

**Big Brothers Big Sisters  
of the Sun Coast, Inc.**

Financial Statements,  
Supplemental Information and  
Independent Auditors' Report  
June 30, 2021

# Contents

	Page
<b>Independent Auditors' Report</b> .....	1
<b>Financial Statements</b>	
Statement of Financial Position .....	2
Statement of Activities.....	3
Statement of Cash Flows.....	4
Statement of Functional Expenses .....	5
Notes to Financial Statements .....	6
<b>Supplemental Information</b>	
Schedule of Expenditures of State Financial Assistance .....	14
Notes to Schedule of Expenditures of State Financial Assistance.....	15
<b>Contract Compliance</b>	
Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing</i> Standards.....	16-17
Report of Independent Auditor on Compliance for Each Major State Project and Report on Internal Control over Compliance Required by Chapter 10.650, <i>Rules of the Auditor General of the State of Florida</i> .....	18-19
Schedule of Findings and Questioned Costs .....	20



**Kerkering, Barberio & Co.**  
Certified Public Accountants

## **Independent Auditors' Report**

The Board of Directors  
Big Brothers Big Sisters of the Sun Coast, Inc.  
Venice, Florida

We have audited the accompanying financial statements of Big Brothers Big Sisters of the Sun Coast, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses, and cash flows for the year 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

## **Other Matters**

### *Supplemental 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 the State of Florida Chapter 10.650, *Rules of the Auditor General*, 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 22, 2021, on our consideration of Big Brothers Big Sisters of the Sun Coast, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Big Brothers Big Sisters of the Sun Coast, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Big Brothers Big Sisters of the Sun Coast, Inc.'s internal control over financial reporting and compliance.

*Kukuing Barberio & Co.*

Sarasota, Florida  
December 22, 2021

# Big Brothers Big Sisters of The Sun Coast, Inc.

## Statement of Financial Position

June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,365,714	\$ -	\$ 1,365,714
Grants receivable	149,143	-	149,143
Pledges receivable	268,138	-	268,138
Prepaid expenses	7,597	-	7,597
Total current assets	<u>1,790,592</u>	<u>-</u>	<u>1,790,592</u>
<b>Non Current Assets</b>			
Property and equipment, net	38,823	-	38,823
Rent deposit	11,200	-	11,200
Investments in real estate	5,399	-	5,399
Beneficial interest in the Big Brothers Big Sisters Foundation of the Sun Coast, Inc.	<u>1,050,513</u>	<u>130,000</u>	<u>1,180,513</u>
Total non current assets	<u>1,105,935</u>	<u>130,000</u>	<u>1,235,935</u>
Total Assets	\$ <u>2,896,527</u>	\$ <u>130,000</u>	\$ <u>3,026,527</u>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 2,355	\$ -	\$ 2,355
Line of credit	1	-	1
Deferred revenue - special events	3,500	-	3,500
Accrued payroll	<u>152,359</u>	<u>-</u>	<u>152,359</u>
Total current liabilities	<u>158,215</u>	<u>-</u>	<u>158,215</u>
<b>Net Assets</b>			
Without donor restrictions	2,738,312	-	2,738,312
With donor restrictions	<u>-</u>	<u>130,000</u>	<u>130,000</u>
Total net assets	<u>2,738,312</u>	<u>130,000</u>	<u>2,868,312</u>
Total Liabilities and Net Assets	\$ <u>2,896,527</u>	\$ <u>130,000</u>	\$ <u>3,026,527</u>

See accompanying notes to financial statements.

# Big Brothers Big Sisters of The Sun Coast, Inc.

## Statement of Activities

For the Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and Revenue:</b>			
County	\$ 331,484	\$ -	\$ 331,484
State	786,391	-	786,391
Federal	141,919	-	141,919
United Way	216,153	-	216,153
Annual campaign	473,496	-	473,496
Foundations and trusts	611,528	-	611,528
Special events	616,987	-	616,987
Interest income	1,710	-	1,710
PPP Income	127,745	-	127,745
Change in net assets of Big Brothers Big Sisters Foundation of the Sun Coast, Inc.	<u>251,428</u>	<u>-</u>	<u>251,428</u>
Subtotal support and revenue	3,558,841	-	3,558,841
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>3,558,841</u>	<u>-</u>	<u>3,558,841</u>
Expenses:			
Program services	2,963,429	-	2,963,429
Management and general	151,463	-	151,463
Fund raising	<u>70,896</u>	<u>-</u>	<u>70,896</u>
Total expenses	<u>3,185,788</u>	<u>-</u>	<u>3,185,788</u>
Net change in net assets	373,053	-	373,053
Net assets at beginning of year	<u>2,365,259</u>	<u>130,000</u>	<u>2,495,259</u>
Net assets at end of year	<u>\$ 2,738,312</u>	<u>\$ 130,000</u>	<u>\$ 2,868,312</u>

See accompanying notes to financial statements.

# Big Brothers Big Sisters of The Sun Coast, Inc.

## Statement of Cash Flows

For the Year Ended June 30, 2021

---

Cash Flows from Operating Activities:	
Net change in net assets	\$ 373,053
Adjustments to reconcile net change in net assets to net cash provided by operating activities:	
Depreciation	23,102
Forgiveness of PPP SBA loan	(127,745)
Change in operating assets and liabilities:	
Beneficial interest in BBBS Foundation	(202,427)
Grants receivable	(100,492)
Pledges receivable	63,135
Prepaid expenses	(2,041)
Rent deposits	(1,000)
Accounts payable	(1,974)
Accrued payroll	15,812
Deferred revenue - special events	(400)
Net cash provided by operating activities	<u>39,023</u>
Cash Flows from Investing Activities:	
Cash paid for property	<u>(8,030)</u>
Net cash used in investing activities	<u>(8,030)</u>
Net change in cash and equivalents	30,993
Cash and equivalents, beginning of year	<u>1,334,721</u>
Cash and equivalents, end of year	\$ <u><u>1,365,714</u></u>

See accompanying notes to financial statements.

## Big Brothers Big Sisters of The Sun Coast, Inc.

### Statement of Functional Expenses

For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
<b>Payroll and Related:</b>				
Salaries, wages & payroll taxes	\$ 2,219,201	\$ 92,951	\$ 11,619	\$ 2,323,771
403B plan contribution	22,194	930	116	23,240
Group health insurance	111,304	4,662	583	116,549
Total payroll and related	<u>2,352,699</u>	<u>98,543</u>	<u>12,318</u>	<u>2,463,560</u>
<b>Program and Administrative:</b>				
Depreciation	22,062	924	116	23,102
Dues, national and other	76,423	8,491	-	84,914
Insurance	64,300	1,989	-	66,289
Marketing and promotion	28,607	2,153	-	30,760
Miscellaneous	7,443	2,615	-	10,058
Occupancy	158,795	10,136	-	168,931
Office supplies	6,349	265	-	6,614
Postage	6,391	336	-	6,727
Printing and copying	28,833	1,518	-	30,351
Professional fees	-	13,356	-	13,356
Program activities	66,802	-	-	66,802
Screening and evaluations	19,072	-	-	19,072
Special events	35,078	3,897	58,462	97,437
Staff development	4,408	490	-	4,898
Technology expenses	10,088	206	-	10,294
Telephone	35,656	2,684	-	38,340
Training BBBSAF fees	29,623	3,292	-	32,915
Travel	10,800	568	-	11,368
	<u>610,730</u>	<u>52,920</u>	<u>58,578</u>	<u>722,228</u>
<b>Total Expenses</b>	<b>\$ <u>2,963,429</u></b>	<b>\$ <u>151,463</u></b>	<b>\$ <u>70,896</u></b>	<b>\$ <u>3,185,788</u></b>

See accompanying notes to financial statements.



# Big Brothers Big Sisters of the Sun Coast, Inc.

Notes to Financial Statements

June 30, 2021

---

## **I. Organization**

Big Brothers Big Sisters of the Sun Coast, Inc. (the Organization) is a not-for-profit organization that provides professionally supervised matches of a volunteer with a youth from a single-parent family. The Organization provides services in Sarasota, Manatee, Highlands, Hardee, Charlotte, Desoto, Collier, Hendry, Glades and Lee Counties, Florida. The vision of the Organization is "All youth achieve their full potential." The mission of Big Brothers Big Sisters of the Sun Coast, Inc. is to "Create and support one-to-one mentoring relationships that ignite the power and promise of youth."

## **2. Summary of Significant Accounting Policies**

### **Financial Statements**

The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

### **Use of Estimates and Assumptions**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates and assumptions.

### **Basis of Presentation**

A not-for-profit organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net assets without donor restrictions* - Contributions and other inflows of assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board of Directors (the Board). Net assets without donor restrictions include expendable funds available to support operations as well as net assets invested in property and equipment.

*Net assets with donor restrictions* - Contributions and other inflows of assets subject to donor-imposed stipulations that may or will be met by actions of the Organization or the passage of time or are permanently maintained by the Organization. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions and reported in the accompanying statement of activities and changes in net assets as net assets released from restriction.

### **Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

### **Grant Receivable**

Grant receivables relate to amounts due to the Organization from federal, state and local contracts relating to the Organization's programs. Management determines the appropriateness of an allowance for bad debts based upon its review of existing receivables and historical collections by individual agencies. Management considers all grants due to be fully collectible. Therefore, no allowance for uncollectible grants has been recorded in the accompanying financial statements.

# Big Brothers Big Sisters of the Sun Coast, Inc.

Notes to Financial Statements (Continued)

June 30, 2021

## 2. Summary of Significant Accounting Policies (Continued)

### Pledges Receivable

The Organization records signed pledges as receivables based upon management evaluation of donors and pledge history. No allowance for uncollectible pledges has been established, as all receivables were determined to be collectible.

### Property and Equipment

Property and equipment are carried at cost if purchased or at estimated fair market value at date of receipt if acquired by gift, less accumulated depreciation. Expenditures in excess of \$1,000 with estimated useful lives greater than one year are capitalized.

Depreciation on all property and equipment is calculated by the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Office condominium	25
Vehicle	5
Furniture and equipment	3-15
Improvements	15

Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of the asset are capitalized. Expenditures for normal repairs and maintenance are expensed as incurred. Upon retirement, sale or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included within the statement of activities.

### Revenue Recognition

A significant portion of the Organization's revenue is derived from agreed upon rates for service or cost-reimbursement federal and state contracts and grants. Cost reimbursement contracts and grants are conditional upon certain performance requirements or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

### Contributions and Recognition of Donor Restrictions

The Organization recognizes contributions received, including unconditional promises to give, as assets and revenue in the period received at their fair values. All contributions are considered to be increases in net assets without donor restrictions and available for use unless specifically restricted by the donor. Gifts of cash and other assets are reported as net assets with donor restrictions support if they are received with donor stipulations that limit the use of such assets.

When donor restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the contributions are received.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

# Big Brothers Big Sisters of the Sun Coast, Inc.

Notes to Financial Statements (Continued)

June 30, 2021

---

## 2. Summary of Significant Accounting Policies (Continued)

### Donated Material and Services

Donations of materials are recorded as support at the estimated fair market value at the date of donation. Donations of services are recorded as support at their estimated fair value if the services received create or enhance nonfinancial assets or the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A significant number of full and part-time volunteers that are matched with youth have made contributions of their time to maintain the Organization's programs. The estimated value of this contributed time is not reflected in these financial statements, since these services do not meet recognition requirements under U.S. GAAP.

### Income Tax

The Organization is qualified under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes except for net revenue from unrelated business activities. As such, no provision for income tax expense has been made in the accompanying financial statements.

The Organization recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination of the taxing authorities. Management evaluated the Organization's tax positions and concluded that the Organization had no material uncertainties in income taxes as of June 30, 2021.

The Organization files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which the Organization is subject to include fiscal years ended June 30, 2018 through June 30, 2021.

### Financial Instruments Not Measured at Fair Value

Certain of the Organization's financial instruments are not measured at fair value on a recurring basis but nevertheless certain financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, grants receivable, prepaid expenses, accounts payable, deferred revenue - special events, and accrued payroll.

### Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. The expense analysis in the statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. Salaries and related expenses have been allocated based on employee time and effort. Other costs are classified in each functional category based on the underlying purpose of each transaction.

## 3. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs).

# Big Brothers Big Sisters of the Sun Coast, Inc.

## Notes to Financial Statements (Continued)

June 30, 2021

### 3. Fair Value Measurements (Continued)

The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:  
Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
  - Inputs other than quoted prices that are observable for the asset/liability; and
  - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

The following table sets forth by level, within the fair value hierarchy, the Organization's financial assets measured at fair value on a recurring basis as of June 30, 2021:

Description	Total	Level 1	Level 2	Level 3
Assets:				
Demand account	\$ 427,326	\$ 427,326	\$ -	\$ -
Cash on hand	350	350	-	-
ICS accounts	458,105	458,105	-	-
Money market account	479,933	479,933	-	-
	<u>\$ 1,365,714</u>	<u>\$ 1,365,714</u>	<u>\$ -</u>	<u>\$ -</u>

### 4. Pledges and Grants Receivable

As of June 30, 2021, the Organization recorded promises of funding of \$268,138 and funding related to grants of \$149,143. The funds are all due to be received in the fiscal year ended June 30, 2021 and are considered fully collectible.

### 5. Property and Equipment

Property and equipment consist of the following as of June 30, 2021:

Land	\$ 7,500
Office condominium	60,087
Vehicle	34,500
Furniture and equipment	201,951
Improvements	8,030
Total property and equipment, net	<u>312,068</u>
Less accumulated depreciation	<u>(273,245)</u>
Net property and equipment	<u>\$ 38,823</u>

Depreciation expense amounted to \$23,102 for the year ended June 30, 2021.

# Big Brothers Big Sisters of the Sun Coast, Inc.

Notes to Financial Statements (Continued)

June 30, 2021

## 6. Investments in Real Estate

Investments in real estate consists of a one-week time-share unit at a vacation resort in North Carolina. Real estate investments are recorded at fair value as of the date of the donation.

## 7. Beneficial Interest - Foundation

The Big Brothers Big Sisters Foundation of the Sun Coast, Inc. (the Foundation) is a not-for-profit organization which was created for the purpose of raising funds to support the Organization, which provides office space and administrative support at no cost.

Assets held by the Foundation include cash in a money market account at a local bank and also funds managed under an agency endowment agreement in The Gulf Coast Community Foundation (GCCF). Under this agreement, the Foundation is entitled to an annual distribution of 4% of the asset value of the agency endowment fund, as determined on a 12-quarter rolling average. Variance power rests with GCCF to consider requests from the Foundation for a distribution in excess of 4%. During the year, the Foundation received a \$49,000 distribution and contributed the entire amount to the Organization.

The accompanying financial statements have presented the Foundation in accordance with FASB ASC 958-20-25-4, "Transfers of assets to a not-for-profit organization or charitable trust that raises or holds contributions for others." Accordingly, the net assets of the Foundation are recorded as an asset on the accompanying Statement of Financial Position and changes in these net assets are recorded on the accompanying Statement of Activities. Foundation fund balances and transactions for the year ended June 30, 2021 are summarized below:

Balance at beginning of year	\$	978,086
Contribution revenue		75,000
Interest and dividends		11,558
Realized gains and unrealized gains		234,323
Management fees		(10,681)
Donation - Education fund expenditures		(58,773)
Donation to Big Brothers Big Sisters of the Sun Coast, Inc.		(49,000)
Balance at end of year	\$	<u>1,180,513</u>

## 8. Line of Credit

The Organization has a revolving note with a local institution in the amount of \$250,000 bearing an interest rate of 4.5%. Collateral provided by the Organization includes all personal and real property located at 2831 Ringling Boulevard, Unit 201A, Sarasota, Florida 34237. There was a \$1.00 balance on the line of credit at June 30, 2021 with no activity during the fiscal year.

## 9. Restrictions on Net Assets

Net assets with donor restrictions as of June 30, 2021 consist of the following:

\$130,000 from a past contribution that was permanently restricted by the donor. Earnings on the original contribution are available without restriction. The funds are held by the Big Brothers Big Sisters Foundation of the Sun Coast, Inc. and administered by the Gulf Coast Community Foundation.

Management has decided to not classify assets held for programs such as "Bigs in Schools", "Mentoring Children of Promise", and "Decisions to Win" as net assets with donor restriction since they are all simply variations of the main program of "One on One Mentoring of Children".

# Big Brothers Big Sisters of the Sun Coast, Inc.

Notes to Financial Statements (Continued)

June 30, 2021

## 10. Leases

During the year ended June 30, 2021, the Organization had entered into the following agreements for office space:

- **Bradenton Office** - A lease agreement was signed for the period beginning July 1, 2020 through June 30, 2023. Rent was waived for July 2020 and monthly payments of \$1,150.00 were established for August 1, 2020 through June 30, 2021, \$1,184.50 for July 1, 2021 through June 30, 2022, and \$1,220.04 for July 1, 2022 through June 30, 2023.
- **Venice Office** - As of August 1, 2020 and terminating July 31, 2021, terms of the corporate office's building lease will be equal monthly payments of \$3,149.25.
- **Sebring Office** - Month to month rental currently at \$505.00 per month.
- **North Port Office** - A lease agreement was signed on October 22, 2019 for the period beginning November 13, 2019 through October 31, 2020. The terms include equal monthly lease payments of \$95.00 for the length of the lease which shall automatically renew from year-to-year for up to four (4) consecutive terms.
- **Port Charlotte Office** - A thirty-seven month lease agreement was signed September 26, 2019 for the period beginning October 1, 2019 through October 31, 2022. Rent was waived for October 2019 and monthly payments of \$1,000.00 were established for November 1, 2019 through October 31, 2020, \$1,030.00 for November 1, 2020 through October 31, 2021, and \$1,060.90 for November 1, 2021 through October 31, 2022.
- **Fort Myers Office** - A sixty-one month lease agreement was signed on November 18, 2016 for the period December 1, 2016 through December 31, 2021. Rent was waived for December 2016 and monthly payments of \$2,000.00 were established for January 1, 2017 through June 30, 2018, \$2,090.00 for July 1, 2018 through June 30, 2019, \$2,184.05 for July 1, 2019 through June 30, 2021, \$2,282.33 for July 1, 2020 through June 30, 2021 and \$2,385.03 for July 1, 2021 through December 31, 2021.
- **Naples Office** - A lease agreement was signed for April 1, 2020 through March 31, 2023. Terms of the lease will be equal monthly payments of \$1,989.17.

Future minimum lease payments are as follows for the years ended June 30:

2022	\$	72,920
2023		38,650
2024		1,140
2025		285
Total	\$	<u>112,995</u>

Rent expense for office space totaled \$121,548 for the year ended June 30, 2021.

## 11. Retirement Plan

In May 1991, the Organization established a tax deferred annuity plan. Eligible employees may make salary reduction, pre-tax contributions to this plan. The Organization made matching contributions of \$23,240 to this plan during the year ended June 30, 2021.

# Big Brothers Big Sisters of the Sun Coast, Inc.

## Notes to Financial Statements (Continued)

June 30, 2021

### 12. Liquidity and Availability

The following table represents the Organization's financial assets at June 30, 2021 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual or donor restrictions or internal board designations:

Cash and cash equivalents	\$	1,365,714
Grants receivable		149,143
Pledges receivable		268,138
Beneficial interest in the BBBS Foundation		<u>1,180,513</u>
Total financial assets		<u>2,963,508</u>
Less with donor restrictions		(130,000)
Board-designated operating reserve fund		<u>(1,331,171)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>1,502,337</u>

The Organization receives contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. To achieve these targets, the entity forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the year ended June 30, 2021, the level of liquidity and reserves was managed within the policy requirements.

### 14. Paycheck Protection Program Accounting

The Organization received funds in the amount of \$409,200 from the Paycheck Protection Program in April 2020. The accounting for these funds are recorded in accordance with IAS 20. IAS 20 indicates a forgivable loan is treated as a government grant and recognized as income when there is reasonable assurance that the entity will meet the terms of forgiveness of the loan. Management believes this reasonable assurance is met. During the year ended June 30, 2021, the remaining \$127,745 was reported as income, which includes \$10,287 rent expense, \$1,087 utilities, \$113,001 qualified payroll expenses, and \$3,370 for telephone expenses.

### 15. Related Party

The Organization is charged an annual support service fee by Big Brothers Big Sisters of America (National Office) and Big Brothers Big Sisters Association of Florida (State Office) based on a percentage of annual expenditures. This fee is for organization and management services provided by the National and State offices. The Organization recognized national and state support expense of \$64,141 for the year ended June 30, 2021, and is included in Program and Administrative - dues, national and other expense in the accompanying statement of functional expenses. In addition, the State Office charges a grants management fee for State funding that is passed through to the Organization ranging from 4% to 8% of the grant. Total grant management fees paid to the State Office totaled \$32,915 for the year ended June 30, 2021.

# **Big Brothers Big Sisters of the Sun Coast, Inc.**

Notes to Financial Statements (Continued)

June 30, 2021

---

## **16. Concentration of Credit**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash and cash equivalents. The Federal Deposit Insurance Corporation (FDIC) insures cash and other deposits up to \$250,000 at each financial institution. At any given time, the Organization may have cash balances exceeding the insured amount at any one financial institution. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

## **17. Commitments and Contingencies**

The Organization routinely enters into grant agreements and contracts with government agencies that provide for reimbursement of the eligible direct and indirect costs of providing certain of the Organization's program services. The grants and contracts are subject to audit or review and retroactive adjustment based on a final determination by the grantor of eligible reimbursable expenditures. The effect of such adjustments, if any, on the Organization's financial statements cannot be determined at this time and no provision has been made for any such adjustment in the accompanying financial statements.

## **18. Subsequent Events**

The Organization has evaluated all events subsequent to the statement of financial position date of June 30, 2021, through the date these financial statements were available for issuance, December 22, 2021, and has determined that there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.



## **Supplemental Information**

**Big Brothers Big Sisters of The Sun Coast, Inc.**

Schedule of Expenditures of State Financial Assistance

For the Year Ended June 30, 2021

<u>State Agency / Program Title / State Project</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>State Expenditures</u>
<b>State of Florida Department of Education</b>			
Passed through:			
Big Brothers Big Sisters Association of Florida, Inc. Mentoring / Student Assistance Initiatives Bigs Inspiring Scholastic Success	48.068	168-96448- 0Q001	\$ 452,967
<b>State of Florida Department of Juvenile Justice</b>			
Passed through:			
Big Brothers Big Sisters Association of Florida, Inc. Delinquency Prevention Mentoring Children of Incarcerated Parents	80.029	10525	250,000
<b>State of Florida Department of Economic Opportunity</b>			
Passed through:			
Big Brothers Big Sisters Association of Florida, Inc. Workplace Mentoring Workforce Development Projects	40.037	WL046	83,424
Total Expenditures of State Financial Assistance			<u>\$ 786,391</u>

See Independent Auditors' Report.

# Big Brothers Big Sisters of the Sun Coast, Inc.

Notes to Financial Statements (Continued)

June 30, 2021

---

## **Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of State Financial Assistance (Schedule) includes the State of Florida project activity of Big Brothers Big Sisters of the Sun Coast, Inc. and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the accounting principles generally accepted in the United States of America as applicable to no-for-profit organizations and the requirements of the State of Florida, Chapter 10.650, *Rules of the Auditor General*. The Schedule presents only a selected portion of the operations of Big Brothers Big Sisters of the Sun Coast, Inc. and is not intended to and does not present the financial position, changes in net assets, or cash flows of Big Brothers Big Sisters of the Sun Coast, Inc.

## **Note 2 - Contingencies**

Expenditures incurred by the Organization are subject to audit and possible disallowance by the State of Florida Departments of Education, Juvenile Justice and Economic Opportunity. Management believes that if audited, any adjustments for disallowed expenses would be immaterial in amount.

## **Contract Compliance**

## **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**

The Board of Directors  
Big Brothers Big Sisters of the Sun Coast, Inc.  
Venice, Florida

We have audited 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 and Chapter 10.650, *Rules of the Auditor General*, the financial statements of Big Brothers Big Sisters of the Sun Coast, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 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) as a basis for designing 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 financial statements. 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.

*Kukuing Barbunio & Co.*

Sarasota, Florida  
December 22, 2021

## **Report of Independent Auditor on Compliance for Each Major State Project and Report on Internal Control over Compliance Required by Chapter 10.650, Rules of the Auditor General of the State of Florida**

The Board of Directors  
Big Brothers Big Sisters of the Sun Coast, Inc.  
Venice, Florida

### **Report on Compliance for Each Major State Financial Assistance Project**

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

### **Management's Responsibility**

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state award applicable to its state financial assistance project.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Organization's major state financial assistance project 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 financial assistance 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 its major state financial assistance project. However, our audit does not provide a legal determination of the Organization's compliance.

### **Opinion on Each Major State Financial Assistance 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 its major state financial assistance project 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 its major state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its state financial assistance 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 financial assistance 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 financial assistance 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 financial assistance 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 the results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General* of the State of Florida. Accordingly, this report is not suitable for any other purpose.

*Kerkuing Barbario & Co.*

Sarasota, Florida  
December 22, 2021



**Big Brothers Big Sisters of the Sun Coast, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2021**

---

**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  
that are not considered to be material  
weakness(es)?     yes         none reported

Noncompliance material to financial statements  
noted?     yes         no

**State Projects:**

Internal control over major state programs:

- Material weakness(es) identified?                     yes         no
  
- Significant deficiency(ies) identified  
that are not considered to be material  
weakness(es)?     yes         none reported

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

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

**Big Brothers Big Sisters of the Sun Coast, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2021**

---

**Section I - Summary of Auditor's Results (Continued)**

---

State Programs Tested as Major Programs:

<u>CSFA Number</u>	<u>Name of State Program or Cluster</u>
48.068	Mentoring / Student Assistance Initiatives

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee?                   yes      x   no

---

**Section II - Financial Statement Findings**

---

None

---

**Section III - State Project Findings and Questioned Costs**

---

None

---

**Section IV - Summary Schedule of Prior Audit Findings**

---

None

---

**Section V - Other**

---

A management letter is not required because there were no findings required to be reported in the management letter (se AG Rule Section 10.656(3)(e)).