

Big Brothers/Big Sisters of Middle Tennessee

Financial Statements
For the 18 Months Ended June 30, 2021
and the Year Ended December 31, 2019

Big Brothers/Big Sisters of Middle Tennessee

Financial Statements

For the 18 Months Ended June 30, 2021
and the Year Ended December 31, 2019

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Big Brothers/Big Sisters of Middle Tennessee

Roster of Officials

As of June 30, 2021

President	Missy Acosta
Vice President	Becky Sharpe
Treasurer	Grant Kinnett
Secretary	Ross Pepper



Independent Auditor's Report

Board of Directors
Big Brothers/Big Sisters of Middle Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Big Brothers/Big Sisters of Middle Tennessee (a not-for-profit organization, the Organization), which comprise the statements of financial position as of June 30, 2021 and December 31, 2019, the related statements of activities, functional expenses, and cash flows for the 18 months ended June 30, 2021 and the year ended December 31, 2019 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.

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 Middle Tennessee as of June 30, 2021 and December 31, 2019, and the results of its operations and its cash flows for the 18 months ended June 30, 2021 and the year ended December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Big Brothers Big Sisters of Middle Tennessee's basic financial statements. The roster of officials is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The roster of officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2022, 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 Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
February 18, 2022

Big Brothers/Big Sisters of Middle Tennessee

Statements of Financial Position

June 30, 2021 and December 31, 2019

	2021	2019
Assets		
Current assets		
Cash	\$ 800,110	\$ 842,142
Accounts receivable	12,067	17,642
Grants receivable	508,670	144,995
Prepaid expenses and other assets	58,477	15,683
Total current assets	<u>1,379,324</u>	<u>1,020,462</u>
Property and equipment, net	<u>1,688,591</u>	<u>1,297,950</u>
Total assets	\$ 3,067,915	\$ 2,318,412
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 123,701	\$ 47,120
PPP Loan	<u>361,892</u>	<u>-</u>
Total liabilities	<u>485,593</u>	<u>47,120</u>
Net assets		
Without donor restrictions	2,389,163	2,056,937
With donor restrictions	<u>193,159</u>	<u>214,355</u>
Total net assets	<u>2,582,322</u>	<u>2,271,292</u>
Total liabilities and net assets	\$ 3,067,915	\$ 2,318,412

Big Brothers/Big Sisters of Middle Tennessee

Statement of Activities

For the 18 Months Ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
Revenues, Gains, and Other Support			
Contributions	\$ 187,874	\$ 95,659	\$ 283,533
Contributions, special events	812,645	-	812,645
Grants, other	678,063	97,500	775,563
Fundraising events	92,250	-	92,250
Federal grants	2,134,853	-	2,134,853
State grants	332,000	-	332,000
PPP Loan	371,200	-	371,200
In-kind	131,896	-	131,896
United Way	197,153	-	197,153
Miscellaneous income	16,219	-	16,219
Investment gain (loss)	2,559	-	2,559
Net assets released from restriction	<u>214,355</u>	<u>(214,355)</u>	<u>-</u>
Total revenues, gains, and other support	5,171,067	(21,196)	5,149,871
Expenses			
Program services	3,461,944	-	3,461,944
Supporting services			
Management and general	759,042	-	759,042
Fundraising	<u>617,855</u>	<u>-</u>	<u>617,855</u>
Total supporting services	1,376,897	-	1,376,897
Change in net assets	332,226	(21,196)	311,030
Net assets, beginning of year	<u>2,056,937</u>	<u>214,355</u>	<u>2,271,292</u>
Net assets, end of year	\$ 2,389,163	\$ 193,159	\$ 2,582,322

Big Brothers/Big Sisters of Middle Tennessee

Statement of Activities

For the Year Ended December 31, 2019

	Without donor restrictions	With donor restrictions	Total
Revenues, Gains, and Other Support			
Contributions	\$ 232,400	\$ -	\$ 232,400
Contributions, special events	1,132,909	-	1,132,909
Grants, other	540,792	63,208	604,000
Fundraising events	60,133	-	60,133
Federal grants	714,990	144,995	859,985
State grants	524,231	-	524,231
In-kind	198,047	-	198,047
United Way	134,029	-	134,029
Miscellaneous income	31,079	-	31,079
Investment gain (loss)	903	-	903
Net assets released from restriction	<u>233,109</u>	<u>(233,109)</u>	<u>-</u>
Total revenues, gains, and other support	3,802,622	(24,906)	3,777,716
Expenses			
Program services	2,539,407	-	2,539,407
Supporting services			
Management and general	327,533	-	327,533
Fundraising	<u>748,765</u>	<u>-</u>	<u>748,765</u>
Total supporting services	1,076,298	-	1,076,298
Change in net assets	186,917	(24,906)	162,011
Net assets, beginning of year	<u>1,870,020</u>	<u>239,261</u>	<u>2,109,281</u>
Net assets, end of year	\$ 2,056,937	\$ 214,355	\$ 2,271,292

Big Brothers/Big Sisters of Middle Tennessee
Statement of Functional Expenses
For the 18 Months Ended June 30, 2021

	Program services	Supporting services		Total expenses
		Management and general	Fundraising	
Salaries and Related Expenses				
Salaries	\$ 2,072,799	\$ 340,560	\$ 386,867	\$ 2,800,226
Payroll taxes	154,815	25,436	28,894	209,145
Employee benefits	240,046	39,438	44,805	324,289
Total salaries and related expenses	2,467,660	405,434	460,566	3,333,660
Other Expenses				
Equipment rental and maintenance	5,816	956	1,085	7,857
Fundraising events	-	-	47,252	47,252
Insurance	60,936	10,012	11,373	82,321
Mentoring activities	75,726	3,446	3,915	83,087
National program fees	58,419	-	-	58,419
Occupancy	44,792	7,361	8,359	60,512
Office supplies	21,575	3,544	4,027	29,146
Postage	6,322	1,040	1,180	8,542
Professional fees	123,899	220,390	13,830	358,119
Public relations	87,319	-	3,316	90,635
Subrecipient expenditures, state grants	166,728	-	-	166,728
Technology	110,278	18,118	20,583	148,979
Telephone	36,422	5,984	6,798	49,204
Travel and staff training	18,732	23,035	3,074	44,841
Bank and credit card fees	-	18,690	3,042	21,732
Miscellaneous	41,526	24,574	10,255	76,355
Total other expenses	858,490	337,150	138,089	1,333,729
Total expenses before depreciation and in-kind	3,326,150	742,584	598,655	4,667,389
Depreciation expense	101,488	16,458	19,200	137,146
In-kind expense	34,306	-	-	34,306
Total expenses	\$ 3,461,944	\$ 759,042	\$ 617,855	\$ 4,838,841

Big Brothers/Big Sisters of Middle Tennessee
Statement of Functional Expenses
For the Year Ended December 31, 2019

		Supporting services		
	Program services	Management and general	Fundraising	Total expenses
Salaries and Related Expenses				
Salaries	\$ 1,279,089	\$ 191,934	\$ 294,709	\$ 1,765,732
Payroll taxes	95,429	14,511	22,304	132,244
Employee benefits	158,724	16,775	22,560	198,059
Total salaries and related expenses	1,533,242	223,220	339,573	2,096,035
Other Expenses				
Equipment rental and maintenance	-	4,147	-	4,147
Fundraising events	-	-	198,755	198,755
Insurance	45,930	4,651	7,558	58,139
Mentoring activities	76,340	4,636	4,556	85,532
National program fees	28,758	-	-	28,758
Occupancy	40,731	3,260	6,634	50,625
Office supplies	8,462	954	1,847	11,263
Postage	5,598	1,338	4,470	11,406
Professional fees	15,966	49,812	4,273	70,051
Public relations	149,539	141	14,304	163,984
Subrecipient expenditures, state grants	348,152	-	-	348,152
Technology	43,515	6,707	10,655	60,877
Telephone	12,803	1,297	2,107	16,207
Travel and staff training	51,008	1,712	2,944	55,664
Bank and credit card fees	-	1,203	12,372	13,575
Miscellaneous	53,565	19,516	9,674	82,755
Total other expenses	880,367	99,374	280,149	1,259,890
Total expenses before depreciation and in-kind	2,413,609	322,594	619,722	3,355,925
Depreciation expense	48,769	4,939	8,025	61,733
In-kind expense	77,029	-	121,018	198,047
Total expenses	\$ 2,539,407	\$ 327,533	\$ 748,765	\$ 3,615,705

Big Brothers/Big Sisters of Middle Tennessee

Statements of Cash Flows

For the 18 Months Ended June 30, 2021
and the Year Ended December 31, 2019

	2021	2019
Cash, beginning of period	\$ 842,142	\$ 596,303
Cash flows from operating activities		
Change in net assets	311,030	162,011
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	137,146	61,733
Loss on sale of investments	-	164
Change in:		
Accounts receivable	5,575	(17,642)
Grants receivable	(363,675)	55,334
Prepaid expenses and other assets	(42,794)	28,908
Accounts payable and accrued expenses	76,581	18,804
PPP Loan	361,892	-
Net cash provided (used) by operating activities	485,755	309,312
Cash flows from investing activities		
Proceeds from sale of investments	-	1,101
Purchase of equipment	(527,787)	(64,574)
Net cash provided (used) by investing activities	(527,787)	(63,473)
Net change in cash and cash equivalents	(42,032)	245,839
Cash, end of period	\$ 800,110	\$ 842,142
Supplemental disclosures of cash flow information		
Disposal of fully depreciated property and equipment	\$ -	\$ 47,419

Big Brothers/Big Sisters of Middle Tennessee

Notes to Financial Statements

For the 18 Months Ended June 30, 2021
and the Year Ended December 31, 2019

Note 1. **Nature of Activities and Summary of Significant Accounting Policies**

Nature of Activities

Big Brothers/Big Sisters of Middle Tennessee (a not-for-profit organization, the Organization) was organized in Nashville, Tennessee in 1969. The Organization provides programs and services to match adult volunteer mentors with children from primarily single-parent homes throughout Middle Tennessee. The Organization receives support from state and federal agencies, individual donors and foundations, and through fundraising events.

Change in Year End

The Organization changed its fiscal year end from December 31 to June 30. Accordingly, in this year of transition, amounts as of and for the 18 months ended June 30, 2021 are collectively referred to as current period and amounts for the year ended December 31, 2019 are collectively referred to as prior year.

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP) as prescribed for not-for-profit organizations. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are available for use at the discretion of the Organization's board of directors and/or management for general operating purposes.

Net assets with donor restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as assets released from restrictions. Contributions which are restricted for specific programs are reflected as net assets without donor restrictions if these funds are received and spent in the same fiscal year.

Cash

The Organization considers all highly liquid investments with an original maturity when purchased of three months or less to be cash equivalents. Cash as of 6.30.21 consists of the following:

Cash - Operating	\$	743,427
Cash - Investing		55,018
Cash - Other		1,665
Total	\$	<u>800,110</u>

Property and Equipment and Depreciation

The Organization generally capitalizes an asset if its life is estimated to be one year or greater and the cost is \$1,000 or greater. Property and equipment are recorded at cost when purchased or at fair value as of the date contributed. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets ranging from 3 to 40 years.

Big Brothers/Big Sisters of Middle Tennessee

Notes to Financial Statements

For the 18 Months Ended June 30, 2021
and the Year Ended December 31, 2019

Note 1. **Nature of Activities and Summary of Significant Accounting Policies**

PPP Loan

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The Company received two loans in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Air, Relief, and Economic Security Act (the CARES Act). US GAAP provides companies with several alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as *debt* and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; 2) proceeds can be treated as an *income grant* where they recognize a deferred income liability and derecognize the liability, and recognize income or reduce expenses, as they incur and recognize qualifying payroll and other operating costs that they estimate with reasonable assurance meet the conditions necessary for forgiveness; 3) proceeds can be treated as a *conditional contribution* where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived; or 4) proceeds can be recognized as a *liability* and derecognize the liability, and recognize income, as all conditions for forgiveness are met. The Company has elected to treat the first PPP loan of \$371,200 as income. The Company has elected to treat the second PPP loan of \$361,892 as a liability.

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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

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

Accounts Receivable

Accounts receivable are stated at their net realizable value. It is the opinion of management that all accounts receivable at June 30, 2021 and December 31, 2019 are fully collectible.

Revenue Recognition

Grant revenues are recognized when qualified reimbursable expenses are incurred or when services are performed. Grant funds received in advance are recognized as deferred grant revenues until earned. Grant receivables represent amounts due from grants which have been earned but not received. All grant receivables are reported at estimated collectible amounts.

Donated materials and equipment, if any, are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt. Amounts for donated services are not reflected in the financial statements as no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in program services.

Big Brothers/Big Sisters of Middle Tennessee

Notes to Financial Statements

For the 18 Months Ended June 30, 2021
and the Year Ended December 31, 2019

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Contributions and Support

Contributions received are recorded as increases in net assets without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions are considered to be available for general operations 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 increases to net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as increases to net assets without donor restrictions.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. Expenses that can be directly attributed to a particular function are charged to that function. Fundraising events, subrecipient expenditures – state grants, and national program fees have been directly charged. All other expense categories are allocated based on time and effort.

Reclassifications

Certain prior period amounts are reclassified to conform to current year presentation.

Note 2. Liquidity and Availability of Resources

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing programs and services to match adult volunteer mentors with children as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditures are as follows:

	2021	2019
Financial assets		
Cash and cash equivalents	\$ 800,110	\$ 842,142
Accounts receivable	12,067	17,642
Grants receivable	<u>508,670</u>	<u>144,995</u>
Total financial assets at year-end	1,320,847	1,004,779
Less amounts not available to be used within one year		
Net assets with donor restrictions	193,159	214,355
Less: net assets with a purpose or time restrictions to be met in less than a year	<u>(193,159)</u>	<u>(214,355)</u>
	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,320,847	\$ 1,004,779

Big Brothers/Big Sisters of Middle Tennessee

Notes to Financial Statements

For the 18 Months Ended June 30, 2021
and the Year Ended December 31, 2019

Note 3. **Property and Equipment**

Property and equipment consist of the following as:

	2021	2019
Building and improvement	\$ 1,790,018	\$ 1,713,206
Furniture and equipment	256,288	212,897
Software	370,643	58,718
Construction in progress	95,659	-
Less: accumulated depreciation	<u>(824,017)</u>	<u>(686,871)</u>
Property and equipment, net	\$ 1,688,591	\$ 1,297,950

Note 4. **PPP Loan**

On April, 2020, the Company received a loan in the amount of \$371,200 in accordance with the PPP section of the CARES Act. On March, 2021, the Company received a second draw in the amount of \$361,892 in accordance with the PPP section of the CARE act.

The Company has elected to treat the first PPP loan as revenue in the financial statements. As of fiscal year-end, it recognized income in the amount of \$371,200. The loan was fully forgiven on July 8, 2021.

The Company has elected to treat the second PPP loan as a liability and presented \$361,892 in PPP Loan liability in the financial statements. The Company has not recorded accrued interest due on the obligation through fiscal year-end as the amount is immaterial.

Note 5. **In-kind**

The value of donated goods and services included in the financial statements were as follows:

	2021	2019
Fundraising	\$ 1,856	\$ 121,018
Fixed Assets	95,659	-
Mentoring activities	-	390
Occupancy	-	40
Professional fees	34,381	9,124
Public relations	-	66,575
Miscellaneous	<u>-</u>	<u>900</u>
Total in-kind	\$ 131,896	\$ 198,047

Big Brothers/Big Sisters of Middle Tennessee

Notes to Financial Statements

For the 18 Months Ended June 30, 2021
and the Year Ended December 31, 2019

Note 6. Leases

The Organization has entered into non-cancellable operating lease agreements for certain office equipment. Rent expense totaled \$23,579 and \$23,147 in the current period and prior year, respectively. The future minimum lease payments under operating lease arrangements are as follows:

Year ended June 30,	
2021	\$ 1,080
2022	2,160
2023	2,160
2024	1,800
Total	<u>\$ 8,280</u>

Note 7. Net Assets without Donor Restrictions

Net assets restricted by donors for time and purpose restricted consisted of the following:

	2021	2019
Low-income youth	\$ 133,159	\$ 6,996
Maddox Charitable Gift	60,000	-
Beyond School Walls Program	-	23,208
Sports Buddies Program	-	25,000
Crime Victim assistance	-	124,793
Tennessee prevention network	-	13,205
Other programs	-	21,153
	<u>\$ 193,159</u>	<u>\$ 214,355</u>

Note 8. Concentrations

The Organization receives a substantial amount of its revenues from federal and state grants. A significant reduction in the level of this support, if it were to occur, could have an adverse impact on the Organization's programs and services. Amounts included in revenues from federal and state grants totaled 56% and 37%, in the current period and prior year, respectively.

The Organization receives a substantial amount of its revenues from one contribution appeal. A significant reduction in the level of response, if it were to occur, could have an adverse impact on the Organization's programs and services. Amounts included in contributions revenues from this appeal totaled 15% and 20%, in the current period and prior year, respectively.

At times, the Organization maintains cash and investments in amounts in excess of federally insured limits. As of June 30, 2021 and December 31, 2019, \$493,646 and \$522,521, respectively, were in excess of federally insured limits.

Big Brothers/Big Sisters of Middle Tennessee

Notes to Financial Statements

For the 18 Months Ended June 30, 2021
and the Year Ended December 31, 2019

Note 9. Commitments and Contingencies

The Organization is periodically subject to legal actions which arise in the course of business. Management is unable to predict the ultimate outcome of current litigation outstanding but does not believe an ultimate liability with respect to current litigation will be material to the operating results or financial position of the Organization. As a result, no accrual for any liability is included in the financial statements.

Note 10. Subsequent Events

Management has evaluated subsequent events through February 18, 2022, the date on which the financial statements were available for issuance.

The Organization's PPP loan received April 11, 2020 was fully forgiven on July 8, 2021. See Note 4.

Supplementary Information

Big Brothers/Big Sisters of Middle Tennessee
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the 18 Months Ended June 30, 2021

Grantor / Pass-through grantor	Program name	Assistance listing	Contract number	Expenditures
Federal Awards				
United States Department of Agriculture				
Tennessee Office of Criminal Justice Programs	Crime Victim Assistance	16.575	44259	\$ 17,026
Tennessee Office of Criminal Justice Programs	Crime Victim Assistance	16.575	43984	50,000
Tennessee Office of Criminal Justice Programs	Crime Victim Assistance	16.575	35132	<u>608,552</u>
				675,578
United States Department of Health and Human Services				
Tennessee Department of Health and Human Services	Temporary Assistance for Needy Families (TANF)	93.558	34530-41720	393,350
Tennessee Department of Mental Health and Substance Abuse Services	Block Grants for Prevention and Treatment of Substance Abuse	93.959	DGA 62140_2019-2020_002	98,699
Tennessee Department of Mental Health and Substance Abuse Services	Block Grants for Prevention and Treatment of Substance Abuse	93.959	DGA 62140_2020-2021_002	<u>275,297</u>
				767,346
United States Department of Treasury				
Tennessee Department of Health and Human Services	COVID 19: Coronavirus Relief Fund	21.019	N/A	<u>626,929</u>
Total federal awards				\$ 2,069,853
State Financial Assistance				
Tennessee Department of Mental Health & Substance Abuse Services	Regional Training Program - Substance Abuse Services	N/A	N/A	\$ 82,000
Tennessee Department of Correction	Tennessee Amachi Mentoring Program	N/A	N/A	<u>250,000</u>
Total state financial assistance				\$ 332,000

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal and state grant activity of the organization for the 18 months ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of the Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. Indirect Cost Rate

The Organization has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Matching

The Organization uses direct volunteer hours at an approved hourly rate to meet matching requirements for CFDA 16.575



**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***

Board of Directors
Big Brothers/Big Sisters of Middle Tennessee

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 Brothers/Big Sisters of Middle Tennessee (a not-for-profit, the Organization) which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses, and cash flows for the 18 months then ended, and the related notes to the financial statements, and have issued our report thereon dated February 18, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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.

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 entity'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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
February 18, 2022



**Independent Auditors' Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors
Big Brothers/Big Sisters of Middle Tennessee

Report on Compliance for Each Major Federal Program

We have audited Big Brothers/Big Sisters of Middle Tennessee's (a not-for-profit organization, 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 18 months ended June 30, 2021. 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 US 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 18 months ended June 30, 2021.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
February 18, 2022

Big Brothers/Big Sisters of Middle Tennessee
Schedule of Findings and Questioned Costs
For the 18 Months Ended June 30, 2021

Section I. Summary of Auditors' 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?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No
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Identification of major programs:

Assistance Listing	Name of Federal Program or Cluster
16.575	Crime Victim Assistance
21.019	COVID 19: Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs \$ 750,000

Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No
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Big Brothers/Big Sisters of Middle Tennessee
Schedule of Findings and Questioned Costs
For the 18 Months Ended June 30, 2021

Section II. **Financial Statement Findings**

None

Section III. **Federal Award Findings and Questioned Costs**

None

Big Brothers/Big Sisters of Middle Tennessee
Schedule of Prior Year Findings
For the 18 Months Ended June 30, 2021

Financial Statement Findings

Finding Number	Finding Title	Status
N/A	There were no prior findings reported.	N/A

Federal Award Findings and Questioned Costs

Finding Number	Finding Title	Status
N/A	There were no prior findings reported.	N/A