BIG BROTHERS BIG SISTERS OF AMERICA

FINANCIAL STATEMENTS
June 30, 2020 and 2019

BIG BROTHERS BIG SISTERS OF AMERICA

FINANCIAL STATEMENTS

June 30, 2020 and 2019

CONTENTS

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Big Brothers Big Sisters of America

Report on the Financial Statements

We have audited the accompanying financial statements of Big Brothers Big Sisters of America (the Organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization has adopted ASU 2018-08 – *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 1, 2021 on our consideration of the Organization'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 the Organizations 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 the Organization's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Tampa, Florida
March 1, 2021

BIG BROTHERS BIG SISTERS OF AMERICA
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	$ 9,096,288	$ 2,814,381
Accounts receivable from affiliated agencies (net of allowance for doubtful accounts of $75,000 in 2020 and 2019)	1,025,320	373,314
Contributions and government grants receivable	6,902,725	2,866,749
Prepaid expenses and other assets	1,125,917	1,372,250
Property and equipment	-	29,252
Investments	3,049,904	6,079,669
Beneficial interest in trust	2,723	2,723
Endowment investments	2,529,855	2,879,855
Total assets	$ 23,732,732	$ 16,418,193
LIABILITIES AND NET ASSETS		
Grants payable to local agencies	$ 7,230,436	$ 3,639,903
Deferred revenue	1,071,682	1,250,840
Accounts payable and accrued expenses	1,498,503	1,269,199
Loans payable	2,707,400	1,900,000
Total liabilities	12,508,021	8,059,942
Net assets		
Without Donor Restrictions		
Undesignated	3,527,946	3,341,682
Board designated	100,250	100,250
Total net assets without donor restrictions	3,628,196	3,441,932
With Donor Restrictions	7,596,515	4,916,319
Total net assets	11,224,711	8,358,251
Total liabilities and net assets	$ 23,732,732	$ 16,418,193

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF AMERICA
STATEMENT OF ACTIVITIES
Year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Public support			
Contributions and grants	$ 7,666,703	$ 11,368,174	$ 19,034,877
Government funding	7,499,444	-	7,499,444
	15,166,147	11,368,174	26,534,321
Revenues			
Memberships	5,544,137	-	5,544,137
Investment income	26,623	99,978	126,601
Other income	145,265	-	145,265
	5,716,025	99,978	5,816,003
Net assets released from restrictions			
Satisfaction of program restrictions	8,787,956	(8,787,956)	-
Total public support and revenues	29,670,128	2,680,196	32,350,324
Expenses			
Program services			
Program implementation	9,545,535	-	9,545,535
Agency services, support and development	14,561,686	-	14,561,686
Child safety, standards and compliance	1,821,502	-	1,821,502
	25,928,723	-	25,928,723
Support services			
Management and general	1,697,856	-	1,697,856
Fundraising	1,857,285	-	1,857,285
Total support services	3,555,141	-	3,555,141
Total expenses	29,483,864	-	29,483,864
Changes in net assets	186,264	2,680,196	2,866,460
Net assets, beginning of year	3,441,932	4,916,319	8,358,251
Net assets, end of year	$ 3,628,196	$ 7,596,515	$ 11,224,711

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF AMERICA
STATEMENT OF ACTIVITIES
Year ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	
Public support and revenue			
Public support			
Contributions and grants	$ 6,555,363	$ 2,450,166	$ 9,005,529
Government funding	5,847,505	-	5,847,505
	12,402,868	2,450,166	14,853,034
Revenues			
Memberships	3,334,213	-	3,334,213
Investment income	65,608	188,123	253,731
Other income	675,046	-	675,046
	4,074,867	188,123	4,262,990
Net assets released from restrictions			
Satisfaction of program restrictions	4,900,730	(4,900,730)	-
Total public support and revenues	21,378,465	(2,262,441)	19,116,024
Expenses			
Program services			
Program implementation	5,698,197	-	5,698,197
Agency services, support and development	11,650,914	-	11,650,914
Child safety, standards and compliance	1,515,306	-	1,515,306
	18,864,417	-	18,864,417
Support services			
Management and general	1,030,614	-	1,030,614
Fundraising	1,464,899	-	1,464,899
Total support services	2,495,513	-	2,495,513
Total expenses	21,359,930	-	21,359,930
Changes in net assets	18,535	(2,262,441)	(2,243,906)
Net assets, beginning of year	3,423,397	7,178,760	10,602,157
Net assets, end of year	$ 3,441,932	$ 4,916,319	$ 8,358,251

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF AMERICA
STATEMENTS OF CASH FLOWS
Years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	$ 2,866,460	$ (2,243,906)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	29,252	23,550
Gain on investments	(123,899)	(94,424)
Decrease (increase) in assets:		
Accounts receivable from affiliated agencies	(652,006)	(56,843)
Contributions and grants receivable	(4,035,976)	2,775,776
Prepaid expenses and other assets	246,333	(1,208,463)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	229,304	(111,081)
Grants payable to local agencies	3,590,533	(1,344,947)
Deferred revenue	(179,158)	340,848
Net cash provided by (used in) operating activities	1,970,843	(1,919,490)
Cash flows from investing activities		
Purchase of investments	(129,718)	(6,891,543)
Proceeds from sale of investments	3,633,382	7,268,471
Net cash provided by investing activities	3,503,664	376,928
Cash flows from financing activities		
Borrowings on loans payable	807,400	1,900,000
Net cash provided by financing activities	807,400	1,900,000
Net increase in cash and cash equivalents	6,281,907	357,438
Cash and cash equivalents		
Beginning of the year	2,814,381	2,456,943
End of the year	$ 9,096,288	$ 2,814,381
Supplemental disclosure of cash flow information		
In-kind contributions	$ 2,989,731	$ 2,660,832
Interest Paid	$ 59,850	$ -

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2020

	Program Implementation	Agency Services, Support and Development	Child Safety, Standards and Compliance	Total Program Services	Support Services: Management & General	Support Services: Fund Raising	Total Support Services	Total
Salaries and wages	$ 871,500	$ 1,786,574	$ 697,200	$ 3,355,274	$ 348,600	$ 653,625	$ 1,002,225	$ 4,357,499
Payroll taxes	57,908	118,711	46,326	222,945	23,163	43,431	66,594	289,539
Employee pension	7,691	15,767	6,153	29,611	3,076	5,768	8,844	38,455
Insurance benefits	79,315	162,595	63,452	305,362	31,726	59,486	91,212	396,574
Grants to local agencies	7,662,967	7,662,967	-	15,325,934	-	-	-	15,325,934
Professional services	88,433	3,485,492	405,383	3,979,308	950,618	546,641	1,497,259	5,476,567
Telephone, postage and shipping	30,439	5,073	16,911	52,423	13,529	13,529	27,058	79,481
Occupancy and maintenance	109,173	18,196	60,652	188,021	48,522	48,522	97,044	285,065
Printing, publications and promotions	18,407	3,068	10,226	31,701	8,181	8,181	16,362	48,063
Conferences, travel and events	28,282	90,831	42,063	161,176	33,874	34,539	68,413	229,589
Insurance	47,551	97,480	38,041	183,072	19,020	35,663	54,683	237,755
Information technology	512,407	1,050,435	409,926	1,972,768	204,963	384,305	589,268	2,562,036
Depreciation	5,851	11,994	4,680	22,525	2,340	4,387	6,727	29,252
Other	25,611	52,503	20,489	98,603	10,244	19,208	29,452	128,055
	$ 9,545,535	$ 14,561,686	$ 1,821,502	$ 25,928,723	$ 1,697,856	$ 1,857,285	$ 3,555,141	$ 29,483,864

See accompanying notes to financial statements.

BIG BROTHERS BIG SISTERS OF AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2019

	Program Implementation	Agency Services, Support and Development	Child Safety, Standards and Compliance	Total Program Services	Support Services: Management & General	Support Services: Fund Raising	Total Support Services	Total
Salaries and wages	$ 804,713	$ 1,649,662	$ 643,770	$ 3,098,145	$ 321,885	$ 603,535	$ 925,420	$ 4,023,565
Payroll taxes	52,031	106,663	41,625	200,319	20,812	39,023	59,835	260,154
Employee pension	6,785	13,910	5,428	26,123	2,714	5,089	7,803	33,926
Insurance benefits	65,550	134,378	52,440	252,368	26,220	49,163	75,383	327,751
Grants to local agencies	4,052,861	4,052,861	-	8,105,722	-	-	-	8,105,722
Professional services	42,301	4,694,693	338,977	5,075,971	333,183	385,333	718,516	5,794,487
Telephone, postage and shipping	40,896	4,811	19,245	64,952	26,462	14,434	40,896	105,848
Occupancy and maintenance	124,100	14,600	58,400	197,100	80,300	43,800	124,100	321,200
Printing, publications and promotions	16,386	1,928	7,711	26,025	10,603	5,783	16,386	42,411
Conferences, travel and events	152,709	280,683	75,817	509,209	72,488	63,839	136,327	645,536
Insurance	46,377	95,073	37,102	178,552	18,551	34,783	53,334	231,886
Information technology	259,791	532,572	207,833	1,000,196	103,917	194,844	298,761	1,298,957
Depreciation	4,710	9,656	3,768	18,134	1,883	3,533	5,416	23,550
Other	28,987	59,424	23,190	111,601	11,596	21,740	33,336	144,937
	$ 5,698,197	$ 11,650,914	$ 1,515,306	$ 18,864,417	$ 1,030,614	$ 1,464,899	$ 2,495,513	$ 21,359,930

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Since 1904, Big Brothers Big Sisters of America (the "Organization" or "BBBSA") has been matching youth in meaningful, enduring, professionally supported mentoring relationships with adult volunteers who defend their potential and help them achieve their biggest possible futures. The Organizations evidence-based approach is designed to create positive youth outcomes, including educational success, avoidance of risky behaviors, higher aspirations, greater confidence, and improved relationships. In the past 10 years, with 243 affiliates in all 50 states, the Organization has served nearly 2 million children. Learn how to get involved at bbbs.org.

The Organization works closely with Big Brothers Big Sisters agencies ("local agencies" or "affiliated agencies") throughout the country to implement its programs. These agencies are separate legal entities, which are not controlled by the Organization, and are therefore not consolidated within the Organization's financial statements.

Basis of Presentation: The financial statements have been prepared on the accrual basis of accounting. Net assets and contributions received are classified based on the existence or absence of donor imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Management's Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the use of estimates based on management's knowledge and experience. Accordingly, actual results could differ from those estimates.

Investments: The Organization carries investments in marketable securities at fair value. FASB ASC 820-10 establishes a framework for measuring fair value and expands disclosures about fair value measurements. For Level 1 investments, fair values are based upon quoted values for identical investments in active markets. For Level 2 investments, fair value is determined by unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable. For Level 3 investments, fair value is based primarily upon estimates and other inputs that are not freely available.

Property and Equipment and Depreciation: Property and equipment is recorded at cost. Depreciation of property and equipment has been provided for on a consistent basis over the estimated useful lives of the various assets using the straight-line method. Expenditures for repairs and maintenance are charged to current operations. Donated property and equipment is recorded at fair market value, if determinable, and depreciated in the same manner as purchased property and equipment. The estimated useful lives of the assets are as follows:

Building improvements	7 to 50 years
Furniture and equipment	3 to 7 years

Income Tax Status: The Organization qualifies as a tax-exempt organization other than a private foundation under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provisions for federal or state income taxes.

Management has performed an evaluation and concluded that there are no material unrecognized tax positions as of June 30, 2020 and 2019.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Membership Fees: Membership fees are recorded as income when earned. Fees that have been billed but not yet earned are shown as deferred revenue on the statement of financial position. Accounts receivable from affiliated agencies are monitored and an allowance is established where appropriate for doubtful accounts. Periodically, management reviews membership fees and records an allowance for specific members based on current circumstances and charges off the receivable against the allowance when all attempts to collect the membership fees have failed.

Contributions: Private gifts and government grants that are not considered exchange transactions, including pledges, are recognized in the period received. Unconditional contributions are reported as with donor restrictions support if they are received with donor stipulations that limit the use of the donated assets. Conditional gifts, with a barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor. Conditional contributions received in advance of eligibility requirements being met are recorded as grant advances.

Contributions with donor restrictions which are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions. Multi-year contributions are recorded at their estimated net present value using appropriate discount rates at the date of receipt. Contributions receivable are monitored and an allowance is established where appropriate for doubtful accounts. Periodically, management reviews contributions and records an allowance for specific donors based on current circumstances and charges off the receivable against the allowance when all attempts to collect the contributions have failed. As of June 30, 2020, the Organization has a conditional contribution of $1,057,400 contingent upon on meeting programmatic outcomes. There were no conditional contributions as of June 30, 2019.

Government Funding: The Organization receives grant revenue from governmental sources. Government grant revenue is considered a conditional contribution and is recognized as related costs are incurred.

Grants to Local Agencies: The Organization records grant expense as an unconditional promise to give upon approval of the grant. Conditional grants, with a barrier and right of return, are not recognized until the conditions on which they depend are substantially met. The Organization awards grants to the local agencies as part of its goal of enhancing program development and field services with the local agencies. These conditional grants are recorded as an expense and liability when the related costs are incurred at the local agency according to the respective agreement. The grants are funded by both with and without donor restricted contributions. The grants to local agencies are due in less than one year.

Cash and Cash Equivalents: For the purpose of the statement of cash flows, the Organization considers all money market funds and certificates of deposit with original maturities of less than ninety days to be cash equivalents.

In-Kind Contributions: The Organization recognizes contributed services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the twelve months ended June 30, 2020 and 2019, the Organization recognized $1,960 and $109,600 for contributed services.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization records the value of contributed goods when there is an objective basis available to measure their value and is reflected as revenue in the accompanying statements at their estimated values at the date of receipt. The Organization received $2,808,820 and $2,331,811 in 2020 and 2019, respectively, of contributed advertising time and printing to promote its mission. In accordance with ASC 958-605 *Revenue Recognition*, these services were recognized as revenue, with an offsetting expense recognized within Program Services expenses (brand development).

The Organization recognized in-kind rental expense of $178,951 and $219,421 in 2020 and 2019, respectively, on the statement of activities. See note 10 for additional information.

A substantial number of volunteers donated significant amounts of their time to assist in the Organization's program services. This time was not recognized as revenue since it did not relate to specialized skills. The fair value of the unrecognized contributed services cannot practicably be calculated. There were no other contributed goods during the twelve months ended June 30, 2020 and 2019.

Endowment Investments: As of June 30, 2020 and 2019 the Organization has $2,529,855 and $2,879,855, respectively, in endowment assets that are restricted by donors and include $100,250 designated by the board of directors at the end of each year. The Organization’s total endowment funds are invested as follows:

	2020	2019
Cash and cash equivalents	$ 174,240	$ 2,879,855
Certificates of Deposit	694,762	-
Fixed income securities	1,660,853	-
	$ 2,529,855	$ 2,879,855

The income from endowment funds are used according to donor stated or board designated purpose, respectively.

Functional Allocation of Expenses: The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Most expenses are charged to the department/function incurring the expense based on an administrative ratio which is based on the number of staff in each department as well as estimates of time and effort. Grants to local agencies are allocated evenly between Program Implementation and Agency Services. Professional Services and Conferences, Travel and Events are directly charged to the department/function incurring the expense.

New Accounting Standards: In June 2018, the FASB issued Financial Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The standard was issued to clarify the scope and accounting guidance for contributions received and contributions made. ASU 2018-08 impacts how grantor/donor agreements are assessed for conditions. It also includes additional guidance to assist in determining whether a transaction is a contribution (nonreciprocal transaction) or an exchange (reciprocal) transaction. The ASU is effective for fiscal years beginning after December 15, 2018, as such, in fiscal year 2020, the Organization adopted and implemented this standard. ASU 2018-08 was applied using the modified prospective basis, meaning it was applied to agreements that were not complete, or agreements in which the revenue was not fully recognized, as of the effective date. There were no material changes to the recognition or presentation of contributions or grants as a result of the application of ASU 2018-08. As a result, no adjustment was recorded upon adoption.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2020, the FASB issued ASU 2020-5, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842).* The amendments in this update defer the effective date for one year for not-for-profit entities that have not yet issued their financial statements. Management has elected this update and deferred implementing Topic 606 and Topic 842.

Reclassifications: Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. Such reclassifications did not have an effect on net assets or change in net assets.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2020 to determine the need for any adjustments to and/or disclosures within the financial statements for the year ended June 30, 2020. Management has performed their analysis through March 1, 2021, the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events, which would require recognition or disclosure in the accompanying financial statements.

NOTE 2 - RESTRICTIONS ON NET ASSETS

Net Assets with donor restrictions include gifts of cash and other assets for which donor-imposed restrictions have not yet been met. Also included in this category are gifts that have donor-imposed restrictions which require the principal to remain intact, with the interest earned to be allocated between with and without donor restricted funds based on the donor stipulation. Net assets with donor restrictions at June 30:

	2020	2019
Time restrictions:		
In-kind lease	$ 372,815	$ 551,766
Term endowment	2,149,875	2,499,875
Beneficial interest in trust	2,723	2,723
Total time restrictions	2,525,413	3,054,364
Purpose restrictions:		
Program implementation	1,908,798	630,431
Agency services	2,000,584	660,746
Child safety	881,990	291,048
Total purpose restrictions	4,791,372	1,582,225
Endowments:		
Donor restricted endowment funds	279,730	279,730
Total net assets with donor restrictions	$ 7,596,515	$ 4,916,319

(Continued)

NOTE 3 - CONTRIBUTIONS AND GOVERNMENT GRANTS RECEIVABLE

As of June 30, 2020 and 2019, the Organization recorded promises of funding of $6,902,725 and $2,866,749, respectively. The promises to give are considered fully collectible and consist of the following as of June:

	2020	2019
Less than 1 year	$ 6,556,973	$ 2,797,997
1-5 years	352,000	75,000
	6,908,973	2,872,997
Less: discount	(6,248)	(6,248)
Total net contributions receivable	$ 6,902,725	$ 2,866,749

Discounts are not applied to contributions received under one year. The total discount amount as of June 30, 2020 and 2019 was $6,248, respectively.

NOTE 4 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Organization in estimating fair value of financial instruments.

Cash and Cash Equivalents: The carrying amount of cash and cash equivalents approximates fair value due to the short-term nature of these instruments.

Investments: The fair values for Certificates of Deposit are based on cash maturity values, discounted to present value. Money market accounts are record at cost which approximates fair value.

The carrying amounts and fair values of financial instruments at June 30, are as follows:

	2020	2019
Statement of Financial Position		
Cash and cash equivalents	$ 9,096,288	$ 2,814,381
Investments	3,049,904	6,079,669
Beneficial interest in trust	2,723	2,723
Endowment investments	2,529,855	2,879,855

(Continued)

NOTE 4 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements are as follows (the carrying amounts of other financial instruments not listed in the table below approximate fair value due to the short-term nature of such items) as of:

June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Certificates of Deposit	$ -	$ 694,762	$ -	$ 694,762
Money Market Funds	-	3,101,110	-	3,101,110
Equities and Mutual Funds	123,034	-	-	123,034
Fixed Income Securities	-	1,660,853	-	1,660,853
Beneficial interest in trust	-	-	2,723	2,723
	$ 123,034	$ 5,456,725	$ 2,723	$ 5,582,482

June 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Certificates of Deposit	$ -	$ 6,807,961	$ -	$ 6,807,961
Money Market Funds	-	2,151,563	-	2,151,563
Beneficial interest in trust	-	-	2,723	2,723
	$ -	$ 8,959,524	$ 2,723	$ 8,962,247

The table below represents a reconciliation and income statement classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30:

Beneficial Interest in Trusts Held with Others	2020	2019
Balance at beginning of year	$ 2,723	$ 60,772
Change in valuation of beneficial interest in trusts held by others	-	(58,049)
Balance at end of year	$ 2,723	$ 2,723

(Continued)

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2020	2019
Furniture and equipment	$ 502,737	$ 502,737
Building improvements	46,481	46,481
	549,218	549,218
Less: Accumulated depreciation	(549,218)	(519,966)
	$ -	$ 29,252

NOTE 6 - PAYROLL PROTECTION PROGRAM LOAN

On April 23, 2020, the Organization was granted a loan (the Loan) from the US Small Business Administration (SBA) through Regions Bank in the aggregate amount of $807,400, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated April 23, 2020 issued by the Bank, matures on April 22, 2022 and bears interest at a rate of 1.00% per annum. The Note may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Funds from the Loan may be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, and utilities incurred before November 3, 2020. The Organization intends to use the entire Loan amount for qualifying expenses.

Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

The Organization is accounting for the Loan as a conditional contribution under ASC 958-605. When the Organization substantially meets all of the conditions of PPP loan forgiveness, the Organization will record contribution revenue in connection with the forgiven PPP loan. The loan program's expenditures and results are subject to review and acceptance by the SBA and, as a result of such review, future adjustments could be required. If the SBA does not forgive any portion of the PPP loan, the remaining balance would have a two-year repayment period and the interest rate on the loan would be 1%.

NOTE 7 – LOAN PAYABLE

Effective January 31, 2019, the Organization has a promissory note payable to The Minneapolis Foundation for $1,900,000. Interest on the note payable accrues at an annual fixed rate of 3.15%. An interest only payment is due January 31, 2021 with principal payments of $237,500 plus interest due annually thereafter. The loan matures on December 31, 2028.

NOTE 8 - PENSION PLAN

The Organization sponsors a defined contribution pension plan (401(k)) covering all full-time employees over age 20-1/2 with six months of continuous service. Eligible employees may elect to invest up to ten percent (10%) of their compensation through payroll deductions. Starting July 2018, the Organization began a 1% employer discretionary match based upon participating employee's annual salary. For the twelve months ended June 30, 2020 and 2019, pension expense was $38,455 and $33,936, respectively.

(Continued)

NOTE 8 - PENSION PLAN (Continued)

The Organization maintains a non-qualified, unfunded 457(f) deferred compensation plan. This plan is designed for certain employees as incentive for contract completion. The plan defers receipt of portions of their compensation, thereby delaying taxation on the deferral amount and on subsequent earnings until the balance is distributed. A liability of $120,000 and $90,000 was recognized during 2020 and 2019, respectively.

NOTE 9 - RELATED PARTIES

As of June 30, 2020 and 2019, the Organization has no current receivables from members of its Board. The Organization recognized contribution revenue of $755,000 and $616,024 during the twelve months ended June 30, 2020 and 2019, respectively, from its Board.

NOTE 10 - LEASES

In 2015, the Organization entered into a 5 year office space lease with the base lease expenses contributed by the leaseholder. Contribution revenue of $1,103,970 for the entire lease period was recognized.

On August 21, 2017, the Organization relocated and entered into an amended commercial building lease agreement with base rental expense related to the lease contributed in kind by the current leaseholder for an additional three year past the original lease terms. No contribution revenue of amended lease period was recognized in 2020 or 2019. Per ASC 958-605, the Organization recognized rental expense of $178,951 and $219,421 in 2020 and 2019, respectively, on the statement of activities with remaining contribution office space revenue of $372,815 and $551,766. With the execution of the amendment, the Organization will recognize a minimum annual rent expense of $186,626 and a minimum annual increase of approximately 3%.

The Organization also leases equipment under leases which expire at various dates through 2022. For the twelve months ended June 30, 2020 and 2019, total rental expenses under these leases amounted to $15,035 and $10,319, respectively.

At June 30, 2020, the Organization was obligated under various non-cancellable lease arrangements including in-kind by leaseholder, for office space and equipment as follows:

2021	$ 192,245
2022	198,045
2023	16,544
Total future minimum lease expense	$ 406,834

NOTE 11 - CONCENTRATION OF CREDIT RISK

During the year, the Organization may have cash balances in banks in excess of the Federal Deposit Insurance Corporation limit. As of June 30, 2020 and 2019, the Organization has $14,521,149 and $11,575,965, respectively, of cash and cash equivalents and investments in excess of the Federal Deposit Insurance Corporation limit.

(Continued)

NOTE 12 - CONTINGENCY

Litigation: From time to time, BBBSA has been named as a defendant in civil lawsuits. In management's opinion, potential exposure not covered by insurance is immaterial.

Federal Grants: Grant funds received by BBBSA are subject to audit by grantor agencies. Audits of these grants may result in disallowed costs, which may constitute a liability of BBBSA. In the opinion of management, disallowed costs, if any, would not be material to the financial statements of the BBBSA.

NOTE 13 - ENDOWMENT COMPOSITION

BBBSA's endowments include both donor restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund as of June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 2,429,605	$ 2,429,605
Board-designated funds	100,250	-	100,250
Total funds	$ 100,250	$ 2,429,605	$ 2,529,855

Endowment net asset composition by type of fund as of June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 2,779,605	$ 2,779,605
Board-designated funds	100,250	-	100,250
Total funds	$ 100,250	$ 2,779,605	$ 2,879,855

Changes in endowment net assets for the year ended June 30, 2020 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at beginning of year	$ 100,250	$ 2,779,605	$ 2,879,855
Net appreciation (realized and unrealized)	4,750	99,978	104,728
Distributions	(4,750)	(449,978)	(454,728)
Net assets at end of year	$ 100,250	$ 2,429,605	$ 2,529,855

(Continued)

NOTE 13 - ENDOWMENT COMPOSITION (Continued)

Changes in endowment net assets for the year ended June 30, 2019 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at beginning of year	$ 100,000	$ 3,064,232	$ 3,164,232
Net appreciation (realized and unrealized)	2,250	188,123	190,373
Distributions	(2,000)	(472,750)	(474,750)
Net assets at end of year	$ 100,250	$ 2,779,605	$ 2,879,855

Interpretation of UPMIFA: The State of Florida enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective July 1, 2012. The Board of Directors of BBBSA requires the preservation of the "Historic Dollar Value", defined as the fair value of the original and subsequent gift(s) to the fund which shall be retained in the absence of explicit donor stipulations. This definition only applies to endowment funds subject to UPMIFA and does not include quasi-endowments, or funds where the 3rd party Trustee owns and controls the assets.

As a result of this interpretation, BBBSA classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified temporarily as donor restricted until those amounts are appropriated for expenditure by BBBSA, or, unless deficiencies in the fair value of a fund fall below the level required by BBBSA to retain as perpetual. In accordance with UPMIFA, BBBSA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Return Objectives and Risk Parameters: The purpose of the Endowment Fund is to facilitate donors' desires to make substantial long-term gifts. BBBSA has adopted a conservative investment policy for endowment assets and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the BBBSA must hold in perpetuity or for a donor-specified period(s) as well as Board designated funds.

Strategies Employed for Achieving Objectives: The purpose of the Endowment Fund is to facilitate donors' desires to make substantial long-term gifts to develop a new and significant source of revenue for the BBBSA. In so doing, the Endowment Fund will provide a secure, long-term source of funds to potentially: (i) stabilize agency funding during periods of below normal giving; (ii) fund special grants; (iii) ensure long-term growth; (iv) enhance our ability to meet changing community needs in both the short and long-term; and/or, (v) support the administrative expenses of the BBBSA as deemed appropriate.

(Continued)

NOTE 13 - ENDOWMENT COMPOSITION (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy: BBBSA appropriates a set amount each year for program and administrative purposes. In establishing the individual endowment funds, BBBSA considered the long-term expected return on its endowments. This is consistent with BBBSA's objective to maintain the purchasing power of the endowment assets held in perpetuity or for specified term.

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the BBBSA to retain as a fund of perpetual duration. There are no deficiencies of this nature that are reported in net assets with donor restrictions as of June 30, 2020 and 2019, respectively.

Endowment Fund principal, unless otherwise directed by the donor, shall not be disbursed except for emergency situations. In order to make a principal disbursement, the Audit Committee functioning as the Investment Committee would need to make a recommendation for approval to the Board of Directors.

NOTE 14 – LIQUIDITY AND AVAILABILITY

Financial assets available within one year of the balance sheet date for general operations were as follows for June, 30:

	2020	2019
Cash	$ 9,096,288	$ 2,814,381
Investments	3,049,904	6,079,669
Contributions Receivable and Government Grants	6,134,158	2,271,231
Accounts receivable, net	1,025,320	373,314
Endowed investments, current portion	351,000	351,000
Total financial assets available	19,656,670	11,889,595
Less: Pass through to local agencies	3,488,732	1,428,000
Total financial assets available	$ 16,167,938	$ 10,461,595

The Organization regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenses over a 12-month period, the Organization considers all expenses related to its ongoing mission-related activities as well as the services undertaken to support those activities to be general expenses.

The investment amount listed above represents assets which could be converted to cash on a short-term basis and thus are available to support cash flow needs and operations. The Organization has no immediate plans to liquidate investments beyond what is needed for current operations based on the respective spending policy and the operating budget.

(Continued)

NOTE 14 – LIQUIDITY AND AVAILABILITY (Continued)

Endowed investments of $2,178,855 and $2,528,855 have been excluded from the schedule above per donor restrictions as of June 30, 2020 and 2019, respectively.

Contributions receivable and government grants in the above schedule exclude non-cash receivables due to in-kind rent receivables recorded on the Statement of Financial Position and promises to give that are due in more than one year.

NOTE 15 – COVID-19 IMPACT

Coronavirus Implications: The novel coronavirus ("COVID-19") has been declared a pandemic by the World Health Organization and the Centers for Disease Control and Prevention and has spread globally, with resulting businesses and social disruption. The effects of the continued outbreak of COVID-19 and related government responses could include reduction to future contributions, reduced labor availability and productivity, and a prolonged reduction in economic activity. The extent to which the coronavirus may impact certain operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

An ongoing risk to BBBSA is related to memberships revenue. Membership revenue is made up of the Affiliate Fee (based on annual expenditures) and the Technology License Fee (based on number of users). Affiliates have experienced a reduction in staff and have cut expenses due to the COVID-19 pandemic. With the uncertainty of the coronavirus on business activities, the organization reduced its FY21 budget, and eliminated merit increases and 401k contributions. See Note 6 for further discussion of the Organization's PPP Loan.

BIG BROTHERS BIG SISTERS OF AMERICA

SINGLE AUDIT REPORT
June 30, 2020

BIG BROTHERS BIG SISTERS OF AMERICA

SINGLE AUDIT REPORT
June 30, 2020

CONTENTS

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 of
Big Brother Big Sisters of America:

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 America (the Organization) which comprise the statement of financial position as of June 30, 2020, 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 March 1, 2021.

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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

(Continued)

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Tampa, Florida
March 1, 2021

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Big Brothers Big Sisters of America:

Report on Compliance for Each Major Federal Program

We have audited Big Brothers Big Sisters of America's (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

(Continued)

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Organization as of and for the year ended June 30, 2020, and have issued our report thereon dated March 1, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Crowe LLP

Crowe LLP

Tampa, Florida
March 1, 2021

BIG BROTHERS BIG SISTERS OF AMERICA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

Federal Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	Amount Provided to Subrecipients
U.S. Department of Justice				
Direct Award:				
Juvenile Mentoring Program	16.726**	2018-JU-FX-0010	$ 6,067,530	$ 5,832,678
Juvenile Mentoring Program	16.726**	2018-JU-FX-0023	911,062	821,702
Juvenile Mentoring Program	16.726**	2019-MU-FX-0001	826,803	684,375
Juvenile Mentoring Program	16.726**	2019-JY-FX-0025	117,479	86,381
Total U.S. Department of Justice			7,922,874	7,425,136
Total Federal Expenditures			$ 7,922,874	$ 7,425,136

** denotes major programs

See accompanying notes to the schedule.

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the federal awards expended by Big Brothers and Big Sisters of America (the Organization) for the year ended June 30, 2020.

For the purposes of the Schedule, federal awards include all grants, contracts, loans, and loan guarantee agreements entered into directly between the Organization and agencies and departments of the federal government. The Organization has classified all awards into major and nonmajor programs in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Major programs include the following:

> Juvenile Mentoring Program – Includes awards to support mentoring programs for youth at risk of educational failure or those who were involved in delinquent activities.

NOTE 2 - BASIS OF ACCOUNTING

Expenditures are recognized on the accrual basis of accounting for national office expenditures and as disbursement of funds are made to subrecipients (in accordance with 2 CFR 200.502) in the accompanying Schedule of Expenditures of Federal Awards.

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the *Uniform Guidance*.

Expenditures for federal awards of the Organization are determined using the cost accounting principles and procedures set forth in the *Uniform Guidance*. Under these cost principles, certain expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - NONCASH AND FEDERAL INSURANCE

The Organization did not receive any noncash assistance or have Federal insurance in effect during the fiscal year.

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified?	______ Yes	X None Reported
Noncompliance material to financial statements noted?	______ Yes	X No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified?	______ Yes	X None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______ Yes	X No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
16.726	Juvenile Mentoring Program

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee?	X Yes	______ No

Section II - Financial Statement Findings

No matters were reported.

Section III – Federal Awards Findings and Questioned Costs

No matters were reported.