BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION

COMBINED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

As of and for the Years Ended December 31, 2025 and 2024

Larson
CERTIFIED PUBLIC ACCOUNTANTS

BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION

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Independent Auditor's Report

To the Board of Directors

BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION

Opinion

We have audited the accompanying combined financial statements of **Big Brothers Big Sisters of Utah and Big Brothers Big Sisters of Greater Salt Lake Foundation**, which comprise the combined statements of financial position as of December 31, 2025 and 2024, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of **Big Brothers Big Sisters of Utah and Big Brothers Big Sisters of Greater Salt Lake Foundation** 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of **Big Brothers Big Sisters of Utah and Big Brothers Big Sisters of Greater Salt Lake Foundation** 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Big Brothers and Big Sisters of Utah's** and **Big Brothers Big Sisters of Greater Salt Lake Foundation'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 Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined 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 combined 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 combined 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 Utah and Big Brothers Big Sisters of Greater Salt Lake Foundation'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 combined 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 Utah and Big Brothers Big Sisters of Greater Salt Lake Foundation'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.

Larson & Company, P.C.

Salt Lake City, Utah
June 26, 2026

BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION

Combined Statements of Financial Position

For the Years Ended December 31, 2025 and 2024

ASSETS	2025	2024
Current assets		
Cash and cash equivalents	**$ 1,100,859**	$ 1,203,967
Receivables		
Grants and contracts	**81,911**	65,172
Other	**19,689**	23,466
Receivables, related party		
Grants and contracts	**40,810**	71,856
Other	**16,601**	16,015
Prepaid expenses	**8,927**	15,487
Total current assets	**1,268,797**	1,395,963
Investments	**709,108**	680,313
Property and equipment		
Right of Use Assets-operating	**101,446**	171,484
Property and equipment, net	**110**	1,617
Total property and equipment	**101,556**	173,100
Total assets	**$ 2,079,461**	$ 2,249,377
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	**$ 8,886**	$ 7,763
Accrued liabilities	**111,386**	123,359
Deferred Revenue	**12,525**	10,350
Current portion of lease liability operating	**93,578**	70,795
Total current liabilities	**226,375**	212,267
Long-term liabilities		
Lease Liability-operating	**11,213**	104,791
Total liabilities	**237,588**	317,058
Net assets		
Without donor restrictions		
Board designated	**690,951**	690,951
Undesignated	**854,665**	992,489
Total without donor restrictions	**1,545,616**	1,683,440
With donor restrictions		
Temporary restrictions	**206,800**	159,422
Perpetual in nature	**89,457**	89,457
Total with donor restrictions	**296,257**	248,879
Total net assets	**1,841,873**	1,932,319
Total liabilities and net assets	**$ 2,079,461**	$ 2,249,377

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

BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION

Combined Statement of Activities

For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUES			
Support, revenues, gains and losses			
Friends of BBBS	$ 833,300	$ -	$ 833,300
United Way	37,500	37,500	75,000
Foundation grants	300,298		300,298
Corporate donations	271,349	20,000	291,349
Government grants	356,879	-	356,879
Contract revenue	100,000	-	100,000
Contributions	237,218	-	237,218
In-kind donations	92,409	-	92,409
Special events (net of $77,448 direct benefits to donors)	187,533	-	187,533
Interest and dividends	47,982	14,764	62,746
Net unrealized gain on investments	7,518	5,114	12,632
Other income	2,719	-	2,719
Total support, revenues, gains and losses	2,474,705	77,378	2,552,083
Satisfaction of restrictions	30,000	(30,000)	-
Total support, revenues, gains, losses and satisfaction of restrictions	2,504,705	47,378	2,552,083
EXPENSES			
Mentoring programs	1,954,530	-	1,954,530
General and administrative	264,890	-	264,890
Development and fundraising	423,109	-	423,109
Total expenses	2,642,529	-	2,642,529
Change in net assets	(137,824)	47,378	(90,446)
Net assets at beginning of year	1,683,440	248,879	1,932,319
Net assets at end of year	$ 1,545,616	$ 296,257	$ 1,841,873

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

BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION

Combined Statement of Activities

For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUES			
Support, revenues, gains and losses			
Friends of BBBS	$ 775,000	$ -	$ 775,000
United Way	-	30,000	30,000
Foundation grants	306,347	-	306,347
Corporate donations	292,459	-	292,459
Government grants	578,602	-	578,602
Contract revenue	100,000	-	100,000
Contributions	190,299	-	190,299
In-kind donations	103,572	-	103,572
Special events (net of $92,511 direct benefits to donors)	186,842	-	186,842
Interest and dividends	41,137	24,860	65,997
Net unrealized loss on investments	458	7,943	8,401
Other income	6,731	-	6,731
Total support, revenues, gains and losses	2,581,447	62,803	2,644,250
Satisfaction of restrictions	111,652	(111,652)	-
Total support, revenues, gains, losses and satisfaction of restrictions	2,693,099	(48,849)	2,644,250
EXPENSES			
Mentoring programs	2,236,824	-	2,236,824
General and administrative	375,143	-	375,143
Development and fundraising	310,808	-	310,808
Total expenses	2,922,775	-	2,922,775
Change in net assets	(229,676)	(48,849)	(278,525)
Net assets at beginning of year	1,913,116	297,728	2,210,844
Net assets at end of year	$ 1,683,440	$ 248,879	$ 1,932,319

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

BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION

Combined Statement of Functional Expenses
For the Year Ended December 31, 2025

	Mentoring Programs	General and Administrative	Development and Fundraising	Totals
Functional Expenses				
Salaries and wages	$ 1,229,709	$ 164,415	$ 256,529	$ 1,650,653
Payroll taxes	106,263	137	18,336	124,736
Employee benefits	136,133	10,469	26,959	173,561
Total salaries and related expenses	1,472,105	175,021	301,824	1,948,950
Rent and utilities	58,758	11,873	10,004	80,635
Program and affiliation fees	136,984	4,033	3,656	144,673
Event expenses	-	-	77,448	77,448
Travel and professional development	33,105	5,126	7,949	46,180
General and professional insurance	62,186	3,544	288	66,018
Information technology	30,590	6,329	4,914	41,833
Supplies	18,830	5,893	5,430	30,153
Printing, publications and postage	4,900	1,987	2,395	9,282
In-kind development supplies	-	-	66,971	66,971
In-kind program supplies	25,438	-	-	25,438
Professional fees	111,634	49,112	14,210	174,956
Interest and bank fees	-	1,972	5,468	7,440
Total functional expenses	1,954,530	264,890	500,557	2,719,977
Less:				
Expenses included with revenue	-	-	(77,448)	(77,448)
Functional expenses statement of activities	$ 1,954,530	$ 264,890	$ 423,109	$ 2,642,529

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

BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION

Combined Statement of Functional Expenses
For the Year Ended December 31, 2024

	Mentoring Programs	General and Administrative	Development and Fundraising	Totals
Functional Expenses				
Salaries and wages	$ 1,476,311	$ 257,292	$ 179,073	$ 1,912,676
Payroll taxes	124,798	598	21,634	147,030
Employee benefits	154,908	5,144	23,903	183,955
Total salaries and related expenses	1,756,017	263,034	224,610	2,243,661
Rent and utilities	33,853	12,619	8,684	55,157
Program and affiliation fees	126,035	97	60	126,192
Event expenses	-	-	92,511	92,511
Travel and professional development	38,333	30,382	4,457	73,172
General and professional insurance	53,334	3,581	194	57,109
Information technology	24,060	11,281	4,036	39,377
Supplies	50,663	6,569	901	58,133
Printing, publications and postage	2,444	2,141	1,661	6,245
In-kind development supplies	-	-	62,372	62,372
In-kind program supplies	41,200	-	-	41,200
Professional fees	89,912	43,851	22,111	155,873
Interest and bank fees	(200)	1,589	2,894	4,283
Total functional expenses	2,215,652	375,143	424,491	3,015,286
Less:				
Expenses included with revenue	-	-	(92,511)	(92,511)
Functional expenses statement of activities	$ 2,215,652	$ 375,143	$ 331,980	$ 2,922,775

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

BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION
Combined Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	**$ (90,446)**	$ (278,525)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	**1,507**	1,929
Realized and unrealized gain on investments	**(12,632)**	(8,401)
Change in operating assets and liabilities		
Receivables	**(12,963)**	38,448
Receivables, related party	**30,460**	(55,473)
Prepaid expenses	**6,561**	17,502
Right-of-use-assets, operating	**70,038**	(41,361)
Accounts payable	**1,124**	(8,995)
Accrued liabilities	**(11,973)**	8,512
Lease liability, operating	**(70,795)**	42,107
Deferred revenue	**2,175**	(13,560)
Net cash from operating activities	**(86,945)**	(297,817)
Cash flows from investing activities		
Proceeds from sale of investments	**844,999**	828,085
Purchase of investments	**(861,162)**	(870,057)
Net cash from investing activities	**(16,163)**	(41,972)
Net change in cash and cash equivalents	**(103,108)**	(339,789)
Cash and cash equivalents at beginning of year	**1,203,967**	1,543,756
Cash and cash equivalents at end of year	**$ 1,100,859**	$ 1,203,967

Supplemental Disclosures

No interest or taxes were paid for the years ended December 31, 2025 and 2024.

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

1. ORGANIZATION HISTORY

Big Brothers Big Sisters of Utah, ("BBBSU") is a not-for-profit corporation with 501(c)(3) tax exempt status organized under the laws of the state of Utah in February 1978. BBBSU matches adult volunteers with children from under-resourced families who need and want a mentor. These volunteers provide the children with friendship, guidance, and a positive role model that can prevent many negative behaviors. BBBSU currently operates one-to one mentoring though the following programs: Community-based, Site-based/Workplace and Mentor 2.0, which utilize many community partners, including United Way of Salt Lake, various municipalities, community coalitions and 13 schools in 5 school districts throughout the state. The main office is in South Salt Lake and serves Salt Lake, Weber, Davis and Utah Counties; a satellite office in Park City serves Summit and Wasatch Counties and a satellite office in St. George serves Washington County.

Big Brothers Big Sisters of Greater Salt Lake Foundation (the "Foundation") is a separate not-for-profit corporation and a 501(c)(3) foundation operated for the exclusive benefit of BBBSU. The Foundation holds investment balances and files a separate Informational Return Form 990 with the IRS annually. These investment assets are governed by the investment policies of BBBSU.

The combined audited financial statements of BBBSU and the Foundation include the assets, liabilities and operating results of both entities and are referred to collectively as the "Organization" in these footnotes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis in accordance with ASU-2016-14, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statements for Not-for-Profit Entities*. The standard requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> **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 the board of directors.
>
> **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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 reporting period. Actual results could differ from these estimates.

Cash and Cash equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Accounts receivables are recorded at their estimated fair value less an appropriate allowance for uncollectible amounts. Allowances are based on historical experience and management's analysis of specific balances. An account is written off when it is determined that all collection efforts have been exhausted. An allowance for doubtful accounts will be established for amounts management believes may not be fully collectible. All accounts and grants receivable are considered fully collectible; accordingly, no allowance is included as of December 31,2025 and 2024.

Promises to Give

Contributions representing unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Amounts due later than one year, if any, are recorded at the present value of estimated future cash flows.

Based on historical experience, the Organization expects all unconditional promises to give to be collected; therefore, no allowance for uncollectible amounts is considered necessary.

Investments

Investments are stated at estimated fair value. Realized and unrealized gains and losses, interest, and dividends on investments are recorded as net assets without donor restriction unless such amounts are restricted by the donor or by law. Investments received as gifts are recorded at the estimated fair value at the date of the gift.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Acquisitions of property and equipment in excess of $3,000 and all expenditures for repairs and maintenance that materially prolong the useful lives of property and equipment are capitalized. Property and equipment are stated at cost less accumulated depreciation and amortization, or if acquired by donation, at estimated fair value at the date of the donation. If donors stipulate how long a contributed asset must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as net assets without donor restrictions. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in the statement of activities for the period.

Depreciation is computed over the following estimated useful lives using the straight-line method:

Assets	Useful Lives
Furniture and equipment	5 - 10 years

Contributions and In-Kind Donations

Contributions are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of donor restrictions. All net assets without donor restrictions are considered to be available for use in the accounting period when the donor makes an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as an increase in net assets without donor restrictions. Any restricted funds remaining at year-end are classified as such.

Donations of property, equipment, supplies and other goods and services are recorded as support at their estimated fair market value on the date of gift. These donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets, goods and services donated with explicit restrictions regarding their use are reported as net assets with donor restrictions and reclassified to net assets without donor restrictions when placed in service.

In-kind donations totaled **$92,409** for the year ended December 31, 2025 and $103,572 for the year ended December 31, 2024. The donations were used primarily for programs and fundraising for both years.

The Organization recognizes contributions of services only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No donated services have been reflected in the statements as they do not meet the criteria for recognition in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Amounts received in advance of the Organization providing goods or services are recorded as deferred revenue in the statement of financial position. Deferred revenue primarily consists of payments received for their gala and other special events.

Revenue related to these events is recognized at the point in time the respective event occurs and the Organization fulfills its performance obligations. Amounts received prior to the event date are deferred until such time as the event takes place and the related services are rendered. If events are canceled, deferred amounts are recognized or refunded in accordance with the Organization's policies and the underlying arrangements with participants.

Direct Benefits to Donors

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as costs of direct donor benefits in the combined statement of activities and changes in net assets.

Functional Allocation of Expenses

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. All direct costs are charged to the applicable functional area. Indirect costs are charged to programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area, for example an allocation based on full-time equivalents. Some of the expenses in this category are rent, utilities, office supplies and insurance. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense was **$0** and $0 for the years ended December 31, 2025 and 2024, respectively.

Concentrations of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor. There are periods when balances may exceed federally insured limits of $250,000. The Organization has not experienced any losses during these periods and believes it is not exposed to any significant credit risk.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

BBBSU and the related Foundation qualify as tax-exempt organizations under Section 501 (c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for federal or state income tax provisions, assets or liabilities.

The FASB has provided guidance for how uncertain tax positions should be recognized, measured, and disclosed in the financial statements. Management has evaluated the Organization's tax positions and determined that there are no material uncertain tax positions. Tax years that remain subject to examination are for tax years 2022 and forward. As of the date of this report, the Organization's 2025 returns have not yet been filed.

3. CONTRIBUTION OF NONFINANCIAL ASSETS

The policy of the Organization is to use the receipt of food and supplies in the various programs to benefit the children and assist mentors. Gifts and prizes are usually given out to donors at special events as prizes, gifts or auction items.

For the years ended December 31, nonfinancial assets recognized within the statement of activities included:

	2025 Revenue Recognized	2024 Revenue Recognized	Utilization in Programs	Donor Restrictions	Valuation Techniques
Food	**$ -**	$ -	Adult mentors & children	No associated donor restrictions.	Menu price or retail value of item.
Gifts/Prizes	**$ 66,971**	$ 62,372	Donor prizes & silent auctions items	No associated donor restrictions.	Face value of tickets or retail value of items or services.
Supplies	**$ 25,438**	$ 41,200	Items and tickets for adult mentors & children to go to various activities and supplies for arts & crafts	No associated donor restrictions.	Face value of tickets or retail value of items or services.
Total	**$ 92,409**	$ 103,572			

4. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2025 and 2024 comprise the following:

	2025	2024
Cash and cash equivalents	**$ 1,100,859**	$ 1,203,967
Certificate of Deposit (due within one year)	**470,351**	470,464
Receivables		
Grants and contracts	**81,911**	65,172
Other	**19,689**	23,466
Receivables, related party		
Grants and contracts	**40,810**	71,856
Other	**16,601**	16,015
Total financial assets	**1,730,221**	1,850,940
Endowment Fund:		
Board designated for general expenditure in following year	**-**	6,500
Financial assets available to meet general expenditures within the next twelve months	**$ 1,730,221**	$ 1,857,440

The Organization monitors its cash position on a monthly basis to ensure the fulfillment of all obligations.

5. INVESTMENTS AND FAIR VALUE

Investments in marketable securities with readily determinable fair values and investments in debt securities are recorded at their fair values. Investment returns include realized and unrealized gains and losses, interest, dividends and related investment fees.

Endowment investment return is available for use of the Organization and is classified as net assets with donor restrictions until specifically appropriated for expenditure by the Board of Directors. Investment management fees totaled **$0**, and $0 for the years ended December 31, 2025 and 2024. Components of investment return consisted of the following as of December 31:

	2025	2024
Interest and dividends	**$ 62,746**	$ 65,996
Net unrealized gain	**12,632**	8,401
Investment return	**$ 75,378**	$ 74,397

5. INVESTMENTS AND FAIR VALUE (continued)

Fair value

The FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the "exit price") in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement dates. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk. In determining fair value, the Organization uses various valuation approaches. The FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions that market participants would use in pricing the assets or liabilities developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the observability of inputs as follows:

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 for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Organization in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair value is a market-based measure considered from the perspective of a market participant rather than an organization-specific measure. Therefore, even when market assumptions are not readily available, the Organization's own assumptions are set to reflect those that the Organization believes market participants would use in pricing the asset or liability at the measurement date.

5. INVESTMENTS AND FAIR VALUE (Continued)

Assets measured at fair value on a recurring basis as of December 31, 2025 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Certificates of deposit	**$ 470,351**	**$ 470,351**	**$ -**	**$ -**
Mutual funds	**238,757**	**238,757**	**-**	**-**
	$ 709,108	**$ 709,108**	**$ -**	**$ -**

Assets measured at fair value on a recurring basis as of December 31, 2024 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Certificates of deposit	$ 470,464	$ 470,464	$ -	$ -
Mutual funds	209,849	209,849	-	-
	$ 680,313	$ 680,313	$ -	$ -

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2025	2024
Furniture and equipment	**$ 10,428**	**$ 10,428**
Accumulated depreciation	**(10,318)**	**(8,811)**
Net property and equipment	**$ 110**	$ 1,617

Depreciation expense charged to operations for the years ended December 31, 2025 and 2024 was **$1,507** and $1,929, respectively.

7. NET ASSETS WITHOUT DONOR RESTRICTIONS

The Board of Directors has designated net assets for a cash reserve fund of one-quarter to one-third of the Organization's annual operating expenses that must be maintained in cash or money market accounts. Earning allocation for the year 2025 was **$4,878**. No additional contribution was necessary to stay within the limits the Board has established. For 2024, the earning allocation was $32,803. As of December 31, 2025 and 2024, the amount of these net assets was **$713,790** and $690,951, respectively. The balance as of December 31, 2025 is within the range as set by the Board of Directors.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows as of December 31, 2025 and 2024:

	2025	2024
Subject to temporary restrictions:		
United Way of Salt Lake		
Grant year from July - June	**$ 37,500**	$ 30,000
Goldman Sachs		
Time restricted to 2026	**20,000**	-
Endowment:		
Perpetual in nature gifts	**89,457**	89,457
Accumulated endowment earnings subject to spending policy	**149,300**	129,422
Total net assets with donor restrictions	**$ 296,257**	$ 248,879

The endowment included with net assets with donor restrictions consists of a foundation trust that was established in 1991. The original fair value of the trust assets at the date of the donors' contributions totaled $89,457 and is perpetual in nature. The interest and dividends and increase or decrease in fair value net of investment expenses are available for the use of the Organization and included as net assets with donor restrictions until appropriated for expenditure by the Board of Directors. As of December 31, 2025 and 2024, unappropriated investment returns totaling **$149,300** and $129,422 respectively, were held in the net asset with donor restrictions class.

9. ENDOWMENT

The Foundation holds the endowment funds which were established to support the mission of BBBSU. The corpus of the Foundation consists of funds restricted as perpetual in nature by the donor.

Interpretation of Relevant Law
The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date as net assets with donor restrictions absent explicit donor stipulations to the contrary. Consequently, the Organization classifies net assets with donor restrictions as:

- The original value of gifts donated to the Foundation, and
- The original value of subsequent gifts to the Foundation.

Net investment returns on the endowment are classified as net assets with donor restrictions until the amounts are appropriated for expenditure by the Board of Directors. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate foundation funds:

- The duration and preservation of the fund and general economic conditions
- The expected total return from income and the appreciation of investments
- Financial health and investment policies of the Organization

Return Objectives and Risk Parameters
The Organization has adopted investment and spending policies for Foundation assets that attempt to protect the corpus of the Foundation to assist with the financial stability of the Organization. The endowment assets are invested in a manner that is intended to produce returns that are 2% to 3% higher than the rate of inflation, while assuming a moderate level of investment risk.

Spending Policy
The Organization has a policy in which the general rule of appropriating for distribution each year is interest and/or dividends accumulated in one year on the net assets with donor restrictions of the Foundation funds. In establishing this policy, the Organization considered the long-term expected returns on its investments. Accordingly, over the long-term, the Organization expects the current spending policy will allow the Foundation to retain and grow the original fair value of the gift.

Strategies Employed for Achieving Objectives
The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Organization targets a diversified asset allocation that emphasizes common stocks and fixed income securities to achieve its long-term objectives within prudent risk constraints.

9. ENDOWMENT (Continued)

The endowment fund balance and activity are as follows:

	Purpose Restrictions	Perpetual in Nature	Total Endowment
Balance at January 1, 2024	$ 104,422	$ 89,457	$ 193,879
Interest and dividends	31,417	-	31,417
Net unrealized gain	458	-	458
Amounts appropriated for expenditure	(95,723)	-	(95,723)
Balance at December 31, 2024	$ 40,574	$ 89,457	$ 130,031
Contributions	**88,849**	**-**	**88,849**
Interest and dividends	**14,764**	**-**	**14,764**
Net unrealized gain	**5,114**	**-**	**5,114**
Balance at December 31, 2025	**$ 149,300**	**$ 89,457**	**$ 238,757**

10. OPERATING LEASE OBLIGATIONS

The Organization leases office space in Salt Lake City, Park City and St. George under leasing agreements.

The Salt Lake City office space lease was negotiated in April 2015 and ran through March 2019. It was subsequently extended through March 2024, then extended again through December 2026. Payments due under the extension are included in the schedule of minimum payments below. The interest rate for this lease is 2%.

The Park City office space lease was negotiated in August 2015 and ran from January 2016 through December 2018. It was subsequently extended through December 2020 and then again through December 2022 in January of 2021. It was further extended for an additional two years to December 31, 2024, and again to December 31, 2026. Payments due under the extension are included in the schedule of minimum payments below.

10. OPERATING LEASE OBLIGATIONS (Continued)

The St. George office space lease was negotiated in December 2016 and ran from January 2017 through December 2021. The lease was subsequently extended through December of 2026. The St. George office space lease is shared with Friends of Big Brothers Big Sisters of Utah ("Friends"). The Board of Directors of the Organization and of Friends have a cost sharing agreement that Friends pays an allocated portion of the lease payment directly to the landlord. The Organization is legally liable for the full lease payment, and the future minimum lease payments schedule presented below includes the full lease payment. For the years ending December 31, 2025 and 2024, the total rent expense was **$80,635** and $55,157, and total lease costs are **$91,801** and $90,964 respectively.

If readily determinable, the rate implicit in the lease is used to discount lease payments to present value; however, the Organization's leases do not provide a readily determinable implicit rate. When the implicit rate is not determinable, the risk-free borrowing rate is utilized, determined by using the US Treasury Bill or Note rate that closely tracks with the length of the lease, to discount lease payments based on information available at lease commencement.

The Organization's lease agreements do not contain any material restrictions, covenants, or any material residual value guarantees.

The following table summarizes the supplemental cash flow information for the years ended December 31, 2025 and 2024.

	2025	**2024**
Cash paid for amounts included in		
the measurement of lease liabilities:		
Operating cash flows used for operating leases	**$ 92,558**	$ 90,218

The future minimum lease payments are as follows:

Years Ending December 31,	
2026	93,578
2027	11,213
Thereafter	-
Total	$ 104,791
Less: imputed interest	(3,345)
Present value of lease liabilities	$ 101,446

11. CONCENTRATIONS OF CREDIT AND MARKET RISK

The Organization maintains its cash and cash equivalent balances with banks located in Salt Lake City, Utah. By policy, deposits should not exceed their federally insured limits of $250,000 as established by the Federal Deposit Insurance Corporation.

Balances of cash and securities held by the Organization in brokerage accounts are insured by the Security Investors Protection Corporation up to $500,000. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk on these balances.

As of December 31, 2025, two entities accounted for **32.7%** and **2.9%** of the Organization's total revenue. As of December 31, 2024, two entities accounted for 28.4% and 3.4% of the Organization's total revenue.

12. CONTINGENCIES

From time to time, the Organization is involved in routine litigation that arises in the ordinary course of business. There currently are no pending lawsuits of which the Organization is aware.

13. RELATED PARTY TRANSACTIONS

The Organization derives a portion of its revenues from Friends of Big Brothers Big Sisters of Utah ("Friends"). The Board of Directors for Friends is comprised of seven members, two of whom are members from the Board of Directors of the Organization.

During the years ended December 31, 2025 and 2024, the Organization received revenues of **$833,300** and $775,000, respectively from Friends. The Organization also received **$178,728** and $188,841, respectively, in other expense reimbursements and income adjustments from Friends, and paid **$0** and $30,144, respectively, to Friends for other expense reimbursements for the years ended December 31, 2025 and 2024. As of December 31, 2025 and 2024, the Organization had an accounts receivable balance from Friends in the amount of **$16,601,** and $16,015, respectively.

For the years ended December 31, 2025 and 2024, the Organization paid **$26,632** and $27,134, respectively, to Big Brothers Big Sisters of America for affiliation fees and for the use of proprietary case management software. As of December 31, 2025 and 2024 the Organization had accounts receivable from this entity totaling **$40,810** and $71,856, respectively.

14. RETIREMENT PLAN

The Organization has a 401K defined contribution plan which employees may participate in once they meet the eligibility requirements. Eligibility begins on the first of the month after the employee completes 30 days of employment. The Organization may make a board discretionary match of 50% of the employee contributions up to a maximum contribution up to 3% of total compensation. Contributions to the plan were **$32,856** and $43,266 for the years ended December 31, 2025 and 2024, respectively.

15. MANAGEMENT'S EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated events and accounts of the Organization from December 31, 2025 through the date of this report, which is the date that the financial statements were available to be issued. No events have occurred after December 31, 2025 which would have a material effect on the financial condition of the Organization.

Independent Auditor's Report on Supplementary Information

To the Board of Directors
BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION

We have audited the combined financial statements of **Big Brothers Big Sisters of Utah and Big Brothers Big Sisters of Greater Salt Lake Foundation** (the "Organization") as of and for the years ended December 31, 2025 and 2024, and our report thereon dated June 26, 2026, which expressed an unmodified opinion on those financial statements, appears on pages 2 and 3.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Combined Schedule of Program Service Expenses for the year ended December 31, 2025 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Larson & Company, P.C.

Salt Lake City, Utah
June 26, 2026

BIG BROTHERS BIG SISTERS OF UTAH AND BIG BROTHERS BIG SISTERS OF GREATER SALT LAKE FOUNDATION

Supplementary Information - Combined Schedule of Program Service Expenses
For the Year Ended December 31, 2025

	Community Based	Mentor 2.0	Site Based/ Workplace	Totals
Salaries and wages	$ 657,481	$ 280,361	$ 291,867	$ 1,229,709
Payroll taxes	71,614	15,899	18,750	106,263
Employee benefits	70,977	33,403	31,753	136,133
Total salaries and related expenses	800,072	329,663	342,370	1,472,105
Rent	37,876	9,485	11,397	58,758
Program and affiliation fees	58,915	59,198	18,871	136,984
Travel and professional development	18,022	8,432	6,651	33,105
General and professional liability insurance	35,555	12,389	14,242	62,186
Information technology	18,819	5,442	6,329	30,590
Supplies	12,600	2,361	3,869	18,830
Printing, publications and postage	3,064	683	1,153	4,900
In-kind development supplies	25,438	-	-	25,438
Professional fees	106,255	2,487	2,892	111,634
Total program expenses	$ 1,116,616	$ 430,140	$ 407,774	$ 1,954,530

See accompanying auditor's report
on supplementary information