

**BIG BROTHERS BIG SISTERS OF ST LUCIE, INDIAN RIVER, AND  
OKEECHOBEE COUNTIES, INC.**

FINANCIAL STATEMENTS AND  
ACCOMPANYING INFORMATION

Year Ended December 31, 2016

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER AND  
OKEECHOBEE COUNTIES, INC**

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INDEPENDENT AUDITORS' REPORT

March 10, 2017

Board of Directors  
Big Brothers Big Sisters of St. Lucie, Indian River, and Okeechobee Counties Inc.  
Fort Pierce, Florida

We have audited the accompanying financial statements of Big Brothers Big Sisters of St. Lucie, Indian River, and Okeechobee Counties Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—cash basis, and statement of change in cash—cash basis as of December 31, 2016, and the related statements of support, revenue, and expenses—cash basis and functional expenses- cash basis 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 the cash basis of accounting as described in Note A; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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. 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Big Brothers Big Sisters of St. Lucie, Indian River, and Okeechobee Counties Inc. as of December 31, 2016, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note A.

***Basis of Accounting***

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

***Other-Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of support and revenues and expenses-actual and budget on page 14 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. This information, except for that portion marked "unaudited", on which we express no opinion, 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.

*D. Bartolomeo, M. Bee, H. Hartley, J. Barred*  
Certified Public Accountants

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND  
OKEECHOBEE COUNTIES, INC.**  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS-CASH BASIS  
December 31, 2016  
(With Comparative Totals for 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b><u>ASSETS</u></b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 302,817	\$ 13,591	\$ 316,408	\$ 326,020
Investments	-	102,758	102,758	89,794
	<u>302,817</u>	<u>116,349</u>	<u>419,166</u>	<u>415,814</u>
<b>PROPERTY AND EQUIPMENT</b>				
Computer Equipment and Software	31,144	-	31,144	31,144
Furniture & Fixtures	7,318	-	7,318	7,318
Vehicle & Equipment	20,000	-	20,000	20,000
Little House	88,185	-	88,185	88,185
Leasehold Improvements	41,004	-	41,004	41,004
	<u>187,651</u>	<u>-</u>	<u>187,651</u>	<u>187,651</u>
Less Accumulated Depreciation	83,291	-	83,291	73,032
<b>NET PROPERTY AND EQUIPMENT</b>	<u>104,360</u>	<u>-</u>	<u>104,360</u>	<u>114,619</u>
<b>OTHER ASSETS</b>				
Deposits	2,020	-	2,020	2,020
Prepays	1,860	-	1,860	1,860
	<u>3,880</u>	<u>-</u>	<u>3,880</u>	<u>3,880</u>
<b>TOTAL ASSETS</b>	<u>\$ 411,056</u>	<u>\$ 116,349</u>	<u>\$ 527,406</u>	<u>\$ 534,313</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>CURRENT LIABILITIES</b>				
Accrued Payroll Taxes	\$ 2,624	\$ -	\$ 2,624	\$ 5,100
N/P Harbor Community LOC	6,094	-	6,094	6,094
<b>TOTAL CURRENT LIABILITIES</b>	<u>8,719</u>	<u>-</u>	<u>8,719</u>	<u>11,194</u>
<b>NET ASSETS</b>	<u>402,337</u>	<u>116,349</u>	<u>518,687</u>	<u>523,118</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>411,056</u>	<u>\$ 116,349</u>	<u>\$ 527,406</u>	<u>\$ 534,313</u>

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

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND  
OKEECHOBEE COUNTIES, INC.**

**STATEMENT OF SUPPORT AND REVENUES, EXPENSES AND CHANGES IN NET ASSETS CASH  
BASIS**

For The Year Ended December 31, 2016  
(With Comparative Totals for 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Government Grants: State				
AmeriCorps	\$ 126,100	\$ -	\$ 126,100	\$ 128,086
Big Brother/ Big Sisters State Association	171,902	-	171,902	247,768
Other Government Grants: State	20,086	-	20,086	32,047
Government Grants: Local				
Children's Services Council- Children of Promise	9,000	-	9,000	8,750
Children's Services Council- FSS Program	19,192	-	19,192	33,480
Children's Services Council- Reading Bigs	81,462	-	81,462	89,536
Children's Services Council- Florida Reads Program	175,417	-	175,417	169,713
Other Government Grants: Local	44,017	-	44,017	100,227
Foundations	165,398	-	165,398	139,987
United Way	61,976	-	61,976	61,310
Individual Contributions	94,989	1,000	95,989	99,776
Fundraising	290,395	-	290,395	257,369
Endowment Investment Income	-	12,964	12,964	(6,722)
Other	964	-	964	615
Satisfaction of Donor Restrictions	45,643	(45,643)	-	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>1,306,542</b>	<b>(31,679)</b>	<b>1,274,863</b>	<b>1,361,942</b>
<b>EXPENSES</b>				
Program Services				
School Based Services	396,034	-	396,034	424,372
Community Based Services	101,469	-	101,469	169,707
AmeriCorps Services	547,114	-	547,114	477,059
Total Program Services	<u>1,044,616</u>	<u>-</u>	<u>1,044,616</u>	<u>1,071,138</u>
Supporting Services				
General and Administrative	82,138	-	82,138	127,929
Fundraising	152,541	-	152,541	95,449
<b>TOTAL EXPENSES</b>	<b>1,279,295</b>	<b>-</b>	<b>1,279,295</b>	<b>1,294,516</b>
<b>CHANGE IN NET ASSETS</b>	<b>27,247</b>	<b>(31,679)</b>	<b>(4,432)</b>	<b>67,426</b>
<b>NET ASSETS</b>				
Beginning of Year	375,090	148,028	523,118	455,692
End of Year	<u>\$ 402,337</u>	<u>\$ 116,349</u>	<u>\$ 518,687</u>	<u>\$ 523,118</u>

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

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND OKEECHOBEE COUNTIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES – CASH BASIS**  
**For the Year Ended December 31, 2016**  
**(With Comparative Totals for 2015)**

	Program Services				Support Services		2015 Total Expenses
	School Based Services	Community Based Services	AmeriCorps Services	Total Program Services	General and Administrative	Fundraising	
Salaries & Wages	\$ 294,816	\$ 79,880	\$ 419,897	\$ 794,593	\$ 48,057	\$ 81,645	\$ 924,295
Benefits & Related Taxes	28,881	7,242	40,613	76,736	5,415	8,101	90,252
Travel / Local Mileage	6,943	-	3,649	10,592	361	1,445	12,398
Equipment Rental	3,862	965	5,432	10,259	679	1,086	12,024
Computer Maintenance	1,092	-	153	1,245	2,120	190	3,555
Supplies/ Office Expense	2,537	539	3,034	6,130	115	607	6,852
Printing & Publications	1,063	266	1,495	2,824	299	199	3,322
Telephone/ Internet	3,920	1,142	1,452	6,514	1,937	995	9,446
Postage	972	343	1,368	2,683	182	175	3,040
Rent/ Occupancy (Lawn & Pest)	11,015	374	3,713	15,102	7,407	3,525	26,034
Utilities	2,727	1,121	1,265	5,113	1,462	705	7,280
Insurance	2,870	717	14,348	17,935	4,125	493	22,553
Background Screening	8,175	1,421	2,158	11,754	-	-	11,754
Membership Dues	11,682	2,921	7,425	22,028	3,725	3,633	29,386
Advertising	-	-	1,313	1,313	-	-	1,313
Books, Materials, & Activities	5,047	2,278	14,536	21,861	-	-	21,861
Food & Nutrition	63	80	1,845	1,988	-	-	1,988
Professional Fees	2,971	743	4,178	7,892	557	836	9,285
Professional Development	2,300	50	9,379	11,729	587	200	12,516
Capital Equipment	-	-	954	954	-	-	954
Contract	1,553	500	1,693	3,746	-	-	3,746
Fundraising Expense	-	-	-	-	-	47,800	47,800
Bank Charges, Business Taxes, Licenses, & Permits	253	-	2,552	2,805	4,575	-	7,380
Depreciation & Amortization	3,272	887	4,660	8,819	533	906	10,259
<b>Total Expenses</b>	<b>\$ 396,034</b>	<b>\$ 101,469</b>	<b>\$ 547,114</b>	<b>\$ 1,044,616</b>	<b>\$ 82,138</b>	<b>\$ 152,541</b>	<b>\$ 1,279,295</b>
	2015 \$ 424,372	\$ 169,707	\$ 477,059	\$ 1,071,138	\$ 127,929	\$ 95,449	\$ 1,294,516

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

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND OKEECHOBEE  
COUNTIES, INC.**

**STATEMENT OF CHANGE IN CASH – CASH BASIS  
For The Year Ended December 31, 2016  
(With Comparative Totals for 2015)**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (4,432)	\$ 67,426
Adjustments to Reconcile Net Cash Provided by (Used in ) Operating Activities		
Depreciation	10,259	10,131
Changes in Operating Assets and Liabilities:		
Accrued Payroll Taxes	(2,475)	2,726
Net Change in Operating Assets and Liabilities	<u>(2,475)</u>	<u>2,726</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>3,352</u>	 <u>80,284</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Harbor Community LOC	<u>-</u>	<u>(22)</u>
 NET CASH USED IN FINANCING ACTIVITIES	 <u>-</u>	 <u>(22)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Property & Equipment	-	(2,014)
Proceeds from Investments	<u>(12,960)</u>	<u>6,722</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 <u>(12,960)</u>	 <u>4,709</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 (9,610)	 84,971
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning of Year	<u>326,020</u>	<u>241,049</u>
 End of Year	 <u>\$ 316,408</u>	 <u>\$ 326,020</u>

Read Accompanying Notes to Financial Statements



**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND OKEECHOBEE  
COUNTIES, INC.**

NOTES TO FINANCIAL STATEMENTS – CASH BASIS

December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Big Brothers and Big Sisters of St. Lucie County, Inc. (BBBS) was chartered in Florida on February 14, 1984. On July 16, 2007, the name of the organization was formally changed to Big Brothers Big Sisters of St. Lucie, Indian River, and Okeechobee Counties, Inc. The organization's purpose is to provide guidance, supervision, and care for disadvantaged children in St. Lucie, Indian River and Okeechobee County. BBBS is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The accompanying statements have been prepared on the basis of cash receipts and disbursements; consequently, certain revenue and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Net assets and revenues, expenses, gains and losses are classified as temporarily restricted and unrestricted based on the existence or absence, respectively, donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified as follows:

**Unrestricted net assets-** Net assets available for the support of the organization's operations. The unrestricted net assets may be used at the discretion of the organization's management and the Board of Directors.

**Temporarily restricted net assets-** Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization or the passage of time.

Cash and Cash Equivalents

For purposes of reporting, unrestricted currency, demand deposits, certificates of deposit, and money market accounts are considered cash, and unrestricted investments with an original maturity of three months or less are considered cash equivalents.

For the year ended December 31, 2016, cash and cash equivalents consisted of demand deposits, certificate of deposit, and money market accounts. Cash balances are held in three financial institutions. Interest bearing accounts at each institution are insured up to \$250,000 by the Federal Depository Insurance Corporation. As of December 31, 2016, the total amount of deposits uninsured are \$54,557.

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND OKEECHOBEE  
COUNTIES, INC.**

NOTES TO FINANCIAL STATEMENTS – CASH BASIS

December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Investments

Investments are stated at fair market value based on quoted market prices. The net unrealized increase or decrease in fair value is recognized in the accompanying statement of activities. Investments are held by a third party custodian. At December 31, 2016, investments consist of:

	<u>Cost</u>	<u>Market Value</u>
Money Market	\$ 18,204	\$ 18,204
Equities	64,930	78,951
Mutual Funds	5,254	5,603
	<u>\$ 88,388</u>	<u>\$ 102,757</u>

Endowment Funds

During 2016, \$1,000 was received and \$112,591 was received in prior years, this amount is reported net of investment fees and losses. The cash, cash equivalents, and investments is considered temporarily restricted. The \$100,000 endowment has been set up to provide scholarships for higher education for BBBS high school clients and high school mentors. The remaining \$13,591 is being held in the restricted fund until the minimum of \$25,000 is reached at which point another endowment will be set up for the purpose of operations.

Financial Statement Presentation

The financial statements are presented in accordance with the Statement of Financial Accounting Standards (SFAS) NO. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS NO. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. If any dollars were received in advance they would be temporarily restricted.

The financial statements include certain prior-year summarized comparative information in total but not by net class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Support and Revenue

BBBS receives its grant and contract support primarily from State and Local Agencies. Support received from those grants and contracts is recognized when funding for grant services are received.

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND OKEECHOBEE  
COUNTIES, INC.**

NOTES TO FINANCIAL STATEMENTS – CASH BASIS  
December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

BBBS is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, therefore, no provision for income tax is made in these financial statements. In addition, it has been determined that the BBBS is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The organization's tax returns are subject to a possible audit by various taxing authorities for three years after the returns are filed.

Property, Equipment and Depreciation

Property and equipment are recorded at cost or fair market value on date of gift in the case of donated property. Such donations are reported as unrestricted support 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 support. 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 as instructed by the donor. Assets with a useful economic life in excess of one year and over \$500 are capitalized.

Repairs and maintenance that neither materially add to the value of the property nor appreciably prolong its life are charged to expenses as incurred. Depreciation is provided over the estimated useful lives ranging from 5 to 39 years on the straight-line basis and on the accelerated depreciation basis.

Donated Materials and Services

Donated facilities, materials and equipment are reflected as contributions in the accompanying statements at their estimated values on the date of receipt. In addition, a number of unpaid volunteers, including board members, have made substantial contributions of their time. The value of such donated materials and services has not been reflected in these statements, since no objective basis of measurement of valuation is available.

The organization has developed personnel policies and practices which facilitate staff recruitment, retention, and effective performance. During 2016, there were approximately 1,817 children served between all the programs.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional cost basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND OKEECHOBEE  
COUNTIES, INC.**

NOTES TO FINANCIAL STATEMENTS – CASH BASIS

December 31, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributions

In accordance with SFAS NO. 116, Accounting for Contributions Received and Contributions Made, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/ or nature of any donor restrictions. As of December 31, 2016, the majority of restricted contributions were released from donor restrictions by incurring expenses satisfying the restricted purpose, the balance of \$116,348 remains as temporarily restricted.

Estimates

The presentation of financial statements on the cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual results could differ from those estimates.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2016, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2016. Management has performed their analysis through March 20, 2017, which represents the date the financial statements were available to be issued.

**NOTE B - FIXED ASSETS**

A summary of the fixed assets and activity for the year are as follows:

	<u>Balance</u>				<u>Balance</u>
	<u>January 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>		<u>December 31, 2016</u>
Computer Equipment and Software	\$ 31,144	\$ -	\$ -		\$ 31,144
Furniture & Fixtures	7,318	-	-		7,318
Leasehold Improvements	41,004	-	-		41,004
Little House	88,185	-	-		88,185
Vehicles & Equipment	20,000	-	-		20,000
	<u>Subtotal</u>	<u>-</u>	<u>-</u>		<u>187,651</u>
Less Accumulated Depreciation	<u>(73,032)</u>	<u>(10,259)</u>	<u>-</u>		<u>(83,291)</u>
Net	<u>\$ 114,618</u>	<u>\$ (10,259)</u>	<u>\$ -</u>		<u>\$ 104,359</u>

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND OKEECHOBEE  
COUNTIES, INC.**

NOTES TO FINANCIAL STATEMENTS – CASH BASIS  
December 31, 2016

**NOTE B - FIXED ASSETS (CONTINUED)**

In January 2011 the organization was approved by the Vero Beach City Council to transfer title of land and a building located in Vero into the organization's name. The land and building were recorded on the organization's books at the assessed value as determined by the Indian River County Property Appraiser of \$71,340. The property is deed restricted and can only be used by non-profit organizations. Any violation of the deed restriction results in the property conveying back to the City of Vero Beach.

**NOTE C – COST REIMBURSEMENT GRANT**

The organization's grant funding received from Children's Service Council, Department of Education, Children's Services Advisory Council (Board of County Commissioners), and Volunteer Florida (Americorps) are received on a cost reimbursement basis.

**NOTE D –DEPENDENCY ON GOVERNMENTAL AND PRIVATE SUPPORT**

Funding for the organization is dependent upon state and local grants, private donations and fundraising events. It is reasonably possible that in the near term this funding could cease or significantly decrease, which would cause a severe impact on the organization and its ability to continue operations. The organization does not expect that funding from state and local agencies will be lost in the near term.

**NOTE E – COMMITMENTS**

As of March 2014, Big Brothers Big Sisters executed a 5 year lease. The lease expense for the year ended December 31, 2016 was \$22,320. Future minimum payments are:

Fiscal Year Ending December 31,	
2017	\$ 22,320
2018	22,320
2019	<u>7,440</u>
	<u>\$ 52,080</u>

In December 2016, Big Brothers Big Sisters executed a lease for their Okeechobee location. The lease term is \$100 a month for an indefinite period. This amount was not included in the above future minimum payments because it can be cancelled at any time.

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND OKEECHOBEE  
COUNTIES, INC.**

NOTES TO FINANCIAL STATEMENTS – CASH BASIS  
December 31, 2016

**NOTE E – COMMITMENTS (CONTINUED)**

In 2013, the organization entered into an operating lease for their copy machine which expires in 2019. The lease expense for the year ended December 31, 2016 was \$9,588. Minimum future lease payments are as follows:

Fiscal Year Ending, December 31,	Minimum Rentals
2017	\$ 9,588
2018	9,588
2019	<u>1,598</u>
	<u>\$ 20,774</u>

**NOTE F – FUNDRAISING**

Fundraising expenses are expensed as paid and totaled \$152,541 for 2016.

**NOTE G – RELATED LIMITED LIABILITY COMPANY (LLC)**

In August 2009, the organization established a single member limited liability company, Big Brothers, Big Sisters of St Lucie, Indian River and Okeechobee Counties Transportation, LLC. Big Brothers Big Sisters of St Lucie, Indian River and Okeechobee Counties, Inc. is the sole member of this LLC. The LLC was established to own the vehicle referred to in Note H.

**NOTE H – JOINT PROGRAMS**

The organization purchased a van (see Note G), which is operated by the Boys and Girls Club of Indian River County for the transportation of their clients to the T.E.A.M. and G.E.M. programs. The Boys and Girls Club reimburses Big Brothers Big Sisters for the insurance provided on the van. The Boys and Girls Club maintains the vehicle as they are the primary users as of December 31, 2016.

**NOTE I – CONTINGENCIES**

The organization is exposed to various legal actions and claims arising in the normal course of operations. The organization carries insurance to help minimize this exposure. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. It is the opinion of management that the outcome of such matters will not have a material adverse impact on the financial statements.

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND OKEECHOBEE  
COUNTIES, INC.**

**SCHEDULE OF SUPPORT AND REVENUES AND EXPENSES- ACTUAL AND BUDGET  
For the Year Ended December 31, 2016**

**NOTE J – RESTRICTED FUNDS**

The organization established an endowment fund in 2010. Amounts donated to this fund are shown as restricted on the statement of assets, liabilities, and net assets.

**NOTE K – LINE OF CREDIT**

In July 2012, the organization opened a \$100,000 line of credit with Harbor Community Bank. The current variable interest rate on this agreement is 5.75% and subject to change daily. This agreement is secured by all assets owned by Big Brothers Big Sisters. The balance at December 31, 2016 was \$6,094.

**BIG BROTHERS BIG SISTERS OF ST. LUCIE, INDIAN RIVER, AND OKEECHOBEE  
COUNTIES, INC.**

**SCHEDULE OF SUPPORT AND REVENUES AND EXPENSES- ACTUAL AND BUDGET  
For the Year Ended December 31, 2016**

	<u>BUDGET</u> <u>(UNAUDITED)</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>PUBLIC SUPPORT &amp; REVENUE</b>			
Government Grants: State and Local	\$ 742,800	\$ 647,176	\$ (95,624)
Foundations	142,500	165,398	22,898
United Way	52,500	61,976	9,476
Individual Contributions	100,000	95,989	(4,011)
Fundraising	190,000	290,395	100,395
Endowment Investment Income	-	12,964	12,964
Other	-	964	964
<b>TOTAL PUBLIC SUPPORT &amp; REVENUE</b>	<u>1,227,800</u>	<u>1,274,863</u>	<u>47,063</u>
<b>EXPENSES &amp; CAPITAL PURCHASES</b>			
Salaries & Wages	1,039,532	1,014,547	24,985
Travel / Local Mileage	11,718	12,398	(680)
Equipment Rental	11,935	12,024	(89)
Computer Maintenance	-	3,555	(3,555)
Supplies/ Office Expense	6,014	6,852	(838)
Printing and Publications	-	3,322	(3,322)
Telephone/ Internet	8,189	9,446	(1,257)
Postage	3,578	3,040	538
Rent/ Occupancy (Lawn & Pest)	24,120	26,034	(1,914)
Utilities	7,368	7,280	88
Insurance	31,529	22,553	8,976
Background Screening	10,922	11,754	(832)
Membership Dues	23,706	29,386	(5,680)
Advertising	460	1,313	(853)
Books, Materials, & Activities	7,500	21,861	(14,361)
Food & Nutrition	-	1,988	(1,988)
Professional Fees	8,760	9,285	(525)
Professional Development	10,233	12,516	(2,283)
Capital Equipment	-	954	(954)
Contract	1,053	3,746	(2,693)
Fundraising Expense	-	47,800	(47,800)
Bank Charges, Business Taxes, Licenses, & Permits	9,535	7,380	2,155
Depreciation and Amortization	-	10,259	(10,259)
Reserves	11,648	-	11,648
<b>TOTAL EXPENSES</b>	<u>1,227,800</u>	<u>1,279,295</u>	<u>(51,495)</u>
 <b>EXCESS (DEFICIT)</b>	 <u>\$ -</u>	 <u>\$ (4,432)</u>	 <u>\$ (4,432)</u>



March 20, 2017

MANAGEMENT LETTER

Board of Directors  
Big Brothers Big Sisters of St. Lucie, Indian River and Okeechobee Counties, Inc.,  
Fort Pierce, Florida

In planning and performing our audit of the financial statements of the Big Brothers Big Sisters of St Lucie, Indian River and Okeechobee Counties, Inc., for the year ended December 31, 2016, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Any comments noted in the prior year were implemented as recommended.

We wish to take this opportunity to thank management and its staff for the cooperation and courtesies extended to us during the course of our audit. If you have any questions regarding our engagement or desire further information, please contact us.

This letter is intended for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*DiBartolomeo, McBee, Hartley & Barnes*  
Certified Public Accountants