

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
Big Brothers Big Sisters of the Big Bend, Inc.:

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

We have audited the accompanying financial statements of Big Brothers Big Sisters of the Big Bend, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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.

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***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of the Big Bend, Inc. as of June 30, 2021, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021 on our consideration of Big Brothers Big Sisters of the Big Bend, 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 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 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 the Big Bend, Inc.'s internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida  
December 8, 2021

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 642,915
Beneficial interest in endowment	8,331
Grants and contracts receivable	43,841
Prepaid expenses	10,433
Total current assets	<u>705,520</u>
<b>Property and equipment, net</b>	454,456
<b>Total Assets</b>	<u><u>\$ 1,159,976</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Accounts payable and accrued expenses	\$ 21,148
Refundable advance - Paycheck Protection Program	137,500
Current portion of notes payable	71,390
Total current liabilities	<u>230,038</u>
<b>Long-term liabilities</b>	
Notes payable, less current portion	149,124
Total long-term liabilities	<u>149,124</u>
<b>Total Liabilities</b>	<u><u>379,162</u></u>
<b>Net assets</b>	
Without donor restrictions:	
Operations	546,872
Net investment in property and equipment	233,942
Total without donor restrictions	<u>780,814</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,159,976</u></u>

The accompanying notes to financial statements  
are an integral part of this statement.

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Without Donor Restrictions</b>
<b>Support and revenue</b>	
Contributions	\$ 298,646
Special events	135,975
Grants and contracts	379,903
Sales	99,079
Rent	12,316
Loan forgiveness - Note payable	20,000
Loan forgiveness - Paycheck Protection Program	93,414
Other	4,179
Total support and revenue	1,043,512
<b>Expenses</b>	
Program services	883,753
Supporting services	
Fundraising	71,197
Administrative	51,779
Total supporting services	122,976
Total expenses	1,006,729
<b>Increase in net assets</b>	36,783
<b>Net assets, beginning of year</b>	744,031
<b>Net assets, end of year</b>	\$ 780,814

The accompanying notes to financial statements  
are an integral part of this statement.

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Fundraising</u>	<u>Administrative</u>	<u>Total</u>
Personnel	\$ 599,812	\$ 40,080	\$ 29,149	\$ 669,041
Travel and training	7,590	1,031	750	9,371
Dues	2,081	282	205	2,568
Professional fees	53,796	2,867	2,085	58,748
Affiliate fees	21,371	2,895	2,106	26,372
Insurance	16,087	1,335	971	18,393
Repairs and maintenance	11,844	1,418	1,031	14,293
Communications and utilities	11,235	1,030	749	13,014
Printing and supplies	14,631	931	677	16,239
Events	23,549	3,198	2,326	29,073
Interest	6,784	978	711	8,473
Rent	1,332	181	132	1,645
Depreciation	14,155	1,922	1,398	17,475
Clothing operations	5,919	-	-	5,919
Other	14,439	1,498	1,089	17,026
In-kind	79,128	11,551	8,400	99,079
Total	<u>\$ 883,753</u>	<u>\$ 71,197</u>	<u>\$ 51,779</u>	<u>\$ 1,006,729</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<b>Cash flows from operating activities</b>	
Cash received from grantors, contributors, and others	\$ 812,204
Cash paid to employees and vendors	(885,319)
Interest paid	(8,473)
Interest received	30
Net cash used in operating activities	(81,558)
 <b>Cash flows from investing activities</b>	
Purchases of property and equipment	(9,658)
 <b>Cash flows from financing activities</b>	
Payment of principal on Paycheck Protection Program note payable	(10,652)
Payments of principal on notes payable	(16,135)
Proceeds from Paycheck Protection Program	137,500
Net cash provided by financing activities	110,713
<b>Net increase in cash and cash equivalents</b>	19,497
<b>Cash and cash equivalents, beginning of year</b>	623,418
<b>Cash and cash equivalents, end of year</b>	\$ 642,915
 <b>Reconciliation of increase in net assets to net cash used in operating activities</b>	
Increase in net assets	\$ 36,783
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation	17,475
Loan forgiveness - note payable	(20,000)
Loan forgiveness - Paycheck Protection Program	(93,414)
Increase in grants and contracts receivable	(17,227)
Increase in beneficial interest in endowment	(1,558)
Decrease in prepaid expenses	4,106
Decrease in accounts payable and accrued expenses	(7,723)
Total adjustments	(118,341)
<b>Net cash used in operating activities</b>	\$ (81,558)
 <b>Supplemental schedule of non-cash investing and financing activities:</b>	
Loan forgiveness - note payable	\$ 20,000
Loan forgiveness - Paycheck Protection Program	\$ 93,414

The accompanying notes to financial statements  
are an integral part of this statement.

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Big Brothers Big Sisters of the Big Bend, Inc. (the “Organization”) which affect significant elements of the accompanying financial statements:

(a) **Organization and Purpose**—The Organization was incorporated as a Florida nonprofit corporation on October 14, 1981 for the purpose of organizing a body of mature and responsible men and women to insert themselves individually in the welfare and improvement of children whose physical, mental and moral development has been hindered or endangered because of inadequate parental supervision, bad environment or other conditions, and to aid them in developing into responsible and mature citizens.

(b) **Property and Equipment**—Property and equipment acquired by the Organization are considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year.

Property and equipment with a value greater than \$1,000 and an estimated useful life of at least one year is recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from five to thirty-nine years. Repairs and maintenance expenses, which are not considered improvements and do not extend the useful life of the property and equipment, are expensed as incurred.

(c) **Income Taxes**—The Organization is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization files income tax returns in the U.S. Federal and state jurisdictions. The Organization’s income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Organization has reviewed and evaluated the relevant technical merits of each of their tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

(d) **Cash and Cash Equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, amounts in demand deposits held with banks, and short-term investments with an original maturity of ninety days or less.

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Use of Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(f) **Basis of Accounting**—The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect significant receivables, payables and other liabilities.

(g) **Basis of Presentation**— Net assets of the Organization and changes therein are classified and reported as follows:

**Net assets without donor restrictions**—Net assets that are not subject to donor-imposed stipulations.

**Net assets with donor restrictions**—Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Organization and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. As of June 30, 2021, there were no donor-imposed restrictions that are perpetual in nature.

(h) **Contributions**—All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions that increases this net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as net assets without donor restrictions.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the entity has adopted a policy of not implying a time restriction on contributions of such assets.

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

(1) **Summary of Significant Accounting Policies:** (Continued)

(i) **Functional Allocation of Expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(j) **Grants and Contracts Receivable**—Grants and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the history with grantors and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(k) **Accrued Leave**—The Organization compensates its eligible employees for unused vacation leave upon termination of employment. Vacation leave is accrued as earned by eligible employees and recorded as an expense in the period earned.

(l) **Revenues**—On July 1, 2020, the Organization adopted Accounting Standards Update 2014-09: "Revenue from Contracts with Customers." The Organization's major categories of revenues and their respective revenue recognition methods are discussed below. All revenue is recorded net of discounts and uncollectible amounts.

The Organization receives substantially all of its grant and contract revenue from Federal, State and local agencies. The Organization recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract.

(2) **Significant Funding Sources:**

The Organization receives a substantial amount of its funding from the State of Florida Department of Education, Big Brothers Big Sisters Association of Florida, Inc., and the United Way of the Big Bend, Inc. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization's programs and activities.

(3) **Retirement Plan:**

The Organization provides retirement benefits to its employees through a defined contribution plan covering all full-time employees after the three-month introductory period has been completed. The Organization will match 200% of the amount contributed by the employee. The amount contributed will not exceed up to four percent of the employee's annual salary. Contributions to the plan during the year ended June 30, 2021 were \$15,124.

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**(4) Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand Deposits**—The Organization maintains cash deposits with multiple financial institutions. The Organization has no policy requiring collateral to support its deposits, although accounts are insured by the Federal Deposit Insurance Corporation up to FDIC limits.

(b) **Grants and Contracts Receivable**—The Organization’s receivables are for amounts due under grants and contracts with the State of Florida. The Organization has no policy requiring collateral or other security to support its receivables.

**(5) Notes Payable:**

Notes payable consisted of the following at June 30, 2021:

4.95% mortgage note payable to financial institution, payments of \$2,078 payable monthly including interest, through December 2028, and a final payment of the balance due January 2029, collateralized by land and building.	\$ 158,330
0.00% mortgage payable to municipality, \$1,667 forgiven monthly over a 60-month period as long as certain conditions are met, collateralized by land and building (See Note 11).	28,333
1.00% note payable to financial institution for the unforgiven portion of its Paycheck Protection Program funding, payments of \$3,442 monthly including interest, through April 2022.	33,851
	220,514
Less: current portion of long-term debt	71,390
Total long-term debt, less current portion	\$ 149,124

Maturities of long-term debt over the next 5 years are as follows:

Year Ending June 30,	Amount
2022	71,390
2023	26,760
2024	19,360
2025	20,340
2026	21,370
Thereafter	61,294
Total	\$ 220,514

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**(6) Property and Equipment:**

The following is a summary of property and equipment at June 30, 2021:

Land	\$ 159,100
Building and improvements	434,450
Furniture and equipment	102,884
	696,434
Less accumulated depreciation	(241,978)
Total	\$ 454,456

**(7) Contingent Liabilities:**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

**(8) In-Kind Support:**

During the year ended June 30, 2021, the Organization received donated items that were sold at a later date. The value of this in-kind support is based upon the fair value of the donated items. In-kind revenue related to these donations totaled \$99,079 for the year ended June 30, 2021, and is recognized as contributions in the Statement of Activities.

**(9) Benefit Interest in Endowments Held by The Community Foundation of North Florida, Inc.:**

As of June 30, 2021, the Organization has a beneficial interest in an endowment held by The Community Foundation of North Florida, Inc. (the "Foundation") for the purpose of helping to further and carry out the mission of the Organization. As of June 30, 2021, the fair value of the Organization's endowment fund excluding third party contributions was \$8,331.

Contractually, the Foundation retains legal ownership of principal amounts contributed. However, because the Organization names itself as the beneficiary of such contributions, even though the variance power is explicitly stated in the gift instrument to the Foundation, the principal balances and any earnings or losses there on are reported as a beneficial interest in endowment on the Statement of Financial Position.

The Fund is subject to the variance power described in Treasury Reg. Sec.1.170A-9(e)(11)(v)(B)(1) of the Internal Revenue Code of 1986, as amended from time to time. The Foundation has the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, if in the sole judgment of the Foundation's Board of Directors (without the necessity of the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the North Florida community and other areas served by the corporation.

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

(10) **Fair Value Measurements:**

The Fair Value Measurements and Disclosures Topic of the FASB Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Codification requires the use of valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the Codification establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A description of the valuation methodologies used for assets measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Beneficial interest in assets held by Community Foundation of North Florida, Inc. are invested in equities and mutual funds that have quoted prices in active markets. Big Brothers Big Sisters of the Big Bend, Inc. adjusts its interest in the assets held by the Foundation similar to the equity method of accounting, which results in the asset being carried at fair value. The interest in the assets held by the Foundation is measured using level 3 inputs within the fair value hierarchy. These assets totaled \$8,331 as of June 30, 2021. The following is a roll forward of these level 3 assets at June 30, 2021:

	<b>Endowment Fund</b>
<b>Balance, June 30, 2020</b>	\$ 6,773
Unrealized gain	1,558
<b>Balance, June 30, 2021</b>	<b>\$ 8,331</b>

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

(11) **Grant/Loan:**

The Organization entered into an agreement with a local community redevelopment agency (the “CRA”) in 2017, whereby the CRA will loan the Organization \$100,000 to improve property located within the CRA district owned by the Organization. Under the terms of the agreement the grant/loan is to be forgiven over a 60-month period with the start date beginning upon completion of construction project. If the Organization fails to meet the following provisions, the CRA may at its discretion, call the amount outstanding payable on demand:

- (a) The Organization ceases to own the property.
- (b) The Organization changes the character of the property to something other than that which provides services to low- and moderate-income citizens.
- (c) The occurrence of any material damage to, or destruction of, all or any portion of the structures on the property in which damage or destruction results in a loss of the intended use of the property as outlined in the agreement. Provided, however, that the Organization, shall not be considered in violation of this provision if the Organization repairs such damage or destruction within ninety (90) days of the occurrence of such damage or destruction, or the CRA approves a reasonable time required for repairs.

The total amount of debt forgiven and recognized as revenue on the Statement of Activities for the year ended June 30, 2021 was \$20,000.

(12) **Operating Lease:**

The Organization leases a copier under an operating lease expiring in the fiscal year ending in 2024. Total rental expense for the year ended June 30, 2021 was \$1,536. Minimum future rental payments for the next five years and in the aggregate under this non-cancelable operating lease having a remaining term in excess of one year as of June 30, 2021 are as follows:

Year	Amount
2022	1,536
2023	1,536
2024	512
Total minimum future rental payments	\$ 3,584

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

(13) **Related Parties:**

The following related party transactions occurred during the current fiscal year:

A member of the board of directors is president of a company that provides insurance services directly to the Organization. The amount of insurance premiums paid by the Organization to the company during the current fiscal year was \$14,219.

(14) **Liquidity and Availability:**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

Cash and Cash Equivalents	\$ 642,915
Grants and Contracts Receivable	43,841
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 686,756</u>

(15) **Loan Forgiveness – Paycheck Protection Program (Round 1):**

On April 30, 2020, the Organization received proceeds in the amount of \$137,500 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides funding to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The proceeds are forgivable after eight weeks or twenty-four weeks (the period has not been chosen to date by the Organization) as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight or twenty-four-week period.

During the year ended June 30, 2021, the loan was partially forgiven for \$93,414. The Organization has recognized the contribution as debt forgiveness income on the Statement of Activities. See note 5 for unforgiven portion of proceeds that are presented as a note payable at June 30, 2021.

(16) **Refundable Advance – Paycheck Protection Program (Round 2):**

On February 9, 2021, the Organization received proceeds in the amount of \$137,500 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides funding to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The proceeds are forgivable after eight weeks or twenty-four weeks (the period has not been chosen to date by the Organization) as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight- or twenty-four-week period. Subsequent to year end, the Organization received full forgiveness of the loan balance.

**BIG BROTHERS BIG SISTERS OF THE BIG BEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

(17) **Risks and Uncertainties:**

During the year ending June 30, 2021, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Organization as of December 8, 2021, management believes that a material impact on the Organization's financial position and results of future operations is reasonably possible.

(18) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 8, 2021, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed other than what is disclosed regarding the Paycheck Protection Program at note 16.

(19) **Recently Issued Accounting Pronouncements:**

The Financial Accounting Standards Board (FASB) issued new or modifications to, or interpretations of, existing accounting guidance. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the consolidated financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

**INDEPENDENT AUDITORS' 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 the Big Bend, Inc.:

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 the Big Bend, Inc., which comprise the statement of financial position as of June 30, 2021, 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 December 8, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Big Brothers Big Sisters of the Big Bend, Inc.'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 Big Brothers Big Sisters of the Big Bend, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Big Brothers Big Sisters of the Big Bend, Inc.'s internal control.

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

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

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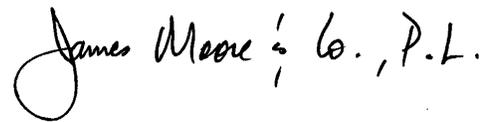
121 Executive Circle Daytona Beach, FL 32114-1180 Telephone: 386-257-4100	133 East Indiana Avenue DeLand, FL 32724-4329 Telephone: 386-738-3300	5931 NW 1st Place Gainesville, FL 32607-2063 Telephone: 352-378-1331	2477 Tim Gamble Place, Suite 200 Tallahassee, FL 32308-4386 Telephone: 850-386-6184
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## **Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Tallahassee, Florida  
December 8, 2021