245	9,348	25,844	152,437
In-Kind Donations	25,858	-	-	25,858
Membership Dues and Fees	34,557	-	2,531	37,088
Travel	34,589	2,291	5,077	41,957
Conferences and Meetings	13,305	794	1,920	16,019
Bank Charges and Fees	-	14	15,313	15,327
Miscellaneous	13,280	1,730	1,236	16,246
Equipment Rental and Maintenance	11,457	742	1,483	13,682
Background Checks	2,828	-	-	2,828
Total expenses	\$ 3,279,915	\$ 249,305	\$ 649,842	\$ 4,179,062

See accompanying notes to financial statements.

Big Brothers Big Sisters of the Midlands
Statements of Cash Flows
For the years ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Changes in net assets	\$ (255,900)	\$ (1,060,148)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	87,909	76,377
Loss on disposal of property and equipment	-	30,201
Contributions for capital expenditures	-	(220,675)
Unrealized gain	(1,955)	(1,121)
Change in right-of-use asset and operating lease liability	(10,724)	308,928
(Increase) decrease in operating assets:		
Grants receivable	77,370	(77,370)
Contributions receivable	(346,416)	10,677
Employee retention credit receivable	-	104,872
Prepaid expenses	(1,816)	(5,540)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(76,884)	76,412
Total adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities	(272,516)	302,761
Net cash provided by (used in) operating activities	(528,416)	(757,387)
Cash flows from investing activities		
Purchase of property and equipment	(16,227)	(775,750)
Net cash provided by (used in) investing activities	(16,227)	(775,750)
Cash flows from financing activities		
Proceeds from contributions for capital expenditures	-	220,675
Principal payments on finance lease liabilities	(8,079)	(8,280)
Net cash provided by (used in) financing activities	(8,079)	212,395
Net increase (decrease) in cash and cash equivalents	(552,722)	(1,320,742)
Cash and cash equivalents at beginning of year	3,959,865	5,280,607
Cash and cash equivalents at end of year	\$ 3,407,143	\$ 3,959,865
Supplemental cash flow information		
Noncash investing and financing activities		
Right-of-use assets acquired in exchange for new operating lease liabilities	\$ -	\$ 953,992

See accompanying notes to financial statements.

Big Brothers Big Sisters of the Midlands
Notes to the Financial Statements
For the years ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies

a. Nature of Organization

Big Brothers Big Sisters of the Midlands (the "Organization") is a not-for-profit organization established to create and support one-to-one mentoring relationships that ignite the power and promise of youth. The Organization's support comes primarily from individual and foundation donor contributions and grants which can vary in concentration at any time depending on the year. For the year ended December 31, 2025, the Organization received support from two donors that made up approximately 25% of the Organization's total contribution and grant revenue.

The specific programs and services provided by the Organization include the following Mentoring programs:

Community-Based Mentoring: This program allows adult mentors "Bigs" and youth "Littles" to share activities on their own schedule. Matches typically meet up on weekends or evening for at least four hours a month. Bigs are able to provide their littles with a chance to be inspired and try something new. Littles are able to explore new environments and learn skills that they may not have otherwise had an opportunity to experience.

MentorU Program: In this program, the Organization provides adult mentors to high school students. This is a site-based mentoring program with the objective to help students who are enrolled in an academic enrichment class to stay on track for graduation and success.

b. Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

c. 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 revenues and expenses during the period. Actual results could differ from those estimates.

d. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The Organization considers investments in money market funds to be cash equivalents due to their short-term nature and high liquidity. Such funds are stated at cost, which approximates fair value.

Big Brothers Big Sisters of the Midlands
Notes to the Financial Statements
For the years ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

d. Cash and Cash Equivalents (Continued)

The Organization maintains cash balances at U.S. banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 for each institution. The Organization's cash balances at times exceeded federally insured limits. The Organization has not experienced any losses and does not believe it is exposed to any significant credit risk on cash and cash equivalents. At December 31, 2025, the Organization's cash and money market accounts exceeded federally insured limits by approximately \$804,800.

e. Grants Receivable

Grants receivable include revenues that have been recognized, but not yet received and are carried at the fair value the Organization expects to receive, net of any allowance for uncollectible amounts. The Organization typically records grants receivable when eligibility and conditional requirements have been met - generally when eligible costs have been incurred. An allowance for uncollectible grants receivable is estimated by the Organization based on historical collection rates, a grantor's ability to pay, and current economic conditions. The Organization considers all grants to be 100% collectible; therefore, no allowance for uncollectible amounts has been established.

f. Contributions Receivable

Unconditional written promises to give (contributions) are recognized as an asset and contribution revenue in the period received. Promises to give are recorded at net realizable value and are discounted at an appropriate rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible promises to give is estimated by the Organization based on factors such as historical collection rates, a donor's ability to pay, and current economic conditions. The Organization considers all promises to give to be 100% collectible; therefore no allowance for uncollectible amounts has been established. Conditional promises to give are recognized when the conditions on which they depend, which consist of both a barrier and a right of return or release, are met.

g. Property and Equipment

Property and equipment is recorded at cost. Expenditures for additions, improvements, and other enhancements to property, plant, and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. When property, plant, and equipment assets are retired or otherwise disposed of, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in results of operations.

Big Brothers Big Sisters of the Midlands
Notes to the Financial Statements
For the years ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

g. Property and Equipment (Continued)

In general, depreciation is the systematic and rational allocation of an asset's cost, less its residual value (if any), to the periods it benefits. Property and equipment is depreciated using the straight-line method, which results in depreciation expense being incurred evenly over the life of an asset. The estimated useful lives for each major depreciable classification of property and equipment are as follows: office equipment and furniture: 5 - 7 years, and leasehold improvements: 10 years. The Organization's estimate of depreciation expense incorporates management assumptions regarding the useful economic lives and residual values of the Organization's assets. The Organization periodically reviews and adjusts, as appropriate, the residual values and useful lives of its assets.

The Organization reports gifts of property and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

h. Leasehold Improvements

Leasehold improvements are recorded as components of property and equipment. The cost of leasehold improvements is charged to earnings using the straight-line method over the shorter of (i) the remaining lease term or (ii) the estimated useful lives of the improvements. The Organization considers renewal terms that are deemed reasonably assured when estimating remaining lease terms.

i. Leases

The Organization is a lessee in multiple noncancelable operating and financing leases. Right-of-use ("ROU") assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The exercise of lease renewal and termination options is at the Organization's sole discretion. Renewal option periods and termination options are included in the expected lease term and the measurement of the ROU asset and lease liability when exercise of the options is reasonably certain to occur.

The Organization has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

Big Brothers Big Sisters of the Midlands
Notes to the Financial Statements
For the years ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

i. Leases (Continued)

The lease liability is initially and subsequently recognized based on the present value of future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Changes to variable lease payments due to subsequent changes in an index or rate and variable lease payments not dependent on an index or a rate are recorded as variable lease expense in the period in which they are incurred.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (less) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

The ROU asset for finance leases is amortized on a straight-line basis over the lease term.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes short-term lease cost on a straight-line basis over the lease term.

The Organization separates lease and non-lease components to determine the lease payment.

j. Compensated Absences

Employees of the Organization are entitled to certain amounts of paid personal time off. In the event of termination, an employee is reimbursed for accumulated unused paid time off. The Organization's policy is to recognize the cost of the compensated absences when actually earned by the employees and is included in the accompanying financial statements.

k. Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor restrictions. Accordingly, 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 restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors (the Board).

Big Brothers Big Sisters of the Midlands
Notes to the Financial Statements
For the years ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

k. Net Assets (Continued)

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. All net assets restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, 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.

l. Revenue Recognition

The Organization recognizes revenue when goods or services promised are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services by following a five-step process: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price, and (5) recognize revenue when or as the Organization satisfies a performance obligation, as further described below. Revenue subject to variability is constrained to an amount which will not result in a significant reversal in future periods when the contingency that creates variability is resolved.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received at a point in time when the event takes place.

m. Contributions and Grants

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (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 statement of activities and changes in net assets as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Grants - Grants are deemed to be nonexchange (nonreciprocal) transactions and fall under the contribution accounting guidance. Under this guidance, revenue related to conditional grants and contracts is recorded when the conditions are met. Most grants are on a cost reimbursement basis and require the Organization to incur eligible expenses prior to the release of funds. The Organization reports these grants as changes in net assets without donor restrictions when restrictions are met in the same period. Unexpended amounts received but not yet earned are reported as deferred grants.

Big Brothers Big Sisters of the Midlands
Notes to the Financial Statements
For the years ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

m. Contributions and Grants (Continued)

Contributed Nonfinancial Assets - Contributed nonfinancial assets are recorded at fair value at the date of donation. Contributions of services are reported as revenue only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. See Note 10 for additional disclosure.

n. Functional Allocation of Expenses

The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities. Expenses are allocated based on management's estimate of services benefited and estimates of time and effort.

o. Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$68,866 and \$72,270 in 2025 and 2024, respectively.

p. Income Taxes

The Organization is a not-for-profit organization as described in Section 501(c)3 of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status, identify and report unrelated business income, and determine its filing and tax obligations in jurisdictions for which it has nexus. As of December 31, 2025 and 2024, the Organization believes that it has not generated any unrelated business taxable income.

The Organization recognizes the tax benefit from an uncertain tax position only if it is "more likely than not" that the tax position would be sustained on examination by the taxing authorities, based upon the technical merits of the position. The amount recognized is the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon examination. Interest and penalties related to unrecognized tax benefits are classified as income tax expense.

Generally, the Organization is no longer subject to U.S. federal, state, and local or non-U.S. income tax examinations by tax authorities for years before 2021.

Big Brothers Big Sisters of the Midlands
Notes to the Financial Statements
For the years ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

q. Subsequent Events

The Organization's management evaluated events that occurred after December 31, 2025 through May 21, 2026, the date when the financial statements were available to be issued.

2. Acquisition of Big Brothers Big Sisters Lincoln

Effective January 1, 2024, the Organization acquired Big Brothers Big Sisters Lincoln (Lincoln). The respective Boards believed the combination of the two entities would better serve the combined geographic service areas, allowing for more efficient and effective operations as a combined unit.

The estimated fair value of the Lincoln assets received and the (liabilities) assumed as of January 1, 2024 are as follows:

	Amount
Identifiable assets acquired and liabilities assumed:	
Cash	\$ 24,669
Accounts Receivable	30,000
Accounts Payable and Accrued Expenses	(24,543)
Net Assets Contributed	\$ 30,126

The net asset contribution was recognized as revenue in the accompanying financial statements upon the January 1, 2024 effective date of the transaction. No consideration was paid for the acquisition.

3. Liquidity and Availability of Resources

The Organization's financial assets available for general use at December 31, consist of the following:

	2025	2024
Financial assets available:		
Cash and cash equivalents	\$ 3,407,143	\$ 3,959,865
Contributions receivable	473,917	367,500
Grants receivable	-	77,370
Total financial assets available	3,881,060	4,404,735
Less:		
Donor-restricted contributions receivables - purpose	(145,000)	(70,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,736,060	\$ 4,334,735

Big Brothers Big Sisters of the Midlands
Notes to the Financial Statements
For the years ended December 31, 2025 and 2024

3. Liquidity and Availability of Resources (Continued)

The Organization's working capital and cash flows fluctuate during the year due to the timing of cash receipts and major contributions. As part of the Organization'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. The Organization holds a three-month operating reserve, but also has the ability to use currently held credit cards. If there is further need, the Organization has the option to obtain a line of credit with their current financial institution.

4. Contributions Receivable

Contributions receivable consist of the following at December 31:

	2025	2024
Contributions due within one year	\$ 473,917	\$ 367,500
Contributions due in one to five years	240,000	-
Contributions receivable, gross	713,917	367,500
Contributions receivable, net	\$ 713,917	\$ 367,500

The discount rate used to measure the net present value for long-term contributions receivable was determined to be immaterial during the years ended December 31, 2025 and 2024. Conditional promises to give received from donors totaled \$0 and \$50,000 at December 31, 2025 and 2024, respectively, but are not included in the financial statements as the conditions on which they depend have not yet been met.

5. Property and Equipment

The historical costs of the Organization's property and equipment and related accumulated depreciation balances at December 31 were as follows:

	2025	2024
Office Equipment and Furniture	\$ 223,386	\$ 217,159
Leasehold improvements	568,592	558,592
Property and equipment, gross	791,978	775,751
Less accumulated depreciation and amortization	(112,042)	(24,133)
Property and equipment, net	\$ 679,936	\$ 751,618

Depreciation expense related to property, plant, and equipment was \$87,909 and \$68,379 for the years ended December 31, 2025 and 2024, respectively.

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6. Leases

The Organization leases office equipment and office space.

The Organization leases office equipment which expires in July 2027 and November 2030. Monthly payments are between \$114 and \$119 per month.

In 2022, the Organization began leasing office equipment under an agreement that is classified as a finance lease. The lease is set to expire in 2027 and has an interest rate of 1.37%.

In December 2021, the Organization obtained a lease for office space which expired in November 2024. The lease called for an initial base rent amount which increased throughout the lease term, ranging from \$1,380 to \$2,415. In addition to the base rent amount, the Organization was required to pay their pro-rata share of operating expenses.

The Organization entered into a 10-year lease for new office space in January 2024. The lease calls for monthly rent payment ranging from \$10,890 to \$13,010. In addition to the base rent amount, the Organization is required to pay their pro-rata share of operating expenses. These amounts are variable and are not included when calculating the operating lease liability. In 2024, the Organization received \$261,360 from the Landlord as a Tenant Improvement Allowance to complete improvements and renovations to the office space.

The Organization's operating and finance leases generally do not contain any material restrictive covenants or residual value guarantees.

Components of lease expense were as follows for the years ended December 31:

	2025	2024
Operating lease cost	\$ 139,759	\$ 164,318
Finance lease cost:		
Amortization of ROU assets	7,998	7,998
Interest on lease liabilities	201	310
Variable lease cost	27,462	52,085
Total lease cost	\$ 175,420	\$ 224,711

Information regarding lease terms and discount rates as of December 31 is as follows:

	2025	2024
Weighted-average remaining lease term (years):		
Operating leases	8.0	9.0
Finance leases	1.3	2.3

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6. Leases (Continued)

	2025	2024
Weighted-average discount rate (%):		
Operating leases	3.9	3.9
Finance leases	1.4	1.4

Supplemental cash flow information related to leases is as follows for the years ended December 31:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 134,722	\$ 93,299
Operating cash flows from finance leases	201	310
Financing cash flows from finance leases	8,079	8,280
ROU assets obtained in exchange for new lease liabilities:		
Operating	\$ -	\$ 953,992

Maturities of lease liabilities are as follows as of December 31, 2025:

Year	Operating Leases	Finance Leases
2026	\$ 137,422	\$ 8,280
2027	139,528	2,070
2028	141,483	-
2029	144,271	-
2030	147,146	-
Thereafter	615,415	-
Total lease payments	1,325,265	10,350
Less imputed interest	212,874	94
Total lease liabilities	\$ 1,112,391	\$ 10,256

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at December 31:

	2025	2024
Trade accounts payable	\$ 10,650	\$ 29,968
Accrued payroll and related benefits	210,453	268,019

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7. Accounts Payable and Accrued Expenses (Continued)

	2025	2024
Total accounts payable and accrued expenses	\$ 221,103	\$ 297,987

8. Defined Contribution Plan

The Organization sponsors a defined contribution plan for its employees. Under this plan, the Organization makes a safe harbor contribution to the plan equal to 100% of the salary reduction amount by the participant up to 3% of compensation plus an additional 50% of the salary reduction amount by the participant for the next 2% of deferrals. Amounts charged to expense for the defined contribution plan totaled \$82,523 and \$56,697 for the years ended December 31, 2025 and 2024, respectively.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31:

	2025	2024
Subject to expenditures for specified purpose:		
Promises to give which are unavailable for expenditure until due	\$ 713,917	\$ 367,500
Amounts received but time restricted for future periods	150,000	65,000
Total net assets subject to expenditures for specified purpose	863,917	432,500
Subject to restriction in perpetuity:		
Endowment funds restricted in perpetuity	11,000	11,000
Total net assets with donor restrictions	\$ 874,917	\$ 443,500

The sources of net assets released from restrictions are as follows for the years ended December 31:

	2025	2024
Expiration of time restriction	\$ 432,500	\$ 258,177

Included in the \$713,917 and \$367,500 of time restricted net assets is \$145,000 and \$70,000, respectively, that is also restricted for specific programs (Mentoring) as of December 31, 2025 and 2024. Once the funds are received, they will be moved to their respective program restriction.

10. Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized in the statements of activities and changes in net assets are as follows:

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10. Contributed Nonfinancial Assets (Continued)

	2025	2024
Marketing	\$ -	\$ 10,900
Event Donations/Other	36,177	14,958
Training and Development	10,000	-
Total contributed nonfinancial assets	\$ 46,177	\$ 25,858

The contributed nonfinancial assets the Organization recognized in the statements of activities and changes in net assets did not have donor-imposed restrictions.

The contributed marketing was used for program activities. In valuing the marketing amounts contributed, the Organization estimated the fair value at prices of identical or similar marketing products purchased in the region and based on the fair value as provided by the marketing firm.

The event donations were used for various events, including the Basketball Bash. Other donations include other donations given to the Organization in support of programs. The Organization estimated the fair value at prices of identical products purchased in the region.

The training and development services related to a leadership training provided to the Organization to increase their programmatic leadership. The Organization estimated the fair value based on the hard cost to the Company who provided the training.

11. Related Party Transactions

The Organization receives grant allocations and designations from Big Brothers Big Sisters of America (BBBSA) each year. The Organization received \$143,577 and \$108,164 in grant allocations and \$154,778 and \$8,648 in grant designations for the years ended December 31, 2025 and 2024, respectively. There was \$75,000 outstanding from BBBSA as of December 31, 2025. The Organization also pays BBBSA affiliation dues each year. For the years ended December 31, 2025 and 2024, these dues totaled \$34,817 and \$30,172, respectively.

For the years ended December 31, 2025 and 2024, the Organization received approximately \$141,141 and \$185,326 in contributions from companies with which board members are affiliated.

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12. Employee Retention Credit Grant Revenue

The Employee Retention Credit (ERC) was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. It was intended to help businesses retain their workforces and avoid layoffs during the coronavirus pandemic. It provides a per employee credit to eligible businesses based on a percentage of qualified wages and health insurance benefits paid to employees. It works as a refundable payroll tax credit claimed quarterly, and it can provide reductions to payroll taxes or cash refunds.

The CARES Act did not allow businesses that received PPP loans to also claim the ERC, but the Consolidated Appropriations Act, which was enacted at the end of 2020, retroactively removed the limitation so entities that had applied for or received PPP loans could still get the ERC.

The Organization decided to account for ERC using the conditional contribution model. In 2021 and 2022, the Organization began the process of filing for ERC credits for 2020 and Quarters 1 and 2 of 2021. As of December 31, 2023, there was \$104,872 in Employee Retention Credit Receivable which represented refunds due on the 2021 Form 941 Employer Quarterly Federal Tax Return for the quarter ended March 31, 2021. This amount had not yet been received as of December 31, 2023 but was ultimately received during the year ended December 31, 2024. The amended filings for 2020 and Quarter 2 of 2021 were completed in 2024 and the Organization ultimately received \$153,890 (principal plus interest) in ERC in 2024 for these amended filings.

During the year ended December 31, 2025, the Organization received an additional \$79,447 in ERC.

13. Reclassifications

Certain reclassifications were made to the 2024 financial statements to conform to 2025 presentation.