BIG BROTHERS BIG SISTERS
OF TAMPA BAY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2015

AND

REPORTS OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

CERTIFIED PUBLIC
accountants

CLEARWATER, FLORIDA

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
Financial Statements for the Year Ended December 31, 2015:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 17
SUPLEMENTARY INFORMATION	
Schedule of State Financial Assistance	18
Notes to Schedule of State Financial Assistance	19
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	20 - 21
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA	22 - 23
Schedule of Findings and Questioned Costs	24 - 27

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Big Brothers Big Sisters of Tampa Bay, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2015, 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.

Auditor's 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 of 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 December 31, 2015, 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.

Emphasis of a Matter

As part of our audit of the 2015 financial statements, we also audited the adjustment described in ***NOTE Q*** that was applied to restate the 2014 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2014 financial statements of the Organization other than with respect to the adjustment and, accordingly, we do not express an opinion or any other form of assurance on the 2014 financial statements as a whole.

Other Matters

Other Information - Schedule of State Financial Assistance

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of state financial assistance, as required by Chapter 10.650, Rules of the Auditor General, State of Florida is also presented for purposes of additional analysis and is not a required part of the financial statements. The 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated March 17, 2016, 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 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 the Organization's internal control over financial reporting and compliance.

PDR Certified Public Accountants

Clearwater, Florida
March 17, 2016

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

Cash	$ 1,173,671
Restricted cash	7,740
Grants receivable	174,918
Unconditional promises to give, net	304,552
Other receivables	140,606
Beneficial interest in a perpetual trust - CFTB	218,608
Beneficial interest in a perpetual trust - PCCF	10,000
Property and equipment, net	369,406
Other assets	60,269
Intangible assets, net	2,515
Total Assets	$ 2,462,285

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	$ 128,412
Deferred revenue	6,350
Mortgage payable	168,426
Total liabilities	303,188
Net Assets	
Unrestricted	1,498,804
Temporarily restricted	431,685
Permanently restricted	228,608
Total net assets	2,159,097
Total Liabilities and Net Assets	$ 2,462,285

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	Unrestricted	*Temporarily Restricted*	*Permanently Restricted*	*Total*
Public Support and Revenue				
Public Support:				
United Way	$ 488,753	$ -	$ -	$ 488,753
Government support	2,606,490	-	-	2,606,490
Scholarship revenue	-	1,500		1,500
Contributions	1,517,089	75,575	1,675	1,594,339
Special events, net of direct costs of $476,570	1,253,787	-	-	1,253,787
Foundations and grants	446,965	35,000	-	481,965
Wills and bequests	111,242	-	-	111,242
Investment income (loss)	1,051	5	(11,122)	(10,066)
Net assets released from restriction	218,410	(209,257)	(9,153)	-
Total public support and revenue	6,643,787	(97,177)	(18,600)	6,528,010
Expenses				
Program services	5,062,762	-	-	5,062,762
Supporting services:				
Management and general	407,261	-	-	407,261
Fundraising	927,539	-	-	927,539
Total program and supporting services	6,397,562	-	-	6,397,562
Change in Net Assets Before Other Changes	246,225	(97,177)	(18,600)	130,448
Other Changes - Revenue (Expense)				
Other income	179,069	-	-	179,069
Total other changes	179,069	-	-	179,069
Change in Net Assets	425,294	(97,177)	(18,600)	309,517
Net Assets at Beginning of Year:				
As previously stated	1,073,510	581,457	247,208	1,902,175
Prior period adjustment (***NOTE Q***)	-	(52,595)	-	(52,595)
As restated	1,073,510	528,862	247,208	1,849,580
Net Assets at End of Year	$ 1,498,804	$ 431,685	$ 228,608	$ 2,159,097

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

		Supporting Services			
	Program Services	***Management and General***	***Fundraising***	***Total Supporting Services***	***Total***
Salaries	$ 2,632,528	$ 273,509	$ 512,830	$ 786,339	$ 3,418,867
Employee benefits	252,963	26,282	49,278	75,560	328,523
Payroll taxes	191,258	19,871	37,258	57,129	248,387
Total salaries and related expenses	3,076,749	319,662	599,366	919,028	3,995,777
In-kind advertising	928,901	-	163,924	163,924	1,092,825
In-kind program	209,223	-	-	-	209,223
Professional fees	136,340	14,165	26,560	40,725	177,065
Rent	96,158	9,990	18,732	28,722	124,880
Volunteer evaluations	87,839	9,126	17,112	26,238	114,077
Office	81,100	8,426	15,799	24,225	105,325
Insurance	73,011	7,586	14,223	21,809	94,820
Dues	61,393	6,378	11,960	18,338	79,731
Telephone	57,715	5,996	11,243	17,239	74,954
Bad debt	57,007	5,923	11,105	17,028	74,035
Printing	47,010	4,884	9,158	14,042	61,052
Agency activities	35,209	3,658	6,859	10,517	45,726
Miscellaneous	33,727	3,506	6,570	10,076	43,803
Utilities	10,426	1,083	2,031	3,114	13,540
Postage	10,359	1,076	2,018	3,094	13,453
Conferences and conventions	8,291	861	1,615	2,476	10,767
Interest	6,462	671	1,259	1,930	8,392
Scholarship awards	4,750	-	-	-	4,750
Maintenance	3,009	313	586	899	3,908
Total expenses before depreciation	1,947,930	83,642	320,754	404,396	2,352,326
	5,024,679	403,304	920,120	1,323,424	6,348,103
Depreciation and amortization	38,083	3,957	7,419	11,376	49,459
	$ 5,062,762	$ 407,261	$ 927,539	$ 1,334,800	$ 6,397,562

See accompanying notes to financial statements

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

Cash Flows from Operating Activities:	
Change in net assets	$ 309,517
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	49,459
Decrease due to prior period adjustment	(52,595)
(Increase) decrease in:	
Grants receivable	118,986
Unconditional promises to give	286,182
Other receivables	(90,311)
Beneficial interest in a perpetual trusts	(25,920)
Other assets	40,999
Intangible assets	(2,535)
Increase (decrease) in:	
Accounts payable and accrued expenses	23,003
Deferred revenue	6,350
Net cash provided by operating activities	663,135
Cash Flows from Investing Activities:	
Cash paid for purchase of property and equipment	(39,638)
Cash Flows from Financing Activities:	
Principal payments on mortgage payable	(9,911)
Net Increase in Cash	613,586
Cash at Beginning of Period *(including restricted cash of $4,260 at December 31, 2014)*	567,825
Cash at End of Period *(including restricted cash of $7,740 at December 31, 2015)*	$ 1,181,411
Supplemental Disclosures of Cash Flow Information:	
Cash paid during the period for interest	$ 8,392

See accompanying notes to financial statements

NOTE A - NATURE OF ORGANIZATION

Big Brothers Big Sisters of Tampa Bay, Inc. (the Organization) is a not-for-profit organization whose mission is to provide children facing adversity with strong and enduring, professionally supported 1-to-1 relationships that change their lives for the better, forever. With a focus on educational success and avoidance of risky behaviors, the Organization provides services in Hillsborough, Pinellas, Polk, Pasco, Hernando, Citrus, and Sumter Counties. The Organization uses a case management approach to service delivery. The primary providers of direct services are volunteers who serve as mentors through match relationships within community or school-based program components. The Organization thoroughly screens volunteers who make a commitment in order to assure a regular, consistent relationship for the child. Professional staff monitors the service delivery and tracks both the progression of the match relationship and each client and volunteer on a case-by-case basis. Professional staff assists participants in developing and maintaining positive and beneficial mentoring relationships.

Effective January 1, 2015, Big Brothers Big Sisters of Tampa Bay, Inc. merged with Big Brothers Big Sisters of Pinellas, Inc. The newly merged entity retains the name Big Brothers Big Sisters of Tampa Bay, Inc. as the surviving entity and new bylaws have been adopted. The board members of each entity were voted into the board of the newly merged Big Brothers Big Sisters of Tampa Bay, Inc. (the Organization) and therefore, one board exists. The goal of the merger was to improve the impact to scale its programs and those served, sustainable resources and leadership and development. As such, these financial statements reflect this single period, as a newly formed entity.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. ***Basis of Presentation***

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The Organization presents information regarding its financial position and activities according to three classes of net assets described as follows:

- Unrestricted Net Assets - All resources over which the governing board has discretionary control. The governing board of the Organization may elect to designate such resources for specific purposes. This designation may be removed at the Board’s discretion.
- Temporarily Restricted Net Assets - Resources accumulated through donations or grants for specific operating or capital purpose. Such resources will become unrestricted when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or through the passage of time.
- Permanently Restricted Net Assets - Resources accumulated through donations or grants that are subject to the restriction in perpetuity that the principal be invested. These net assets include the original value of the gift, plus any subsequent additions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. ***Use of Estimates***

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

3. ***Fair Value Measurement***

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

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

4. ***Cash and Restricted Cash***

Cash consists of cash on deposit with financial institutions and petty cash funds. The Organization considers all highly liquid investments with an initial maturity of three months or less as cash. The Organization maintains a separate cash account for the temporarily restricted scholarship funds. This temporarily restricted cash account totaled $7,740 at December 31, 2015.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally-insured limits. From time to time throughout the year ended December 31, 2015, the Organization’s cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. ***Unconditional Promises to Give***

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

Unconditional promises to give which are due in more than one year are recorded at estimated fair value by discounting future cash flows using current risk-free rates of return based on U.S. Treasury Securities yields with maturity dates similar to the expected contribution collection period. The Organization uses the allowance method to determine uncollectible unconditional promises. The allowance is based on prior years' experience and management's analysis of specific promises made. As of December 31, 2015, the Organization recorded an allowance of approximately $72,000.

6. ***Beneficial Interest in a Perpetual Trust***

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

7. ***Property and Equipment***

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

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

8. ***Intangible Assets***

Loan costs are the Organization's only intangible assets. Loan costs are being amortized on a straight-line basis over the terms of the loan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. ***Contributions***

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support.

Federal, state and local government and other grants are recognized as support when performance occurs pursuant to the contract agreement.

10. ***Noncash Contributions***

Donated materials are recorded as support at their fair value at the date of donation. Contributions of services are recorded as support at their estimated fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the year ended December 31, 2015, the value of contributed services meeting the requirements for recognition in the financial statements has been recorded as unrestricted support. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services under the financial accounting standards.

11. ***Functional Classification of Expenses***

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

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. All other expenses are allocated among program, management and general, and fundraising based upon the amount of employee time involved. The percentage is as follows for the year ended December 31, 2015:

Program services	79%
Management and general	6%
Fundraising	15%
	100%

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. ***Income Tax Status***

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

13. ***Uncertain Tax Positions***

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

NOTE C - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following at December 31, 2015:

Gross unconditional promises to give	$ 386,155
Less: Unamortized discount	(9,265)
Less: Allowance for doubtful accounts	(72,338)
Net unconditional promises to give	$ 304,552
Amounts due in:	
Less than one year	$ 198,413
One to five years	177,732
Thereafter	10,010
	$ 386,155

At December 31, 2015, approximately $74,000 was deemed uncollectible and written off to bad debt expense. See ***NOTE Q*** for additional amounts that were written off as a prior period adjustment.

NOTE D - BENEFICIAL INTEREST IN A PERPETUAL TRUST

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

In 2002, the Organization established an endowment account with the Pinellas County Community Foundation (PCCF) in the amount of $10,000. In 2009, the Organization established the Charles Manly endowment account with the Community Foundation of Tampa Bay (CFTB). It is the intent of the donors and the Organization to accumulate donations and earnings until the fund reaches a balance of $25,000. Although the Organization does not have the right to receive the endowment assets per the Trust Agreement, the contribution to the endowment fund is considered an asset of the Organization as it has been named beneficiary. Earnings on the endowment funds are periodically distributed to the Organization in accordance with the trust agreement.

In 2013, the Organization established a scholarship endowment account with the Community Foundation of Tampa Bay. The Organization utilized CFTB's Leave a Challenge Grant Program (the Grant Program) which incorporates a one-to-three match. The Organization had a goal of raising $50,000 with $37,500 to be raised by the Organization and $12,500 to be awarded through the Grant Program. As of January 2014, the Organization was awarded the challenge grant by CFTB. Although the Organization does not have the right to receive the endowment assets per the Trust Agreement, the contribution to the endowment fund is considered an asset of the Organization as it has been named beneficiary. Earnings on the endowment funds are distributed to the Organization semi-annually at a distribution rate between 3.50% - 5.50% of the fund's balance as of December 31st of the year preceding the distribution. For 2015, the spending policy is 4% of the December 31, 2014 endowment account balance.

NOTE E - FAIR VALUE MEASUREMENT

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

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

Fair values of assets measured on a recurring basis at December 31, 2015 are as follows:

Fair Value Measurements at Reporting Date Using

Description:	***Quoted Prices In Active Markets for Identical Assets Level 1***	***Significant Other Observable Inputs Level 2***	***Significant Unobservable Inputs Level 3***	***Total Fair Value***
Investments:				
Beneficial interest in perpetual trusts	$ -	$ -	$ 228,608	$ 228,608

The following is a summary of changes in the fair value of the Organization's Level 3 assets for the year ended December 31, 2015:

Balance, January 1	$ 247,208
Contributions	1,675
Released from restriction	(9,153)
Investment income (loss)	(11,122)
Balance, December 31	$ 228,608

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2015:

Building and improvements	$ 396,396
Land	44,000
Office equipment	419,532
Leasehold improvements	43,830
	903,758
Less accumulated depreciation	(534,352)
	$ 369,406

NOTE G - INTANGIBLE ASSETS

Intangible assets consist of the following at December 31, 2015:

Loan costs	$ 2,695
Accumulated amortization	(180)
Intangible assets, net	$ 2,515

Aggregate amortization expense is estimated as follows:

Years Ending December 31,	*Amount*
2016	$ 270
2017	270
2018	270
2019	270
2020	270
Thereafter	1,165
	$ 2,515

NOTE H - LINE- OF-CREDIT

The Organization had a $400,000 revolving line-of-credit available at a financial institution at December 31, 2015. The interest rate on this line-of-credit is at prime plus 2.25% (currently 5.75%) and has an outstanding balance of $-0- at December 31, 2015. The unused balance on the line-of-credit at December 31, 2015 is $400,000.

NOTE I - MORTGAGE PAYABLE

Mortgage payable consists of the following at December 31, 2015:

Mortgage payable to a bank, due in monthly installments of $1,828 including interest at 4.0%, due May 2025, collateralized by the real estate. This mortgage was refinanced in May 2015 and the prior mortgage was paid off	$ 168,426
Less: current maturities	(15,243)
Long-term mortgage payable, net	$ 153,183

Future maturities are as follows:

Years Ending December 31,	*Amount*
2016	$ 15,243
2017	15,892
2018	16,549
2019	17,233
2020	17,933
Thereafter	85,576
	$ 168,426

NOTE J - TEMPORARILY RESTRICTED NET ASSETS

Virtually all of the restrictions on net assets for the year ended December 31, 2015 are related to funds received from private foundations, corporate donor, grants, and time restricted multi-year pledges. Certain of the use-restricted funds are restricted for the purpose of match events and activities.

At December 31, 2015, net assets were temporarily restricted for the following purposes:

Time-restricted	$ 376,890
Use-restricted:	
Scholarship Fund	7,740
Hobbs Family Foundation	10,058
Wells Fargo	3,750
Triad Foundation	25,000
Special events –deferred revenue	6,350
National Air Traffic Controller	1,422
Other	475
	$ 431,685

NOTE J - TEMPORARILY RESTRICTED NET ASSETS - CONTINUED

Net assets released from restrictions amounted to $209,257 for the year ended December 31, 2015.

NOTE K - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at December 31, 2015 consist of a beneficial interest in a perpetual trust with PCCF for $10,000 at December 31, 2015. The income from this trust is expendable in an unrestricted manner. The Organization also has a beneficial interest in a perpetual trust with CFTB for $218,608, at December 31, 2015. The earnings from this trust are accumulated in the trust account and distributions to the Organization are based on an approved spending policy of CFTB to be expended for scholarships (see ***NOTE D***).

NOTE L - CONTRIBUTED SERVICES AND MATERIALS

During the year ended December 31, 2015, approximately $1,360,000 of services and materials were donated to the Organization and reported as unrestricted support. These contributions included donated advertising of, tickets for match activities, and donated event auction items.

NOTE M - COMMITMENTS AND CONTINGENCIES

The Organization leases certain equipment and automobiles under various operating leases. The terms of these leases range from 48 months to 62 months. The total expense paid during the year ended December 31, 2015 related to these leases was approximately $199,000.

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

Years Ending December 31,	***Amount***
2016	$ 154,739
2017	115,996
2018	41,682
2019	31,262
	$ 343,679

NOTE N - RETIREMENT PLANS

The Organization has a 401k plan to which it may match a portion of eligible employee contributions. The Organization is not required to make a contribution in any given year. Contributions made during the year ended December 31, 2015 were $13,466.

NOTE O - CONCENTRATION OF RISK

The Organization receives a substantial amount of support from grantor agencies for its programs. Approximately 47% of public support revenue for the year ended December 31, 2015 came from two providers, consisting of $488,753 from the United Way and $2,606,490 from government support. If this support were to be reduced or eliminated, it could affect the operation of the supported programs. In addition, the Organization is subject to audit examination by grantor agencies. In the event that reimbursed expenditures were disallowed, repayments would be required.

NOTE P - RELATED PARTY

The Organization is charged an annual support service fee by Big Brothers Big Sisters of America (National Office) and Big Brothers Big Sisters Association of Florida (State Office) based on a percentage of annual expenditures. This fee is for organizational and management services provided by the National and State offices. The Organization recognized national and state support expense of approximately $29,500 for the year ended December 31, 2015, and is included in dues expense on the statement of functional expenses.

NOTE Q - PRIOR PERIOD ADJUSTMENT

The Organization's financial statements as of December 31, 2014 included certain unconditional promises to give which were determined not to be correct and, in order to comply with the requirements of US GAAP, the following was adjusted:

Beginning net assets, January 1, 2015	$ 1,902,175
Adjustment to properly record promises to give	(52,595)
Beginning net assets as restated	$ 1,849,580

Net assets as of January 1, 2015 decreased by $52,595 to properly reflect the correct unconditional promises to give balance.

NOTE R - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through March 17, 2016, the date the financial statements were available and issued. The Organization is not aware of any subsequent events which would require recognition or disclosures in the financial statements.

SUPPLEMENTARY INFORMATION

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015

Florida State Agency/ Program Title/ Florida State Project Title	*CSFA Number*	*Expenditures*
State of Florida Department of Education		
Passed through:		
Big Brothers Big Sisters Association of Florida, Inc.		
Bigs in Schools/Sites Program		
Bigs Inspiring Scholastic Success	48.068	$ 1,123,158
State of Florida Department of Juvenile Justice		
Passed through:		
Big Brothers Big Sisters Association of Florida, Inc.		
Delinquency Protection		
Mentoring Children of Prisoners	80.029	495,096
State of Florida Department of Juvenile Justice		
Passed through:		
Big Brothers Big Sisters Association of Florida, Inc.		
Delinquency Protection		
Invest in Children – Hillsborough County	80.029	34,271
Invest in Children – Polk County	80.029	25,713
		555,080
Total Expenditures of State Financial Assistance		$ 1,678,238

See notes to schedule of state financial assistance

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of state financial assistance includes the State of Florida project activity of Big Brothers Big Sisters of Tampa Bay, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations and the requirements of Chapter 10.650, Rules of the Auditor General, State of Florida.

NOTE B - CONTINGENCIES

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

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and Chapter 10.650, Rules of the Auditor General, State of Florida, the financial statements of Big Brothers Big Sisters of Tampa Bay, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2015, 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 17, 2016.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

CONTINUED

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS - CONTINUED

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

PDR Certified Public Accountants

Clearwater, Florida
March 17, 2016

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA

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

Report on Compliance for Each Major State Project

We have audited Big Brothers Big Sisters of Tampa Bay, Inc.'s (the Organization) compliance with the types of compliance requirements described in *Florida Department of Financial Services* State Projects Compliance Supplement that could have a direct and material effect on each of the Organization's major state projects for the year ended December 31, 2015. The Organization's major state projects are identified in the accompanying summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major state projects 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 Chapter 10.650, Rules of the Auditor General, State of Florida. Those standards and Chapter 10.650, Rules of the Auditor General, State of Florida 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 state project 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 state project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major State Project

In our opinion, Big Brothers Big Sisters of Tampa Bay, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state projects for the year ended December 31, 2015.

CONTINUED

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA - 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 state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, State of Florida, 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 state project 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 state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 Chapter 10.650, Rules of the Auditor General, State of Florida. Accordingly, this report is not suitable for any other purpose.

PDR Certified Public Accountants

Clearwater, Florida
March 17, 2016

BIG BROTHERS BIG SISTERS OF TAMPA BAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE PROJECTS
YEAR ENDED DECEMBER 31, 2015

Part I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? ___ yes _X_ no

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

Noncompliance material to financial statements noted? ___ yes _X_ no

State Project Section

Internal control over major state projects:

Material weaknesses identified? ___ yes _X_ no

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

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

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

Identification of Major State Project:

CSFA Number	Name of Project
	State of Florida Department of Education
48.068	Passed through:
	Big Brothers Big Sisters Association of Florida, Inc.
	Bigs in Schools/Sites Program
80.029	State of Florida Department of Juvenile Justice
	Passed through:
	Big Brothers Big Sisters Association of Florida, Inc.
	Delinquency Protection
	Mentoring Children of Prisoners
	Invest in Children - Hillsborough & Polk County

Dollar threshold used to determine Type A State Project: $ 300,000

Auditee qualified as low-risk auditee? ___ yes _X_ no

Part II - Schedule of Financial Statement Findings

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

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards.*

Part III - State Project Findings and Questioned Costs

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

There were no findings required to be reported.

Part IV - Summary Schedule of Prior Audit Findings

Prior Year Financial Statement Audit:

2014-001 - Material Audit Adjustment

Criteria
Management is responsible for maintaining adequate internal control over accounting and financial reporting.

Condition
Misstatement was not prevented or detected by the Organization's system of internal control related to its noncash transactions. An adjustment was required to correct the misstatement.

Cause
The Organization did not adequately account for and record noncash donations.

Effect
The Organization's general ledger did not reflect the proper accounting treatment for noncash donations.

Part IV - Summary Schedule of Prior Audit Findings - Continued

Prior Year Financial Statement Audit - Continued:

2014-001 - Material Audit Adjustment - Continued

Recommendation
We recommend that the Organization establish procedures to adequately record the noncash donations. In addition, we recommend procedures are established to adequately monitor noncash donations in the Organization's donor system to ensure they are properly valued.

Views of Responsible Officials
In prior accounting history, if a discounted invoice was received or a copy of an in-kind donation letter submitted to accounting, accounting would record the amount of donated goods or services as non-cash revenue, also recording the appropriate non-cash expense item as the offset. Non-cash items were all handled within the accounting department. Since the agency implemented the eTapestry donor software, non-cash donations have been tracked through the donor software, which is handled through the Fund Development Department. Through the outside audit process, we have been made aware of this communication and reporting disconnect between our Fund Development and Accounting Departments, and processes have been written into the Financial Accounting Procedures to make this entry at year-end for non-cash goods and services received. In addition, this process has already been a part of the year-end procedures for our Chief Financial Officer, who was the former Chief Financial Officer of Big Brothers Big Sisters Pinellas County prior to their merging into Big Brothers Big Sisters of Tampa Bay effective January 1, 2015.

Current Status
This issue was resolved in the current year.

2014-002 - Segregating Grant Funds
Program: CSFA 80.026 Invest in Children

Criteria
The state funds from this grant are required to be maintained separate from other grant funds.

Condition
During our testing, we noted the cash for this grant appeared to be included with other programs and the accounting records included expense transactions with other programs and grants maintained by the agency.

Cause
The grant funds were deposited in the Organization’s normal operating accounts. In addition, the chart of accounts was not established to adequately segregate the transactions for the grant.

Part IV - Summary Schedule of Prior Audit Findings - Continued

Prior Year State Project Findings and Questioned Costs - Continued:

2014-002 - Segregating Grant Funds - Continued
Program: CSFA 80.026 Invest in Children

Effect
Noncompliance with grantor requirements.

Recommendation
It was recommended that the Organization establish procedures to adequately maintain separate cash accounts according to grant funding agreement. In addition, it was recommended that the general ledger account types be established by grant, so that a separate grant population can be generated directly from the accounting software.

Views of Responsible Officials
The Organization utilizes Abila's MIP Not-for-Profit Fund Accounting software (MIP), which allows for a multi-layer drill-down in reporting revenues and expenses. The Organization began using MIP in 1999 when there was only a couple of programs and grants on which to report. It was originally set up that the main reporting drill-down went to "program" because each program had one grant funding source. As the Organization capacity and number of grant funding sources has increased, we have recognized that there were a couple of programs that had more than one grant funding source. As such, we implemented a spreadsheet detailing how each program staff member was funded by grant source and tracked it each month to ensure that personnel expenses were not being "double-reimbursed" by more than on funding source. The above referenced grant for Invest in Children only covers personnel expenses, so this spreadsheet seemed to suffice internally for ensuring that personnel expenses were being reimbursed through the grant sources as budgeted in the grant contracts. Additionally, realizing that this was getting to be a time-consuming process to track, when setting up the accounting system for the 2015 fiscal year and for the merger of Big Brothers Big Sisters into Big Brothers Big Sisters of Tampa Bay, we chose to re-vamp our chart of accounts drill-down options by changing the "program" drill-down to "grant source" drill-down, thereby keeping all grant revenues and expenditures separate in the accounting program.

Current Status
This issue was resolved in the current year.