ODONI PARTNERS LLC
CERTIFIED PUBLIC ACCOUNTANTS

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To the Board of Directors
Big Brothers Big Sisters of the Mississippi Valley
Davenport, Iowa

In planning and performing our audit of the financial statements of the Big Brothers Big Sisters of the Mississippi Valley (the "Organization") as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Big Brothers Big Sisters of the Mississippi Valley's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

This communication is intended solely for the information and use of the Board of Directors, management, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Odoni Partners, LLC
Moline, Illinois
December 20, 2024

December 20, 2024

Mr. Dante A. Odoni, CPA
Odoni Partners LLC
2200 52nd Avenue, STE 2
Moline, Illinois 61265

Dear Mr. Odoni:

This representation letter is provided in connection with your audit of the financial statements of the Big Brothers Big Sisters of the Mississippi Valley (the "Organization"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 20, 2024, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 16, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

- The financial statements referred to above are fairly presented in conformity with U.S. GAAP.

- We acknowledge our responsibility 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.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts. In this case, no representation about uncorrected misstatements is necessary.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the Organization are contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

- We have provided you with:
    - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
    - Additional information that you have requested from us for the purpose of the audit.
    - Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
    - Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.

- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

- We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions, including any side agreements.

- The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

- Big Brothers Big Sisters of the Mississippi Valley is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

- We have reviewed the book depreciation schedule for the years ended June 30, 2024 and 2023, which was maintained by Odoni Partners, LLC and agree with the asset lives and methods. Furthermore, we have received excel copies of the book depreciation schedules.

BIG BROTHERS BIG SISTERS OF THE MISSISSIPPI VALLEY

______________________	______________________
Officer Signature	Officer Signature
Board Chair	12-20-24
Title	Title

BIG BROTHERS BIG SISTERS
OF THE MISSISSIPPI VALLEY

Davenport, Iowa

FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT

June 30, 2024 and 2023

BIG BROTHERS BIG SISTERS OF THE MISSISSIPPI VALLEY
June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Big Brothers Big Sisters of the Mississippi Valley
Davenport, Iowa

Opinion

We have audited the accompanying financial statements of Big Brothers Big Sisters of the Mississippi Valley (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of the Mississippi Valley as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Big Brothers Big Sisters of the Mississippi Valley 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.

Change in Accounting Principle

As discussed in Notes 1 and 8 to the Financial Statements, Big Brothers Big Sisters of the Mississippi Valley changed its method of accounting for leases as of July 1, 2022, in accordance with the adoption of Accounting Standards Codification (ASC) Topic 842, *Leases*.

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 Big Brothers Big Sisters of the Mississippi Valley'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 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 Big Brothers Big Sisters of the Mississippi Valley'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 Big Brothers Big Sisters of the Mississippi Valley'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.

Odoni Partners, LLC
Moline, Illinois
December 20, 2024

BIG BROTHERS BIG SISTERS OF THE MISSISSIPPI VALLEY
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2024 and 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 74,159	$ -
Grants and pledges receivable	149,509	185,468
Prepaid expenses	11,927	24,122
Total current assets	$ 235,595	$ 209,590
PROPERTY AND EQUIPMENT - at cost		
Land and building	$ 241,607	$ 241,607
Office equipment	180,797	175,019
Total property and equipment	$ 422,404	$ 416,626
Less accumulated depreciation	188,945	164,819
Net property and equipment	$ 233,459	$ 251,807
OTHER ASSETS		
Investments	$ 3	$ 93,912
Beneficial interest in assets held at the Community Foundation	10,522	8,981
Grants receivable, long-term	-	30,000
Right-of-use asset for operating lease	2,967	3,736
Total other assets	$ 13,492	$ 136,629
Total assets	$ 482,546	$ 598,026

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

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Cash overdraft	$ -	$ 348
Accounts payable	112,628	20,383
Accrued expenses	32,818	31,244
Line of credit	161,000	125,455
Current operating lease liability	803	769
Total current liabilities	$ 307,249	$ 178,199
LONG-TERM LIABILITIES		
Operating lease liability - net of current portion	$ 2,164	$ 2,967
Total long-term liabilities	$ 2,164	$ 2,967
Total liabilities	$ 309,413	$ 181,166
NET ASSETS		
Without donor restriction		
Board designated - youth mentoring	$ 10,525	$ 102,893
Undesignated	51,925	165,271
With donor restriction	110,683	148,696
Total net assets	$ 173,133	$ 416,860
Total liabilities and net assets	$ 482,546	$ 598,026

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

BIG BROTHERS BIG SISTERS OF THE MISSISSIPPI VALLEY
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2024

	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND OTHER SUPPORT			
Corporate contributions	$ 168,051	-	$ 168,051
Community contributions	97,376	-	97,376
Government/United Way grants	280,989	47,709	328,698
Foundation grants	249,892	3,500	253,392
Special events	517,238	29,000	546,238
Contributed nonfinancial assets	632,932	-	632,932
Interest income, net	10,037	-	10,037
Realized/unrealized loss	7,999	-	7,999
Net assets released from restrictions:			
Special events	26,500	(26,500)	-
Government/United Way grants	58,156	(58,156)	-
Foundation grants	33,566	(33,566)	-
Total revenue and other support	$ 2,082,736	$ (38,013)	$ 2,044,723
EXPENSES			
Program services	$ 1,585,266	$ -	$ 1,585,266
Supporting services:			
Management and general	273,783	-	273,783
Fundraising	429,401	-	429,401
Total expenses	$ 2,288,450	$ -	$ 2,288,450
Change in net assets	$ (205,714)	$ (38,013)	$ (243,727)
Net assets, beginning of year	268,164	148,696	416,860
Net assets, end of year	$ 62,450	$ 110,683	$ 173,133

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

BIG BROTHERS BIG SISTERS OF THE MISSISSIPPI VALLEY
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND OTHER SUPPORT			
Corporate contributions	$ 210,118	$ 20,000	$ 230,118
Community contributions	128,525	-	128,525
Government/United Way grants	316,895	58,156	375,051
Foundation grants	228,161	45,100	273,261
Special events	521,621	26,500	548,121
Contributed nonfinancial assets	584,203	-	584,203
Interest income, net	1,755	-	1,755
Realized/unrealized gain	7,436	-	7,436
Net assets released from restrictions:			
Special events	20,500	(20,500)	-
Government/United Way grants	50,976	(50,976)	-
Foundation grants	11,205	(11,205)	-
Total revenue and other support	$ 2,081,395	$ 67,075	$ 2,148,470
EXPENSES			
Program services	$ 1,546,062	$ -	$ 1,546,062
Supporting services:			
Management and general	265,586	-	265,586
Fundraising	400,843	-	400,843
Total expenses	$ 2,212,491	$ -	$ 2,212,491
Change in net assets	$ (131,096)	$ 67,075	$ (64,021)
Net assets, beginning of year	399,260	81,621	480,881
Net assets, end of year	$ 268,164	$ 148,696	$ 416,860

The accompanying notes are an integral part of these financial statements.
(Continued)

BIG BROTHERS BIG SISTERS OF THE MISSISSIPPI VALLEY
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries	$ 676,293	$ 142,879	$ 133,354	$ 952,526
Payroll taxes	55,374	11,699	10,919	77,992
Employee benefits	64,151	13,553	12,649	90,353
Insurance	23,088	1,215	-	24,303
Office supplies	4,787	252	-	5,039
Computer software/hardware	27,700	1,458	-	29,158
Postage	1,490	78	-	1,568
Operating lease expense	931	49	-	980
Printing and subscriptions	5,357	-	-	5,357
Professional fees	28,982	1,525	-	30,507
Telephone and internet	12,923	680	-	13,603
Travel and transportation	5,026	-	559	5,585
Training	18,758	-	-	18,758
Utilities	9,597	505	-	10,102
Program expense	96,529	-	-	96,529
Depreciation	24,126	-	-	24,126
Special events	-	-	193,026	193,026
Care of building	16,270	856	-	17,126
Rent and common area maintenance	45,272	2,383	-	47,655
Contributed nonfinancial assets - AmeriCorp program services	85,603	-	-	85,603
Interest	10,664	561	-	11,225
Miscellaneous	-	-	-	-
Functional expenses before other contributed nonfinancial assets and loss	$ 1,212,921	$ 177,693	$ 350,507	$ 1,741,121
Contributed nonfinancial assets - other	372,345	96,090	78,894	547,329
Total functional expenses	$ 1,585,266	$ 273,783	$ 429,401	$ 2,288,450

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

BIG BROTHERS BIG SISTERS OF THE MISSISSIPPI VALLEY
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

		Supporting Services		
	Program Services	**Management and General**	**Fundraising**	**Total**
Salaries	$ 680,185	$ 130,446	$ 121,129	$ 931,760
Payroll taxes	55,462	10,637	9,877	75,976
Employee benefits	65,300	12,523	11,629	89,452
Insurance	23,255	1,224	-	24,479
Office supplies	3,920	206	-	4,126
Computer software/hardware	14,987	789	-	15,776
Postage	2,612	137	-	2,749
Operating lease expense	872	46	-	918
Printing and subscriptions	5,589	-	-	5,589
Professional fees	23,540	339	14,175	38,054
Telephone and internet	12,724	670	-	13,394
Travel and transportation	5,113	-	568	5,681
Training	14,558	-	-	14,558
Utilities	12,552	661	-	13,213
Program expense	82,453	-	-	82,453
Depreciation	24,125	-	-	24,125
Special events	-	-	208,827	208,827
Care of building	33,928	1,786	-	35,714
Rent and common area maintenance	44,602	2,347	-	46,949
Contributed nonfinancial assets - AmeriCorp program services	116,536	-	-	116,536
Interest	8,027	422	-	8,449
Miscellaneous	-	18	-	18
Functional expenses before other contributed nonfinancial assets and loss	$ 1,230,340	$ 162,251	$ 366,205	$ 1,758,796
Contributed nonfinancial assets - other	315,722	103,335	34,638	453,695
Total functional expenses	$ 1,546,062	$ 265,586	$ 400,843	$ 2,212,491

The accompanying notes are an integral part of these financial statements.
(Continued)

BIG BROTHERS BIG SISTERS OF THE MISSISSIPPI VALLEY
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (243,727)	$ (64,021)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	24,126	24,125
Change in beneficial interest in Community Foundation	(1,541)	(886)
Realized/unrealized (gain)/loss	(7,999)	(7,436)
Contribution of fixed assets	-	(13,973)
(Increase) decrease in:		
Grants and pledges receivable	65,959	(113,023)
Prepaid expenses	12,195	(12,122)
Increase (decrease) in:		
Accounts payable	92,245	(19,706)
Accrued expenses	1,574	6,241
Cash overdraft	(348)	348
Net cash used by operating activities	$ (57,516)	$ (200,453)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	$ (5,778)	$ -
Net cash used by investing activities	$ (5,778)	$ -
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	$ 283,545	$ 293,195
Payments on line of credit	(248,000)	(269,109)
Contributions Withdrawals to Community Foundation	-	(404)
Change in investments	101,908	(869)
Net cash used by financing activities	$ 137,453	$ 22,813
Net change in cash and cash equivalents	$ 74,159	$ (177,640)
Cash and cash equivalents - Beginning	-	177,640
Cash and cash equivalents - Ending	$ 74,159	$ -
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for interest	$ 11,225	$ 8,449
Noncash contribution of fixed assets	$ -	$ 13,973
Lease liabilities arising from obtaining right-of-use asset	$ -	$ 4,521

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

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Big Brothers Big Sisters of the Mississippi Valley, (the "Organization") is a nonprofit social service agency headquartered in Davenport, Iowa. The Organization serves a seventeen-county area that includes the following counties in Iowa: Scott, Clinton, Des Moines, and Lee and the following counties in Illinois: Rock Island, Henry, Mercer, Warren, Henderson, McDonough, Carroll, Whiteside, Lee, Ogle, LaSalle, Putnam, and Bureau. The Organization consists of three mentoring centers whose purpose is to coordinate mentoring services within an assigned region. The Mentoring Centers are located in Macomb, Illinois, Sterling, Illinois, and Davenport, Iowa.

Financial support obtained through fundraisers and contributions are utilized to recruit, screen, match, support, and supervise one-to-one relationships between at-risk youth and adult mentors. Youth are identified through community agencies, school districts, and recommendations from program participants.

Adult mentors are recruited through various means including presentations to various civic, school, and professional groups, and corporations, colleges, advertising, and contact with other adults who have been involved with the Organization.

Basis of Accounting - The financial statements are presented on the accrual method of accounting, whereby revenue is recognized when earned and expenses when incurred.

Basis of Presentation - The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction.

Without Donor Restriction – Net assets which are free of donor-imposed restrictions.

With Donor Restriction – Net assets whose use by the Organization is limited by donor-imposed restrictions that either expire by the passage of time or can be removed by fulfillment of the stipulated purpose for which the donation was restricted. As of June 30, 2024 and 2023, the Organization had $110,683 and $148,696 of net assets with donor restriction, respectively.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - The Organization includes all cash accounts, which are not subject to withdrawal restrictions or penalties, to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - (Continued)

Property and Equipment - Property and equipment are valued at cost upon purchase or fair market value when such items are donated to the Organization. The Organization capitalizes all expenditures for property and equipment in excess of $1,500. Depreciation and amortization are computed by the straight-line method over the estimated useful lives of the respective assets from three to thirty-nine years. Depreciation and amortization expense was $24,126 and $24,125 for the years ended June 30, 2024 and 2023, respectively.

Income Tax Status - The Organization is exempt from income tax under Internal Revenue Code Section 501(c)(3), and comparable state law. Contributions to the Organization are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the code.

Contributions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions.

Contributed nonfinancial assets - Donated materials and services are recorded as contributed nonfinancial assets in the financial statements at their estimated fair values at the date of receipt. Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. The value of this contributed time is not reflected in the financial statements since it does not meet the criteria discussed above.

The Organization's in-kind gifts consisted of the following for the fiscal years ended June 30:

	2024	2023	Usage
AmeriCorps program services	$85,603	$116,536	Youth Mentoring Program
Advertising services	364,974	280,313	Fundraising
Fundraising goods and services	78,894	57,730	Fundraising
Office space	88,400	88,400	Administration
Other goods and services	15,061	41,224	Youth Mentoring Program
Total	$632,932	$584,203	

The Organization recognized contributed nonfinancial assets within revenue, including AmeriCorps Member living allowances, advertising services, fundraising goods and services, office space, and other program related and operational goods and services. Contributed non-financial assets did not have donor-imposed restrictions. The Organization does not sell donated gifts in-kind and only uses services, goods and facilities for its own program activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - (Continued)

Functional Allocation of Expenses - The Organization's operating costs have been allocated between program, management and general, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Expenditures that require allocation are allocated on either estimates of time and effort or direct use, whichever is more reasonable for the expenditure.

Fair Value Measurements - The Fair Value Measurement topic of the Financial Accounting Standards Board Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. It also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Fair value measurements are disclosed by level within that hierarchy.

Recently Adopted Accounting Pronouncements

Contributed Nonfinancial Assets – On July 1, 2021, the Organization adopted FASB ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* This standards objective and primary focus is to improve generally accepted accounting principles (GAAP) by increasing the transparency of contributed non-financial assets for not-for-profit entities through enhancements to presentation and disclosure.

Leases – The Organization has adopted FASB ASC 842, *Leases*, with a date of initial application of July 1, 2022, using the modified retrospective transition approach, applying the new standard to all of its leases existing at the date of initial application which is the effective date of adoption. Consequently, financial information will not be updated, and the disclosures required under the new standard will not be provided for dates and periods before July 1, 2022. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligations. The Organization determines whether an arrangement is or contains a lease at contract inception. Operating leases with a duration greater than one year are included in operating lease right-of-use (ROU) assets, current portion operating lease liabilities, and operating lease liabilities, net of current portion in the Organization's balance sheet at June 30, 2024. Operating lease ROU assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization uses a risk-free rate of a period comparable with that of the lease term. The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise the option, (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor.

NOTE 1 - (Continued)

The Organization has elected, for the underlying classes of assets, 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 new standard also provides practical expedients and certain exemptions for the Organization's ongoing accounting. We have elected the short-term lease recognition exemption for all leases that qualify. This means, for those leases where the initial lease term is one year or less or for which the ROU asset at inception is deemed immaterial, we will not recognize ROU assets or lease liabilities. Those leases are expensed on a straight-line basis over the term of the lease.

NOTE 2 - SIGNIFICANT GRANT REVENUE

Community Development Block Grant (CDBG) - The Organization has an agreement with the City of Davenport to reimburse match enrollment salaries for work with children residing within the City of Davenport, Iowa. The grant period is reviewed annually. The Organization recognized revenue in the amount of $34,913 and $38,033 for the years ended June 30, 2024 and 2023, respectively.

United Way funding (United Way of the Quad Cities, United Way of McDonough County, and United Way of Whiteside County) - The Organization receives annual financial support from United Way agencies within its service territories. Allocations from these agencies are restricted to the communities designated in the grant award. The Organization recognized revenue in the following amounts for the years ended June 30:

	2024	2023
United Way of the QC – grant	$ 40,000	$ 40,000
United Way of the QC – donor designations	6,802	5,646
United Way of McDonough County	4,946	5,075
United Way of Whiteside County	3,475	13,800
Total	$ 55,223	$ 64,521

State of Iowa Commission on Volunteerism (the "Iowa Commission") - In 2014, the Organization aligned its AmeriCorps program with the City of Davenport, Iowa and Davenport Community Schools. This consortium was awarded a three-year grant through 2023, and this was renewed for another three-year grant through 2026. The City of Davenport, Iowa is the grantee of record and fiscal manager. The Organization has a services contract with the City of Davenport, Iowa to manage the implementation of the grant. The implementation contract was phased out in the fiscal year ending June 30, 2023, however, the consortium grant remains in place. The revenue for this grant term was $0 and $32,744 and the expenses were $24,223 and $89,970 for the years ended June 30, 2024 and 2023, respectively.
For the years ended June 30, 2024 and 2023, the Organization also recognized $85,603 and $116,536 of in-kind revenue and expense related to the new grant term, respectively.

NOTE 2 - (Continued)

Office of Juvenile Justice and Delinquency Prevention (OJJDP) Grant – Since 2012, the Organization has been included as a sub recipient of OJJDP grant funds awarded annually to Big Brothers Big Sisters of America (BBBSA).

The following table summarizes the amounts awarded for each grant cycle, as well as the revenue recognized for each fiscal year:

	Amount Awarded	Revenue Recognized in 2024	Revenue Recognized in 2023
December 2021 (JJ11)	$ 70,000	$ - -	$ 50,594
December 2022 (JJ12)	72,000	42,120	29,880
December 2023 (JJ13)	72,000	33,116	- -

NOTE 3 - INVESTMENTS

The Organization adopted FASB accounting guidance for fair value measurements of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. The guidance establishes 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access at the measurement date.

- Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborate by observable market data.

- Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A description of the valuation methodologies used for significant assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below:

Investments: Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities would include cash equivalents, mutual funds and beneficial interest in assets held by Community Foundation.

NOTE 3 - (Continued)

If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flow and are classified as Level 2 of the valuation hierarchy. Level 2 securities would include beneficial interest in assets held by Community Foundation.

There have been no changes in valuation techniques used for any assets or liabilities measured at fair value during the years ended June 30, 2024 and 2023.

The following tables summarize significant assets measured at fair market value on a recurring basis as of June 30, 2024 and 2023:

	2024			
	Total Fair Value	Level 1	Level 2	Level 3
Cash equivalents	$ - - -	$ - - -	$ - - -	$ - - -
Mutual funds	3	3	- - -	- - -
Interest in community foundation	10,522	10,248	274	- - -
Total	$ 10,525	$ 10,251	$ 274	$ - - -

	2023			
	Total Fair Value	Level 1	Level 2	Level 3
Cash equivalents	$ 643	$ 643	$ - - -	$ - - -
Mutual funds	93,269	93,269	- - -	- - -
Interest in community foundation	8,981	8,742	239	- - -
Total	$ 102,893	$ 102,654	$ 239	$ - - -

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - GRANTS RECEIVABLE AND UNCONDITIONAL PROMISES TO GIVE

Grants receivable and unconditional promises to give consisted of the following as of June 30:

	2024	2023
Corporate and Community Giving	$ 62,306	$ 121,600
Department of Justice	21,505	17,083
Other Government Agencies	21,989	22,629
United Way Agencies	43,709	54,156
Total	$149,509	$215,468

Amount due in:		
Less than one year	$149,509	$ 185,468
One to five years	---	30,000
Total	$ 149,509	$ 215,468

Generally, the Organization considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged against operations when that determination is made. For the years ended June 30, 2024 and 2023, the Organization did not incur any bad debt expense.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction were attributable to the following purposes as of June 30:

	2024	2023
Other purpose restrictions - grants and pledges	$ 37,974	$ 68,040
Special Events	29,000	26,500
United Way Agencies	43,709	54,156
Total	$110,683	$148,696

Net assets released from donor restriction as of June 30 are as follows:

	2024	2023
Special Events	$ 26,500	$ 20,500
Government/United Way grants	58,156	50,976
Foundation grants	33,566	11,205
Total	$118,222	$ 82,681

NOTE 6 - NOTES PAYABLE TO BANK

As of June 30, 2024, the Organization has a revolving line of credit of $200,000 with a local bank. The line of credit had a fixed interest rate of 8.5% and a maturity of February 26, 2025. The line of credit continues to be secured by the Organization's accounts receivable and equipment. At June 30, 2024 and 2023, the Organization had $161,000 and $125,455 drawn upon the line of credit, respectively.

NOTE 7 - LEASES

Operating leases

The Organization leases a postage machine under a 63-month operating lease that expires December 31, 2027. Monthly rent payments are $81.67 to be paid quarterly. The Organization has classified this lease as an operating lease. The lease does not include any restrictive financial or other covenants. The risk-free rate used by the Organization is 4.30%.

Total operating lease expense for year ended June 30, 2024 was $980.

Short-term leases

The Organization leases office space in Whiteside County under a quarter-to-quarter operating lease in the amount of $1,358 per quarter effective July 1, 2023.

The Organization leases office space in Macomb, Illinois under a quarter-to-quarter operating lease in the amount of $600 per quarter effective February 1, 2024.

All leases

The Organization has no material related-party leases. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Lease cost:

Operating lease costs	$ 980
Short-term lease costs	7,230
Total lease cost	$ 8,210

Other information:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 980

NOTE 7 - (Continued)

The aggregate future lease payments for operating leases as of June 30, 2024 are as follows:

Year Ended December 31	Operating Leases
2025	$ 918
2026	918
2027	918
2028	459
Total undiscounted minimum lease payments	3,213
Less: Present value discount	246
Lease Liability	$ 2,967

Categorized as follows:

Short-term	$ 803
Long-term	2,164
Total	$ 2,967

The Organization leases office space in Davenport, Iowa under a 10 year operating lease in the amount of $0 effective August 1, 2022. Per the lease, the Organization does not pay rent, but will pay common area maintenance on a monthly basis.

NOTE 8 - RETIREMENT PLAN

The Organization adopted a Simple IRA plan on January 1, 2005, covering substantially all employees. The Organization's contributions for the year ending June 30, 2024 and 2023 were $22,811 and $21,563, respectively.

NOTE 9 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC). During the year, the bank balances of these deposits could exceed the insured FDIC limits. As of June 30, 2024 and 2023, the deposits exceeded the insured FDIC limits by $0 and $0, respectively. Management believes that credit risk related to these deposits is minimal.

NOTE 10 - AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and commitments to the community. The following reflects the Organization's financial assets as of the statement of financial position date.

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	$ 74,159	$ (348)
Grants and pledges receivable	149,509	215,468
Investments	10,525	102,893
Total financial assets	$ 234,194	$ 318,013
Less amounts not available to be used within one year:		
Net assets with donor restriction	110,683	148,696
Board designated investment	10,525	102,893
Financial assets available to meet general expenditures over the next twelve months	$ 112,985	$ 66,424

The Organization is able to draw on the line of credit mentioned in Note 6 to satisfy its operating needs.

NOTE 11 - SUBSEQUENT EVENTS

The Organization evaluated its June 30, 2024 financial statements for subsequent events through December 3, 2024, the date the financial statements were available to be issued. The Organization is aware of the following subsequent events that require recognition or disclosure in the financial statements.

Closure of Whiteside County office in Sterling, IL - The Organization closed its satellite office in Sterling, IL on July, 31 2024. The organization realigned program support for this area to the QC Mentor Center.

Federal ERC Program - The ERC is a fully refundable payroll tax credit that was enacted under the CARES Act to provide financial incentives to eligible businesses to retain their workforce through the period of financial hardship resulting from COVID-19.

The Organization filed amendments to six quarterly 941 filings to claim these credits. These amendments were submitted to the IRS in June, 2023.

To combat the high number of fraudulent claims, the IRS placed a moratorium on processing these amendments in September, 2023. The moratorium was lifted in August, 2024 and the IRS began processing filings at an extremely slow pace.

As of December, 2024, the Organization has received payment and interest for one filing. There are no further updates on the remaining five filings. Below is a table that breaks down the amounts and status of each filing.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - (Continued)

Original Quarter	Amendment Filed	Amount	Verified Interest	Status
2020 Q2	June 2023	$21,110.64	$3,193.17	Refund check received 12/2/24
2020 Q3	June 2023	28,800.09	?	Pending Processing
2020 Q4	June 2023	23,211.31	?	Pending Processing
2021 Q1	June 2023	53,242.44	?	Pending Processing
2021 Q2	June 2023	52,186.23	?	Pending Processing
2021 Q3	June 2023	88,010.67	?	Pending Processing
	Total	**$266,561.38**	**$3,193.17**	