

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

FINANCIAL STATEMENTS,  
INDEPENDENT AUDITOR'S REPORT AND  
SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED  
JUNE 30, 2019 AND 2018

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of Big Brothers Big Sisters of Miami, Inc. (the "Organization") (a non-profit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General of the State of Florida*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, 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  
November 18, 2019

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

<b>ASSETS</b>		
	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash and equivalents, donor restricted of \$124,687 and \$0, respectively	\$ 556,419	\$ 715,440
Accounts receivable	586,825	290,837
Due from related party, donor restricted of \$0 and \$145,404, respectively	-	557,425
Contributions receivable, donor restricted of \$292,500, respectively, net	454,509	157,500
Prepaid scholarships and other assets	507,391	149,072
Investments, donor restricted of \$740,787 and \$503,010, respectively	<u>740,787</u>	<u>1,143,018</u>
<b>TOTAL CURRENT ASSETS</b>	<u>2,845,931</u>	<u>3,013,292</u>
CONTRIBUTIONS RECEIVABLE, long-term, net	230,032	260,483
<b>PROPERTY AND EQUIPMENT</b>		
Property and equipment, net of accumulated depreciation of \$210,654 and \$184,750, respectively	<u>69,642</u>	<u>69,138</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,145,605</u></u>	<u><u>\$ 3,342,913</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and other accrued expenses	\$ 446,492	\$ 874,107
Deferred revenues	-	37,500
<b>TOTAL CURRENT LIABILITIES</b>	<u>446,492</u>	<u>911,607</u>
<b>TOTAL LIABILITIES</b>	<u>446,492</u>	<u>911,607</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Net assets without donor restrictions	<u>\$ 1,541,139</u>	<u>\$ 1,490,392</u>
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	1,541,139	1,490,392
Net Assets With Donor Restrictions		
George De Silver Memorial Camp fund	65,611	65,611
Carnival Cruise Line and other scholarship fund	358,245	304,496
LBSF	168,479	143,173
Five Millers Scholarship fund	375,403	425,403
Take Stock-In-Children	188,005	-
Children Holiday Party	2,231	2,231
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>1,157,974</u>	<u>940,914</u>
<b>TOTAL NET ASSETS</b>	<u>2,699,113</u>	<u>2,431,306</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,145,605</u></u>	<u><u>\$ 3,342,913</u></u>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
<b>PUBLIC SUPPORT:</b>			
United Way	\$ 473,053	\$ -	\$ 473,053
Federal, state and local grants	1,583,063	-	1,583,063
Foundation grants	653,104	306,897	960,001
Associated organizations	1,334,263	359,537	1,693,800
Annual/major giving	234,842	-	234,842
Rental income	114,144	-	114,144
Special events, net of direct costs of \$521,801	935,474	-	935,474
Cause related marketing	5,628	-	5,628
In-kind contributions	135,404	-	135,404
<b>TOTAL PUBLIC SUPPORT</b>	<b>5,468,975</b>	<b>666,434</b>	<b>6,135,409</b>
Net assets released from restrictions	507,085	(507,085)	-
INVESTMENT INCOME, net of fees	13,514	57,711	71,225
OTHER REVENUE	14,748	-	14,748
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>6,004,322</b>	<b>217,060</b>	<b>6,221,382</b>
<b>EXPENSES</b>			
Program services	5,084,585	-	5,084,585
Supporting services	337,950	-	337,950
Fundraising	531,040	-	531,040
<b>TOTAL EXPENSES</b>	<b>5,953,575</b>	<b>-</b>	<b>5,953,575</b>
<b>CHANGE IN NET ASSETS</b>	<b>50,747</b>	<b>217,060</b>	<b>267,807</b>
Net assets, beginning of year	1,490,392	940,914	2,431,306
Net assets, end of year	<u>\$ 1,541,139</u>	<u>\$ 1,157,974</u>	<u>\$ 2,699,113</u>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
<b>PUBLIC SUPPORT:</b>			
United Way	\$ 303,124	\$ -	\$ 303,124
Federal, state and local grants	1,049,186	-	1,049,186
Foundation grants	315,089	750	315,839
Associated organizations	1,967,056	124,693	2,091,749
Annual/major giving	239,007	-	239,007
Rental income	116,184	-	116,184
Special events, net of direct costs of \$535,866	1,045,741	-	1,045,741
Cause related marketing, net of direct costs of \$4,500	5,186	-	5,186
In-kind contributions	181,290	-	181,290
<b>TOTAL PUBLIC SUPPORT</b>	<u>5,221,863</u>	<u>125,443</u>	<u>5,347,306</u>
Net assets released from restrictions	165,173	(165,173)	-
INVESTMENT INCOME, net of fees	3,754	20,711	24,465
OTHER REVENUE	30,303	-	30,303
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>5,421,093</u>	<u>(19,019)</u>	<u>5,402,074</u>
<b>EXPENSES</b>			
Program services	4,565,511	-	4,565,511
Supporting services	259,622	-	259,622
Fundraising	556,605	-	556,605
<b>TOTAL EXPENSES</b>	<u>5,381,738</u>	<u>-</u>	<u>5,381,738</u>
<b>CHANGE IN NET ASSETS</b>	39,355	(19,019)	20,336
Net assets, beginning of year	1,451,037	959,933	2,410,970
Net assets, end of year	<u>\$ 1,490,392</u>	<u>\$ 940,914</u>	<u>\$ 2,431,306</u>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019				2018			
	Program Services	Supporting Services	Fundraising	Total Expenses	Program Services	Supporting Services	Fundraising	Total Expenses
Employee Costs:								
Salaries	\$ 2,474,529	\$ 203,785	\$ 232,897	\$ 2,911,211	\$ 2,415,556	\$ 142,092	\$ 284,183	\$ 2,841,831
Payroll taxes	182,162	15,002	17,145	214,309	171,676	10,099	20,197	201,972
Employee benefits	306,873	24,295	27,537	358,705	270,950	15,185	30,369	316,504
Retirement plan contributions	10,796	635	1,270	12,701	-	-	-	-
Total Employee Costs	<u>2,974,360</u>	<u>243,717</u>	<u>278,849</u>	<u>3,496,926</u>	<u>2,858,182</u>	<u>167,376</u>	<u>334,749</u>	<u>3,360,307</u>
Operating and other:								
Bad debt	-	-	54,917	54,917	-	-	25,793	25,793
Conferences and meetings	45,299	2,665	5,329	53,293	29,939	1,761	3,522	35,222
Depreciation	25,903	-	-	25,903	22,388	-	-	22,388
Discount expense	-	-	-	-	-	-	5,822	5,822
Dues to national and local Organizations	81,368	-	-	81,368	45,619	-	-	45,619
Equipment rental and maintenance	98,183	3,810	7,620	109,613	71,513	413	825	72,751
Insurance	102,190	3,261	3,261	108,712	114,616	3,658	3,658	121,932
Marketing/Recruitment	15,495	-	69,868	85,363	14,049	-	74,902	88,951
Other	87,593	11,838	5,403	104,834	7,438	10,164	57,654	75,256
Occupancy	688,220	21,847	21,847	731,914	695,692	21,869	21,869	739,430
Office expenses and supplies	31,686	847	1,693	34,226	36,394	627	627	37,648
Postage	5,198	306	612	6,116	4,339	255	510	5,104
Printing and publication	20,031	1,178	2,357	23,566	59,637	3,508	7,016	70,161
In-kind contributions	135,404	-	-	135,404	181,290	-	-	181,290
Professional services	212,078	38,728	70,643	321,449	99,490	17,666	13,062	130,218
Telephone	73,451	4,321	8,641	86,413	56,068	3,298	6,596	65,962
Transportation	80,641	-	-	80,641	44,444	-	-	44,444
Incentives/recognition	7,358	-	-	7,358	9,622	-	-	9,622
Volunteer processing expense	34,634	-	-	34,634	29,241	-	-	29,241
Partners Subcontractors	184,802	-	-	184,802	36,292	-	-	36,292
Project Reach (other costs)	-	-	-	-	32,489	-	-	32,489
Scholarships awarded	180,691	-	-	180,691	116,769	-	-	116,769
Board Retreat	-	5,432	-	5,432	-	29,027	-	29,027
Total operating and other	<u>2,110,225</u>	<u>94,233</u>	<u>252,191</u>	<u>2,456,649</u>	<u>1,707,329</u>	<u>92,246</u>	<u>221,856</u>	<u>2,021,431</u>
<b>TOTAL EXPENSES</b>	<u>\$ 5,084,585</u>	<u>\$ 337,950</u>	<u>\$ 531,040</u>	<u>\$ 5,953,575</u>	<u>\$ 4,565,511</u>	<u>\$ 259,622</u>	<u>\$ 556,605</u>	<u>\$ 5,381,738</u>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 267,807	\$ 20,336
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	25,903	22,388
Unrealized/realized (gains) losses on investments	(24,457)	28,049
Bad debt	54,917	25,793
Redemption for present value discount	(18,860)	(6,178)
(Increase) Decrease in operating assets:		
Accounts receivable	(350,905)	36,924
Due from related party	557,425	(557,425)
Contributions receivable	(247,698)	195,102
Prepaid expenses	(358,319)	19,276
Increase (Decrease) in operating liabilities:		
Accounts payable and other accrued expenses	(427,615)	539,082
Deferred revenues	(37,500)	27,300
<b>TOTAL ADJUSTMENTS</b>	<u>(827,109)</u>	<u>330,311</u>
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<u>(559,302)</u>	<u>350,647</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(26,407)	(24,104)
Proceeds from sale of investments	426,688	247,494
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>400,281</u>	<u>223,390</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(159,021)	574,037
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>715,440</u>	<u>141,403</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 556,419</u>	<u>\$ 715,440</u>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**NOTE 1 – ORGANIZATION**

Big Brothers Big Sisters of Miami, Inc. (the “Organization”) is a non-profit organization and a member of the national federation Big Brothers Big Sisters of America. The Organization recognizes that all youth have the ability to do BIG things. That is why it ignites the potential within each and every child and advocates for them to explore the endless possibilities of what they can accomplish.

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

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

The Organization also has Group Engagement & Mentoring (“GEM”) at its headquarters, the Carnival Center for Excellence. GEM provides after-school and weekend programming that consist of defined activities that have measurable impacts in one or more of five key areas, known as the BIG5 – Academic Enrichment, Career Pathways, Digital Literacy, Health & Wellness, and Music & Art.

During the year ended June 30, 2019, the Organization expanded its programming and became the lead partner for the Miami office of Take Stock in Children of Florida, Inc. (“TSIC”) (See Note 14). This expansion added a guaranteed scholarship component to the Organization’s mentoring programs and allowed it to serve more youth in more ways. Youth who are enrolled in TSIC receive a full scholarship through the Florida Pre-Paid Program upon high school graduation. Additionally, these youth receive targeted college success coaching to ensure they are progressing academically and receiving any necessary interventions to get and stay on track to graduate high school on time. Finally, these youth receive personal mentors who work with them and their College Success Coach to provide the social emotional support necessary to succeed in high school and beyond. With the end goal of all students engaging in post-secondary education—and the long-term goal of all students graduating with a degree from an institute of higher education—the program also provides college and career readiness workshops, which are now open to all youth served by the Organization, whether or not they are served through TSIC. Covering topics such as completing the FAFSA, writing a college essay and general life skills, these workshops enhance the mentoring programs provided by the Organization, helping youth served answer the question, “What’s next?”

With a vision that all children achieve their full potential, the Organization works toward the mission of creating and supporting one-to-one mentoring relationships that ignite the power and promise of youth. Whether through one-to-one mentoring, GEM, or TSIC, youth benefit from a positive role model who advocates for them and helps them reach their full potential – their BIG potential.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**

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

**Financial Statement Presentation**

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

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

The portions of net assets of the Organization that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization’s choices when using these resources because the Organization has a fiduciary responsibility to its donors to follow the donors instructions. Net assets with donor restrictions generally result from donor-restricted contributions. As of June 30, 2019 and 2018, net assets with donor restrictions totaled \$1,157,974 and \$940,914, respectively.

Net assets with donor restrictions 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.

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

**Cash and Cash Equivalents**

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Investments**

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

**Concentration of Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash, cash equivalents and investment securities.

The Organization places its cash and cash equivalents with creditworthy, high-quality financial institutions. At times cash balances may temporarily exceed the Federal Deposit Insurance Coverage Insurance limit of \$250,000. The Organization has not experienced any losses in such accounts. 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 by the Finance Committee. Although the market value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization and its beneficiaries.

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

**Donor Restricted and Without Donor Restrictions Revenue**

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

**Promises to Give**

When a donor has unconditionally promised to contribute funds to the Organization in future periods, the Organization recognizes a contribution receivable. Contributions expected to be collected within one year are recorded as support and a receivable at net realizable value. Contributions expected to be collected in future years are recorded as support and a receivable at the present value of the expected future cash flows. Discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution income in the statement of activities. For contributions received during the years ended June 30, 2019 and 2018, the discount rate used was 1.76% and 2.73%, respectively. Conditional promises to give are not included as support until the conditions are substantially met.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Donated services are recognized if the services received either create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods and services are recognized at their fair value. Contributed materials and service revenues, valued at \$135,404 and \$181,290, and related expense of \$135,404 and \$181,290 are reflected in the accompanying statements of activities for the years ended June 30, 2019 and 2018, 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.

**Public Support and Revenue**

The Organization's principal source of revenue is derived from state, local and United Way grants, contributions from the community, and other fundraising activities. Based on the Organization's experience with the grantors, management has determined that the related grants and program fees receivable are fully collectible. An allowance for doubtful accounts has been established at \$44,676 and \$0 for the years ended June 30, 2019, and 2018, respectively.

**Equipment**

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

Acquisitions of fixed assets, which cost at least \$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.

**Use of Estimates**

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

**Income Taxes**

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Income Taxes (Continued)**

There are no reserves held for uncertain tax positions at June 30, 2019 and 2018, 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 2016.

**Functional Allocation of Expenses**

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

**New Accounting Pronouncement**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly. The new standard changes the following aspects of the Organization’s financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called *net assets with donor restrictions*.
- The unrestricted net asset class has been renamed *net assets without donor restrictions*.
- The financial statements include a new disclosure about liquidity and availability of resources (see Note 13) and expands on the disclosure related to the functional allocation of expenses.

**Subsequent Events**

The Organization has evaluated subsequent events through November 18, 2019, the date which the financial statements were available to be issued and no additional disclosures were required.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

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

	2019	2018
Amounts due in:		
One year or less	\$ 454,509	\$ 157,500
Over one year to five years	295,365	300,000
Less: discount to present value of 1.76% and 2.73%	(20,657)	(39,517)
Less: allowance for doubtful accounts	(44,676)	-
Contributions receivable, net	\$ 684,541	\$ 417,983

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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NOTE 4 – INVESTMENTS

Investments consisted of the following at June 30:

	2019	2018
	<u>Market Value</u>	<u>Market Value</u>
General & other investment funds		
Money market	\$ 8,125	\$ 29,498
Mutual funds	732,662	1,113,520
<b>TOTAL INVESTMENTS</b>	<u><u>\$ 740,787</u></u>	<u><u>\$ 1,143,018</u></u>

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

	2019	2018
Interest and dividends, net of fees	<u>\$ 33,051</u>	<u>\$ 52,514</u>
Unrealized gains (losses)	<u>38,174</u>	<u>(28,049)</u>
	<u><u>\$ 71,225</u></u>	<u><u>\$ 24,465</u></u>

NOTE 5 – 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 Organization 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.

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.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

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, 2019 and 2018.

The money market portfolio is valued at cost, which approximates fair value.

The equity portfolio consists of investments in securities and mutual funds managed primarily through investments held by independent investment advisors with discretionary investment authority. Equity securities consist primarily of common stocks. Equity securities are valued at the closing price reported in the active market in which the individual securities are traded.

The fixed income portfolio consists of investments that provide returns in the form of fixed periodic payments and the eventual return of principal at maturity. Fixed income is valued based on quoted markets prices in active markets and approximate fair value.

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

The following tables represents the Organization’s financial instruments measured at fair value on a recurring basis at June 30, 2019 and 2018, respectively, for each of the fair value hierarchy levels:

Description	Fair Market Value at 6/30/2019	Fair Value Measurement at June 30, 2019		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Money market	\$ 8,125	\$ 8,125	\$ -	\$ -
Mutual funds	732,662	732,662	-	-
	<u>\$ 740,787</u>	<u>\$ 740,787</u>	<u>\$ -</u>	<u>\$ -</u>

Description	Fair Market Value at 6/30/2018	Fair Value Measurement at June 30, 2018		
		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	\$ 29,498	\$ 29,498	\$ -	\$ -
Fixed income	1,113,520	1,113,520	-	-
	<u>\$ 1,143,018</u>	<u>\$ 1,143,018</u>	<u>\$ -</u>	<u>\$ -</u>

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 245,586	\$ 219,178
Capital improvements	13,741	13,741
Leasehold improvements	20,969	20,969
	<u>280,296</u>	<u>253,888</u>
Less: accumulated depreciation	(210,654)	(184,750)
	<u>\$ 69,642</u>	<u>\$ 69,138</u>

Depreciation expense for the years ended June 30, 2019 and 2018 was \$25,903 and \$22,388, respectively.

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2019</u>	<u>2018</u>
Net Assets With Donor Restrictions:		
George De Silver Memorial Camp fund	\$ 65,611	\$ 65,611
Carnival Cruise Line and other scholarship funds	358,245	304,496
LBSF	168,479	143,173
Five Miller Foundation Scholarship fund	375,403	425,403
Take Stock-in-Children	188,005	-
Children Holiday Party	2,231	2,231
	<u>\$ 1,157,974</u>	<u>\$ 940,914</u>
These funds are held in:		
Cash, contributions receivable, and investments	<u>\$ 1,157,974</u>	<u>\$ 940,914</u>

**NOTE 8 – 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, 2019 and 2018, respectively:

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished:		
Carnival Cruise Line and other scholarship funds	\$ 331,570	\$ 40,850
Five Miller Foundation Scholarship fund	50,000	105,419
George De Silver Memorial Camp fund	-	18,904
LBSF	38,285	-
Take Stock-in-Children	87,230	-
Total net assets released from restrictions	<u>\$ 507,085</u>	<u>\$ 165,173</u>

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**NOTE 9 – IN-KIND CONTRIBUTIONS**

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

	<u>2019</u>	<u>2018</u>
Art	\$ 3,951	\$ 15,000
Cruises	-	2,000
Food	1,250	3,552
Gift certificates	19,639	6,565
Hotel/trips	3,885	35,156
Jewelry	3,429	10,795
Other	35,528	22,896
Printing, media and art design	54,622	27,000
Tickets to special events	13,100	9,880
Uniforms	-	48,446
	<u>\$ 135,404</u>	<u>\$ 181,290</u>

**NOTE 10 – 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, 2019 and 2018 were approximately \$446,000 and \$390,000, respectively. The Organization entered into a rent agreement for the use of facilities starting October 1, 2016. The organization has the right to renegotiate the agreement after September 30, 2022. Total future minimum rental payments under the operating leases as of June 30, 2019 are as follows:

Year Ending June 30,	
<u>2020</u>	\$ 482,083
2021	491,281
2022	467,466
2023	460,576
2024	478,999
Total	<u>\$ 2,380,405</u>

**Managed Service Agreement**

The Organization entered into a managed service agreement for IT service and management for a term of three years with a monthly cost of \$3,900 with an annual increase of 3%. Total future minimum payments under the managed service agreement as of June 30, 2019 are \$67,990.

**Retirement Plan**

The Organization has a defined contribution plan covering its full time employees. Plan contributions were \$12,701 and \$0 for the years ended June 30, 2019 and 2018, 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 6.5% and 6% at June 30, 2019 and 2018, respectively. There was no balance outstanding as of June 30, 2019 and 2018.

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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**NOTE 11 – RENTAL INCOME**

The Organization entered into rental agreements with multiple not for profit organizations for rental space. The agreements expire on various dates through fiscal year ending June 30, 2023. As of June 30, 2019, the Organization recorded revenue in the amount of approximately \$114,000 and \$116,000, respectively, which is included on the statement of activities under the caption rental income. Future minimum rental incomes, on these agreements as of June 30, 2019, are as follows:

2020	\$ 150,087
2021	95,626
2022	74,554
2023	13,580
	<u>\$ 333,847</u>

**NOTE 12 – RELATED PARTIES**

Big Brothers Big Sisters of Miami Foundation, Inc. (the “Foundation”) is a related party to the Organization. During the years ended June 30, 2019 and 2018, the Organization received \$1,130,400 and \$1,115,000, respectively in contributions from the Foundation, which has been included in the Statements of Activities.

Big Brothers Big Sisters of Miami Institute, Inc. (the “Institute”) is a related party to the Organization. During the years ended June 30, 2019 and 2018, the Organization received \$145,000 and \$170,000, respectively in contributions from the Institute, which has been included in the Statements of Activities.

**NOTE 13 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Organization’s financial assets as of June 30, 2019, reduced by amounts not available for general use within one year as of June 30, 2019 because of the contractual or donor-imposed restrictions or internal designations:

Financial assets at year-end:	
Cash	\$ 556,419
Accounts receivable	586,825
Contributions receivable	684,541
Investments	740,787
Total financial assets	<u>2,568,572</u>
Less amounts not available to be used within one year:	
Cash: donor restricted	\$ 124,687
Contributions receivable, current	292,500
Investments: donor restricted	740,787
Contributions receivable, long-term, net	230,032
	<u>1,388,006</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,180,566</u>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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NOTE 14 – ACQUISITION

In August 2018, TSIC was acquired by the Organization. The decision was based on several factors including similar missions and cost savings. All assets and liabilities of TSIC at the time of the acquisition were transferred to the Organization. The excess of assets over liabilities of \$418,400 has been recorded as contribution revenue in the statement of activities. TSIC transferred \$418,400 in cash as a result of the acquisition.

**SUPPLEMENTARY INFORMATION**

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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<i>State Grantor</i> <i>Program Title</i> <i>Pass-through Grantor/</i>	<i>State CSFA</i> <i>Number</i>	<i>Contract</i> <i>Number</i>	<i>Expenditure</i>
<b>Florida Department of Economic Opportunity</b>			
Workforce Development Projects			
Passed through Big Brothers Big Sisters Association of Florida, Inc.	40.037	WL-037	\$ 41,250
<b>Florida Department of Education and Commissioner of Education</b>			
Mentoring/Student Assistance Initiatives			
Passed through Big Brothers Big Sisters Association of Florida, Inc.	48.068	96448	407,957
Passed through Miami-Dade County Take Stock-In-Children, Inc.	48.068	2018-2019	184,726
<b>Florida Department of Highway Safety and Motor Vehicles</b>			
Big Brothers Big Sisters			
Passed through Big Brothers Big Sisters Association of Florida, Inc.	76.141	N/A	3,454
<b>Florida Department of Juvenile Justice</b>			
Delinquency Prevention			
Passed through the Florida Department of Juvenile Justice	80.029	10525	173,219
Total Expenditures of State Projects			<u>\$ 810,606</u>

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

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE A – BASIS OF PRESENTATION**

The Schedule of Expenditures of State Financial Assistance (the “Schedule”) represents all of the State awards to the Organization during the year ended June 30, 2019.

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

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

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Big Brothers Big Sisters of Miami, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of and for the years ended June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2019.

### **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*.

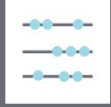
## **Purpose of this Report**

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.

A handwritten signature in cursive script that reads "Verdepin DeArmas Trujillo".

**CERTIFIED PUBLIC ACCOUNTANTS**

Coral Gables, Florida  
November 18, 2019



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

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

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

We have audited Big Brothers Big Sisters of Miami, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the Organization's major state projects for the year ended June 30, 2019. The Organization's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended June 30, 2019.

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

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

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

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

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
November 18, 2019

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE PROJECTS  
 FOR THE YEAR ENDED JUNE 30, 2019**

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

*Financial Statements*

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  yes  no

*State Projects*

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

Internal control over major state projects:

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

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

Identification of major state projects:

Name of State Project	CSFA Number	Expenditures
Mentoring/Student Assistance Initiatives	48.068	\$592,683
Dollar threshold used to distinguish between type A and type B projects	\$300,000	
Auditee qualified as low-risk auditee?	N/A	

**BIG BROTHERS BIG SISTERS OF MIAMI, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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

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

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

**SECTION IV – OTHER ISSUES**

1. No management letter was issued for the year ended June 30, 2019.
2. A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to state projects.
3. A Corrective Action Plan is not required because there were no findings required to be reported under the *Department of Financial Services*' State Project Compliance Supplement.