

**Big Brothers Big Sisters
of Broward, Inc.**

Financial Statements
For the Year Ended June 30, 2025

Big Brothers Big Sisters of Broward, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Big Brothers Big Sisters of Broward, Inc.
Fort Lauderdale, Florida

Opinion

We have audited the accompanying financial statements of Big Brothers Big Sisters of Broward, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Broward, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Broward, Inc. and to meet our other 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 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 Broward, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 Broward, 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 Broward, Inc.'s ability to continue as a going concern for a reasonable period of time.

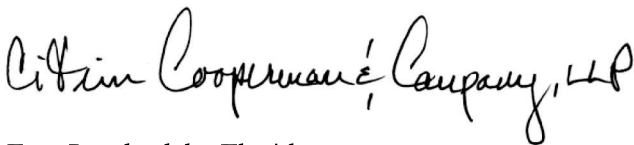
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on 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 the Florida Single Audit Act, 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 January 29, 2026 on our consideration of Big Brothers Big Sisters of Broward, 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 Broward, 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 Broward, Inc.'s internal control over financial reporting and compliance.



Fort Lauderdale, Florida
January 29, 2026

FINANCIAL STATEMENTS

Big Brothers Big Sisters of Broward, Inc.
Statement of Financial Position
June 30, 2025

Assets:

Cash and cash equivalents	\$	1,867,799
Investments		2,640,531
Grants receivables		125,370
Promises to give, net		202,900
Other receivables		5,515
Property and equipment, net		18,772
Prepaid expenses and other assets		42,443
Right-of-use asset, net		<u>772,214</u>
Total assets	\$	<u>5,675,544</u>

Liabilities:

Accounts payable	\$	17,914
Accrued liabilities		50,756
Deferred revenue		112,509
Operating lease liability		<u>784,122</u>
Total liabilities		<u>965,301</u>

Net Assets:

Without donor restrictions:		
Undesignated		<u>4,667,484</u>
With donor restrictions:		
Time restrictions		37,500
Purpose restrictions		<u>5,259</u>
		<u>42,759</u>
Total net assets		<u>4,710,243</u>
Total liabilities and net assets	\$	<u>5,675,544</u>

See accompanying notes to financial statements.

Big Brothers Big Sisters of Broward, Inc.
Statement of Activities
For the year ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenues:			
Grants from governmental agencies	\$ 989,360	\$ -	\$ 989,360
Contributions	1,501,614	47,429	1,549,043
Contributions of nonfinancial assets	33,799	-	33,799
Special events, net of direct donor benefits of \$ 225,867	438,551	-	438,551
Investment income, net	207,420	-	207,420
Other income	885	-	885
	<u>3,171,629</u>	<u>47,429</u>	<u>3,219,058</u>
Net Assets Released from Restrictions:			
Satisfaction of purpose and time restrictions	<u>18,183</u>	<u>(18,183)</u>	<u>-</u>
	<u>3,189,812</u>	<u>29,246</u>	<u>3,219,058</u>
Expenses:			
Program services	2,232,308	-	2,232,308
Supporting services:			
Management and general	204,316	-	204,316
Fundraising	226,265	-	226,265
	<u>2,662,889</u>	<u>-</u>	<u>2,662,889</u>
	526,923	29,246	556,169
Net Assets, Beginning of Year	<u>4,140,561</u>	<u>13,513</u>	<u>4,154,074</u>
Net Assets, End of Year	<u>\$ 4,667,484</u>	<u>\$ 42,759</u>	<u>\$ 4,710,243</u>

See accompanying notes to financial statements.

Big Brothers Big Sisters of Broward, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2025

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Direct Benefit to Donors	
Personnel Costs:					
Salaries	\$ 1,118,319	\$ 89,845	\$ 67,771	\$ -	\$ 1,275,935
Employee benefits	114,054	9,109	7,001	-	130,164
Payroll taxes and fees	101,836	8,172	6,187	-	116,195
Total personnel costs	1,334,209	107,126	80,959	-	1,522,294
Other Expenses:					
Advertising and marketing	106,430	8,500	6,533	-	121,463
Awards and specialties	21,327	1,703	1,309	14,340	38,679
Banking charges	22,970	1,834	1,410	-	26,214
Computer and internet	9,214	1,294	2,185	-	12,693
Contract and professional fees	310,420	24,791	19,054	-	354,265
Depreciation	3,972	1,192	2,780	-	7,944
Dues	37,881	3,025	2,325	-	43,231
Entertainment	2,370	189	145	101,074	103,778
Event venue and catering	18,358	1,466	1,127	110,453	131,404
Grants and direct assistance	95,704	-	-	-	95,704
Insurance	23,424	7,027	16,397	-	46,848
Occupancy	110,264	33,079	77,185	-	220,528
Printing	6,236	498	383	-	7,117
Staff development	45,028	3,596	2,764	-	51,388
Supplies	16,049	2,436	4,334	-	22,819
Telephone	54,490	4,352	3,345	-	62,187
Travel and meetings	4,968	1,490	3,478	-	9,936
Utilities	8,994	718	552	-	10,264
Total other expenses	898,099	97,190	145,306	225,867	1,366,462
Less expenses included with revenues on the statement of activities					
Cost of direct benefit to donors	-	-	-	(225,867)	(225,867)
Total Expenses included on the expense section of the Statement of Activities	\$ 2,232,308	\$ 204,316	\$ 226,265	\$ -	\$ 2,662,889

See accompanying notes to financial statements.

Big Brothers Big Sisters of Broward, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2025

Cash Flows From Operating Activities:

Change in net assets	\$ 556,169
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	7,944
Realized loss on investments	59,287
Net unrealized gain on investments	(157,119)
Amortization of right-of-use asset	85,371
(Increase) decrease in assets:	
Employee retention tax credit receivables	218,283
Grant receivables	75,522
Promises to give	(202,900)
Other receivables	82,703
Prepaid expenses and other assets	63,793
Increase (decrease) in liabilities:	
Accounts payable	(7,133)
Accrued liabilities	13,595
Deferred revenue	68,134
Operating lease liability	<u>(92,400)</u>
Net cash provided by operating activities	<u>771,249</u>

Cash Flows from Investing Activities:

Purchase of investments	(1,144,358)
Proceeds from investments	1,129,449
Purchase of property and equipment	<u>(3,402)</u>
Net cash used in investing activities	<u>(18,311)</u>

Net increase in cash and cash equivalents 752,938

Cash and cash equivalents, Beginning 1,114,861

Cash and cash equivalents, Ending \$ 1,867,799

Supplemental Cash Flow Information:

Cash received during the year for -	
Interest and dividend income	\$ <u>140,134</u>

See accompanying notes to financial statements.

Note 1 - Organization and Operations

Big Brothers Big Sisters of Broward, Inc. (the "Organization") is a nonprofit entity organized in the State of Florida in October 1967. The Organization's one-to-one mentoring relationships support the critical social and emotional development needed to help build resilience and promote the mental health and well-being of thousands of children across Broward County. The Organization relies on public and governmental support to fund its programs and activities, principally through grants, contributions and special events. Special events consist of various fundraising activities necessary to supplement funds received from outside agencies.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The Organization uses the accrual basis of accounting for financial reporting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of presentation: The financial statement presentation follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. At June 30, 2025, the Organization had \$ 42,759 of net assets with donor restrictions, and none that are restricted in perpetuity.

Generally, contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. 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 and reported in the statement of activities as net assets released from restrictions.

All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and cash equivalents: The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments: The Organization invests in marketable securities primarily consisting of fixed income securities and equity securities. All investments have been reported at fair value. The fair value of these investments is based upon quotes from the principal exchanges on which the securities are traded. Net investment gains and losses are included in the statement of activities and changes in net assets and consists of interest and dividend income, net of investment expenses, and realized and unrealized capital gains and losses.

Employee retention tax credit receivable: During the year ended June 30, 2025, the Organization collected \$ 218,283 related to the Employee Retention Tax Credit. No receivable remained outstanding at year-end. Accordingly, no ERTC balance is presented on the statement of financial position.

Grants receivable: Grants receivable is stated at the amount management expects to collect from outstanding balances. Management periodically reviews the receivable balances and provides an allowance for amounts which may be uncollectable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At June 30, 2025, management considered all of its grant receivable balances to be collectable and are due to be received during the following year; therefore, no allowance was recorded.

Other receivables: Other receivables consist primarily of amounts due from special event activities and board member dues. Management periodically reviews the receivable balances and provides an allowance for amounts which may be uncollectable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At June 30, 2025, management considered all of its receivable balances to be collectable and are due to be received during the following year; therefore, no allowance was recorded.

Promises to give: The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques using risk-free rate of return. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Promises to give are written off when deemed uncollectable. The Organization had \$ 202,900 of promises to give all due within one year as of June 30, 2025, with no allowance deemed necessary.

Property and equipment: Purchased property and equipment is recorded at cost and donated property and equipment is valued at fair market value at time of donation. The Organization's policy is to provide for depreciation using the straight-line method over the estimated useful life of the asset. The estimate useful life for office equipment is five years.

If donors stipulate the period of time during which the assets must be used, the contributions are recorded as support with donor restrictions, and released as restrictions expire. In the absence of such stipulations, contributions of property and equipment and gifts of cash restricted for the acquisition of property and equipment, are recorded as support without donor restrictions when the assets are placed in service. The Organization received no donated property and equipment for the year ended June 30, 2025.

Note 2 - Summary of Significant Accounting Policies (continued)

Property and equipment (continued): Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renewals are capitalized. When assets are retired or otherwise disposed of, the cost or donated value and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Deferred revenue and refundable advances: Grants and contracts revenue that is not recognized because the allowable costs as defined by the individual grant or contract have not been incurred, the unit of service has not been provided, and/or the conditions of release have not been substantially met or explicitly waived are considered refundable advances. In addition, revenues from special events that are considered exchange transactions are deferred to the applicable period.

Donated goods and services: Donated services are recognized, at estimated fair value, as a contribution, along with corresponding expense, if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased. Donated goods are recorded at their estimated fair market value when received. Donated equipment is capitalized at its estimated fair market value at the date of donation and depreciated over the estimated useful life of the asset.

Revenue and revenue recognition: Grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived.

Consequently, at June 30, 2025, contributions approximating \$ 279,000, respectively, have not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met. The conditions of the contributions involve serving a specific number of people, or successful approval of closeout reports, among other conditions.

A portion of the Organization's revenue is derived from cost-reimbursable governmental agency contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Units of service contract revenues are recognized when the unit of service has been provided in compliance with the specific contract. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. Amounts received in advance are deferred to the applicable period.

Leases: The Organization determines if an arrangement is or contains a lease at inception. Leases are included in operating lease right-of-use ("ROU") asset and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Note 2 - Summary of Significant Accounting Policies (continued)

Functional expenses: The costs of providing the various programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Program and supporting services are charged with their direct expenses. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include personnel costs, contract and professional fees and occupancy costs, among other expenses; which are allocated on the basis of estimates of time and effort, as well as other methods as determined from time-to-time by management.

Compensated absences: The Organization's policies provide for granting a specific number of days to full-time exempt employees of paid time off ("PTO") during the year. Policies do not provide pay for unused PTO at the end of the year or upon termination.

Advertising costs: Advertising costs are charged to expenses as incurred.

Joint costs of fundraising appeals: The Organization utilizes various pamphlets, brochures and informational methods to inform the general public of their activities and to solicit funds. These costs are charged to fundraising.

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

Income taxes: The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC") and as such, is only subject to federal income taxes on unrelated business income. Management believes there were no material income taxes resulting from unrelated business income during the year ended June 30, 2025.

Concentration of credit risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash equivalents and receivables. The Organization has cash in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times throughout the year, the Organization may have cash balances at financial institutions that exceed the insured amount. At June 30, 2025, the Organization had cash balances of approximately \$ 1,112,000 that exceeded FDIC coverage amounts. Credit risk associated with promises to give and accounts receivable, as applicable, is considered by management to be limited due to adequate historical collection rates and because substantial portions of the outstanding amounts are due from clients, agencies and/or donors supportive of the Organization's mission. On June 30, 2025, the Organization had receivables from three entities that totaled approximately 80% of total accounts receivable.

Subsequent events: The Organization has evaluated subsequent events through January 29, 2026, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Note 3 - Liquidity and Availability of Financial Assets

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial Assets:	
Cash and cash equivalents	\$ 1,867,799
Investments	2,640,531
Grants receivable	125,370
Promises to give, net	202,900
Other receivables	<u>5,515</u>
Financial assets, at year-end	4,842,115
Less: those unavailable for general expenditures within one year, due to:	
Net assets with donor restrictions	<u>(42,759)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,799,356</u>

The Organization's goal is generally to maintain liquid and available assets to meet 90 days of operating expenses, which are approximately \$ 245,000 per month.

Note 4 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for specified purpose:	
Student Scholarship and Educational Support	\$ 5,259
Subject to passage of time:	
Promises to give, not restricted by donors, but unavailable for expenditure until due	<u>37,500</u>
Total net assets with donor restrictions	<u>\$ 42,759</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

Satisfaction of purpose restrictions:	
Student Scholarship and Educational Support	<u>\$ 18,183</u>

Note 5 - Investments

Fair value measurement: In accordance with the FASB in ASC 820, *Fair Value Measurements and Disclosures*, the Organization has defined and established a framework for measuring fair value and expanded disclosures about fair value measurements. Various inputs are used in determining the value of the Organization’s investments. These inputs are summarized in three levels listed below:

- Level 1 - inputs are quoted market prices available in active markets for identical assets and liabilities. Quoted prices for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 - observable market inputs, other than quoted prices included in Level 1 that are either directly or indirectly observable. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and market inputs other than quoted prices (such as interest rates and yield curves) that are directly observable for the asset or liability.
- Level 3 - unobservable market inputs that are used to measure fair value if observable market inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability.

The inputs or methodology used for valuing securities are not necessarily an indication of risk associated with investing in those securities.

Fair values of assets held by the Organization, measured on a recurring basis, are classified as follows:

	Fair Value June 30, 2025	Level 1	Level 3
	<u> </u>	<u> </u>	<u> </u>
Fixed income	\$ 888,460	\$ 888,460	\$ -
Equities	1,188,201	1,188,201	-
Beneficial interest in assets held by the Community Foundation of Broward	<u>563,870</u>	<u>-</u>	<u>563,870</u>
Total investments	<u>\$ 2,640,531</u>	<u>\$ 2,076,661</u>	<u>\$ 563,870</u>

Beneficial interest in assets held by the Community Foundation of Broward is measured at fair value on a recurring basis using unobservable market inputs (Level 3). Changes in Level 3 assets measured at fair value are as follows, for the year ended June 30, 2025:

	<u>Community Foundation of Broward</u>
Beginning balance at July 1, 2024	\$ 519,814
Change in value	<u>44,056</u>
Ending balance at June 30, 2025	<u>\$ 563,870</u>

Note 5 - Investments (continued)

Investment income (loss) is summarized as follows, for the year ended June 30, 2025:

Realized loss, net	\$ (59,287)
Unrealized gain, net	157,119
Interest and dividends	140,134
Investment fees	<u>(30,546)</u>
	<u>\$ 207,420</u>

Note 6 - Promises to Give

Unconditional promises to give are estimated to be collected as follows as of June 30, 2025:

Receivable in less than one year	\$ 202,900
Receivable in one to five years	<u>-</u>
Total promises to give	<u>\$ 202,900</u>

Note 7 - Property and Equipment

At June 30, 2025, property and equipment consisted of the following:

Furniture and office equipment	\$ 41,358
Less: accumulated depreciation	<u>(22,586)</u>
Total	<u>\$ 18,772</u>

Note 8 - Operating Lease

Office Space

The Organization leases its main facility under an operating lease agreement expiring in February 2033. Under the agreement, monthly base payments are approximately \$ 8,600, plus common area maintenance costs, subject to annual 3% increases. The right-of-use asset and corresponding liability associated with future lease payments at June 30, 2025 are as follows:

	<u>Operating</u>
Right-of-use asset	\$ 772,214
Lease liability	784,122
Weighted Average:	
Discount rate	3.82%
Remaining lease term (years)	7.7

Lease cost related to this lease and other short-term leases was approximately \$ 274,000 for the year ended June 30, 2025. Cash paid in relation to this lease was approximately \$ 106,000 for the year ended June 30, 2025.

Note 8 - Operating Lease (continued)

Estimated future operating lease payments are expected to be paid as follows:

Year Ending June 30,	Operating
2026	\$ 91,697
2027	112,863
2028	116,248
2029	119,736
2030	123,328
Thereafter	<u>346,820</u>
	910,692
Less: present value discount	<u>(126,570)</u>
	<u>\$ 784,122</u>

Note 9 - Related-Party Transactions

The Organization is required to pay certain amounts to Big Brothers Big Sisters of America, Inc. (the “National Organization”) and Big Brothers Big Sisters of Florida, Inc. (the “State Organization”) for membership dues. For the year ended June 30, 2025, the Organization paid these related organizations approximately \$ 37,400 and \$ 19,100 in dues, respectively, which are included in Dues on the Statement of Functional Expenses.

The Organization received grant funding totaling approximately \$ 990,000 through the State Organization. As of June 30, 2025, the Organization had an outstanding balance receivable of approximately \$ 108,000 relating to this funding that is reflected in grants receivable on the accompanying statement of financial position. In addition, during the year ended June 30, 2025, the Organization received approximately \$ 4,000 from the National Organization for various purposes.

During the year ended June 30, 2025, the Organization paid approximately \$ 70,000 to the employers of certain members of the Board of Directors for various services and goods such as event space rental and entertainment, promotional products, and utilities.

Note 10 - Employee Benefit Plan

The Organization offers its employees an annuity plan under IRC Section 403(b) (the “Plan”). Contributions to the Plan by the Organization are discretionary. Employees have the option to contribute to the Plan via salary deferrals and are limited only by certain provisions of the IRC. For the year ended June 30, 2025, the Organization contributed approximately \$ 19,200 to the Plan, which is included in employee benefits on the statement of functional expenses.

Note 11 - Donated Goods

For the year ended June 30, 2025, contributed nonfinancial assets recognized within the statement of activities included the following:

Clothing	\$	26,935
Gift Cards and Certificates		6,200
Miscellaneous		<u>664</u>
	\$	<u><u>33,799</u></u>

Contributed food and supplies are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed food and supplies are used in program services, management and general, and fundraising activities. None of the contributed nonfinancial assets were subject to donor-imposed restrictions.

SUPPLEMENTARY INFORMATION

Big Brothers Big Sisters Of Broward, Inc.
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2025

<u>State Agency Pass-through Grantor State Project</u>	<u>State Assistance Listing Number</u>	<u>Contract Number</u>	<u>Total State Expenditures</u>	<u>Amount Passed Through to Subrecipients</u>
State Financial Assistance:				
Indirect project:				
Florida Department of Education - Passed through Big Brothers Big Sisters Association of Florida, Inc. Mentoring / Student Assistance Initiatives	48.068	168-96448-5Q001	\$ 562,650	\$ -
Florida Department of Juvenile Justice - Passed through Big Brothers Big Sisters Association of Florida, Inc. Delinquency Prevention	80.029	10707-A4	171,675	-
Florida Department of Legal Affairs and Attorney General - Passed through Big Brothers Big Sisters Association of Florida, Inc. Big Brothers Big Sisters - Bigs in Blue Mentoring Project	41.035	GR-2024-Big Brothers Big Sisters Association-00002	118,500	-
Florida Department of Highway Safety and Motor Vehicles - Passed through Big Brothers Big Sisters Association of Florida, Inc. Big Brothers Big Sisters	76.141	-	3,690	-
Florida Department of Commerce - Passed through Big Brothers Big Sisters Association of Florida, Inc. Division of Housing and Community Development	40.038	HL-261	<u>90,598</u>	<u>-</u>
Total Expenditures of State Financial Assistance			\$ <u>947,113</u>	\$ <u>-</u>

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

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance (the "Schedule") includes the grant activity of the Organization and is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the financial statements. Because the Schedule presents only a selected portion of the operations, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Costs

The Organization did not elect to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance. Any allowable administrative or indirect costs are retained by the respective pass-through entities.

Note 4 - Contingency

The grants and contracts revenue received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor/contracting agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Organization. Management believes that all grant expenditures are in compliance with the terms of the grant agreements and applicable federal, state, and local laws and regulations.

INTERNAL CONTROLS AND COMPLIANCE

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 Broward, Inc.
Fort Lauderdale, 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 Broward, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the 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 January 29, 2026.

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 opinions 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.

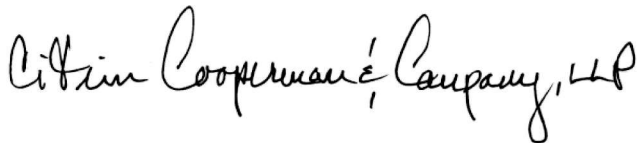
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified deficiencies in internal controls, described in the accompanying schedule of findings and questioned costs relating to state financial assistance and responses as items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Fort Lauderdale, Florida
January 29, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR STATE PROJECT AND REPORT 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 Broward, Inc.
Fort Lauderdale, Florida

Report on Compliance for the Major State Project

Opinion on the Major State Project

We have audited Big Brothers Big Sisters of Broward, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the Organization's major state project for the year ended June 30, 2025. The Organization's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs relating to State financial assistance.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major state project for the year ended June 30, 2025.

Basis for Opinion on the 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 the audit requirements of Chapter 10.650, *Rules of the Auditor General, Florida Single Audit Act*. Our responsibilities under those standards and Chapter 10.650, *Rules of the Auditor General, Florida Single Audit Act* 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 the 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.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNL). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

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 the Organization'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, Florida Single Audit Act* 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 the 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, Florida Single Audit Act*, 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 Chapter 10.650, *Rules of the Auditor General, Florida Single Audit Act*, 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.

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, Florida Single Audit Act*. Accordingly, this report is not suitable for any other purpose.



Fort Lauderdale, Florida
January 29, 2026

Big Brothers Big Sisters Of Broward, Inc.
Schedule of Findings and Questioned Costs Relating to State Financial Assistance
For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

State Projects

Internal control over major state projects:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

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

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656, <i>Rules of the Florida Auditor General</i> ?	<u> </u> yes	<u> X </u> no
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Identification of major state project(s):

<u>CSFA No.</u>	<u>State Projects</u>
48.068	Florida Department of Education - Mentoring / Student Assistance Initiatives

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

SECTION II - FINANCIAL STATEMENTS FINDINGS

Finding 2025-001: Internal Control - Financial Close Process & Record Retention (Material Weakness)

Condition: During the June 30, 2025 audit, we noted omitted accruals, duplicate revenue and receivable entries, and missing donor documentation. These errors led to a material audit adjustment and indicate weaknesses in financial reporting and documentation practices.

Criteria: Effective internal controls over financial reporting include a documented close process with clear responsibilities and review steps to ensure accuracy, completeness, and proper record retention in accordance with U.S. GAAP.

Big Brothers Big Sisters of Broward, Inc.
Schedule of Findings and Questioned Costs Relating to State Financial Assistance - continued
For the Year Ended June 30, 2025

Cause: Existing policies were not consistently applied, partly due to a transition in the Director of Finance role, which affected continuity in financial processes.

Effect: These control gaps increased the risk of misstatement and delayed error detection, requiring reliance on audit procedures for correction.

Recommendation: We suggest enhancing financial close and record retention practices to ensure procedures are consistently followed and documented. This may include adding monitoring steps and considering contingency measures to maintain continuity during staffing changes.

Finding 2025-002: Internal Control - Revenue Recognition (Material Weakness)

Condition: During the June 30, 2025 audit, we noted that certain conditional promises to give were recorded as revenue before the related conditions were met, resulting in a material overstatement of revenue. Audit adjustments were required to comply with U.S. GAAP.

Criteria: Under U.S. GAAP and Uniform Guidance, conditional contributions should not be recognized as revenue until the conditions on which they depend have been substantially met. An effective internal control system should ensure revenue recognition policies are consistently applied and understood by all personnel involved in financial reporting and oversight.

Cause: Revenue recognition policies were not consistently applied across relevant functions, and management did not identify all instances where conditional promises were recorded prematurely.

Effect: Premature recognition of conditional revenue resulted in a material misstatement of the financial statements and could lead to inaccurate reporting to users of financial information.

Recommendation: We suggest reinforcing revenue recognition practices so conditional contributions are recorded only when conditions are met. This could include providing additional training for relevant personnel and improving processes for tracking and communicating conditions tied to contributions, supported by monitoring procedures to promote consistency.

Management Response to Findings: Management has taken several steps to strengthen financial oversight and internal controls. We have hired a highly competent Director of Finance with strong experience in non-profit accounting and financial management. In addition, we have implemented a formal pledge tracking process and related procedures to enhance internal controls around receivables and revenue recognition. To further strengthen our processes, management is enhancing financial close and record retention practices to ensure procedures are consistently followed and appropriately documented. Management also holds a monthly internal review meeting to monitor pledges and accounts receivable, ensuring timely follow up, accuracy, and appropriate aging and collection practices.

Big Brothers Big Sisters of Broward, Inc.
Schedule of Findings and Questioned Costs Relating to State Financial Assistance - continued
For the Year Ended June 30, 2025

Management Response to Findings (continued): Management will also be adding a quarterly touchpoint to consult with our auditors throughout the year to discuss questions, emerging issues, and changes in accounting guidance, while maintaining full responsibility for all accounting decisions and internal control changes.

Finally, after evaluating our current systems, management has determined that we are not satisfied with the accounting software FundEZ, and believes that QuickBooks Nonprofit provides a more effective, transparent, and appropriate platform for our financial reporting and operational needs. Management is actively pursuing this transition to better support the Organization's financial integrity and reporting requirements.

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV – PRIOR YEAR AUDIT FINDINGS

None reported.