



**FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

Mari Huff C.P.A., P.A
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Stuart, Florida

**BIG BROTHERS BIG SISTERS OF PALM BEACH
AND MARTIN COUNTIES, INC.
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Mari Huff C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER:
American Institute of Certified
Public Accountants

Florida Institute of Certified
Public Accountants

National Association of Certified
Valuators and Analysts

INDEPENDENT AUDITORS' REPORT

Executive Director and Board of Directors
Big Brothers Big Sisters of Palm Beach and Martin Counties, Inc.
West Palm Beach, Florida

We have audited the accompanying financial statements of Big Brothers Big Sisters of Palm Beach and Martin Counties, Inc. (the "Organization") (a nonprofit Florida corporation), which comprise the statements of financial positions as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 Palm Beach and Martin Counties, Inc. as of June 30, 2020, 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.

Report on Comparative Information

We previously audited the Big Brothers Big Sisters of Palm Beach and Martin Counties, Inc. June 30, 2019 financial statements, and expressed an unmodified opinion on those financial statements in our report dated December 10, 2019. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

MARI HUFF CPA, PA

Mari Huff C.P.A., P.A.
November 24, 2020

**BIG BROTHERS BIG SISTERS OF PALM BEACH
AND MARTIN COUNTIES, INC.**

Statements of Financial Position

As of June 30, 2020 and 2019

	2020	2019
	Without Donor Restrictions	Without Donor Restrictions
ASSETS:		
Cash and cash equivalents	\$ 216,880	\$ 32,589
Grants receivable	106,182	58,045
Prepaid expenses	502	941
Property and equipment, net	13,101	13,408
Total assets	\$ 336,665	\$ 109,507
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 10,841	7,775
Accrued compensation	10,295	9,777
Accrued payroll liabilities	273	461
PPP funds	111,000	-
Total liabilities	132,409	20,513
Net assets:		
Without donor restrictions	204,256	88,994
Total net assets	204,256	88,994
Total liabilities and net assets	\$ 336,665	\$ 109,507

See independent auditors' report and notes to the financial statements

**BIG BROTHERS BIG SISTERS OF PALM BEACH
AND MARTIN COUNTIES, INC.**

Statements of Activities

For the Years Ended June 30, 2020 and 2019

	2020	2019
	Without Donor Restrictions	Without Donor Restrictions
Support, revenue, and gains:		
Grant income	\$ 893,387	\$ 736,631
Interest income	116	485
Contributions	104,531	62,502
Gross special events revenue	79,034	98,531
Less: cost of direct benefits to donors	(63,923)	(46,861)
Net special events	<u>15,111</u>	<u>51,670</u>
Total support, revenue, and gains	<u>1,013,145</u>	<u>851,288</u>
 Functional expenses:		
Program services	808,868	798,313
General and administrative	74,221	74,370
Development and fundraising	14,794	14,855
Total functional expenses	<u>897,883</u>	<u>887,538</u>
Change in net assets	115,262	(36,250)
Net assets, beginning of year	<u>88,994</u>	<u>125,244</u>
Net assets, end of year	<u>\$ 204,256</u>	<u>\$ 88,994</u>

See independent auditors' report and notes to the financial statements

**BIG BROTHERS BIG SISTERS OF PALM BEACH
AND MARTIN COUNTIES, INC.**

Statement of Functional Expenses

For the Year Ended June 30, 2020

	Program Services	General and Administrative	Development and Fundraising	Total
Salaries	\$ 471,354	\$ 53,563	\$ 10,712	\$ 535,629
Employee benefits	17,640	2,005	401	20,046
Payroll taxes	35,183	3,998	799	39,980
Total personnel cost	524,177	59,566	11,912	595,655
Advertising	4,587	-	63	4,650
Professional fees	41,505	745	149	42,399
Auto and travel	13,737	1,561	313	15,611
Background checks	11,455	-	-	11,455
Bank charges	1,203	137	27	1,367
Board development/meetings	2,861	326	65	3,252
Contract labor	836	95	19	950
Dues and subscriptions	27,407	3,115	623	31,145
Equipment leasing	5,092	-	-	5,092
Grant management fees	16,934	555	111	17,600
Insurance	17,179	689	138	18,006
Interest	1,121	128	26	1,275
Meetings and seminars	266	30	6	302
Occupancy	36,728	1,310	262	38,300
Office expense	2,482	631	125	3,238
Postage and delivery	3,424	387	72	3,883
Program expense	54,281	-	-	54,281
Telephone and computer	38,655	4,397	883	43,935
Depreciation	4,938	549	-	5,487
Total expenses	\$ 808,868	\$ 74,221	\$ 14,794	\$ 897,883

See independent auditors' report and notes to the financial statements

**BIG BROTHERS BIG SISTERS OF PALM BEACH
AND MARTIN COUNTIES, INC.**

*Statement of Functional Expenses
For the Year Ended June 30, 2019*

	Program Services	General and Administrative	Development and Fundraising	Totals
Salaries	\$ 477,086	\$ 54,214	\$ 10,842	\$ 542,142
Employee benefits	23,150	2,631	526	26,307
Payroll taxes	39,048	4,438	887	44,373
Total personnel cost	539,284	61,283	12,255	612,822
Advertising	6,870	-	95	6,965
Professional fees	39,343	706	141	40,190
Auto and travel	13,097	1,488	298	14,883
Background checks	9,064	-	-	9,064
Bank charges	1,608	183	36	1,827
Board development/meetings	3,515	400	80	3,995
Contract labor	924	105	21	1,050
Dues and subscriptions	21,591	2,454	491	24,536
Equipment leasing	5,492	-	-	5,492
Grant management fees	13,004	426	85	13,516
Insurance	18,185	729	146	19,060
Interest	641	73	15	729
Meetings and seminars	153	18	4	174
Occupancy	34,948	1,247	249	36,444
Office expense	5,128	1,305	260	6,693
Postage and delivery	4,137	467	87	4,691
Program expense	50,568	-	-	50,568
Telephone and computer	25,910	2,947	592	29,449
Depreciation	4,851	539	-	5,390
Total expenses	\$ 798,313	\$ 74,370	\$ 14,855	\$ 887,538

See independent auditors' report and notes to the financial statements

**BIG BROTHERS BIG SISTERS OF PALM BEACH
AND MARTIN COUNTIES, INC.**

Statements of Cash Flows

For the Years Ended June 30, 2020 and 2019

	2020	2019
	Without Donor Restrictions	Without Donor Restrictions
Cash flows provided by / (used in) operating activities:		
Cash received from:		
Support and revenues	\$ 975,342	\$ 881,666
Investment income	116	485
Interest expense	1,275	-
Cash paid to employee and suppliers	(898,262)	(902,352)
Net cash provided by / (used in) operating activities	<u>78,471</u>	<u>(20,201)</u>
Cash flows used in investing activities		
Purchase of equipment	(5,180)	-
Net cash used in investing activities	<u>(5,180)</u>	<u>-</u>
Cash flows provided by financing activities		
Proceeds from line of credit	60,621	132,355
Repayment of line of credit	(60,621)	(132,355)
Proceeds from SBA PPP loan	111,000	-
Net cash provided by financing activities	<u>111,000</u>	<u>-</u>
Net change in cash and cash equivalents	184,291	(20,201)
Cash and cash equivalents, beginning of year	32,589	52,790
Cash and cash equivalents, end of year	<u>\$ 216,880</u>	<u>\$ 32,589</u>
Reconciliation of change in net assets to net cash provided by / (used in) operating activities:		
Change in net assets	\$ 115,262	\$ (36,250)
Depreciation	5,487	5,390
Change in:		
Accounts receivable	774	10,126
Grants receivable	(48,137)	15,451
Prepaid expenses	439	3,646
Security deposits	3,750	(3,750)
Accounts payable	3,066	(9,739)
Accrued compensation	518	(7,522)
Accrued payroll liabilities	(188)	(52)
Deferred revenue	(2,500)	2,500
Net cash provided by / (used in) operating activities	<u>\$ 78,471</u>	<u>\$ (20,201)</u>

See independent auditors' report and notes to the financial statements

BIG BROTHERS BIG SISTERS OF PALM BEACH AND MARTIN COUNTIES, INC.

Notes to the Financial Statements

June 30, 2020 and 2019

NOTE 1: NATURE OF THE ORGANIZATION

Big Brothers Big Sisters of Palm Beach and Martin Counties Inc. (the "Organization") is one of approximately 300 affiliated agencies under the umbrella of Big Brothers Big Sisters of America. The national Organization was founded over 100 years ago to combat juvenile delinquency and is the oldest and largest mentoring organization in the United States. Although there are many variations, the unifying theme is a supervised, one on one friendship between a volunteer and a child in need of a positive role model. The Organization's vision is to have a successful mentoring relationship between the sponsor and the child.

Big Brothers Big Sisters of Palm Beach and Martin Counties, Inc. is a fully accredited agency having met all the membership requirements of Big Brothers Big Sisters of America. The Martin County agency opened as an outreach office of Big Brother Big Sisters of Palm Beach County in January 1984. In April 1986, Big Brothers Big Sisters of Martin County, Inc. became a registered, nonprofit corporation with the state of Florida.

The local agency serves at risk children who live in Palm Beach and Martin Counties. There are three mentoring options: School based, Work based, and Community based. These options mirror models from the national organization and serve school age girls and boys ages five to high school completion. There is one significant community based blended program: career skills mentoring. This program incorporates aspects of both primary mentoring options with a business component.

- With School-based mentoring, volunteers meet with children only at designated schools or at supervised sites, such as libraries. The commitment is one school year.
- The Community-based mentoring is based upon the traditional model where volunteers transport children to and from their homes and mentoring takes place in the community rather than at specified sites.
- School to Work is a mentoring program for high school youth. Students are introduced to various business opportunities, employment skills, college preparation, and paired in a one to one relationship with a business mentor.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

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

Reclassification

In order to conform to current period presentation, management may reclassify certain prior period financial statements amounts. These reclassifications have no known effect on these financial statements.

BIG BROTHERS BIG SISTERS OF PALM BEACH AND MARTIN COUNTIES, INC.

*Notes to the Financial Statements
June 30, 2020 and 2019*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America and are in accordance with Financial Accounting Standards Board Accounting Standards Codification 958-205 *Not-for-Profit Entities Presentation of Financial Statements*. These financial statements are prepared on the accrual basis of accounting and reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets that are board-designated for specific purposes.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature., where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has be fulfilled, or both.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization maintains deposits at local financial institutions located in Martin and Palm Beach Counties, Florida. The Federal Deposit Insurance Corporation insures deposits up to \$250,000. At both June 30, 2020 and 2019, the Organization had no uninsured deposits. The Organization also keeps gift cards on hand for purposes of the Season to Share program. These gift cards are included in the cash and cash equivalents of the Organization and totaled \$2,900 and \$4,700 as of June 30, 2020 and 2019, respectively.

Promises to give and contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions if the restrictions do not expire in the fiscal year in which the contributions are recognized. All other donor contributions are reported as increases in net assets without donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

BIG BROTHERS BIG SISTERS OF PALM BEACH AND MARTIN COUNTIES, INC.

*Notes to the Financial Statements
June 30, 2020 and 2019*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of New Accounting Principle

Accounting Standards Update (ASU) 2016-18 was adopted for the year ended June 30, 2020. It requires the presentation of total change in cash, cash equivalents, restricted cash, and restricted cash equivalents for the period in the Statement of Cash Flows.

Effective July 1, 2018, the Organization adopted Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the period presented. Any net assets previously reported as permanently restricted or temporarily restricted are now reported as net assets with donor restrictions. Net assets previously reported as unrestricted are now reported as net assets without donor restrictions.

Property and equipment

The Organization capitalizes property and equipment over \$500 per item. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair values. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to five years.

**BIG BROTHERS BIG SISTERS OF PALM BEACH
AND MARTIN COUNTIES, INC.**

*Notes to the Financial Statements
June 30, 2020 and 2019*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accrued compensation

The Organization records wages and related paid time off (PTO) expense as incurred. PTO for eligible employees is based on the amount earned, but not used, on each employee's anniversary date. In accordance with the Organization's policy, up to five PTO days may be carried over to the next year at the end of each anniversary date; all other days will be forfeited.

Contributed services

In order to operate various programs, the Organization relies on the donated time and services of volunteers. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of services that assist the Organization, but these services do not meet the criteria for recognition as contributed services in the financial statements. Other services that can be identified with certain amounts would be reflected in the financial statements as in-kind contributions.

Grants receivable

The Organization recognizes income from reimbursement grants as of the date on which the contracted reimbursable expenses have been incurred. Any amounts not received by that date are reported as grants receivable and recognized as grant income.

Functional expenses

The Organization allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. All others are allocated based on the relationship of time spent in each function.

Advertising

The Organization expenses advertising costs as they are incurred. Expenses for the years ended June 30, 2020 and 2019 were \$4,650 and \$6,965, respectively.

Income taxes

The Organization is a not for profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax* are subject to examination by the IRS, generally for three years after they were filed. The Organization is no longer subject to federal tax examination for years ending before June 30 2017.

BIG BROTHERS BIG SISTERS OF PALM BEACH AND MARTIN COUNTIES, INC.

*Notes to the Financial Statements
June 30, 2020 and 2019*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uncertain Tax Positions

The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. As of the date of the financial statements were available to be issued, no uncertain tax positions were identified or reported by the Organization

NOTE 3: GRANTS RECEIVABLE

Grants receivable consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
BBBS St FL BISS	\$ 40,601	\$ 24,258
Children's Service Council - Martin County	56,584	12,608
Palm Beach County	8,997	10,953
Total grants receivable	<u>\$ 106,182</u>	<u>\$ 58,045</u>

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 19,563	\$ 19,563
Computers and equipment	78,178	72,999
Less accumulated depreciation	<u>(84,640)</u>	<u>(79,154)</u>
Net property and equipment	<u>\$ 13,101</u>	<u>\$ 13,408</u>

For the years ended June 30, 2020 and 2019, the Organization recorded depreciation expense of \$5,487 and \$5,390, respectively.

NOTE 5: OPERATING LEASES

On February 24, 2016 the Organization entered into an annual term lease with the Children's Services Council of Martin County. The lease was automatically extended for additional one-year terms. Beginning January 1, 2020, the Organization expanded its office space and the combined rent increased to \$875 per month. Total paid to the Children's Service Council of Martin County for the years ended June 30, 2020 and 2019 were \$10,050 and \$9,420, respectively..

BIG BROTHERS BIG SISTERS OF PALM BEACH AND MARTIN COUNTIES, INC.

*Notes to the Financial Statements
June 30, 2020 and 2019*

NOTE 5: OPERATING LEASES (continued)

An office was leased for the West Palm Beach operations on July 28, 2011. This lease was extended until August 31, 2018. The primary lease for the West Palm Beach operation was extend an additional five years commencing September 2017 and expiring August 2022. Beginning September 1, 2019, rent increased to \$2,214 per month, will increase again to \$2,280 per month beginning September 1, 2020, and finally will increase again to \$2,349 per month beginning September 1, 2021 to August 31, 2022. Total rent expense paid under this lease for the years ended June 30, 2020 and 2019 were \$26,667 and 25,729, respectively.

A copier was leased from Dex Imaging on April 7, 2015 for sixty-three (63) months for a payment of \$451 per month, including applicable taxes. In November 2019, the Dex copier lease was renewed for an additional sixty-three (63) months for a payment of \$469 per month, including applicable taxes. Total copier lease expense were \$2,802 for both years ended June 30, 2020 and 2019.

Phone equipment was leased from IPfone on March 5, 2018 for thirty-six (36) months. The payments are approximately \$462 per month plus additional fees. This lease expires March 5, 2021 Total phone equipment lease expense were \$8,598 for both years ended June 30, 2020 and 2019.

At June 30, 2020, the future minimum lease payments required for the following five years are:

2021	\$	38,185
2022		10,325
2023		5,628
2024		5,628
2025		938
Thereafter		-
Total future minimum lease obligations	\$	<u>60,704</u>

NOTE 6: LINES OF CREDIT

In February 2012 the Organization entered into a line of credit agreement with PNC Bank. The total available under the line is \$100,000 with a variable rate based on a .75% margin over the indexed rate published in the Money Rates section of the Wall Street Journal for the last day of the preceding calendar year. This line was extended in October 2015 and is automatically extended every year. The applicable rate as of June 30, 2020 was 4.00%. Total interest paid for the years ended June 30, 2020 and 2019 were \$471 and \$470, respectively.

In October 2013 the Organization entered into a ten-year revolving line of credit agreement with Seacoast National Bank. The principal amount of the line is \$75,000 with monthly payments of accrued unpaid interest due beginning November 2013. The interest rate under this agreement is variable based on percentage point over the Wall Street Journal Prime indexed rate and may change not more often than each day. The interest rate will not be less than 3.50% at any time during the term of this loan. The applicable rate as of June 30, 2020 was 4.25%. No interest was paid for the year ended June 30, 2020 and \$32 of interest was paid for the year ended June 30, 2019.

BIG BROTHERS BIG SISTERS OF PALM BEACH AND MARTIN COUNTIES, INC.

Notes to the Financial Statements

June 30, 2020 and 2019

NOTE 6: LINES OF CREDIT (continued)

In August 2019 the Organization entered into a line of credit agreement with Capital Bank. The total available under the line is \$200,000, the interest rate under this agreement is variable based on percentage points over the Wall Street Journal Prime indexed rate and may change not more often than each day. The interest rate will not be less than 3.50% at any time during the term of this loan. The applicable rate as of June 30, 2020 was 6.25%. No interest was paid for the years ended June 30, 2020 and 2019.

No funds were drawn on any of the lines of credit at June 30, 2020 and 2019.

NOTE 7: GRANTS

Children's Services Council of Martin County

The Children's Services Council of Martin County provided grants that supported site and community mentoring, small group programming for teens, and group activities of the agency throughout Martin County under the Start Something program. Their reimbursement type grants provided support for the years ended June 30, 2020 and 2019.

Big Brothers Big Sisters Association of Florida, Inc.

Big Brothers Big Sisters Association of Florida Inc. provided pass thru grants to support school based and community mentoring programs. A grant management fee of 4% is deducted from their grants by the granting organization for School-based programming (Florida Department of Education), and 8% for community mentoring Florida Department of Juvenile Justice). These grants provided support for the years ended June 30, 2020 and 2019.

Palm Beach County

Palm Beach County provided grants which supported the School to Work program for the years ended June 30, 2020 and 2019.

Grant income by major grantor for the years ended June 30, 2020 and 2019, is as follows:

	<u>2020</u>	<u>2019</u>
BBBS State BISS	\$ 313,321	\$ 314,255
Children's Services Council of Martin County	250,538	109,260
The Jim Moran Foundation Inc.	40,000	-
The Bachelor Foundation	40,000	40,000
County of Palm Beach	46,453	50,445
Department of Justice	62,500	57,189
Other miscellaneous grants	140,575	165,482
Total grants	<u>\$ 893,387</u>	<u>\$ 736,631</u>

BIG BROTHERS BIG SISTERS OF PALM BEACH AND MARTIN COUNTIES, INC.

*Notes to the Financial Statements
June 30, 2020 and 2019*

NOTE 8: SPECIAL EVENTS

The Organization's special events revenue consisted of the following fundraisers for the years ended June 30, 2020 and 2019:

	<u>Revenues</u>	<u>Expenses</u>	<u>2020 Net</u>	<u>2019 Net</u>
Santa Open Golf Tournament	\$ 28,650	\$ 19,289	\$ 9,361	\$ 14,787
Let the Good Times Roll	-	-	-	8,179
Bowl for Kids' Sake	-	-	-	6,381
Big Golf Tournament	-	-	-	300
Taste of Martin County	48,084	38,995	9,089	22,023
Miscellaneous events	2,300	5,639	(3,339)	-
Totals	<u>\$ 79,034</u>	<u>\$ 63,923</u>	<u>\$ 15,111</u>	<u>\$ 51,670</u>

NOTE 9: IN-KIND DONATIONS AND CONTRIBUTED SERVICES

During both years, many individuals volunteered their time to mentor approximately 550 children per year and to perform a variety of tasks that assist the corporation to fulfill its purpose. These services are not reflected in the financial statements, as these services do not require specialized skills.

In addition, in kind donations for special events and fundraisers are received each the year. The amounts associated with these in-kind donations have not been included in these financial statements as the fair value of these donations has not been determined.

NOTE 10: PENSION PLAN

For the years ended June 30, 2020 and 2019, the Organization offered a 403(b) plan in which employees could elect to contribute money to the plan on a tax deferred basis. The Organization did not contribute to the plan for the years ended June 30, 2020 and 2019. The plan was discontinued on January 1, 2020.

NOTE 11: ECONOMIC DEPENDENCE

The Organizations' operations are substantially dependent on the receipt of support and revenues from grants and donations. Loss of these funds or large decreases in this type of funding would have a material effect on the financial position and operations of the Organization. Significant grant revenue includes Big Brothers Big Sisters of Florida and the Children Service Council.

NOTE 12: RELATED PARTY TRANSACTIONS

The Organization is affiliated with Big Brothers Big Sisters Association of America and Big Brothers Big Sisters Association of Florida. During the years ended June 30, 2020 and 2019, the following related party transactions were reported:

**BIG BROTHERS BIG SISTERS OF PALM BEACH
AND MARTIN COUNTIES, INC.**

*Notes to the Financial Statements
June 30, 2020 and 2019*

NOTE 12: RELATED PARTY TRANSACTIONS (continued)

	<u>Grant Income</u>	<u>Dues Paid</u>	<u>2020 Net</u>	<u>2019 Net</u>
BBBS of America	\$ -	\$ 23,257	\$ (23,257)	\$ (16,107)
BBBS of Florida	\$ 313,321	\$ 12,600	\$ 300,721	\$ 309,864

The Organization has members of its Board of Directors that are associated with companies that the Organization sometimes uses for information technology (I.T.) services and the purchase of computers. No such related party transactions occurred for the years ended June 30, 2020 and 2019.

NOTE 13: LIQUIDITY AND AVAILABILITY

The schedule below reflects the Organization financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include Board designated amounts that could be utilized if the Board approves the use. The balance represents financial assets that are liquid and available within one year as of June 30, 2020:

Financial assets:	
Cash and cash equivalents	\$ 216,880
Line of credit	375,000
Total financial assets available within one year	<u>\$ 591,880</u>

NOTE 14: PAYROLL PROTECTION PLAN FUNDS

The Organization was awarded funds in the amount of \$111,000 from the Small Business Administration (SBA) pursuant to the Payroll Protection Program (PPP) as enacted by the CARES Act of 2020. The loan origination date was May 6, 2020 and, under the possible terms of the PPP, the Organization may receive forgiveness of this loan if it spends the funds in accordance with the SBA forgiveness provisions.

One of the forgiveness provisions provides that at least 60% of the PPP funds must be spent on allowable payroll related costs during the eight week period following the loan origination date and no more than 40% of the PPP funds may be spent on allowable overhead costs as provided for by the CARES Act and the SBA PPP provisions. It is uncertain at this time if this loan will be fully or partially forgiven. If not forgiven, payments are deferred for six months following the loan origination date and the interest rate is stated at 1% per annum and will be accrued during the deferred payment period.

**BIG BROTHERS BIG SISTERS OF PALM BEACH
AND MARTIN COUNTIES, INC.**

*Notes to the Financial Statements
June 30, 2020 and 2019*

NOTE 15: UNCERTAINTIES, CONTINGENCIES, AND RISKS

COVID-19 Related Uncertainty

The COVID-19 outbreak in the United States in 2020 has caused business disruption through mandated and voluntary closings of multiple entities. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 16: EVALUATION OF SUBSEQUENT EVENTS

The following grants have been awarded for the year ending June 30, 2021:

Big Brothers Big Sisters of Florida	\$ 253,559
Childrens Service Council (S2W & SS)	247,929
Palm Beach County	46,453
Department of Juvenile Justice (DJJ)	61,672
Total	<u>\$ 609,613</u>

The Organization has evaluated subsequent events through November 24, 2020, the date which the financial statements were available to be released.