

**BIG BROTHERS BIG SISTERS  
OF GREATER MIAMI, INC.  
A/K/A MENTORING RESOURCE CENTER**

FINANCIAL STATEMENTS, INDEPENDENT  
AUDITORS' REPORT AND  
SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED  
JUNE 30, 2015 AND 2014

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Big Brothers Big Sisters of Greater Miami, Inc.  
a/k/a Mentoring Resource Center  
Miami, Florida

Manny Alvarez, C.P.A.  
Monique Bustamante, C.P.A.  
John-Paul Madariaga, C.P.A.  
Alex Montero, C.P.A.  
Maria C. Perez-Abreu, C.P.A.  
Octavio F. Verdeja, C.P.A.

### **Report on the Financial Statements**

We have audited the accompanying statements of financial position of Big Brothers Big Sisters of Greater Miami, Inc. (the "Organization"), a non-profit organization, as of June 30, 2015 and 2014, 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 controls 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, 2015 and 2014, 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 basic financial statements of the Organization taken 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 October 23, 2015, 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  
October 23, 2015

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2015 AND 2014**

	<b>ASSETS</b>	
	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 632,183	\$ 170,997
Accounts receivable	465,137	553,952
Prepaid expenses	98,932	76,181
Investments, temporarily restricted of \$602,676 and \$504,495, respectively	1,631,841	2,056,744
Deposits and other assets	14,305	15,248
<b>TOTAL CURRENT ASSETS</b>	<u>2,842,398</u>	<u>2,873,122</u>
 <b>PROPERTY AND EQUIPMENT</b>		
Property and equipment, net of accumulated depreciation of \$196,440 and \$196,440, respectively	<u>-</u>	<u>-</u>
 <b>TOTAL ASSETS</b>	<u><u>\$ 2,842,398</u></u>	<u><u>\$ 2,873,122</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
 <b>CURRENT LIABILITIES</b>		
Accounts payable and other accrued expenses	\$ 442,171	\$ 513,062
Due to Big Brothers Big Sisters of Miami Foundation, Inc.	-	313,425
Deferred revenues	35,000	88,725
<b>TOTAL CURRENT LIABILITIES</b>	<u>477,171</u>	<u>915,212</u>
 <b>TOTAL LIABILITIES</b>	<u>477,171</u>	<u>915,212</u>
 <b>COMMITMENTS AND CONTINGENCIES</b>		
 <b>NET ASSETS</b>		
Unrestricted	\$ 1,762,551	\$ 1,453,415
<b>TOTAL UNRESTRICTED</b>	1,762,551	1,453,415
Temporarily restricted		
George De Silver Memorial Camp fund	84,515	6,067
Carnival Cruise Line and Other scholarship fund	275,296	261,926
Five Millers Scholarship fund	242,865	236,502
<b>TOTAL TEMPORARILY RESTRICTED</b>	<u>602,676</u>	<u>504,495</u>
 <b>TOTAL NET ASSETS</b>	<u>2,365,227</u>	<u>1,957,910</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,842,398</u></u>	<u><u>\$ 2,873,122</u></u>

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

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
<b>PUBLIC SUPPORT:</b>			
United Way	\$ 370,685	\$ -	\$ 370,685
Federal, state and local grants	1,997,645	-	1,997,645
Foundation grants	225,405	254,698	480,103
Associated organizations	480,000	-	480,000
Annual/major giving, net of direct costs of \$11,567	122,596	-	122,596
Special events, net of direct costs of \$502,194	940,595	-	940,595
Cause related marketing, net of direct costs of \$212,828	121,983	-	121,983
In-kind contributions	304,297	-	304,297
<b>TOTAL PUBLIC SUPPORT</b>	<u>4,563,206</u>	<u>254,698</u>	<u>4,817,904</u>
Net Assets released from restrictions	156,517	(156,517)	-
INVESTMENT INCOME, net of fees	7,685	-	7,685
OTHER REVENUE	93,877	-	93,877
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>4,821,285</u>	<u>98,181</u>	<u>4,919,466</u>
<b>EXPENSES</b>			
Program services	3,874,252	-	3,874,252
Supporting services	212,234	-	212,234
Fundraising	425,663	-	425,663
<b>TOTAL EXPENSES</b>	<u>4,512,149</u>	<u>-</u>	<u>4,512,149</u>
<b>CHANGE IN NET ASSETS</b>	309,136	98,181	407,317
Net assets, beginning of year	1,453,415	504,495	1,957,910
Net assets, end of year	<u>\$ 1,762,551</u>	<u>\$ 602,676</u>	<u>\$ 2,365,227</u>

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

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unrestricted</u>	<u>Ken Kupper Endowment Fund</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>				
<b>PUBLIC SUPPORT:</b>				
United Way	\$ 370,685	\$ -	\$ -	\$ 370,685
Federal, state and local grants	2,141,074	-	-	2,141,074
Foundation grants	139,596	-	250,600	390,196
Big Returns Campaign, net of direct costs of \$134,311	(36,423)	-	-	(36,423)
Associated organizations- Women's Committee, Inc.	157,000	-	-	157,000
Annual/major giving, net of direct costs of \$11,734	361,495	-	-	361,495
Special events, net of direct costs of \$589,797	592,450	-	-	592,450
Cause related marketing, net of direct costs of \$184,147	162,545	-	-	162,545
In-kind contributions	178,351	-	-	178,351
<b>TOTAL PUBLIC SUPPORT</b>	<u>4,066,773</u>	<u>-</u>	<u>250,600</u>	<u>4,317,373</u>
Net Assets released from restrictions	228,474	(59,343)	(169,131)	-
INVESTMENT INCOME, net of fees	119,116	59,343	43,046	221,505
OTHER REVENUE	12,860	-	-	12,860
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>4,427,223</u>	<u>-</u>	<u>124,515</u>	<u>4,551,738</u>
<b>EXPENSES</b>				
Program services	3,936,792	-	-	3,936,792
Supporting services	179,749	-	-	179,749
Fundraising	401,678	-	-	401,678
<b>TOTAL EXPENSES</b>	<u>4,518,219</u>	<u>-</u>	<u>-</u>	<u>4,518,219</u>
<b>CHANGE IN NET ASSETS</b>				
Net assets, beginning of year	1,878,836	393,689	665,262	2,937,787
Transfer to Big Brothers Big Sisters Miami Foundation, Inc	(334,425)	(393,689)	(285,282)	(1,013,396)
Net assets, end of year	<u>\$ 1,453,415</u>	<u>\$ -</u>	<u>\$ 504,495</u>	<u>\$ 1,957,910</u>

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

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2015				2014			
	Program Services	Supporting Services	Fundraising	Total Expenses	Program Services	Supporting Services	Fundraising	Total Expenses
Employee Costs:								
Salaries	\$ 2,074,262	\$ 122,015	\$ 244,031	\$ 2,440,308	\$ 2,108,284	\$ 121,166	\$ 193,865	\$ 2,423,315
Payroll taxes	147,129	8,655	17,309	173,093	154,555	8,882	14,212	177,649
Employee benefits	222,814	26,213	13,107	262,134	204,619	11,760	18,815	235,194
Retirement plan contributions	-	-	-	-	-	1,008	-	1,008
<b>Total Employee Costs</b>	<b>2,444,205</b>	<b>156,883</b>	<b>274,447</b>	<b>2,875,535</b>	<b>2,467,458</b>	<b>142,816</b>	<b>226,892</b>	<b>2,837,166</b>
Operating and other:								
Conferences and meetings	15,015	495	393	15,903	23,128	353	353	23,834
Computer expense	21,794	1,282	2,564	25,640	35,382	2,033	3,253	40,668
Dues to national and local Organizations	57,524	-	-	57,524	88,596	-	-	88,596
Equipment rental and maintenance	17,969	1,057	2,114	21,140	18,183	883	3,222	22,288
Insurance	79,727	4,690	9,380	93,797	68,909	3,975	6,613	79,497
Marketing/Recruitment	12,571	-	12,571	25,142	11,244	57	10,855	22,156
Other	37,438	4,267	886	42,591	32,173	2,381	19,041	53,595
Occupancy	183,508	10,795	21,589	215,892	193,663	11,104	17,766	222,533
Office expenses and supplies	21,256	1,250	2,501	25,007	17,911	1,018	1,628	20,557
Postage	3,201	188	377	3,766	5,878	490	5,878	12,246
Printing and publication	12,317	725	15,768	28,810	8,369	401	2,025	10,795
In-kind contributions	289,083	15,215	-	304,298	155,165	8,918	14,268	178,351
Professional services	159,630	12,650	77,599	249,879	129,035	2,173	83,275	214,483
Telephone	26,117	1,536	3,073	30,726	24,926	1,433	2,292	28,651
Travel	-	-	-	-	15,915	915	1,463	18,293
Transportation	57,085	-	-	57,085	42,860	-	-	42,860
Incentives/recognition	5,095	-	-	5,095	3,754	-	1,576	5,330
Volunteer processing expense	40,297	-	-	40,297	34,205	-	-	34,205
Partners Subcontractors	257,505	-	-	257,505	492,372	-	-	492,372
Project Reach (other costs)	13,205	-	-	13,205	5,344	-	-	5,344
Scholarships awarded	99,300	-	-	99,300	48,425	-	-	48,425
Board Retreat	20,410	1,201	2,401	24,012	13,897	799	1,278	15,974
<b>Total operating and other</b>	<b>\$ 1,430,047</b>	<b>\$ 55,351</b>	<b>\$ 151,216</b>	<b>\$ 1,636,614</b>	<b>\$ 1,469,334</b>	<b>\$ 36,933</b>	<b>\$ 174,786</b>	<b>\$ 1,681,053</b>
<b>TOTAL EXPENSES</b>	<b>\$ 3,874,252</b>	<b>\$ 212,234</b>	<b>\$ 425,663</b>	<b>\$ 4,512,149</b>	<b>\$ 3,936,792</b>	<b>\$ 179,749</b>	<b>\$ 401,678</b>	<b>\$ 4,518,219</b>

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

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 407,317	\$ 33,519
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized/realized loss (gains) on investments	53,165	(138,329)
Changes in operating assets and liabilities:		
Accounts receivable	88,815	1,461
Prepaid expenses and other assets	(22,751)	(20,711)
Deposits and other assets	943	(943)
Accounts payable and accrued expenses	(70,891)	(24,508)
Due to BBBSMF	(313,425)	313,425
Deferred revenues	(53,725)	(47,582)
<b>TOTAL ADJUSTMENTS</b>	<u>(317,869)</u>	<u>82,813</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>89,448</u>	<u>116,332</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds of investments	371,738	962,236
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>371,738</u>	<u>962,236</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Transfer to Big Brothers Big Sisters of Miami Foundation, Inc.	-	(1,013,396)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>-</u>	<u>(1,013,396)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	461,186	65,172
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>170,997</u>	<u>105,825</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 632,183</u>	<u>\$ 170,997</u>

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

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.  
A/K/A MENTORING RESOURCE CENTER  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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**NOTE 1 – ORGANIZATION**

Big Brothers Big Sisters of Greater Miami, Inc. a/k/a Mentoring Resource Center (the “Organization”) is a not-for-profit organization and is a member of the national federation, Big Brothers Big Sisters of America. It serves the community by “matching” eligible youngsters with qualified volunteers who perform the role of a big brother or big sister. Based on one-to-one mentoring, the Organization has diversified its mentoring programs to meet emerging needs and volunteer preferences. These programs include: Big Fitness, School-to-Work, Hispanic Mentoring, and Bigs in School. The Organization also provides group mentoring services for unmatched children. In addition, the Organization operates under a registered fictitious name of Mentoring Resource Center, which provides volunteer referrals, training and consultation services for approximately 50 non-profit organizations and interested corporations.

In 2011, Big Brothers Big Sisters of Miami Foundation, Inc., (the “Foundation”) was incorporated as a not-for-profit organization. The Foundation is not required to consolidate in these financial statements the Foundation’s assets, liabilities and net assets because the Organization does not have a controlling financial interest in the Foundation. During the year ended June 30, 2014, the Organization transferred assets to the Foundation. (See Note 12)

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Organization prepares its financial statements on the accrual basis of accounting principles generally accepted in the United States of America (“GAAP”).

The Organization prepares its financial statements in accordance with the Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”). The Organization is required to report information regarding its financial position and activities according to three classes of net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted

Unrestricted net assets are free of donor-imposed restrictions and include all revenues, gains, expenses and losses that are not changes in permanently or temporarily restricted net assets. This category includes realized and unrealized gains on endowment and other long-term investments. As of June 30, 2015 and 2014, unrestricted assets totaled \$1,762,551 and \$1,453,415 respectively.

Temporarily Restricted

Temporarily restricted net assets are those net assets whose use by the Organization is limited by donor-imposed stipulations that either expires by the passage of time or that can be fulfilled or otherwise removed by actions of the Organization pursuant to those stipulations. As of June 30, 2015 and 2014, temporarily restricted assets totaled \$602,676 and \$504,495 respectively.

Permanently Restricted Fund

Permanently restricted net assets are those net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. As of June 30, 2015 and 2014 the Organization had no permanently restricted net assets.

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.  
A/K/A MENTORING RESOURCE CENTER  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily restricted and board designated funds consisted of the following:

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.

**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.

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

**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 and service revenues, valued at \$304,297 and \$178,351, and related expense of \$304,297 and \$178,351 are reflected in the accompanying statements of activities for the years ended June 30, 2015 and 2014, respectively.

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.

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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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 unrestricted net assets unless its use is restricted by the donor. Proceeds from the sale of these assets are accounted for as unrestricted 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 \$1,000, 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 7 years for vehicles, furniture and equipment. Leasehold improvements are amortized over the term of the lease.

**Expense Allocation**

The costs of providing programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Costs are assigned to program services, support services, or fundraising based on specific identification. Costs benefiting all types of services are primarily allocated based on the estimated utilization by the respective function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**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.

**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. In order to mitigate the risk of such losses, the Organization has a policy in place where cash balances at banking institutions are kept at a minimal balance enough to cover operational cash outflows, additional funds are transferred to the investment money market accounts. The few instances in which the cash balances have exceeded FDIC insurance limits are due to large amounts of cash being deposited in the account and/or outstanding checks pending to clear the bank. However, the duration of these occurrences are no longer than a couple of business days.

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 finance board members. 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.

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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.

**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. Consequently, no allowance for doubtful accounts is included in the accompanying financial statements.

**Major Contributors**

For the years ended June 30, 2015 and 2014, the Organization received the following percentage of revenue from major contributors:

<b>Major Contributions</b>	<b>2015</b>	<b>2014</b>
United Way	8%	8%
Women's Committee	4%	3%
Big Brothers Big Sisters of Miami Foundation	6%	-
Federal, state and local grants	41%	47%
Macy's Inc.	5%	6%
Carnival Cruise Line	1%	1%

**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, 2015 and 2014, 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 2012.

**Subsequent Events**

The Organization has evaluated subsequent events through October 23, 2015, which is the date the financial statements were available to be issued.

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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NOTE 3 – INVESTMENTS

Investments consisted of the following at June 30:

	2015 <u>Market Value</u>	2014 <u>Market Value</u>
General & other investment funds		
Money market	\$ 123,611	\$ 440,921
Equities	317,565	360,074
Fixed income	1,190,665	1,147,886
Alternative investments	<u>-</u>	<u>107,863</u>
 TOTAL INVESTMENTS	 <u><u>\$ 1,631,841</u></u>	 <u><u>\$ 2,056,744</u></u>

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

	2015 <u></u>	2014 <u></u>
Interest and dividends, net of fees	\$ 60,850	\$ 83,176
Unrealized (loss) gains	<u>(53,165)</u>	<u>138,329</u>
	 <u><u>\$ 7,685</u></u>	 <u><u>\$ 221,505</u></u>

NOTE 4 – FAIR VALUE MEASUREMENTS

FASB ASC; “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 Agency has the ability to access.
- 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.

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

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, 2015 and 2014.

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 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.

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.

The following tables represents the Organization's financial instruments measure at fair value on a recurring basis at June 30, 2015 and 2014, respectively, for each of the fair value hierarchy levels:

Description	Fair Market Value at 6/30/2015	Fair Value Measurement at June 30, 2015		
		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	\$ 123,611	\$ 123,611	\$ -	\$ -
Equities	317,565	317,565	-	-
Fixed income	1,190,665	1,190,665	-	-
	<u>\$ 1,631,841</u>	<u>\$ 1,631,841</u>	<u>\$ -</u>	<u>\$ -</u>

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

Description	Fair Market Value at 6/30/2014	Fair Value Measurement at June 30, 2014		
		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	\$ 440,921	\$ 440,921	\$ -	\$ -
Equities	360,074	360,074	-	-
Fixed income	1,147,886	1,147,886	-	-
Alternative investments	107,863	107,863	-	-
	<u>\$ 2,056,744</u>	<u>\$ 2,056,744</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2015	2014
Furniture and equipment	\$ 123,601	\$ 123,601
Vehicles	51,870	51,870
Leasehold improvements	20,969	20,969
	196,440	196,440
Less: accumulated depreciation	(196,440)	(196,440)
	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 – TEMPORARILY RESTRICTED AND BOARD DESIGNATED NET ASSETS

Temporarily restricted and board designated net assets consisted of the following at June 30:

	2015	2014
Temporarily Restricted Net Assets:		
George De Silver Memorial Camp fund	\$ 84,515	\$ 6,067
Carnival Cruise Line and other scholarship fund	275,296	261,926
Five Miller Foundation Scholarship fund	242,865	236,502
	<u>\$ 602,676</u>	<u>\$ 504,495</u>
These funds are held in:		
Investments in marketable securities	\$ 602,676	\$ 504,495
	<u>\$ 602,676</u>	<u>\$ 504,495</u>

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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**NOTE 7 – 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, 2015 and 2014, respectively:

	<u>2015</u>	<u>2014</u>
Purpose restrictions accomplished:		
Other scholarships	\$ 62,880	\$ 21,675
Memorial camp	-	4,535
Other	-	108,101
Five Millers Scholarship fund	<u>93,637</u>	<u>94,163</u>
Total net assets released from restrictions	<u>\$ 156,517</u>	<u>\$ 228,474</u>

**NOTE 8 – IN-KIND CONTRIBUTIONS**

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

	<u>2015</u>	<u>2014</u>
Tickets to special events	\$ 12,365	\$ 64,184
Food	6,474	12,766
Gift certificates	13,103	61,384
Printing, media and art design	8,450	-
Hotel/trips	19,694	9,626
Cruises	10,000	10,000
Art	54,450	675
Toys	-	408
Jewelry	420	5,909
Sports memorabilia	1,800	1,900
Household items	11,194	1,240
Marketing	150,198	-
Other	<u>16,149</u>	<u>10,259</u>
	<u>\$ 304,297</u>	<u>\$ 178,351</u>

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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NOTE 9 – 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, 2015 and 2014 was \$236,369 and \$244,213, respectively. The Organization entered into a rent agreement from August 1, 2015 through December 31, 2015 with an option to renew through April 1, 2016. Total future minimum rental payments under the operating leases as of June 30, 2015 are as follows:

Year Ending June 30,	
2016	\$ 99,718
2017	12,287
2018	2,577
Total	<u>\$ 114,582</u>

**Retirement Plan**

The Organization has a defined contribution plan covering its full time employees. The Organization's governing board approved a 2% increase of its contribution to the defined contribution plan effective July 1, 2006 increasing the Organization's contribution to 5% of employee's salary.

As of June 30, 2015, employer contributions were suspended and no amounts were contributed during the year ended June 30, 2015 and 2014. The Plan expenses amounted to approximately \$0 and \$1,008 for the years ended June 30, 2015 and 2014, respectively.

**Line of Credit**

The Organization has an unsecured line of credit totaling \$100,000 available for working capital purposes that bears interest at prime, which was 3.25% at June 30, 2015. There was no balance outstanding as of June 30, 2015 and 2014.

NOTE 10 – ENDOWMENTS

As of June 30, 2015 and 2014, there were no funds held in this endowment fund due to the transfer to the Foundation during the year ended June 30, 2014. (See Note 12) As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Below is a description of the Organization policies on endowments previously held at July 1, 2013.

**Interpretation of Relevant Law**

The State of Florida enacted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") effective July 1, 2012, the provisions of which apply to endowment funds existing on or established after that date. The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA.

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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NOTE 10 – ENDOWMENTS (Continued)

**Interpretation of Relevant Law (Continued)**

In accordance with the FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Changes in endowment net assets for the year ended June 30, 2014 were as follows:

	Ken Kupper Endowment Fund	Temporarily Restricted	Total
Endowment net assets, beginning of year	\$ 393,689	\$ -	\$ 393,689
Investment Return:			
Investment income, net of fees	23,348	-	23,348
Appreciation of investments	35,995	-	35,995
Total investment return	<u>59,343</u>	<u>-</u>	<u>59,343</u>
Release to operations	(59,343)	-	(59,343)
Transfer of funds	(393,689)	-	(393,689)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under the spending policy, as approved by the Board of Directors, the endowment may be invaded in any fiscal year in an amount not to exceed \$10,000 of the endowment fund on the first day of the fiscal year. The Organization expects its endowment funds, over time, to provide a rate of return in excess of the original principal. Actual returns in any given year may vary.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term objectives within prudent risk constraints as well as the time horizon to each investment.

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.  
A/K/A MENTORING RESOURCE CENTER  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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NOTE 10 – ENDOWMENTS (Continued)

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Organization's objectives for the endowment is to preserve, protect, and grow the Organization's assets, as well as maintain sufficient liquid reserves to meet obligations arising from planned activities. To accomplish these goals, the Organization will:

1. Achieve a long-term rate of return on investments that ensures that the growth of the Organization's assets will be sufficient to offset or exceed inflation, required spending, investment management fees, expenses, and taxes, over a full market cycle.
2. Diversify the portfolio among various asset classes with the goal of reducing volatility of return, and among various issuers of securities reduce non-systematic, single issuer, principal risk.
3. Maintain liquidity in the portfolio sufficient to meet the Organization's obligations as they arise over time.
4. Control administrative, investment, and management expenses.

NOTE 11 – RELATED PARTY

The Women's Committee, Inc., (the "Committee") is a related party to the Organization. The Committee's mission is to support Big Brothers Big Sisters of Greater Miami in assisting thousands of children each year through professional supported, one-on-one relationship with caring adult volunteers. During the years ended June 30, 2015 and 2014, the Organization received \$180,000 and \$157,000, respectively in revenues from The Women's Committee, Inc. which has been included in the Statements of Activities.

Big Brothers Big Sisters of Miami Foundation., (the "Foundation") is a related party to the Organization. During the years ended June 30, 2015 and 2014, the Organization received \$300,000 and \$0, respectively in revenues from the Foundation which has been included in the Statements of Activities.

Finally, the Organization transferred funds during the year ended June 30, 2014 to the Foundation. (See Note 12)

NOTE 12 – BIG BROTHERS BIG SISTERS OF MIAMI FOUNDATION, INC. (the "Foundation")

During the year ended June 30, 2014, the Organization, through its Board of Directors, approved a transfer of certain assets to the Foundation a separate and distinct not for profit organization formed in 2013, of \$1,013,396. Certain former board members of the Organization are on the Board of the Foundation. The board members of the Organization do not have a majority voting interest in the Foundation and therefore, the Foundation is not required to be consolidated with the Organization. At June 30, 2014, the Organization had transferred \$699,971 and had a remaining balance due to the Foundation of \$313,425 of which the entire amount had been paid during the year to the Foundation.

**SUPPLEMENTARY INFORMATION**

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.**  
**A/K/A MENTORING RESOURCE CENTER**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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<i>State Grantor</i> <i>Pass-through Grantor/</i> <i>Program Title</i>	<i>State CSFA</i> <i>Number</i>	<i>Contract</i> <i>Number</i>	<i>Expenditure</i>
<b>STATE AGENCY NAME</b>			
<b>Florida Department of Education and Comissioner of Education</b>			
<i>Passed thru Big Brothers Big Sisters Association of Florida, Inc.</i>			
Mentoring/Student Assistance Initiatives	40.037	WL001	\$ 242,259
Mentoring/Student Assistance Initiatives	48.068	168-96448-5Q001	913,371
			<u>1,155,630</u>
<b>U.S. Department of Justice</b>			
<i>Passed thru the Florida Department of Juvenile Justice</i>			
Juvenile Justice and Delinquency Prevention	80.029	10124	93,713
		Total Expenditures of State Projects	<u>\$ 1,249,343</u>

See accompanying note to the schedules of expenditures of state financial assistance.

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.  
A/K/A MENTORING RESOURCE CENTER  
NOTE TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

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**General**

The accompanying Schedule of Expenditures of State Financial Assistance (the “Schedule”) presents the activity of all state projects of the Organization for the year ended June 30, 2015 on the accrual basis of accounting. All state projects are received directly from state agencies, and state projects received from other government agencies are included in the Schedules. The information in these schedules is in accordance with State of Florida Rules of the Auditor General Chapter 10.650, *State Single Audits of Non-Profit and For-Profit Organizations*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.



INDEPENDENT AUDITORS' 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 Greater Miami, Inc.  
a/k/a Mentoring Resource Center  
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, Inc. (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of and for the years ended June 30, 2015 and 2014, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 23, 2015.

### **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*.

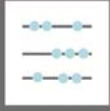
## **Purpose of this Report**

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  
October 23, 2015



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR STATE FINANCIAL ASSISTANCE PROJECT  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL***

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Board of Directors  
Big Brothers Big Sisters of Greater Miami, Inc.  
a/k/a Mentoring Resource Center  
Miami, Florida

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

We have audited Big Brothers Big Sisters, 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, 2015. The Organization's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 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, 2015.

### **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 the 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  
October 23, 2015

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.  
A/K/A MENTORING RESOURCE CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

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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        X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   None reported

Instances of noncompliance material to financial statements noted?

\_\_\_\_\_ Yes        X   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        X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   No

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Chapter 10.650, *Rules of the Auditor General*?

\_\_\_\_\_ Yes        X   No

Identification of major state projects:

<u>Major State Project</u>	<u>CFSA Number</u>	<u>Expenditures</u>
Mentoring/Student Assistance Initiatives	48.068	\$ 913,371

Dollar threshold used to distinguish between type A and type B state projects:

\$ 300,000

**BIG BROTHERS BIG SISTERS OF GREATER MIAMI, INC.  
A/K/A MENTORING RESOURCE CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

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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 - MAJOR STATE PROJECTS**

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

**SECTION IV – OTHER ISSUES**

1. A management letter was issued on October 23, 2015 with no findings noted.
2. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to state projects.
3. No Corrective Action Plan is required because there were no findings required to be reported under the Department of Financial Services' State Project Compliance Supplement.