

**BIG BROTHERS BIG SISTERS  
OF MIAMI, INC.**

FINANCIAL STATEMENTS,  
INDEPENDENT AUDITOR'S REPORT AND  
SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED  
JUNE 30, 2021 AND 2020

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Big Brothers Big Sisters of Miami, Inc.  
Miami, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of Big Brothers Big Sisters of Miami, Inc. (the "Organization") (a non-profit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General of the State of Florida*, 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 financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021, on our consideration of the Organization's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 16, 2021

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

<b>ASSETS</b>		2021	2020
<b>CURRENT ASSETS</b>			
Cash and equivalents, donor restricted of \$4,939 and \$152,791, respectively	\$	1,429,050	\$ 1,310,666
Accounts receivable		585,302	686,417
Due from related party		2,100	30,774
Contributions receivable, donor restricted of \$497,750 and \$557,199, respectively, net		519,744	637,253
Prepaid expenses and other assets		212,613	77,383
Investments, donor restricted of \$1,274,538 and \$763,603, respectively		1,535,830	763,603
<b>TOTAL CURRENT ASSETS</b>		<b>4,284,639</b>	<b>3,506,096</b>
<b>CONTRIBUTIONS RECEIVABLE, LONG-TERM, DONOR RESTRICTED OF \$424,655 and \$70,458, respectively</b>		439,738	102,193
<b>PREPAID SCHOLARSHIPS, donor restricted</b>		9,025,378	8,306,213
<b>PROPERTY AND EQUIPMENT</b>			
Property and equipment, net of accumulated depreciation of \$252,560 and \$237,852, respectively		136,314	47,851
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>13,886,069</b>	<b>\$ 11,962,353</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other accrued expenses	\$	444,431	\$ 383,030
Deferred revenues		400,048	141,409
<b>TOTAL CURRENT LIABILITIES</b>		<b>844,479</b>	<b>524,439</b>
Note payable		485,560	441,100
<b>TOTAL LIABILITIES</b>		<b>1,330,039</b>	<b>965,539</b>
<b>NET ASSETS</b>			
Net assets without donor restrictions	\$	1,328,770	\$ 1,146,550
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		<b>1,328,770</b>	<b>1,146,550</b>
Net Assets With Donor Restrictions			
Florida Prepaid Scholarships		9,025,378	8,306,213
George De Silver Memorial Camp fund		65,611	65,611
Carnival Cruise Line and other scholarship fund		449,069	337,459
Lori Brener Scholarship Fund		158,236	142,071
Five Millers Scholarship fund		285,653	336,403
Take Stock-In-Children		177,519	210,491
Time restriction donations		542,104	261,831
Endowments		512,784	175,826
Food and other donations		10,906	14,359
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>		<b>11,227,260</b>	<b>9,850,264</b>
<b>TOTAL NET ASSETS</b>		<b>12,556,030</b>	<b>10,996,814</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b>13,886,069</b>	<b>\$ 11,962,353</b>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
<b>PUBLIC SUPPORT:</b>			
United Way	\$ 213,953	\$ -	\$ 213,953
Federal, state and local grants	1,943,274	-	1,943,274
Private grants	599,413	548,403	1,147,816
Associated organizations	204,000	-	204,000
Annual/major giving	575,778	555,695	1,131,473
Rental income	110,849	-	110,849
Special events, net of direct costs of \$315,608	812,541	-	812,541
Scholarship adjustment	-	172,011	172,011
Cause related marketing	367	-	367
In-kind contributions	164,770	975,565	1,140,335
<b>TOTAL PUBLIC SUPPORT</b>	<b>4,624,945</b>	<b>2,251,674</b>	<b>6,876,619</b>
Net assets released from restrictions	996,414	(996,414)	-
INVESTMENT INCOME (LOSS), net of fees	2,066	118,233	120,299
OTHER REVENUE	2,328	3,503	5,831
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>5,625,753</b>	<b>1,376,996</b>	<b>7,002,749</b>
<b>EXPENSES</b>			
Program services	4,627,073	-	4,627,073
Supporting services	366,850	-	366,850
Fundraising	449,610	-	449,610
<b>TOTAL EXPENSES</b>	<b>5,443,533</b>	<b>-</b>	<b>5,443,533</b>
<b>TOTAL CHANGE IN NET ASSETS</b>	<b>182,220</b>	<b>1,376,996</b>	<b>1,559,216</b>
Net assets, beginning of year	1,146,550	9,850,264	10,996,814
Net assets, end of year	<b>\$ 1,328,770</b>	<b>\$ 11,227,260</b>	<b>\$ 12,556,030</b>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
<b>PUBLIC SUPPORT:</b>			
United Way	\$ 217,211	\$ -	\$ 217,211
Federal, state and local grants	1,669,728	-	1,669,728
Private grants	457,784	90,490	548,274
Associated organizations	476,054	-	476,054
Annual/major giving	552,907	474,248	1,027,155
Rental income	153,172	-	153,172
Special events, net of direct costs of \$665,469	851,996	2,140	854,136
Scholarship adjustment	-	283,449	283,449
Cause related marketing	5,730	-	5,730
In-kind contributions	92,334	1,874,699	1,967,033
<b>TOTAL PUBLIC SUPPORT</b>	<b>4,476,916</b>	<b>2,725,026</b>	<b>7,201,942</b>
Net assets released from restrictions	849,532	(849,532)	-
INVESTMENT INCOME, net of fees	1,234	12,704	13,938
OTHER REVENUE	45,266	-	45,266
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>5,372,948</b>	<b>1,888,198</b>	<b>7,261,146</b>
<b>EXPENSES</b>			
Program services	5,462,851	-	5,462,851
Supporting services	324,640	-	324,640
Fundraising	389,165	-	389,165
<b>TOTAL EXPENSES</b>	<b>6,176,656</b>	<b>-</b>	<b>6,176,656</b>
<b>TOTAL CHANGE IN NET ASSETS</b>	<b>(803,708)</b>	<b>1,888,198</b>	<b>1,084,490</b>
Net assets, beginning of year	1,950,258	7,962,066	9,912,324
Net assets, end of year	<u>\$ 1,146,550</u>	<u>\$ 9,850,264</u>	<u>\$ 10,996,814</u>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021				2020			
	Program Services	Supporting Services	Fundraising	Total Expenses	Program Services	Supporting Services	Fundraising	Total Expenses
Employee Costs:								
Salaries	\$ 1,994,872	\$ 221,652	\$ 216,561	\$ 2,433,085	\$ 2,348,917	\$ 167,201	\$ 185,028	\$ 2,701,146
Payroll taxes	142,504	15,826	15,462	173,792	169,062	12,034	13,317	194,413
Employee benefits	268,355	28,795	22,617	319,767	283,792	19,214	21,263	324,269
Retirement plan contributions	17,292	1,853	1,441	20,586	15,591	1,110	1,228	17,929
Total Employee Costs	2,423,023	268,126	256,081	2,947,230	2,817,362	199,559	220,836	3,237,757
Operating and Other:								
Bad debt	-	-	125,022	125,022	102,948	-	81,290	184,238
Conferences and meetings	14,517	1,728	1,035	17,280	40,484	2,882	3,179	46,545
Depreciation	14,708	-	-	14,708	27,199	-	-	27,199
Dues to national and local Organizations	98,064	-	-	98,064	89,285	-	-	89,285
Equipment rental and maintenance	51,620	5,726	3,435	60,781	92,739	4,038	4,468	101,245
Insurance	99,040	9,599	5,760	114,399	103,008	7,332	8,114	118,454
Marketing/recruitment	14,960	1,781	1,069	17,810	25,308	1,801	1,993	29,102
Other	99,720	28,379	21,786	149,885	67,118	57,715	18,036	142,869
Occupancy	683,704	19,410	19,408	722,522	657,052	20,929	20,929	698,910
Office expenses and supplies	7,399	881	528	8,808	26,412	1,880	2,081	30,373
Postage	1,436	171	103	1,710	1,932	138	152	2,222
Printing and publication	2,045	243	146	2,434	19,147	1,363	1,508	22,018
In-kind contributions	164,770	-	-	164,770	92,334	-	-	92,334
Professional services	166,905	24,626	11,529	203,060	255,522	19,397	18,162	293,081
Telephone	51,908	6,180	3,708	61,796	65,751	4,680	5,179	75,610
Transportation	4,627	-	-	4,627	61,310	-	-	61,310
Incentives/recognition	-	-	-	-	56	-	-	56
Volunteer processing expense	14,515	-	-	14,515	27,223	-	-	27,223
Partners subcontractors	27,797	-	-	27,797	36,878	-	-	36,878
Scholarships awarded	686,315	-	-	686,315	812,686	-	-	812,686
Board retreat	-	-	-	-	41,097	2,926	3,238	47,261
Total Operating and Other	2,204,050	98,724	193,529	2,496,303	2,645,489	125,081	168,329	2,938,899
<b>TOTAL EXPENSES</b>	<b>\$ 4,627,073</b>	<b>\$ 366,850</b>	<b>\$ 449,610</b>	<b>\$ 5,443,533</b>	<b>\$ 5,462,851</b>	<b>\$ 324,640</b>	<b>\$ 389,165</b>	<b>\$ 6,176,656</b>

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



**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,559,216	\$ 1,084,490
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,708	27,199
Unrealized/realized (gains) losses on investments	(54,607)	1,083
Bad debt	134,370	175,976
Net change in prepaid scholarships	(172,012)	(967,298)
Decrease in present value discount	12,866	45,695
PPP loan forgiveness	(441,100)	-
(Increase) Decrease in operating assets:		
Accounts receivable	101,115	(184,415)
Due from related party	28,674	54,049
Contributions receivable	(367,272)	(276,576)
Prepaid expenses	(135,230)	76,308
Increase (Decrease) in operating liabilities:		
Accounts payable and other accrued expenses	61,401	(63,462)
Deferred revenues	258,639	141,409
<b>TOTAL ADJUSTMENTS</b>	<u>(558,448)</u>	<u>(970,032)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,000,768</u>	<u>114,458</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(103,171)	(5,408)
Purchases of prepaid scholarships	(1,222,168)	(2,062,591)
Refund and payouts of prepaid scholarships	675,015	1,468,239
Purchases of investments	(717,620)	822,348
Proceeds from sale of investments	-	(23,899)
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<u>(1,367,944)</u>	<u>198,689</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	485,560	441,100
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>485,560</u>	<u>441,100</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	118,384	754,247
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,310,666</u>	<u>556,419</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,429,050</u>	<u>\$ 1,310,666</u>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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**NOTE 1 – ORGANIZATION**

Big Brothers Big Sisters of Miami, Inc. (the “Organization”) is a non-profit organization and a member of the national federation Big Brothers Big Sisters of America. The Organization recognizes that all youth have the ability to do BIG things. That is why the Organization works toward the mission of creating and supporting one-to-one mentoring relationships that ignite the power and promise of youth.

Since 1958, the Organization has been South Florida’s premier mentoring organization, defending the potential of future leaders in the community by matching at-risk Youths (Littles) with committed adult mentors (Bigs). These relationships – strategically matched based on Littles’ needs and Bigs’ backgrounds and skills, as well as common interests, aspirations, and personalities – empower Littles to achieve their full potential and become productive members of the community.

Building upon the core one-to-one community-based mentoring model in which Bigs and Littles explore the local community together, the Organization has developed innovative programs to meet the community’s needs; these include Bigs in Schools, in which Bigs visit their Littles at school or at a partner after-school program site once a week; School to Work, in which Littles visit their Bigs at work once a month; a Graduate Program, in which Bigs and Littles continue their mentoring relationship after the Little graduates high school; Bigs in Blue, in which local police officers serve as Bigs; and a set of Continuing Education programs that prepare Littles for post-secondary success, both while in high school and upon graduation.

Continuing Education programming includes Take Stock in Children of Florida, Inc. (“TSIC”). As the lead partner for the Miami office of TSIC, (See Note 15) the Organization offers youths who are enrolled in TSIC a full scholarship through the Florida Pre-Paid Program upon high school graduation. Additionally, these youths receive targeted college success coaching to ensure they are progressing academically and receiving any necessary interventions to get and stay on track to graduate high school on time. Finally, these youths receive personal mentors who work with them and their College Success Coach to provide the social and emotional support necessary to succeed in high school and beyond. With the end goal of all students engaging in post-secondary education – and the long-term goal of all students graduating with a degree from an institute of higher education – the program also provides college and career readiness workshops, which are now open to all youths served by the Organization, whether or not they are served through TSIC. Covering topics such as completing the FAFSA, writing a college essay and general life skills, these workshops enhance the mentoring programs provided by the Organization, helping youths served answer the question. “What’s Next?” Youths enrolled in TSIC are also offered the opportunity to enroll in the core Big Brothers Big Sisters mentoring program, so they are eligible for the Graduate Program upon high school graduation, enabling them to maintain their relationship with their BIGS throughout their transition to adulthood.

Finally, the Organization also has Group Engagement & Mentoring (“GEM”) at its headquarters, the Carnival Center for Excellence. GEM provides after-school and weekend programming that focuses on one or more of five key areas, known as the BIG5 – Academic Enrichment, Career Pathways, Digital Literacy, Health & Wellness and Music & the Arts.

Since the COVID-19 pandemic hit Miami in March 2020, the organization has pivoted significantly to ensure the safety of staff and program participants. All mentoring programs transitioned to an online format. Bigs and Littles utilize interactive meeting technology for facilitated programming and one-to-one mentoring conversations. Group Engagement and Mentoring (GEM) programming also transitioned to online with groups of Littles meeting on Zoom for discussions about life skills and impact activities that incorporate lessons in the BIG5 (Health and Wellness, Music and the arts, Digital Literacy, Academic Enrichment, and Career Pathways). To meet the basic needs of the youths and families served, the organization began a weekly food distribution.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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NOTE 1 – ORGANIZATION (Continued)

With a vision that all children achieve their full potential, the Organization ignites the potential within each and every child and advocates for them to explore the endless possibilities of what they can accomplish. Whether through one-to-one mentoring, GEM, or TSIC, youths benefit from a positive role model who advocates for them and helps them reach their full potential – their BIG potential.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). Presented below is a summary of significant accounting principles followed in the preparation of the accompanying financial statements.

**Financial Statement Presentation**

The financial statements have been prepared on the accrual basis of accounting and in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). The Organization is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions on the use of the net assets. The two net asset categories are as follows:

Net Assets Without Donor Restrictions

The portion of the net assets of the Organization that can be used subject to the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Organization in the normal course of business. The Organization has the greatest ability to choose when using these resources. Net assets without donor restrictions generally result from contributions that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions

The portions of net assets of the Organization that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization’s choices when using these resources because the Organization has a fiduciary responsibility to its donors to follow the donors’ instructions. Net assets with donor restrictions generally result from donor-restricted contributions. As of June 30, 2021 and 2020, net assets with donor restrictions totaled \$11,227,260 and \$9,850,264, respectively.

Net assets with donor restrictions consisted of the following:

Florida Prepaid Scholarship – The Organization participates in the Florida Prepaid Scholarship Foundation – Stanley Tate Project “Scholarship Tuition for At-Risk Students” (STARS) Scholarship Project whereby the Organization purchases scholarship plans that are restricted for the use of its participants in the Take Stock in Children program.

George De Silver Memorial Camp Fund – The camp funds are restricted by donors to provide eligible youths with scholarships to camp.

Five Millers Scholarship and Carnival Cruise Line and Other Scholarship Fund – These funds represent resources restricted by the Five Millers Foundation, Carnival Cruise Line and other donors for the specific purpose of granting college scholarships to eligible youths (graduating “Littles”) in the Big Brothers Big Sisters program.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lori Brener Scholarship Fund (“LBSF”) – These funds represent resources restricted by the donors to the Organization’s Lori Brenner Scholarship Fund. The fund’s specific purpose is to grant college scholarships to eligible youths (graduating “Littles”) in the Big Brothers Big Sisters program.

**Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, the Organization considers all short term investments with original maturities of three months or less to be cash equivalents.

**Investments**

Investments in marketable securities with readily determinable fair values are valued at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in net investment income in the Statements of Activities. In accordance with the Organization’s investment policy, money market funds held in the investment portfolio are considered investments in conjunction with the policy’s long term goals.

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash, cash equivalents and investment securities. The Organization places its cash and cash equivalents with creditworthy, high-quality financial institutions. At times cash balances may temporarily exceed the Federal Deposit Insurance Coverage Insurance limit of \$250,000. The Organization has not experienced any losses in such accounts.

The Organization has significant investments in government securities and mutual funds and is therefore subject to concentrations of market risk. Investments are made by investment managers engaged by the Organization and the investments are monitored for the Organization by the Board Treasurer and by the Finance Committee. Although the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization and its beneficiaries.

The Organization’s Executive Committee actively monitors the activity of the financial instruments and establishes policies for the safeguarding of their assets against credit and market risks.

**Donor Restricted and Without Donor Restrictions Revenue**

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

**Promises to Give**

When a donor has unconditionally promised to contribute funds to the Organization in future periods, the Organization recognizes a contribution receivable. Contributions expected to be collected within one year are recorded as support and a receivable at net realizable value. Contributions expected to be collected in future years are recorded as support and a receivable at the present value of the expected future cash flows. Discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution income in the statement of activities. For contributions received during the years ended June 30, 2021 and 2020, the discount rate used was 5.0%. Conditional promises to give are not included as support until the conditions are substantially met.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Donated Goods and Services (In-Kind)**

Donated services are recognized if the services received either create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods and services are recognized at their fair value. Contributed materials, scholarships and service revenues, valued at \$1,140,335 and \$1,967,033, and related expense of \$164,770 and \$92,334 are reflected in the accompanying statements of activities for the years ended June 30, 2021 and 2020, respectively. The remaining contributions of \$975,565 and \$1,874,699 for the years ended June 30, 2021 and 2020 are reflected as prepaid scholarships in the accompanying statements of financial position.

Additionally, a substantial number of volunteers have donated significant amounts of time to the Organization's program services and fund raising campaigns during the year; however, these donated services are not reflected in the financial statements since the value of services are not readily determinable and the services do not require specialized skills. Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

**Public Support and Revenue**

The Organization's principal source of revenue is derived from state, local and United Way grants, contributions from the community, and other fundraising activities. Based on the Organization's experience with the grantors, management has determined that the related grants and program fees receivable are fully collectible. An allowance for doubtful accounts has been established at \$230,000 and \$220,652 for the years ended June 30, 2021, and 2020, respectively.

**Prepaid Scholarships**

The Organization participates in the Florida Prepaid College Foundation – Stanley Tate Project "Scholarship Tuition for At-Risk Students" (STARS) Scholarship Project whereby the Organization purchases scholarship plans and pays 50% of the scholarship plan contract price. The Florida Prepaid College Foundation provides a matching amount of 50% of the remaining contract price for scholarships purchased with private funds. Scholarships purchased by public entities for the benefit of the Organization's program are not eligible for the 50% match.

As of June 30, 2021 the organization owns prepaid scholarship worth \$10,783,914 which is reported on the statement of financial position at a cost of \$9,025,378. The scholarship plans are assigned by the Organization to eligible students, defined as designated beneficiaries, who meet the standards specified in the Organization's scholarship program. These scholarships are assets of the Organization until such time that designated beneficiaries have exhausted tuition credit hours. The Organization accounts for tuition credit hours and recognizes the tuition expense based on credit hours used by the designated beneficiaries. The amounts recognized by the Organization as assets and expense are based on its 50% share of the scholarship plan contract price purchased with private funds and 100% of the contract price for scholarship plans purchased with public funds. In the event of cancellation or termination of scholarship plans, the Organization is entitled to a refund from the Florida Prepaid College Foundation based on the Organization's share of the value of the unused tuition credit hours.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Equipment**

Donated property is recorded at donor indicated fair market value, at the date of the gift, as net assets without donor restrictions unless the donor restricts its use. Proceeds from the sale of these assets are accounted for as net assets without donor restrictions unless it is restricted by the donor. Maintenance and repairs, which do not extend the lives of the respective assets, are expensed in the year incurred.

Acquisitions of fixed assets, which cost at least \$3,500, and with a useful life of at least one year are capitalized. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which generally range from 3 to 10 years for vehicles, furniture and equipment. Leasehold improvements are amortized based on the projected useful life of the improvement.

**Use of Estimates**

The preparation of the Organization's financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes**

The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

There are no reserves held for uncertain tax positions at June 30, 2021 and 2020, respectively. Tax years that are open under the statute of limitations remain subject to examination by the IRS. The Organization is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2018.

**Functional Allocation of Expenses**

The costs of providing programs and other activities have been summarized on a functional basis in the statements of functional expenses. The financial statements report certain categories of expenses that are attributable to the program or supporting function of the Organization, including fundraising administrative costs, depreciation, interest, and insurance. Allocation of such expenses is based upon the Organization's personnel time and effort. Such estimates are determined by management.

**Subsequent Events**

The Organization has evaluated subsequent events through December 16, 2021, the date which the financial statements were available to be issued and no additional disclosures were required.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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**NOTE 3 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable consisted of amounts due to the Organization as of June 30:

	<u>2021</u>	<u>2020</u>
Amounts due in:		
One year or less	\$ 749,744	\$ 637,253
Over one year to five years	443,956	289,197
Over five years	75,000	100,000
Less: discount to present value of 5.00%	(79,218)	(66,352)
Less: allowance for doubtful accounts	(230,000)	(220,652)
Contributions receivable, net	<u>\$ 959,482</u>	<u>\$ 739,446</u>

**NOTE 4 – INVESTMENTS**

Investments consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
	<u>Market Value</u>	<u>Market Value</u>
General & other investment funds		
Money market	\$ 282,437	\$ 8,582
Mutual funds	1,253,393	755,021
TOTAL INVESTMENTS	<u>\$ 1,535,830</u>	<u>\$ 763,603</u>

Investment income consists of interest, dividends and net realized and unrealized gains (losses) on investments as follows:

	<u>2021</u>	<u>2020</u>
Interest and dividends, net of fees	\$ 73,688	\$ 15,021
Unrealized gains (losses)	46,611	(1,083)
	<u>\$ 120,299</u>	<u>\$ 13,938</u>

**NOTE 5 – FAIR VALUE MEASUREMENTS**

FASB ASC 820; “Fair Value Measurement” establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC are described 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.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

- Level 2 – Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets
  - Quoted prices for identical or similar assets or liabilities in inactive markets
  - Inputs other than quoted prices that are observable for the asset or liability
  - 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 asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

- The money market portfolio is valued at cost, which approximates fair value.
- The equity portfolio consists of investments in securities and mutual funds managed primarily through investments held by independent investment advisors with discretionary investment authority. Equity securities consist primarily of common stocks. Equity securities are valued at the closing price reported in the active market in which the individual securities are traded.
- The fixed income portfolio consists of investments that provide returns in the form of fixed periodic payments and the eventual return of principal at maturity. Fixed income is valued based on quoted markets prices in active markets and approximate fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

The following tables represents the Organization’s financial instruments measured at fair value on a recurring basis at June 30, 2021 and 2020, respectively, for each of the fair value hierarchy levels:

Description	Fair Market Value at 6/30/2021	Fair Value Measurement at June 30, 2021		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Money market	\$ 282,437	\$ 282,437	\$ -	\$ -
Mutual funds	1,253,393	1,253,393	-	-
	<u>\$ 1,535,830</u>	<u>\$ 1,535,830</u>	<u>\$ -</u>	<u>\$ -</u>

Description	Fair Market Value at 6/30/2020	Fair Value Measurement at June 30, 2020		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Money market	\$ 8,582	\$ 8,582	\$ -	\$ -
Fixed income	755,021	755,021	-	-
	<u>\$ 763,603</u>	<u>\$ 763,603</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 – PREPAID SCHOLARSHIPS

Prepaid scholarships as of June 30, 2021 and 2020 consist of:

Balance at June 30, 2019:	\$ 7,566,910
Scholarship purchases	1,924,092
Scholarship payouts	(645,891)
Refund	(822,348)
Other changes	<u>283,450</u>
Balance at June 30, 2020:	8,306,213
Scholarship purchases	1,222,168
Scholarship payouts	(563,268)
Refund	(111,747)
Other changes	<u>172,012</u>
Balance at June 30, 2021:	<u>\$ 9,025,378</u>

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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**NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

	2021	2020
Furniture and equipment	\$ 348,757	\$ 245,586
Capital improvements	13,741	13,741
Leasehold improvements	26,376	26,376
	<u>388,874</u>	<u>285,703</u>
Less: accumulated depreciation	(252,560)	(237,852)
	<u>\$ 136,314</u>	<u>\$ 47,851</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$14,708 and \$27,199, respectively.

**NOTE 8 – IN-KIND CONTRIBUTIONS**

Revenues recorded relating to in-kind contributions consisted of the following at June 30:

	2021	2020
Florida Prepaid Scholarships	\$ 975,565	\$ 1,874,699
Auction items	163,955	-
Food	250	7,112
Gift certificates	-	23,617
Hotel/trips	-	1,650
Jewelry	-	855
Other	565	38,920
Printing, media and art design	-	17,250
Tickets to special events	-	2,930
	<u>\$ 1,140,335</u>	<u>\$ 1,967,033</u>

**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at June 30:

	2021	2020
Net Assets With Donor Restrictions:		
Florida Prepaid Scholarships	\$ 9,025,378	\$ 8,306,213
George De Silver Memorial Camp fund	65,611	65,611
Carnival Cruise Line and other scholarship fund	449,069	337,459
Lori Brener Scholarship Fund	158,236	142,071
Five Millers Scholarship fund	285,653	336,403
Take Stock-In-Children	177,519	210,491
Time restriction donations	542,104	261,831
Endowments	512,784	175,826
Food and other donations	10,906	14,359
	<u>\$ 11,227,260</u>	<u>\$ 9,850,264</u>
These funds are held in:		
Cash, contributions receivable, investments and prepaid scholarships	<u>\$ 11,227,260</u>	<u>\$ 9,850,264</u>

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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**NOTE 10 – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and the expiration of the time restriction. The following table shows net assets released from restrictions for the years ended June 30, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
Purpose/Time restrictions accomplished:		
Prepaid scholarships	\$ 675,014	\$ 645,891
Carnival Cruise Line and other scholarship funds	52,000	62,000
Five Miller Foundation Scholarship fund	50,750	39,000
Lori Brener Scholarship Fund	19,250	60,000
Time and other pupose restrictions met	199,400	37,641
Take Stock-in-Children	-	5,000
Total net assets released from restrictions	<u>\$ 996,414</u>	<u>\$ 849,532</u>

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

**Operating Leases**

The Organization has entered into various operating leases for rent and office equipment. Rental expenses for these leases for the years ended June 30, 2021 and 2020 were approximately \$482,000 and \$446,000, respectively. The Organization entered into a rent agreement for the use of facilities starting October 1, 2016. The organization has the right to renegotiate the agreement after September 30, 2022. Total future minimum rental payments under the operating leases as of June 30, 2021 are as follows:

Year Ending June 30,	
<u>2022</u>	\$ 442,862
2023	460,576
2024	478,999
2025	498,159
2026	518,085
Total	<u>\$ 2,398,681</u>

**Managed Service Agreement**

The Organization entered into a managed service agreement for IT service and management for a term of three years with a monthly cost of approximately \$6,000 with an annual increase of 3%. Total future minimum payments under the managed service agreement as of June 30, 2021 and 2020 are \$74,033 and \$71,877.

**Retirement Plan**

The Organization has a defined contribution plan covering its full time employees. Plan contributions were \$20,586 and \$17,929 for the years ended June 30, 2021 and 2020, respectively.

**Line of Credit**

In July 2020, the Organization obtained a new unsecured line of credit totaling \$250,000 from Bank OZK available for working capital purposes that bears interest at prime with an interest rate floor of 5.00% and matures on July 10, 2022. There was no balance outstanding as of June 30, 2021 and 2020.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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**NOTE 12 – RENTAL INCOME**

The Organization entered into rental agreements with multiple not for profit organizations for rental space. The agreements expire on various dates through fiscal year ending June 30, 2023. As of June 30, 2021, the Organization recorded revenue in the amount of approximately \$111,000 and \$153,000, respectively, which is included on the statement of activities under the caption rental income. Future minimum rental incomes, on these agreements as of June 30, 2021, are as follows:

2022	\$ 76,430
2023	<u>13,580</u>
	<u>\$ 90,010</u>

**NOTE 13 – RELATED PARTIES**

Big Brothers Big Sisters of Miami Foundation, Inc. (the “Foundation”) is a related party to the Organization. During the years ended June 30, 2021 and 2020, the Organization received \$84,000 and \$356,054, respectively in contributions from the Foundation, which has been included in the Statements of Activities.

Big Brothers Big Sisters of Miami Institute, Inc. (the “Institute”) is a related party to the Organization. During the years ended June 30, 2021 and 2020, the Organization received \$120,000 each year, respectively in contributions from the Institute, which has been included in the Statements of Activities.

**NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Organization’s financial assets as of June 30, 2021, reduced by amounts not available for general use within one year as of June 30, 2021 because of the contractual or donor-imposed restrictions or internal designations:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash	\$ 1,429,050	\$ 1,310,666
Accounts receivable	585,302	686,417
Due from related party	2,100	30,774
Contributions receivable	959,482	739,446
Investments	<u>1,535,830</u>	<u>763,603</u>
Total financial assets	4,511,764	3,530,906
Less amounts not available to be used within one year:		
Cash: donor restricted	\$ 4,939	\$ 152,791
Contributions receivable, donor restricted	497,750	557,199
Investments: donor restricted	1,274,538	763,603
Contributions receivable, long-term, net	<u>439,738</u>	<u>102,193</u>
	2,216,965	1,575,786
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,294,799</u>	<u>\$ 1,955,120</u>

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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**NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)**

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

**NOTE 15 – CONTRIBUTION OF NET ASSETS TO A NON-PROFIT ORGANIZATION**

Effective July 1, 2018, as noted in Note 1, the Organization became the lead partner for the Miami office of TSIC. As a result, TSIC transferred all identifiable assets and liabilities associated with their Miami-Dade program to the Organization. The total assets transferred were \$5,409,185, which consisted of prepaid scholarships valued at \$4,990,785 and cash of \$418,400. The decision for the Organization to become the lead partner was based on several factors including similar missions and cost savings. The total transfer amount of \$5,409,185 was recorded as a contribution and is included in the Statement of Activities.

During the years ended June 30, 2021 and 2020, due to successive years of lower than anticipated college tuition and fee increases, the Board of the Florida Prepaid College Foundation, determined that it was possible to go back and lower certain prepaid plan prices without jeopardizing the ability to cover future college costs. This resulted in a refund to the Organization holding prepaid scholarship plans during the years ended June 30, 2021 and 2020 of \$111,747 and \$822,348, respectively.

**NOTE 16 – NOTE PAYABLE**

In April 2020, the Organization borrowed \$431,100 from a financial institution through the Paycheck Protection Program (“PPP”) and received an advance of \$10,000 from the Economic Injury Disaster Loan (“EIDL”) through the Small Business Association (“SBA”). The unpaid balance of the loans shall bear interest at 1%. The Organization must pay monthly principal and interest payments on the outstanding principal balance of the loan amortized over the term of the loan, beginning ten months from the month the loan was dated. The entire principal balance remaining unpaid, along with all accrued and unpaid interest, shall be due and payable in full in April 2022 unless otherwise forgiven in whole or part in accordance with the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. Pursuant to the terms of the CARES Act and any implementing rules and regulations, the Organization may apply for the loan to be forgiven by the SBA in whole or in part beginning no sooner than twenty-four (24) weeks from the date of the Note. Any loan balance remaining following forgiveness by the SBA will be fully amortized over the remaining term of the Loan. As of June 30, 2020, the balance outstanding was \$441,400. The loan was fully forgiven in the fiscal year ended June 30, 2021 and included in federal, state and local grants revenue in the statement of activities.

In March 2021, the Organization borrowed \$485,560 from a financial institution through the Paycheck Protection Program (“PPP”). The unpaid balance of the loans shall bear interest at 1%. The Organization must pay monthly principal and interest payments on the outstanding principal balance of the loan amortized over the term of the loan, beginning ten months from the month the loan was dated. The entire principal balance remaining unpaid, along with all accrued and unpaid interest, shall be due and payable in full in March 2026 unless otherwise forgiven in whole or part in accordance with the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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**NOTE 17 – OTHER MATTERS**

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization’s programs, contributions, performance and financial results. The Organization does not expect its programs to be negatively impacted for the fiscal year ended June 30, 2022.

SUPPLEMENTARY INFORMATION

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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<i>State Grantor</i> <i>Program Title</i> <i>Pass-through Grantor/</i>	<i>State CSFA</i> <i>Number</i>	<i>Contract</i> <i>Number</i>	<i>Expenditure</i>
<b>Florida Department of Economic Opportunity</b>			
Workforce Development Projects			
Passed through Big Brothers Big Sisters Association of Florida, Inc.	40.037	WL-046	\$ 85,775
<b>Florida Department of Education and Commissioner of Education</b>			
Mentoring/Student Assistance Initiatives			
Passed through Big Brothers Big Sisters Association of Florida, Inc.	48.068	96448	380,509
Passed through Take Stock-In-Children, Inc.	48.068	2020-2021	201,012
<b>Florida Department of Highway Safety and Motor Vehicles</b>			
Big Brothers Big Sisters			
Passed through Big Brothers Big Sisters Association of Florida, Inc.	76.141	N/A	3,533
<b>Florida Department of Juvenile Justice</b>			
Delinquency Prevention			
Passed through the Florida Department of Juvenile Justice	80.029	10525	160,000
Total Expenditures of State Projects			<u><u>\$ 830,829</u></u>

See the accompanying notes to the schedule of expenditures of state financial assistance.



**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**NOTE A – BASIS OF PRESENTATION**

The Schedule of Expenditures of State Financial Assistance (the “Schedule”) represents all of the State awards to the Organization during the year ended June 30, 2021.

The information in the Schedule is presented in accordance with the requirements of the Department of Financial Services Rules, Chapter 69I-5, Florida Administrative Code, *State Financial Assistance*. Because the Schedule presents only a selected portion of the operation of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Chapter 10.650, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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Board of Directors  
Big Brothers Big Sisters of Miami, Inc.  
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Big Brothers Big Sisters of Miami, Inc. (the “Organization”) (a nonprofit organization), which comprise the statements of financial position as of and for the years ended June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 16, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR STATE PROJECT AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

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Board of Directors  
Big Brothers Big Sisters of Miami, Inc.  
Miami, Florida

**Report on Compliance for Each Major State Project**

We have audited Big Brothers Big Sisters of Miami, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major state projects for the year ended June 30, 2021. The Organization's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its state projects applicable to its state projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, Rules of the Auditor General. Those standards, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the Organization's compliance.

### ***Opinion on Each Major State Project***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
December 16, 2021

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROJECTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

*State Projects*

Type of auditor's report issued on compliance for major state projects: *Unmodified*

Internal control over major state projects:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650 "Rules of the Auditor General?"  yes  no

Identification of major state projects:

Name of State Project	CSFA Number	Expenditures
Mentoring/Student Assistance Initiatives	48.068	\$581,521
Dollar threshold used to distinguish between type A and type B projects	\$300,000	
Auditee qualified as low-risk auditee?	N/A	

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

The audit disclosed no matters that are reportable for the current year.

**SECTION III – FINDINGS AND QUESTIONED COSTS - STATE FINANCIAL ASSISTANCE  
PROJECTS**

The audit disclosed no matters that are reportable for the current year.

**SECTION IV – OTHER ISSUES**

1. No management letter was issued for the year ended June 30, 2021.
2. A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to state projects.
3. A Corrective Action Plan is not required because there were no findings required to be reported under the *Department of Financial Services*' State Project Compliance Supplement.