

**Big Brothers Big Sisters
of Tampa Bay, Inc.**

Financial Statements

August 31, 2022 and 2021

And

Reports of Independent
Certified Public Accountants



BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Big Brothers Big Sisters of Tampa Bay, Inc.
Tampa, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Big Brothers Big Sisters of Tampa Bay, Inc. (the Organization), which comprise the statements of financial position as of August 31, 2022 and 2021 and the related statements of activities, and cash flows for the years then ended, and the statement of functional expenses for the year ended August 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Tampa Bay, Inc. as of August 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Big Brothers Big Sisters of Tampa Bay, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Big Brothers Big Sisters of Tampa Bay, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

CONTINUED

INDEPENDENT AUDITOR'S REPORT – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Big Brothers Big Sisters of Tampa Bay, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Big Brothers Big Sisters of Tampa Bay, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CONTINUED

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Supplementary 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General, 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 schedule of expenditures of state financial assistance 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 16, 2022 on our consideration of Big Brothers Big Sisters of Tampa Bay, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Big Brothers Big Sisters of Tampa Bay, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Big Brothers Big Sisters of Tampa Bay, Inc.'s internal control over financial reporting and compliance.

PDR CPAs + Advisors

Oldsmar, Florida
November 16, 2022

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2022 AND 2021

	2022	2021
<u>ASSETS</u>		
Cash	\$ 1,945,549	\$ 2,145,702
Restricted cash	9,521	6,430
Grants receivable	478,664	414,583
Unconditional promises to give, net	4,785	7,996
Other receivables	5,501	26,319
Prepaid expenses and other assets	130,319	135,440
Certificate of deposit	251,711	250,206
Beneficial interest in perpetual trusts - CFTB	255,148	310,998
Beneficial interest in a perpetual trust - PCF	13,786	17,133
Property and equipment, net	354,227	379,061
Total Assets	\$ 3,449,211	\$ 3,693,868
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 276,715	\$ 227,910
Deferred revenue	135,876	178,236
Notes payable, net	-	819,553
Total liabilities	412,591	1,225,699
Net Assets		
Without donor restrictions	2,667,851	2,048,219
With donor restrictions	368,769	419,950
Total net assets	3,036,620	2,468,169
Total Liabilities and Net Assets	\$ 3,449,211	\$ 3,693,868

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2022	2021
Operating Support and Revenue				
Public Support				
United Way	\$ 390,545	\$ -	\$ 390,545	\$ 364,758
Government support	2,963,893	-	2,963,893	2,803,823
Scholarship revenue	-	2,000	2,000	4,500
Contributions	439,287	102,517	541,804	483,201
Contributed nonfinancial assets	71,357	-	71,357	21,792
Special events, including \$59,207 of contributed nonfinancial assets, net of direct costs of \$402,049	968,145	-	968,145	888,377
Foundations and grants	243,485	-	243,485	456,181
Wills and bequests	76,705	-	76,705	-
Social entrepreneurship	21,230	-	21,230	21,597
Change in value in beneficial interest held by others	-	(29,200)	(29,200)	76,483
Investment income	3,500	-	3,500	4,875
Net assets released from restriction	126,498	(126,498)	-	-
Total operating support and revenue	5,304,645	(51,181)	5,253,464	5,125,587
Operating Expenses				
Program services	4,624,949	-	4,624,949	4,223,326
Supporting services:				
Management and general	256,540	-	256,540	239,894
Fundraising	567,316	-	567,316	532,267
Total operating expenses	5,448,805	-	5,448,805	4,995,487
Change in Net Assets Before Other Changes	(144,160)	(51,181)	(195,341)	130,100
Other Changes - Revenue				
Other income	15,689	-	15,689	12,380
Forgiveness of debt - PPP	748,103	-	748,103	744,407
Total other changes	763,792	-	763,792	756,787
Change in Net Assets	619,632	(51,181)	568,451	886,887
Net Assets at Beginning of Year	2,048,219	419,950	2,468,169	1,581,282
Net Assets at End of Year	\$ 2,667,851	\$ 368,769	\$ 3,036,620	\$ 2,468,169

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Public Support			
United Way	\$ 364,758	\$ -	\$ 364,758
Government support	2,803,823	-	2,803,823
Scholarship revenue	-	4,500	4,500
Contributions	367,468	115,733	483,201
Contributed nonfinancial assets	21,792	-	21,792
Special events, including \$88,356 of contributed nonfinancial assets, net of direct costs of \$320,513	888,377	-	888,377
Foundations and grants	456,181	-	456,181
Wills and bequests	-	-	-
Social entrepreneurship	21,597	-	21,597
Change in value in beneficial interest held by others	-	76,483	76,483
Investment income	4,875	-	4,875
Net assets released from restriction	121,102	(121,102)	-
Total operating support and revenue	5,049,973	75,614	5,125,587
Operating Expenses			
Program services	4,223,326	-	4,223,326
Supporting services:			
Management and general	239,894	-	239,894
Fundraising	532,267	-	532,267
Total operating expenses	4,995,487	-	4,995,487
Change in Net Assets Before Other Changes	54,486	75,614	130,100
Other Changes - Revenue			
Other income	12,380	-	12,380
Forgiveness of debt - PPP	744,407	-	744,407
Total other changes	756,787	-	756,787
Change in Net Assets	811,273	75,614	886,887
Net Assets at Beginning of Year	1,236,946	344,336	1,581,282
Net Assets at End of Year	\$ 2,048,219	\$ 419,950	\$ 2,468,169

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Supporting Services				Total	
	Program Services	Management and General	Fundraising	Total Supporting Services	Total	
					2022	2021
Salaries	\$ 3,028,192	\$ 180,250	\$ 396,549	\$ 576,799	\$ 3,604,991	\$ 3,441,613
Employee benefits	332,033	19,764	43,480	63,244	395,277	310,645
Payroll taxes	216,344	12,878	28,331	41,209	257,553	254,228
Total salaries and related expenses	3,576,569	212,892	468,360	681,252	4,257,821	4,006,486
In-kind expense	63,326	-	2,825	2,825	66,151	21,792
Professional fees	124,318	7,400	16,280	23,680	147,998	91,002
Rent	73,705	4,387	9,652	14,039	87,744	154,720
Program expenses	190,406	-	-	-	190,406	101,635
Office	113,135	6,734	14,815	21,549	134,684	120,197
Insurance	104,541	6,223	13,690	19,913	124,454	120,391
Grant management fees	54,886	-	-	-	54,886	54,488
Telephone	57,937	3,449	7,587	11,036	68,973	74,206
Bad debt	-	-	100	100	100	4,500
Printing	46,630	2,776	6,106	8,882	55,512	53,646
Agency activities	27,690	1,648	3,626	5,274	32,964	28,110
Miscellaneous	75,754	4,506	9,920	14,426	90,180	35,574
Utilities	17,632	1,050	2,309	3,359	20,991	10,298
Postage	4,846	288	635	923	5,769	12,131
Conferences and conventions	22,776	1,356	2,983	4,339	27,115	5,480
Interest expense	2,393	142	313	455	2,848	9,760
Scholarship awards	6,434	-	-	-	6,434	13,750
Social entrepreneurship	-	-	-	-	-	1,442
Maintenance	8,033	478	1,052	1,530	9,563	4,433
Total expenses before depreciation	994,442	40,437	91,893	132,330	1,126,772	917,555
	4,571,011	253,329	560,253	813,582	5,384,593	4,924,041
Depreciation	53,938	3,211	7,063	10,274	64,212	71,446
	\$ 4,624,949	\$ 256,540	\$ 567,316	\$ 823,856	\$ 5,448,805	\$ 4,995,487

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	\$ 568,451	\$ 886,887
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	64,212	71,446
Amortization of loan costs charged to interest expense	985	270
Gain on forgiveness of PPP loan	(748,103)	(744,407)
Bad debt	100	4,500
(Increase) decrease in:		
Grants receivable	(64,181)	(75,092)
Unconditional promises to give	3,211	5,207
Other receivables	19,313	23,012
Beneficial interest in perpetual trusts	59,197	(67,527)
Prepaid expenses and other assets	5,121	(37,470)
Increase (decrease) in:		
Accounts payable and accrued expenses	48,805	32,731
Deferred revenue	(42,360)	36,682
	(85,249)	136,239
Net cash (used in) provided by operating activities	(85,249)	136,239
Cash Flows from Investing Activities:		
Sale (purchase) of certificate of deposit	-	53,783
Cash paid for purchase of property and equipment	(39,378)	(55,746)
	(39,378)	(1,963)
Net cash used in investing activities	(39,378)	(1,963)
Cash Flows from Financing Activities:		
Proceeds from note payable	-	748,103
Principal payments on note payable	(72,435)	(18,583)
	(72,435)	729,520
Net cash (used in) provided by financing activities	(72,435)	729,520
Net (Decrease) Increase in Cash	(197,062)	863,796
Total Cash at Beginning of Year	2,152,132	1,288,336
Total Cash at End of Year	\$ 1,955,070	\$ 2,152,132
Total cash consisted of the following at August 31:		
Cash	\$ 1,945,549	\$ 2,145,702
Restricted cash	9,521	6,430
	\$ 1,955,070	\$ 2,152,132
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for interest	\$ 1,784	\$ 9,490

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE A - NATURE OF ORGANIZATION

Big Brothers Big Sisters of Tampa Bay, Inc. (the Organization) is a not-for-profit organization whose mission is to create and support one-to-one mentoring relationships that ignite the power and promise of youth. With a focus on educational success and avoidance of risky behaviors, the Organization provides services in Alachua, Hillsborough, Marion, Pinellas, Polk, Pasco, Hernando, Citrus, and Sumter Counties. The Organization uses a case management approach to service delivery. The primary providers of direct services are volunteers who serve as mentors through match relationships within community or school-based program components. The Organization thoroughly screens volunteers who make a commitment in order to assure a regular, consistent relationship for the child. Professional staff monitors the service delivery and tracks both the progression of the match relationship and each client and volunteer on a case-by-case basis. Professional staff assists participants in developing and maintaining positive and beneficial mentoring relationships.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates included in the financial statements include allocation of expenses by function, useful lives of depreciable assets, and the allowance for grants and other receivables and unconditional promises to give.

Fair Value Measurement

The financial statements are prepared in accordance with an accounting standard, for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements or on a recurring basis (at least annually). Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. The standard also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

Cash and Restricted Cash

Cash consists of cash on deposit with financial institutions and petty cash funds. The Organization considers all highly liquid investments with an initial maturity of three months or less as cash. The Organization maintains a separate cash account for the restricted scholarship funds. This restricted cash account totaled \$9,521 and \$6,430 at August 31, 2022 and 2021, respectively.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally insured limits. From time to time throughout the years ended August 31, 2022 and 2021, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts.

Grants and Other Receivables

The Organization records a receivable and revenue at the time funds are earned. Management estimates the allowance for uncollectible grants and other receivables based on a review of the individual receivables outstanding as of the end of the year. Management writes off receivables as identified against the allowance amount. As of August 31, 2022 and 2021, the Organization considered all receivables to be fully collectible and no allowance was necessary.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Unconditional Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

Unconditional promises to give which are due in more than one year are recorded at estimated fair value by discounting future cash flows using current risk-free rates of return based on U.S. Treasury Securities yields with maturity dates similar to the expected contribution collection period. The Organization uses the allowance method to determine uncollectible unconditional promises. The allowance is based on prior years' experience and management's analysis of specific promises made. The Organization recorded an allowance of \$1,000 as of August 31, 2022 and 2021.

Beneficial Interest in Perpetual Trusts

In accordance with guidance related to accounting for contributions held by an organization for the benefit of another organization, which states that organizations that transfer assets to other not-for-profit agencies who specify themselves or their affiliates as the beneficiaries, and have not granted variance power, are not considered expenses and are recorded as a beneficial interest in perpetual trusts in the statements of financial position at fair value.

Property and Equipment

Property and equipment are recorded at acquisition cost, including costs necessary to prepare the asset for its intended use, or, if donated, at estimated fair value at the date of donation. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the assets ranging from three to forty years.

Maintenance and repairs are charged to expense as incurred, while renewals and betterments in excess of \$500 are capitalized.

Loan Costs

Loan costs related to the refinance of a mortgage are being amortized on a straight-line basis over the term of the loan. The amount is included in notes payable, net in the statements of financial position. Amortization of loan costs is included in interest expense in the statement of functional expenses.

Deferred Revenue

Deferred revenue recorded in the statements of financial position consists of sponsorships and conditional contributions collected prior to period-end that relate to special events scheduled to take place in the subsequent year.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition

Certain grants received by the Organization are considered conditional contributions since the grant agreements require the Organization to perform services, incur expenses or meet contract objectives in order to earn the grant funding. Payments received under these grants is deferred until earned. Revenue is earned and recognized in the financial statements when eligible expenses are incurred, services performed or grant objectives met.

Other grants without conditions and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are reported at present value at the date the promise is received to the extent estimated to be collected by the Organization. Other conditional promises to give are recognized when the conditions on which they depend are substantially met. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenues from special events and sponsorships are considered exchange transactions. Revenues from exchange transactions are recognized when control of the goods and services are transferred to the Organization's members or program participants in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services.

Noncash Contributions

Donated materials are recorded as support at their fair value at the date of donation. Contributions of services are recorded as support at their estimated fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended August 31, 2022 and 2021, the value of contributed services meeting the requirements for recognition in the financial statements has been recorded as unrestricted support. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services under the financial accounting standards.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Classification of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities.

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Those specifically identifiable include in-kind program, program expenses, bad debt, scholarship awards and social entrepreneurship. All other expenses are allocated among program, management and general, and fundraising based upon the ratio of employee time involved. The percentages applied are as follows for each of the years ended August 31, 2022 and 2021:

Program services	84%
Management and general	5%
Fundraising	<u>11%</u>
	<u>100%</u>

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization’s federal returns are generally open for examination for three years following the date filed.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. Net assets have not been impacted as a result of these reclassifications.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Summarized Comparative Information

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2021 from which summarized information was derived.

New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update, Not-for-Profit Entities (Topic 958) - *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update enhances the presentation and disclosure of contributed nonfinancial assets but does not impact the accounting for contributed nonfinancial assets. The Organization has adjusted the presentation and disclosures accordingly.

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available to meet general expenditures over the next twelve months on August 31:

	<u>2022</u>	<u>2021</u>
Financial Assets:		
Cash	\$ 1,945,549	\$ 2,145,702
Grants and other receivables	484,165	440,902
Unconditional promises to give, net	4,785	7,996
Certificate of deposit	<u>251,711</u>	<u>250,206</u>
Total financial assets	2,686,210	2,844,806
Less Amounts Not Available to be Used Within One Year:		
Net assets with donor restrictions	<u>90,318</u>	<u>90,141</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,595,892</u>	<u>\$ 2,754,665</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As described in **Note I**, the Organization also has a \$400,000 line-of-credit available. As part of its liquidity plan, excess cash is invested in a separate money market account.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE D - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following on August 31:

	<u>2022</u>	<u>2021</u>
Gross unconditional promises to give	\$ 5,945	\$ 9,210
Less: Unamortized discount	(160)	(214)
Less: Allowance for doubtful accounts	<u>(1,000)</u>	<u>(1,000)</u>
Net unconditional promises to give	<u>\$ 4,785</u>	<u>\$ 7,996</u>
Amounts due in:		
Less than one year	\$ 1,095	\$ 1,775
One to five years	4,850	7,435
Thereafter	<u>-</u>	<u>-</u>
	<u>\$ 5,945</u>	<u>\$ 9,210</u>

For the years ended August 31, 2022 and 2021, \$100 and \$4,500, respectively, was deemed uncollectible and written off to bad debt expense.

NOTE E - BENEFICIAL INTEREST IN A PERPETUAL TRUST

The Organization receives income from certain funds that are neither in the Organization's possession nor under its control. These external assets are held in perpetuity and are invested and managed by outside trustees in accordance with trust agreements.

The Organization has beneficial interest in assets held by the Community Foundation of Tampa Bay (the Community Foundation) of \$255,148 and \$310,998 as of August 31, 2022 and 2021, respectively. These beneficial interests include the Charles Edward Manly II Fund, the Scholarship Fund, and the Big Brothers Big Sister of Tampa Bay Fund. During the years ended August 31, 2022 and 2021, \$1,727 and \$3,300, respectively, of new gifts were contributed to these accounts by the Organization. Since these funds were transferred to the Community Foundation by the Organization and the Organization is the named beneficiary, these amounts are included in the accompanying statements of financial position. Earnings on the funds are distributed to the Organization semi-annually at a distribution rate determined by the Community Foundation.

In addition, in 2002, the Organization established an endowment account with the Pinellas Community Foundation (PCF) in the amount of \$10,000. It is the intent of the donors and the Organization to accumulate donations and earnings until the fund reaches a balance of \$25,000.

NOTE F - BENEFICIAL INTEREST IN A DESIGNATED FUND

The Organization has a beneficial interest in certain designated funds held by the Community Foundation. These designated funds came from sources other than the Organization that had explicitly granted variance power to the Community Foundation, so they are not recorded in the Organization's accompanying statements of financial position as an asset. Earnings on the endowment funds are distributed to the Organization quarterly and are recognized as unrestricted contributions in the statements of activities. The fair value of these designated funds are \$13,351 and \$15,572 as of August 31, 2022 and 2021, respectively.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE G - FAIR VALUE MEASUREMENT

The Organization's investments are reported at fair value in the accompanying statements of financial position. Following is a description of valuation methodologies used for investments measured at fair value.

Beneficial interest in perpetual trusts - The assets are managed by a third party which is unrelated to this organization. The trust assets are valued based upon the third-party information without adjustment. The Organization does not develop nor are they provided with the quantitative inputs used to develop the fair market values.

Certificate of deposit - Cost plus accrued interest which approximates fair value.

Fair values of assets measured on a recurring basis at August 31, 2022 are as follows:

<u>Description</u>	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Quoted Prices In Active Markets for Identical Assets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>	<u>Total Fair Value</u>
Assets:				
Certificate of deposit	\$ -	\$ 251,711	\$ -	\$ 251,711
Beneficial interest in perpetual trusts	-	-	268,934	268,934
Total assets at fair value	<u>\$ -</u>	<u>\$ 251,711</u>	<u>\$ 268,934</u>	<u>\$ 520,645</u>

Fair values of assets measured on a recurring basis at August 31, 2021 are as follows:

<u>Description</u>	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Quoted Prices In Active Markets for Identical Assets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>	<u>Total Fair Value</u>
Assets:				
Certificate of deposit	\$ -	\$ 250,206	\$ -	\$ 250,206
Beneficial interest in perpetual trusts	-	-	328,131	328,131
Total assets at fair value	<u>\$ -</u>	<u>\$ 250,206</u>	<u>\$ 328,131</u>	<u>\$ 578,337</u>

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE G - FAIR VALUE MEASUREMENT – CONTINUED

The following is a summary of changes in the fair value of the Organization’s Level 3 assets for the years ended August 31:

	<u>2022</u>	<u>2021</u>
Balance, September 1	\$ 328,131	\$ 260,604
Contributions	1,727	3,300
Released from restriction	(31,725)	(12,256)
Investment (loss) income	<u>(29,200)</u>	<u>76,483</u>
Balance, August 31	<u>\$ 268,933</u>	<u>\$ 328,131</u>

NOTE H - PROPERTY AND EQUIPMENT

Property and equipment consist of the following on August 31:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$ 488,765	\$ 486,505
Land	44,000	44,000
Office equipment	374,619	443,755
Leasehold improvements	<u>17,885</u>	<u>11,867</u>
	925,269	986,127
Less accumulated depreciation	<u>(571,042)</u>	<u>(607,066)</u>
	<u>\$ 354,227</u>	<u>\$ 379,061</u>

NOTE I - LINE-OF-CREDIT

The Organization has a \$400,000 revolving line-of-credit available at a financial institution at August 31, 2022 and 2021, with no stated maturity date. The interest rate on this line-of-credit is one month LIBOR plus 2.375% (5.25% at August 31, 2022). The line-of-credit is collateralized by substantially all assets of the Organization. There were no amounts outstanding on the line-of-credit at August 31, 2022 and 2021. The Organization had \$400,000 available for use at August 31, 2022 and 2021.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE J - NOTES PAYABLE

Mortgage Payable

Mortgage payable consists of the following on August 31:

	<u>2022</u>	<u>2021</u>
Mortgage payable to a bank, due in monthly installments of \$1,828 including interest at 4.0%, due May 2025, collateralized by the real estate. Mortgage payable was paid in full November 2021.	\$ -	\$ 72,435
Loan costs	-	(2,695)
Accumulated amortization	-	1,710
	<u> </u>	<u> </u>
Mortgage payable, net	<u>\$ -</u>	<u>\$ 71,450</u>

Loan costs associated with the November 2021 mortgage payoff were written off and are included in interest expense for the year ended August 31, 2022.

Paycheck Protection Program Note Payable

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In April 2020, the Organization obtained a PPP loan in the amount of \$744,407. The Organization used the entire loan amount for qualifying expenses and received complete forgiveness in November 2020. In January 2021, the Organization obtained a second PPP loan in the amount of \$748,103. The Organization used the entire amount of the second loan for qualifying purposes and received complete forgiveness in October 2021. A gain on the forgiveness of the second PPP loan of \$748,103 is included in the accompanying statement of activities for the year ended August 31, 2022. A gain on the forgiveness of the first PPP loan of \$744,407 is included in the accompanying statement of activities for the year ended August 31, 2021.

NOTE K - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Organization leases certain equipment under various operating leases. The terms of these leases range from 25 months to 63 months. The total expense paid during the years ended August 31, 2022 and 2021 related to these leases were approximately \$149,000 and \$220,000, respectively.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE K - COMMITMENTS AND CONTINGENCIES – CONTINUED

Based on the terms of the agreements, minimum payments due on all leases are as follows:

Years Ending August 31,	Amount
2023	\$ 134,410
2024	25,399
	\$ 159,809

NOTE L - CONTRIBUTED NONFINANCIAL ASSETS

The Organization receives in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations, special events, and fund-raising campaigns. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognizes contributed nonfinancial asset revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation.

For the years ended August 31, 2022 and 2021, the Organization received in-kind contributions estimated as follows:

	Donated Services	Donated Goods	Total	
			2022	2021
Special Events	\$ 18,000	\$ 41,207	\$ 59,207	\$ 88,356
Program Services	-	57,896	57,896	13,406
General and Management	-	10,636	10,636	8,386
Fundraising	-	2,825	2,825	-
	\$ 18,000	\$ 112,564	\$ 130,564	\$ 110,148

All donated services and assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets. Donated services are valued based on current rates for similar event services. Donated goods are valued at the wholesale prices that would be received for selling similar products.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE M - NET ASSETS WITH DONOR RESTRICTIONS

Virtually all of the restrictions on net assets for the years ended August 31, 2022 and 2021 are related to funds received from private foundations, corporate donors, grants, and time restricted multi-year pledges. Certain of the use-restricted funds are restricted for the purpose of match events and activities.

At August 31, 2022 and 2021, net assets with donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
Time-restricted	\$ 5,945	\$ 9,210
Beneficial interests in perpetual trusts	268,934	328,131
Scholarship Fund	9,520	1,680
Match Activities	79,148	62,036
Big Futures	-	14,136
Other	5,222	4,757
	<u>\$ 368,769</u>	<u>\$ 419,950</u>

NOTE N - RETIREMENT PLAN

The Organization has a 401k plan to which it may match a portion of eligible employee contributions. Effective January 1, 2022, the Organization updated their match to contribute \$1 for each \$1 the employee contributes up to 3%, and an additional 50% of each \$1 for 4% and 5% of compensation that the employee contributes. Employees must contribute at least 5% to receive the full 4% match. From June 1, 2021 through December 31, 2021, the Organization's policy was to contribute 50% of each \$1 the employee contributes to the plan up to 3% of compensation. Employees must contribute at least 6% to the plan in order to receive the full 3% match. From September 1, 2020 through May 31, 2021, the Organization's policy was to contribute 1% of eligible employee's compensation to the plan. The Organization contributed \$1 for each \$1 the employee contributed to the plan up to 1% of compensation. Contributions made during the years ended August 31, 2022 and 2021 were \$73,307 and \$25,151, respectively.

NOTE O - CERTIFICATE OF DEPOSIT

Certificate of deposit consists of one \$300,000 certificate which matured in January 2021. In January 2021, a certificate of deposit was purchased and consists of one \$250,000 certificate which matures in December 2022 and accrues interest at 0.60%.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE P - CONCENTRATION OF RISK

The Organization receives a substantial amount of support from grantor agencies for its programs (approximately 63% for the years ended August 31, 2022 and 2021), consisting of \$390,545 and \$364,758 from the United Way and \$2,963,893 and \$2,803,823 from various state and local grants. If support from one or more of these granting agencies were to be reduced or eliminated, it could affect the operation of the supported programs. In addition, the Organization is subject to audit examination by grantor agencies. In the event that reimbursed expenditures were disallowed, repayments would be required.

NOTE Q - RELATED PARTY

The Organization is charged an annual support service fee by Big Brothers Big Sisters of America (National Office) and Big Brothers Big Sisters Association of Florida (State Office) based on a percentage of annual expenditures. This fee is for organizational and management services provided by the National and State offices. The Organization recognized national and state support expense of approximately \$75,000 for the years ended August 31, 2022 and 2021, respectively, and is included in professional fees in the accompanying statement of functional expenses.

NOTE R - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through November 16, 2022 the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosures in the financial statements.

SUPPLEMENTARY INFORMATION

**BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED AUGUST 31, 2022**

Florida State Agency/ Program Title/ Florida State Project Title	CSFA Number	Contract Number	Expenditures
State of Florida Department of Education			
Passed through:			
Big Brothers Big Sisters Association of Florida, Inc. Mentoring / Student Assistance Initiatives Bigs Inspiring Scholastic Success	48.068	96448	\$ 637,911
State of Florida Department of Juvenile Justice			
Passed through:			
Big Brothers Big Sisters Association of Florida, Inc. Delinquency Prevention Mentoring Children of Incarcerated Parents	80.029	10707	418,858
State of Florida Department of Economic Opportunity			
Passed through:			
Big Brothers Big Sisters Association of Florida, Inc. Workforce Development Projects School to Work	40.037	WL051	74,609
State of Florida Department of Legal Affairs and Office of the Attorney General			
Passed through:			
Big Brothers Big Sisters Association of Florida, Inc. Big Brothers Big Sisters Bigs in Blue Mentoring Project	41.035	K05183	<u>226,906</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 1,358,284</u></u>

See accompanying notes to schedule of expenditures of state financial assistance

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED AUGUST 31, 2022

BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (Schedule) includes the State of Florida project activity of Big Brothers Big Sisters of Tampa Bay, Inc. and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations and the requirements of Chapter 10.650, *Rules of the Auditor General, State of Florida*. Because the Schedule presents only a selected portion of the operations of Big Brothers Big Sisters of Tampa Bay, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Big Brothers Big Sisters of Tampa Bay, Inc.

CONTINGENCIES

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



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**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**

To the Board of Directors
Big Brothers Big Sisters of Tampa Bay, Inc.
Tampa, 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 Tampa Bay, Inc. (the Organization), which comprise the statement of financial position as of August 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

CONTINUED

**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* - CONTINUED**

Report on Compliance and Other Matters

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

Purpose of This Report

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

PDR CPAs + Advisors

Oldsmar, Florida
November 16, 2022



**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, STATE OF FLORIDA**

To the Board of Directors
Big Brothers Big Sisters of Tampa Bay, Inc.
Tampa, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Big Brothers Big Sisters of Tampa Bay, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *Florida 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 August 31, 2022. 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.

In our opinion, Big Brothers Big Sisters of Tampa Bay, Inc. 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 August 31, 2022.

Basis for Opinion on Each Major State Project

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, State of Florida. Our responsibilities under standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's state projects.

CONTINUED

**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, STATE OF FLORIDA –
CONTINUED**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Big Brothers Big Sisters of Tampa Bay, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, Rules of the Auditor General, State of Florida will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, Rules of the Auditor General, State of Florida we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Chapter 10.650, Rules of the Auditor General, State of Florida, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

CONTINUED

**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, STATE OF FLORIDA –
CONTINUED**

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, State of Florida. Accordingly, this report is not suitable for any other purpose.

PDR CPAs + Advisors

Oldsmar, Florida
November 16, 2022

**BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE PROJECTS
YEAR ENDED AUGUST 31, 2022**

Part I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

State Project Section

Internal control over major state projects:

Material weaknesses identified? yes no

Significant deficiencies identified not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650 yes no

Identification of Major State Project:

CSFA Number	Name of Project
48.068	Mentoring / Student Assistance Initiatives
80.029	Delinquency Prevention

Dollar threshold used to determine Type A State Project: \$ 407,485

**BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE PROJECTS - CONTINUED
YEAR ENDED AUGUST 31, 2022**

Part II - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weakness, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no reportable findings.

Part III – State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weakness, and instances of noncompliance, including questioned costs, related to the audit of major state projects, as required to be reported by Chapter 10.650, Rules of the Auditor General, State of Florida.

There were no reportable findings.

Part IV - Summary Schedule of Prior Audit Findings

A Summary Schedule of Prior Audit Findings is not necessary since there were no prior audit findings related to a major state project.