

Big Brothers Big Sisters of Tampa Bay, Inc.

Financial Statements

August 31, 2023 and 2022

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, 2023 and 2022 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, 2023, 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, 2023 and 2022, 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 opinions.

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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2022, 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 14, 2023 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 14, 2023

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
Cash	\$ 2,790,426	\$ 1,945,549
Restricted cash	13,999	9,521
Grants receivable	497,669	478,664
Unconditional promises to give, net	1,035	4,785
Other receivables	4,170	5,501
Prepaid expenses and other assets	166,739	130,319
Certificate of deposit	258,889	251,711
Beneficial interest in funds held by others - CFTB	273,316	255,148
Beneficial interest in funds held by others - PCF	14,496	13,786
Property and equipment, net	313,240	354,227
Operating lease right-of-use asset	23,432	-
	Total Assets	Total Assets
	\$ 4,357,411	\$ 3,449,211
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 176,932	\$ 276,715
Deferred revenue	267,368	135,876
Current portion of operating lease liability	23,540	-
	Total liabilities	Total liabilities
	467,840	412,591
Net Assets		
Without donor restrictions	3,491,655	2,667,851
With donor restrictions	397,916	368,769
	Total net assets	Total net assets
	3,889,571	3,036,620
	Total Liabilities and Net Assets	Total Liabilities and Net Assets
	\$ 4,357,411	\$ 3,449,211

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Operating Support and Revenue				
Public Support				
United Way	\$ 339,166	\$ -	\$ 339,166	\$ 390,545
Government support	3,280,621	-	3,280,621	2,963,893
Scholarship revenue	-	44,476	44,476	2,000
Contributions	431,886	91,159	523,045	541,804
Contributed nonfinancial assets	115,942	-	115,942	71,357
Special events, including \$205,632 of contributed nonfinancial assets, net of direct costs of \$550,627	1,016,214	-	1,016,214	968,145
Foundations and grants	349,203	-	349,203	243,485
Wills and bequests	151,453	-	151,453	76,705
Social entrepreneurship	22,966	-	22,966	21,230
Change in value in beneficial interest held by others	-	25,520	25,520	(29,200)
Investment income	41,715	-	41,715	3,500
Net assets released from restriction	132,008	(132,008)	-	-
Total operating support and revenue	5,881,174	29,147	5,910,321	5,253,464
Operating Expenses				
Program services	5,014,726	-	5,014,726	4,624,949
Supporting services:				
Management and general	272,095	-	272,095	256,540
Fundraising	599,801	-	599,801	567,316
Total operating expenses	5,886,622	-	5,886,622	5,448,805
Change in Net Assets Before Other Changes	(5,448)	29,147	23,699	(195,341)
Other Changes - Revenue				
Employee Retention Credit	816,032	-	816,032	-
Other Income	13,220	-	13,220	15,689
Forgiveness of debt - PPP	-	-	-	748,103
Total other changes	829,252	-	829,252	763,792
Change in Net Assets	823,804	29,147	852,951	568,451
Net Assets at Beginning of Year	2,667,851	368,769	3,036,620	2,468,169
Net Assets at End of Year	\$ 3,491,655	\$ 397,916	\$ 3,889,571	\$ 3,036,620

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Support and Revenue			
Public Support			
United Way	\$ 390,545	\$ -	\$ 390,545
Government support	2,963,893	-	2,963,893
Scholarship revenue	-	2,000	2,000
Contributions	439,287	102,517	541,804
Contributed nonfinancial assets	71,357	-	71,357
Special events, including \$59,207 of contributed nonfinancial assets, net of direct costs of \$402,049	968,145	-	968,145
Foundations and grants	243,485	-	243,485
Wills and bequests	76,705	-	76,705
Social entrepreneurship	21,230	-	21,230
Change in value in beneficial interest held by others	-	(29,200)	(29,200)
Investment income	3,500	-	3,500
Net assets released from restriction	126,498	(126,498)	-
Total operating support and revenue	5,304,645	(51,181)	5,253,464
Operating Expenses			
Program services	4,624,949	-	4,624,949
Supporting services:			
Management and general	256,540	-	256,540
Fundraising	567,316	-	567,316
Total operating expenses	5,448,805	-	5,448,805
Change in Net Assets Before Other Changes	(144,160)	(51,181)	(195,341)
Other Changes - Revenue			
Other income	15,689	-	15,689
Forgiveness of debt - PPP	748,103	-	748,103
Total other changes	763,792	-	763,792
Change in Net Assets	619,632	(51,181)	568,451
Net Assets at Beginning of Year	2,048,219	419,950	2,468,169
Net Assets at End of Year	\$ 2,667,851	\$ 368,769	\$ 3,036,620

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Supporting Services				Total	
	Program Services	Management and General	Fundraising	Total Supporting Services	Total	
					2023	2022
Salaries	\$ 3,182,256	\$ 189,420	\$ 416,724	\$ 606,144	\$ 3,788,400	\$ 3,604,991
Employee benefits	363,654	21,646	47,621	69,267	432,921	395,277
Payroll taxes	227,700	13,554	29,818	43,372	271,072	257,553
Total salaries and related expenses	3,773,610	224,620	494,163	718,783	4,492,393	4,257,821
In-kind expense	114,751	-	1,191	1,191	115,942	66,151
Professional fees	170,460	10,146	22,322	32,468	202,928	147,998
Rent	83,044	4,943	10,875	15,818	98,862	87,744
Match and volunteer activities	219,398	-	-	-	219,398	190,406
Office	118,626	7,061	15,534	22,595	141,221	134,684
Insurance	111,239	6,621	14,567	21,188	132,427	124,454
Grant management fees	69,366	-	-	-	69,366	54,886
Telephone	55,481	3,302	7,265	10,567	66,048	68,973
Bad debt	-	-	-	-	-	100
Printing	38,110	2,268	4,991	7,259	45,369	55,512
Agency activities	15,879	945	2,079	3,024	18,903	32,964
Miscellaneous	103,571	6,165	13,563	19,728	123,299	90,180
Utilities	20,422	1,216	2,674	3,890	24,312	20,991
Postage	3,856	230	505	735	4,591	5,769
Conferences and conventions	21,362	1,272	2,797	4,069	25,431	27,115
Interest expense	-	-	-	-	-	2,848
Scholarship awards	40,000	-	-	-	40,000	6,434
Maintenance	3,297	196	432	628	3,925	9,563
Total expenses before depreciation	1,188,862	44,365	98,795	143,160	1,332,022	1,126,772
	4,962,472	268,985	592,958	861,943	5,824,415	5,384,593
Depreciation	52,254	3,110	6,843	9,953	62,207	64,212
	\$ 5,014,726	\$ 272,095	\$ 599,801	\$ 871,896	\$ 5,886,622	\$ 5,448,805

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 852,951	\$ 568,451
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	62,207	64,212
Amortization of loan costs charged to interest expense	-	985
Gain on forgiveness of PPP loan	-	(748,103)
Noncash operating lease expense	132,513	-
Bad debt	-	100
(Increase) decrease in:		
Grants receivable	(19,005)	(64,181)
Unconditional promises to give	3,750	3,211
Other receivables	(5,847)	19,313
Beneficial interest in funds held by others	(18,878)	59,197
Prepaid expenses and other assets	(36,420)	5,121
Increase (decrease) in:		
Accounts payable and accrued expenses	(99,783)	48,805
Deferred revenue	131,492	(42,360)
Change in lease liability	(132,405)	-
Net cash provided by (used in) operating activities	<u>870,575</u>	<u>(85,249)</u>
Cash Flows from Investing Activities:		
Cash paid for purchase of property and equipment	(21,220)	(39,378)
Net cash used in investing activities	<u>(21,220)</u>	<u>(39,378)</u>
Cash Flows from Financing Activities:		
Principal payments on note payable	-	(72,435)
Net cash used in financing activities	<u>-</u>	<u>(72,435)</u>
Net Increase (Decrease) in Cash	849,355	(197,062)
Total Cash at Beginning of Year	<u>1,955,070</u>	<u>2,152,132</u>
Total Cash at End of Year	<u>\$ 2,804,425</u>	<u>\$ 1,955,070</u>
Total cash consisted of the following at August 31:		
Cash	\$ 2,790,426	\$ 1,945,549
Restricted cash	13,999	9,521
	<u>\$ 2,804,425</u>	<u>\$ 1,955,070</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ 1,784</u>

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

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, 2023 AND 2022

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, 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 \$13,999 and \$9,521 at August 31, 2023 and 2022, 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, 2023 and 2022, 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.

Certificate of Deposit

The Organization invests in certificates of deposit with maturities of less than one year. The certificates of deposit are purchased in such amounts as to maximize federal deposit insurance coverage, and are held to maturity. Accordingly, certificates of deposit are carried at original cost plus accrued interest in the accompanying statements of financial position.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Grants Receivables

Grants receivable consist of amounts due from various funding agencies. 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, 2023 and 2022, the Organization considered all receivables to be fully collectible and no allowance was necessary.

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, 2023 and 2022.

Beneficial Interest in Funds Held by Others

The Organization has several funds established under the Community Foundation of Tampa Bay and the Pinellas Community Foundation. The funds are held and invested by the community foundations for the Organization's benefit and are reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in statements of activities.

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.

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.

Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amount of such assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values. There were no impairments at August 31, 2023 and 2022, respectively.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

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.

Special events revenue is comprised of an exchange element for the direct benefits the donors receive and a contribution element for the difference. The revenues are recognized at the point in time when control of the goods and services are transferred to the event's participants in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

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, 2023 and 2022, 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.

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, 2023 and 2022:

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

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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, 2022 from which summarized information was derived.

Leases

The Organization has operating leases for office space and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, the Financial Accounting Standard's Board's Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassess its determination if the terms or conditions of the contract are changed.

Operating leases are included in operating lease right-of-use (ROU) assets and lease liabilities in the accompanying statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate in the lease when it is readily determinable. To determine the present value of lease payments, management has elected to use a risk free rate at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense is recognized on a straight-line basis over the lease term.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Leases - Continued

The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option. The Organization has determined these extensions are not reasonably certain to be elected and therefore these extensions are not included in the lease calculations.

For leases with an initial term of 12 months or less, an ROU asset and lease liability is not recognized and lease expense is recognized on a straight-line basis over the lease term.

New Accounting Pronouncement

Effective September 1, 2022, the Organization adopted Topic 842 and additional ASUs issued to clarify and update the guidance in ASU 2016-02 (collectively, the "new leases standard"). The new leases standard modifies lease accounting for lessees to increase transparency and comparability by recording lease assets and liabilities for operating leases and disclosing key information about leasing arrangements.

The Organization adopted the new leases standard utilizing the modified retrospective transition method, under which amounts in the prior periods presented were not restated. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allows it to carry forward any historical lease classification. Upon adoption, the Organization recorded \$153,131 of right-of-use (ROU) assets and \$153,131 of lease liabilities. The adoption of the new leases standard did not have a material impact on the Organization's results of operations or cash flows.

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>2023</u>	<u>2022</u>
Financial Assets:		
Cash	\$ 2,790,426	\$ 1,945,549
Grants and other receivables	501,839	484,165
Unconditional promises to give, net	1,035	4,785
Certificate of deposit	<u>258,889</u>	<u>251,711</u>
Total financial assets	3,552,189	2,686,210
Less Amounts Not Available to be Used		
Within One Year:		
Net assets with donor restrictions	<u>96,110</u>	<u>90,318</u>
Financial assets available to meet general		
expenditures over the next twelve months	<u>\$ 3,456,079</u>	<u>\$ 2,595,892</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, 2023 AND 2022

NOTE D - UNCONDITIONAL PROMISES TO GIVE

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

	<u>2023</u>	<u>2022</u>
Gross unconditional promises to give	\$ 2,195	\$ 5,945
Less: Unamortized discount	(160)	(160)
Less: Allowance for doubtful accounts	<u>(1,000)</u>	<u>(1,000)</u>
Net unconditional promises to give	<u>\$ 1,035</u>	<u>\$ 4,785</u>
Amounts due in:		
Less than one year	\$ 206	\$ 1,095
One to five years	<u>1,989</u>	<u>4,850</u>
	<u>\$ 2,195</u>	<u>\$ 5,945</u>

For the years ended August 31, 2023 and 2022, \$-0- and \$100, respectively, was deemed uncollectible and written off to bad debt expense.

NOTE E - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATIONS

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 \$273,316 and \$255,148 as of August 31, 2023 and 2022, respectively. These beneficial interests include the Charles Edward Manly II Fund, the Scholarship Fund, and the Big Brothers Big Sister of Tampa Bay Fund. In addition, in 2002, the Organization established an 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. The Organization has beneficial interest in assets held by PCF of \$14,496 and \$13,786 as of August 31, 2023 and 2022. Earnings on the funds are distributed to the Organization semi-annually at a distribution rate determined by the respective foundation.

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 \$13,726 and \$13,351 as of August 31, 2023 and 2022, respectively.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

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 assets held by others - 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.

Fair values of assets measured on a recurring basis at August 31, 2023 are as follows:

Fair Value Measurements at Reporting Date Using				
Description	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
Assets:				
Beneficial interest in perpetual trusts	-	-	287,812	287,812
Total assets at fair value	\$ -	\$ -	\$ 287,812	\$ 287,812

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

Fair Value Measurements at Reporting Date Using				
Description	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
Assets:				
Beneficial interest in perpetual trusts	-	-	268,934	268,934
Total assets at fair value	\$ -	\$ -	\$ 268,934	\$ 268,934

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

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:

	2023	2022
Balance, September 1	\$ 268,934	\$ 328,131
Contributions	5,158	1,728
Released from restriction	(11,800)	(31,725)
Investment income (loss)	25,520	(29,200)
	\$ 287,812	\$ 268,934

NOTE H - PROPERTY AND EQUIPMENT

Property and equipment consist of the following on August 31:

	2022	2021
Building and improvements	\$ 492,154	\$ 488,765
Land	44,000	44,000
Office equipment	392,450	374,619
Leasehold improvements	17,885	17,885
	946,489	925,269
Less accumulated depreciation	(633,249)	(571,042)
	\$ 313,240	\$ 354,227

NOTE I - LINE- OF-CREDIT

The Organization has a \$400,000 revolving line-of-credit available at a financial institution at August 31, 2023 and 2022, with no stated maturity date. The interest rate on this line-of-credit is SOFR plus 2.3% (7.6% at August 31, 2023). 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, 2023 and 2022. The Organization had \$400,000 available for use at August 31, 2023 and 2022.

NOTE J - NOTES PAYABLE

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, 2021.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE K - LEASES

The Organization leases office space and equipment under an operating lease agreements that expire through 2024. Variable payments are not determinable at the lease commencement and are not included in the measurement of the lease assets and liabilities. The lease agreements do not include any material residual value guarantees or restrictive covenants.

The future payments due under operating lease as of August 31, 2023 is as follows:

Years Ending August 31,	Amount
2024	\$ 23,639
Total undiscounted cash flows	23,639
Less: present value discount	99
Total lease liabilities	\$ 23,540

As of August 31, 2023, the weighted-average remaining lease term for the Organization's operating leases is .32 years, and the weighted-average discount rate associated with the operating leases is 3.51%. Rent expense for the Organization's operating leases for the year ended August 31, 2023 was approximately \$144,000. Cash paid in connection with the operating leases was approximately \$132,400 for the year ended August 31, 2023.

Rent expense for the year ended August 31, 2022 was \$149,000 reported under the previous lease accounting standard.

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, 2023 and 2022, the Organization received in-kind contributions estimated as follows:

	Donated Services	Donated Goods	Total	
			2023	2022
Special Events	\$ 24,615	\$ 181,017	\$ 205,632	\$ 59,207
Program Services	250	114,071	114,321	57,896
General and Management	-	430	430	10,636
Fundraising	565	626	1,191	2,825
	\$ 25,430	\$ 296,144	\$ 321,574	\$ 130,564

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, 2023 AND 2022

NOTE M - NET ASSETS WITH DONOR RESTRICTIONS

Virtually all of the restrictions on net assets for the years ended August 31, 2023 and 2022 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, 2023 and 2022, net assets with donor restrictions consisted of the following:

	2023	2022
Time-restricted	\$ 2,195	\$ 5,945
Beneficial interests in funds held by others	287,812	268,934
Scholarship Fund	13,996	9,520
Match Activities	87,522	79,148
Other	6,391	5,222
	\$ 397,916	\$ 368,769

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. Contributions made during the years ended August 31, 2023 and 2022 were \$93,126 and \$73,307, respectively.

NOTE O - CERTIFICATE OF DEPOSIT

The Organization has a \$250,000 certificate of deposit with a maturity date of November 2023. The interest rate is 4% and the certificate of deposit is carried at original cost plus accrued interest in the accompanying statements of financial position since it is expected to be held to maturity.

NOTE P - CONCENTRATION OF RISK

The Organization receives a substantial amount of support from various grantor agencies for its programs. During the years ended August 31, 2023 and 2022, 40% and 41%, of revenues were received from two funders, respectively. 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.

At August 31, 2023 and 2022, 88% and 82% of the grants receivable balance was due from three funders, respectively.

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

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 \$85,000 and \$75,000 for the years ended August 31, 2023 and 2022, respectively, and is included in professional fees in the accompanying statement of functional expenses. During the year ended August 31, 2023, the Organization purchased services totaling approximately \$14,000 from a company owned by a member of the Board of Directors.

NOTE R - EMPLOYEE RETENTION CREDIT

The Organization has determined it is eligible for the Employee Retention Credit (ERC) under the CARES Act. The Organization has elected to treat amounts claimed under the ERC program as an in-substance government grant and the accounting aligned with conditional contributions. For the calendar year 2020, the ERC provides for refundable tax credits against certain employment taxes up to \$5,000 per employee. For calendar year 2021, the credits are up to \$7,000 per employee per quarter. The ERC program terminated September 30, 2021. Credits are claimed by filing amended employer tax returns. At August 31, 2023, the Organization has recorded other income of \$816,032. These amounts are included in the accompanying statements of activities for the year ended August 31, 2023.

Laws and regulations governing the CARES Act program are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future governmental review and interpretation. The Organization believes it is in compliance with all applicable laws and regulations governing CARES Act programs in which it has participated.

NOTE S - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through November 14, 2023 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, 2023**

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	3Q001	\$ 825,740
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 - A1	400,618
State of Florida Department of Economic Opportunity			
Passed through:			
Big Brothers Big Sisters Association of Florida, Inc. Workplace Development Projects School to Work	40.037	WL058	82,094
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 Bigs In Blue	41.035	K05347	<u>276,582</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,585,034</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, 2023**

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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727-785-4447
813-498-1294
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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, 2023, 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 14, 2023.

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 14, 2023



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**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, 2023. 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, 2023.

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 14, 2023

**BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 STATE PROJECTS
 YEAR ENDED AUGUST 31, 2023**

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

Dollar threshold used to determine Type A State Project: \$ 475,510

**BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE PROJECTS - CONTINUED
YEAR ENDED AUGUST 31, 2023**

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.