

Big Brothers Big Sisters of Northern Nevada, Inc.

**AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION**

December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Big Brothers Big Sisters of Northern Nevada, Inc.

We have audited the accompanying financial statements of Big Brothers Big Sisters of Northern Nevada, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 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.

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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 Northern Nevada, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Big Brothers Big Sisters of Northern Nevada, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 31, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Stulc & Associates LLC

Carson City, Nevada
September 28, 2019

Big Brothers and Big Sisters of Northern Nevada, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2018

(With summarized financial information for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 157,310	\$ 154,779
Grants receivable	4,761	19,012
Pledge receivable, net	44,320	33,731
Prepaid expenses	5,057	2,411
Investments	300,323	401,785
Total Current Assets	<u>511,771</u>	<u>611,718</u>
Long-term Assets		
Equipment and furniture, net	29,636	44,712
Pledges receivable, net	66,004	59,639
Investments	400,000	400,000
	<u>495,640</u>	<u>504,351</u>
Total Assets	<u>\$ 1,007,411</u>	<u>\$ 1,116,069</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 27,623	\$ 24,954
Credit card payable	4,786	2,519
Deferred revenue	26,500	30,000
Accrued expenses	12,211	7,215
Total Current Liabilities	<u>71,120</u>	<u>64,688</u>
Net Assets		
Net assets without donor restrictions	909,440	1,050,034
Net assets with donor restrictions	26,851	1,347
	<u>936,291</u>	<u>1,051,381</u>
	<u>\$ 1,007,411</u>	<u>\$ 1,116,069</u>

See Accompanying Notes and Independent Auditors' Report

Big Brothers and Big Sisters of Northern Nevada, Inc.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

(With summarized financial information for the year ended December 31, 2017)

	2018			2017
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	
Revenue, Gains, Losses and Other Support				
Contributions	\$ 150,927		\$ 150,927	\$ 125,753
Foundation and Corporate donations	189,500	26,000	215,500	243,041
Third party events	42,999		42,999	6,114
Grants	86,452		86,452	164,587
Special events	316,181		316,181	233,937
Donation center	-		-	205
Investment return	(38,416)		(38,416)	89,485
In Kind donations	-		-	-
Miscellaneous Income	2,742		2,742	2,218
Donations from Friends of BBBS	53,344		53,344	11,885
Recovery on uncollectible promises to give	(2,000)		(2,000)	3,100
Net assets released from restrictions satisfied by payments	496	(496)	-	-
Total Revenue, Gains, Losses and Other Support	802,225	25,504	827,729	880,325
Expenses				
Program services	615,965		615,965	652,698
Management and general	59,145		59,145	72,692
Fundraising	267,709		267,709	171,663
Total Expenses	942,819	-	942,819	897,053
Increase (Decrease) in Net Assets	(140,594)	25,504	(115,090)	(16,728)
Net Assets, Beginning of Period	1,050,034	1,347	1,051,381	1,068,109
Net Assets, End of Period	\$ 909,440	26,851	\$ 936,291	\$ 1,051,381

See Accompanying Notes and Independent Auditors' Report

Big Brothers and Big Sisters of Northern Nevada, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2018

(With summarized financial information for the year ended December 31, 2017)

	2018				2017
	Program Services	Supporting Services		Total	Total
		Management and General	Fund Raising		
Salaries and wages	\$ 407,051	\$ 9,475	\$ 149,449	\$ 565,975	\$ 539,729
Payroll taxes	29,620	2,329	11,053	43,002	37,343
Employee benefits	60,588	688	16,154	77,430	63,804
	<u>497,259</u>	<u>12,492</u>	<u>176,656</u>	<u>686,407</u>	<u>640,876</u>
Advertising	1,062	-	2,456	3,518	135
Annual Dinner	-	-	37,681	37,681	29,905
Awards	94	-	-	94	-
Background Checks	6,341	-	59	6,400	5,767
Bank fees	4,193	2,769	2,274	9,236	6,728
Conferences and meetings	810	3,025	69	3,904	4,428
Depreciation	-	15,725	-	15,725	25,190
Dues and subscriptions	3,532	483	24	4,039	947
Equipment	2,403	125	251	2,779	4,027
Insurance	7,633	545	750	8,928	7,722
Membership expense	9,537	177	353	10,067	17,958
Miscellaneous	698	415	103	1,216	2,990
Occupancy	27,230	2,055	4,540	33,825	36,090
Over the Edge	-	-	29,759	29,759	30,152
Postage	932	-	528	1,460	1,343
Printing	123	115	245	483	-
Professional fees	33,656	14,427	4,141	52,224	47,870
Program expenses	9,317	-	5,128	14,445	19,813
Repairs and maintenance	257	-	-	257	-
Supplies	5,093	2,256	809	8,158	8,187
Telephone	5,382	481	767	6,630	6,480
Training	100	2,837	884	3,821	35
Travel	313	1,218	232	1,763	410
	<u>\$ 615,965</u>	<u>\$ 59,145</u>	<u>\$ 267,709</u>	<u>\$ 942,819</u>	<u>\$ 897,053</u>

See Accompanying Notes and Independent Auditors' Report

Big Brothers and Big Sisters of Northern Nevada, Inc.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2018

(With summarized financial information for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (115,090)	\$ (16,728)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	15,725	25,190
(Gain) loss on investments	74,679	(55,270)
(Increase) decrease in:		
Pledges receivable	(16,954)	26,098
Grants receivable	14,251	17,298
Other receivable		
Prepaid expenses	(2,646)	4,381
(Decrease) increase in:		
Accounts payable	2,669	8,497
Credit card payable	2,267	2,102
Accrued liabilities	4,996	2,938
Deferred grant revenue	(3,500)	20,000
Net Cash Provided by Operating Activities	<u>(23,603)</u>	<u>34,506</u>
Cash Flows from Investment Activities		
Purchase of property and equipment	(649)	(28,787)
Proceeds from investments	28,717	208,399
Purchase of investments	(1,934)	(165,118)
Net Cash Provided by Investing Activities	<u>26,134</u>	<u>14,494</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,531	49,000
Cash and Cash Equivalents, Beginning of Period	<u>154,779</u>	<u>105,779</u>
Cash and Cash Equivalents, Ending of Period	\$ <u>157,310</u>	\$ <u>154,779</u>

See Accompanying Notes and Independent Auditors' Report

Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

Big Brothers Big Sisters of Northern Nevada, Inc., (the Organization) was formed on April 21, 2005. The mission of the Organization is to help children, disadvantaged by poverty and fractured families, reach their potential. The Organization carries out this mission through professionally supported, one-to-one mentoring relationships with measurable impact on youth. The Organization serves the Reno, Carson City, Minden, and Gardnerville areas of Northern Nevada.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting; whereby, income is recognized when earned and costs and expenses are recognized when the obligations are incurred. Accordingly, all significant receivables, payables, and other liabilities are reflected.

C. Basis of Presentation

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. Net assets with donor restrictions represent assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Prior-Year Comparative Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

E. Cash and Cash Equivalents

Cash and cash equivalents include both unrestricted and restricted cash. The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. At December 31, 2018, there were no cash equivalents.

F. Tax Status

The Organization is a nonprofit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no liability for federal income taxes has been provided in the financial statements. It is the Organization's tax position that it has not engaged in activities that would jeopardize its exempt status nor has it engaged in activities that would result in unrelated business income tax. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the tax years ended 2016, 2017, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

G. Donated Assets

Donated property, marketable securities, and other non-cash donations are recorded as contributions at their estimated date of donation.

H. 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 reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Investments and Investment Return

Investments are carried at fair value based on current market quotes. Investment return includes interest and dividends and is classified as an unrestricted net asset.

J. Revenue Recognition

The Organization reports contributions of cash and other assets as unrestricted support if the contributions are not received with donor stipulations that limit the use of the donated assets. Donations designed for remittance to specific organizations or agencies are excluded from contribution revenue, except for a service charge, and accounted for as agency transactions and obligations. When a donor restriction expires, that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions, unless the donor restriction is met within the same accounting period. In this case, the contribution is recorded as an increase in net assets without donor restrictions.

As required under Statement of Financial Accounting Standards, FASB ASC 958-605-30-2, *Accounting for Contributions Received and Contributions Made*, all contributions are recognized as support in the Statement of Activities in the period received, including bequests and unconditional pledges receivable, at their estimated net realizable value, discounted to present value if due in more than one year. Uncollectible pledges receivable, if any, are charged as a reduction of revenue in the Statement of Activities. Bequests are recognized at the time the Organization's right to them is established by a court and to the extent the value of the proceeds is subject to reasonable estimation.

K. Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used.

A substantial number of unpaid volunteers have made significant contributions of time to assist the Organization's services and programs. No amounts have been included in the financial statements for these donated services since they do not meet the criteria for recognition under FASB ASC 958-605-25-2 and FASB ASC 958-605-30-2, *Accounting for Contributions Received and Contributions Made*.

Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Fixed asset acquisitions in excess of \$500 are capitalized and depreciation is provided using both straight-line and accelerated methods over the estimated useful lives of the assets. The depreciation expense on assets acquired under capital leases is included with the depreciation expense on owned assets. Depreciation expense for the year ended December 31, 2018, was \$15,725.

M. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses and Statement of Activities. Accordingly, certain costs have been allocated amount the programs and supported services benefitted. These expenses require allocation on a reasonable basis consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated on a square footage basis. All other costs are direct costs allocated to the function affected.

N. Promises to Give (Pledges Receivable)

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The discounts on those amounts are computed using risk-free interest rates applicable to the year in which the promises are received. Amortization of the discounts is included in contribution revenue.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Concentrations of Credit Risk

The Organization maintains funds at financial institutions located in Northern Nevada. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2018, the uninsured balances were zero.

The Organization is supported in part by the public. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term. The Organization operates in the Northern Nevada area. Future operations could be affected by changes in the economic or other conditions in that geographical area.

P. Advertising Expense

Advertising costs are for the solicitation of volunteers and are expensed as incurred. Total advertising expense for the year ended December 31, 2018, was \$3,158.

Q. Subsequent Events

Subsequent events have been evaluated through September 28, 2019, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

R. Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or total net assets.

2. EMPLOYEE BENEFIT PLAN

The Organization has a Section 403(b) retirement plan covering all employees who are at least twenty-one years of age and have one year of service. Employer contributions are up to 3.0% of participant compensation and totaled \$6,862 for the year ended December 31, 2018.

Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

3. PROPERTY AND EQUIPMENT

At December 31, 2018, property and equipment consisted of:

Equipment, furniture and fixtures	\$ 92,237
Computer equipment	42,395
Less: accumulated depreciation	<u>(104,996)</u>
	\$ <u>29,636</u>

4. ACCRUED EXPENSES

Accrued vacation	\$ 16,274
Accrued payroll	<u>0</u>
	\$ <u>16,274</u>

5. OPERATING LEASES

The Organization leases its administrative office, program office, and equipment under both month to month and non-cancelable operating lease agreements expiring at various dates through 2020. Certain vehicles are leased by the Organization for use by the Donation Center, which is a separate non-profit organization that collects donations on behalf of the Organization. This separate non-profit organization, Friends of Big Brothers Big Sisters (FOBBBS), reimburses the Organization for the costs of leasing the vehicles and a portion of the office space. Total lease expense incurred for the year ended December 31, 2018, after reimbursements in the amount of \$21,308 by FOBBBS, was \$31,719.

Future obligations over the primary terms of the Organizations' operating leases as of December 31, 2018 are as follows:

	<u>Lease Obligation</u>	<u>Reimbursement</u>	<u>Net Lease Obligation</u>
2019	\$ 16,575	\$ (14,055)	\$ 2,520
2020	12,342	(11,712)	630
2021			0
2022 and After			<u>0</u>
	\$ <u>28,917</u>	\$ <u>(25,767)</u>	\$ <u>3,150</u>

Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

6. RELATED PARTY TRANSACTIONS

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis. Except for routine transactions, it is generally not possible to determine whether a particular transaction would have taken place if the parties had not been related or, assuming it would have taken place, what the terms and manner of settlement would have been.

The Organization is related to Friends of Big Brothers Big Sisters (FOBBBS), a separate not-for-profit organization that collects donations on behalf of the Organization. In addition to the operating lease reimbursements detailed in Note 5 above, payroll costs for FOBBBS are advanced by the Organization and subsequently reimbursed by FOBBBS. For the year ended December 31, 2018, the total amounts advanced and reimbursed for payroll, employee benefits and related taxes totaled \$126,791.

The Organization pays for other operating costs of Friends of Big Brothers Big Sisters, for which it is reimbursed. Those costs after payroll and leasing costs totaled \$74,843 for the year ended December 31, 2018.

The reimbursement revenue and corresponding expenses were eliminated in the accompanying statement of activities and are not included in the statement of functional expenses. The net revenue recognized after all reimbursements for the year ended December 31, 2018 was \$53,344, as is recorded as Donations from Friends of BBBS in the statement of activities

7. INVESTMENTS

The Organization's investments are comprised of certificates of deposit, mutual funds, and corporate bonds and are recorded at fair value. At December 31, 2018, the summary information is:

	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	\$ 0	\$ 0
Mutual funds	305,216	326,630
Stocks and bonds	<u>333,539</u>	<u>373,693</u>
	\$ <u>638,755</u>	\$ <u>700,323</u>
Designated for:		
Current operations		300,323
Future operations		<u>400,000</u>
		\$ <u>700,323</u>

Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

7. INVESTMENTS (CONTINUED)

The following schedule summarizes investment income for the year ended December 31, 2018:

	Designated for Current Operations	Designated for Future Operations	Total
Interest and dividends	\$ 16,938	\$ 19,325	\$ 36,263
Gain on investment	(34,546)	(40,133)	(74,679)
	<u>\$ (17,608)</u>	<u>\$ (20,808)</u>	<u>\$ (38,416)</u>

8. FAIR VALUE MEASUREMENTS

The Fair Value Measurement topics of the FASB Codification establish a framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the FASB Codification topic are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access;
- Level 2: Inputs to the valuation methodology include quoted prices, which are not active quoted prices for similar assets or liabilities. In active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability;
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

8. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the hierarchy, the Organization's assets at fair value as of December 31, 2018.

	<u>Level 1</u>
Mutual funds	
Bond funds	\$ 53,190
Multi-asset funds	143,197
Income funds	65,496
Equity funds	64,746
Stocks and bonds	
Index funds	12,901
EFT funds	<u>360,793</u>
	<u>\$ 700,323</u>

9. BOARD DESIGNATED FUNDS

At December 31, 2018, the Board designated funds are restricted for the following purposes:

Future operations	\$ <u>400,000</u>
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Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

10. PLEDGES RECEIVABLE

The Organization conducts an annual fundraising campaign for general operating funds entitled Big Magic Pledges. Promises to give to be received after one year are discounted based on the year promised at the five-year T-Bill rate of 2.49%.

Pledges receivable to give are summarized below:

Receivable in less than one year	\$	49,220
Less: allowance for uncollectible pledges		<u>(4,900)</u>
Total current pledges receivable	\$	<u>44,320</u>
Receivable in one to five years		77,422
Less: discount to net present value		<u>(3,718)</u>
		73,704
Less: allowance for uncollectible pledges		<u>(7,700)</u>
Total long-term pledges receivable	\$	<u>66,004</u>

During the year ended December 31, 2018, write off of uncollectible pledges receivable was \$2,000.

11. ADOPTION OF ACCOUNTING PRONOUNCEMENT

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two – net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about liquidity and availability of resources and increased disclosures on the functional expenses. The new standard is effective for the Organization's year ending December 31, 2018 and thereafter and must be applied on a retrospective basis. The Organization adopted the ASU effective January 1, 2017.

Big Brothers Big Sisters of Northern Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

11. ADOPTION OF ACCOUNTING PRONOUNCEMENT (CONTINUED)

The changes have the following effect on net assets at December 31, 2017:

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets		
Designated	\$ 400,000	\$ 0
Undesignated	650,034	0
Temporarily restricted net assets	1,347	0
Permanently restricted net assets	0	0
Net assets without donor restrictions	0	1,050,034
Net assets with donor restrictions		1,347
Total net assets	\$ 1,051,381	\$ 1,051,381