Audited Financial Statements

Big Brothers Big Sisters of Connecticut, Inc.
(formerly Nutmeg Big Brothers Big Sisters, Inc.)

Years Ended June 30, 2022 and 2021
with Independent Auditors' Report
Reports in Accordance with
Government Auditing Standards
and the Federal Single Audit Act

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Big Brothers Big Sisters of Connecticut, Inc.

Audited Financial Statements

Years ended June 30, 2022 and 2021

Contents

I. Financial Statements and Independent Auditors' Report

Independent Auditors' Report

To the Board of Trustees
Big Brothers Big Sisters of Connecticut, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Big Brothers Big Sisters of Connecticut, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers Big Sisters of Connecticut, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Big Brothers Big Sisters of Connecticut, Inc. and to meet our other ethical responsibilities accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Big Brothers Big Sisters of Connecticut, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain and understanding of internal control relevant to the audit 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 Big Brothers Big Sisters of Connecticut, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Big Brothers Big Sisters of Connecticut, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023, 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 controls 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.

Fiondella, Milone & LaSaracina LLP

March 8, 2023
Glastonbury, Connecticut

Big Brothers Big Sisters of Connecticut, Inc.
Statements of Financial Position

	June 30, 2022	June 30, 2021
Assets	**2022**	**2021**
Current assets:		
Cash and cash equivalents	**$ 993,062**	$ 885,120
Investments	**338,461**	277,144
Receivables, net of allowance for doubtful accounts, current portion	**269,184**	154,335
Prepaid expenses	**21,095**	7,245
Total current assets	**1,621,802**	1,323,844
Non-current assets:		
Receivables, net, less current portion	**15,107**	100,010
Property and equipment, net	**4,371**	8,634
Total assets	**$ 1,641,280**	$ 1,432,488
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 89,107**	$ 108,664
Accrued expenses	**126,380**	107,354
Other current liabilities	**5,000**	10,000
Total current liabilities	**220,487**	226,018
Long-term liabilities:		
Paycheck Protection Program loan	**-**	238,657
Total Liabilities	**220,487**	464,675
Net assets without donor restrictions:		
Board designated - reserve fund	**344,275**	288,453
Undesignated	**985,377**	543,430
Total net assets without donor restrictions	**1,329,652**	831,883
Net assets with donor restrictions	**91,141**	135,930
Total net assets	**1,420,793**	967,813
Total liabilities and net assets	**$ 1,641,280**	$ 1,432,488

See accompanying notes

Big Brothers Big Sisters of Connecticut, Inc.
Statements of Activities
For the Years Ended June 30, 2022 and 2021

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Support and revenues						
Contributions	**$ 808,781**	**$ 76,336**	**$ 885,117**	$ 712,833	$ 135,867	$ 848,700
U.S. Treasury grants	**774,648**	**-**	**774,648**	672,666	-	672,666
Other grants	**27,720**	**-**	**27,720**	-	-	-
Special events, net	**213,721**	**-**	**213,721**	252,715	-	252,715
Payroll protection program (PPP) - debt forgiveness	**238,657**	**-**	**238,657**	236,353	-	236,353
In-kind contributions	**76,215**	**-**	**76,215**	112,692	-	112,692
United Way contributions	**51,054**	**-**	**51,054**	72,665	-	72,665
HartSprings Foundation, Inc.	**58,031**	**-**	**58,031**	52,674	-	52,674
Net assets released from restriction	**121,125**	**(121,125)**	**-**	40,335	(40,335)	-
Investment (loss) income, net	**(44,152)**	**-**	**(44,152)**	33,775	-	33,775
Total support and revenues	**2,325,800**	**(44,789)**	**2,281,011**	2,186,708	95,532	2,282,240
Expenses						
Program services:						
Big Brothers Big Sisters	**1,180,546**	**-**	**1,180,546**	858,770	-	858,770
Foster Grandparents	**500,264**	**-**	**500,264**	572,546	-	572,546
	1,680,810	**-**	**1,680,810**	1,431,316	-	1,431,316
Supporting services:						
Management and general	**197,234**	**-**	**197,234**	231,286	-	231,286
Fundraising	**236,797**	**-**	**236,797**	186,025	-	186,025
Total expenses	**2,114,841**	**-**	**2,114,841**	1,848,627	-	1,848,627
Changes in net assets before changes related to acquisition	**210,959**	**(44,789)**	**166,170**	338,081	95,532	433,613
Excess of fair value of net assets acquired over liabilities assumed in acquisition	**286,810**	**-**	**286,810**	-	-	-
Change in net assets	**497,769**	**(44,789)**	**452,980**	338,081	95,532	433,613
Net assets - beginning of year	**831,883**	**135,930**	**967,813**	493,802	40,398	534,200
Net assets - end of year	**$ 1,329,652**	**$ 91,141**	**$ 1,420,793**	$ 831,883	$ 135,930	$ 967,813

See accompanying notes

Big Brothers Big Sisters of Connecticut, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services				
	Big Brothers Big Sisters	**Foster Grandparents**	**Management and General**	**Fundraising**	**Total**
Salaries and related expenses:					
Salaries	**$ 781,343**	**$ 175,491**	**$ 110,214**	**$ 127,410**	**$ 1,194,458**
Payroll taxes	**56,864**	**13,510**	**11,439**	**9,338**	**91,151**
Employee benefits	**63,679**	**26,661**	**13,086**	**25,196**	**128,622**
Total salaries and related expenses	**901,886**	**215,662**	**134,739**	**161,944**	**1,414,231**
Other expenses:					
Activities	**31,630**	**24,294**	**481**	**84**	**56,489**
Bad debt expense	**-**	**-**	**-**	**4,050**	**4,050**
Conferences and meetings	**1,182**	**292**	**1,579**	**1,567**	**4,620**
Donated advertising	**46,386**	**9,411**	**-**	**18,418**	**74,215**
Dues and subscriptions	**25,919**	**232**	**2,631**	**3,315**	**32,097**
Equipment rental and maintenance	**13,252**	**3,185**	**3,799**	**2,369**	**22,605**
Insurance	**22,090**	**6,978**	**4,090**	**3,271**	**36,429**
Bank and credit card fees	**517**	**-**	**80**	**3,180**	**3,777**
Occupancy	**38,094**	**16,322**	**7,467**	**8,752**	**70,635**
Office expense and supplies	**4,747**	**741**	**3,303**	**178**	**8,969**
Postage	**1,858**	**546**	**829**	**390**	**3,623**
Printing and publications	**19**	**-**	**2,049**	**13,620**	**15,688**
Professional fees	**74,669**	**13,668**	**28,733**	**10,841**	**127,911**
Telephone and internet	**14,035**	**4,058**	**6,959**	**4,498**	**29,550**
Travel	**1,114**	**747**	**322**	**320**	**2,503**
Volunteer support	**-**	**203,186**	**-**	**-**	**203,186**
Total other expenses	**275,512**	**283,660**	**62,322**	**74,853**	**696,347**
Depreciation	**3,148**	**942**	**173**	**-**	**4,263**
Total functional expenses	**$ 1,180,546**	**$ 500,264**	**$ 197,234**	**$ 236,797**	**$ 2,114,841**

See accompanying notes

Big Brothers Big Sisters of Connecticut, Inc.
Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services				
	Big Brothers Big Sisters	**Foster Grandparents**	**Management and General**	**Fundraising**	**Total**
Salaries and related expenses:					
Salaries	$ 508,965	$ 172,101	$ 116,298	$ 81,461	$ 878,825
Payroll taxes	46,038	12,441	8,455	5,635	72,569
Employee benefits	46,003	23,410	26,613	10,880	106,906
Total salaries and related expenses	601,006	207,952	151,366	97,976	1,058,300
Other expenses:					
Activities	44,891	29,409	4,364	4,955	83,619
Bad debt expense	-	-	-	11,800	11,800
Conferences and meetings	920	-	293	1,113	2,326
Donated advertising	43,351	3,188	-	32,263	78,802
Dues and subscriptions	22,960	51	4,806	4,870	32,687
Equipment rental and maintenance	9,921	3,182	2,596	1,569	17,268
Insurance	19,494	6,855	6,661	3,009	36,019
Bank and credit card fees	1,458	-	53	6,387	7,898
Occupancy	32,811	18,296	7,123	5,312	63,542
Office expense and supplies	9,878	3,181	9,061	1,836	23,956
Postage	1,415	742	411	210	2,778
Printing and publications	-	-	1,250	2,564	3,814
Professional fees	54,837	18,756	40,288	9,022	122,903
Telephone and internet	11,691	4,689	2,784	3,100	22,264
Travel	117	657	7	39	820
Volunteer support	-	275,048	-	-	275,048
Total other expenses	253,744	364,054	79,697	88,049	785,544
Depreciation	4,020	540	223	-	4,783
Total functional expenses	$ 858,770	$ 572,546	$ 231,286	$ 186,025	$ 1,848,627

See accompanying notes

Big Brothers Big Sisters of Connecticut, Inc.
Statements of Cash Flows

	Years Ended June 30, 2022	Years Ended June 30, 2021
Cash flows from operating activities		
Changes in net assets	**$ 452,980**	$ 433,613
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation expense	**4,263**	4,783
Unrealized and realized loss (gain) on investments, net of investment fees	**54,890**	(30,311)
Excess of fair value of net assets acquired over liabilities assumed in acquisition	**(286,810)**	-
Bad debt expense	**4,050**	11,800
PPP debt forgiveness	**(238,657)**	(236,353)
Changes in assets and liabilities:		
Receivables, net	**(33,996)**	6,645
Prepaid expenses	**20,657**	2,622
Accounts payable	**(20,180)**	73,077
Accrued expenses	**(13,466)**	11,554
Other current liabilities	**(5,000)**	(4,560)
Net cash (used in) provided by operating activities	**(61,269)**	272,870
Cash flows from financing activities		
Proceeds from Paycheck Protection Program loan	**-**	238,657
Net cash provided by financing activities	**-**	238,657
Cash flows from investing activities		
Acquisition of cash from Big Brothers/Big Sisters of Southwestern Connecticut, Inc.	**285,418**	-
Purchases of property and equipment	**-**	(4,749)
Net purchases of investments	**(116,207)**	(116,244)
Net cash provided (used) by investing activities	**169,211**	(120,993)
Net increase in cash and cash equivalents	**107,942**	390,534
Cash and cash equivalents - beginning of year	**885,120**	494,586
Cash and cash equivalents - end of year	**$ 993,062**	$ 885,120
Noncash investing and financing activities:		
Non cash other current assets acquired in acquisition	**$ 34,507**	$ -
Accounts payable acquired in acquisition	**623**	-
Other current liabilities acquired in acquisition	**32,492**	-

See accompanying notes

Big Brothers Big Sisters of Connecticut, Inc.
Notes to Financial Statements

June 30, 2022 and 2021

1. Description of Organization and Nature of Activities

Big Brothers Big Sisters of Connecticut, Inc. (the Organization, formerly Nutmeg Big Brothers Big Sisters, Inc.) is a nonprofit, voluntary welfare agency. The Organization exists to make a positive difference in the lives of children and youth facing adversity, primarily through professionally supported relationships with caring adult volunteers. The Organization strives to assist children to achieve their highest potential by providing committed volunteers, local leadership and advocacy. The Organization builds mentoring relationships in 132 Connecticut towns. These relationships unite children with committed volunteers, changing lives for the better, forever.

In addition to the traditional program, the Organization operates the Foster Grandparents Program. The Foster Grandparents Program matches low income senior citizens to children in schools, day care centers and head start programs. Low income seniors are paid a non-taxable stipend to reimburse them for certain time and expenses incurred by participating in the program.

Effective January 31, 2022, Nutmeg Big Brothers Big Sisters, Inc. merged with Big Brothers/Big Sisters of Southwestern Connecticut, Inc., and the surviving organization was renamed Big Brothers Big Sisters of Connecticut, Inc. The assets and liabilities acquired by Nutmeg Big Brothers Big Sisters, Inc. as part of the merger are as follows:

Cash	$ 285,418
Other assets	34,507
Accounts payable	(623)
Other liabilities	(32,492)
Excess of fair value of assets acquired over liabilities assumed	$ 286,810

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accompanying financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. They are described as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. These funds are available for general operating purposes and/or to use at the discretion of the Board of Directors. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for general use by Management. There are Board designated funds of $344,275 and $288,453 at June 30, 2022 and 2021 (see Note 3).

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation (continued)

With Donor Restrictions - Net assets whose use is limited by donor-imposed, time and/or purpose restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provision of additional donor imposed stipulations or a board approved spending policy. There are $91,141 and $135,930 of donor restricted net assets at June 30, 2022 and 2021 (see Note 3).

Use of Estimates

The preparation of the financial statements in conformity with GAAP which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

Risks and Uncertainties

The Organization maintains its cash and cash equivalents in financial institution accounts that, at times during the year, can exceed federally insured limits. The cash balances in the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 as of June 30, 2022 and 2021. The Organization also maintains an investment account in a financial institution that is not insured by the FDIC.

In early March 2020, there was a global outbreak of the novel coronavirus (COVID-19) that has resulted in significant changes in the global economy. During the year ended June 30, 2021, the Organization moved special events to virtual delivery, and the Foster Grandparents received additional stipends although a majority of the program was run virtually. During the year ended June 30, 2022, most events and activities returned to in-person delivery. The Organization received two rounds of PPP loan proceeds pursuant to the CARES Act to help alleviate the adverse impact of COVID-19 (see Note 8) and developed a virtual delivery format for many events and programs. The ultimate financial impact that COVID-19 will have on the Organization cannot be reasonably estimated at this time.

Cash and Cash Equivalents

Cash equivalents consist of cash and money market accounts with original maturities of three months or less.

2. Summary of Significant Accounting Policies (continued)

Investments

The Organization primarily invests in mutual funds, fixed income funds, Exchange-Traded Funds (ETF's), and equities. Investments are reported at their current fair values. Purchases and sales of securities are recorded on the trade date basis. Investment earnings include gains and losses on investments bought and sold as well as held during the year. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date.

Receivables

Receivables expected to be collected within one year are recorded as current assets on the statements of financial position. Receivables are presented net of an allowance for doubtful accounts. Allowances for receivables are determined by management based on an assessment of their collectability, which includes consideration of past history, current economic conditions and overall viability of the third-party. There was an allowance for doubtful accounts of $3,600 and $4,300 at June 30, 2022 and 2021, respectively. Receivables that are expected to be collected in future years are recorded at their net present value (see Note 5).

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is calculated over their estimated useful lives, generally five years, using the straight-line method. Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvement or the lease term. Renewals and improvements which extend the useful lives of assets are capitalized at cost. Maintenance and repairs are included as expenses in the statements of activities.

Revenue Recognition

Grant revenue is reviewed for classification as an exchange transaction in accordance with ASC 606 *Revenue from Contracts with Customers,* or contribution in accordance with ASC 958-605 *Not-for-Profit Entities – Revenue Recognition*. Revenue related to exchange transactions is recognized as costs are incurred and revenue recognition for contributions is described below. Receivables are recognized to the extent costs have been incurred, but not reimbursed. Conversely, a liability is recorded when grant advances exceed eligible costs.

Contributions are defined as voluntary, nonreciprocal transfers. All contributions are considered to be available for general use unless specifically restricted by the donor. Unconditional contributions are recognized as support when received or pledged, if applicable. Contributions received that are contingent on the occurrence of a future event and have a right to return are not recognized until the condition is met, at which time they are recognized as support.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contributions are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of such assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization's policy is to present net assets with donor restrictions received during the year whose restrictions are also met during the current year with net assets without donor restrictions.

Ticket sales for special events are generally recognized as revenue when the special event takes place. The portion of advance ticket sales that represents the fair value of direct donor benefits for special events that do not take place until the next fiscal year are recorded as a liability (deferred revenue). The portion of advance ticket sales that represents the donor's contribution may be recognized when the ticket is sold or when the event occurs, depending on management's assessment of the likelihood that the event will take place.

In-Kind Goods and Services

The Organization records the value of donated goods when there is an objective basis available to measure their value. The Organization records the value of donated services if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. Donated goods and services are reflected as contributions in the accompanying financial statements at their estimated fair market values at the date of receipt. Fair value for donated advertising and professional services is estimated based on invoice pricing which would be charged to customers if not donated. The fair value of donated gifts is based on market value of the ticket or other donated gift.

For the years ended June 30, 2022 and 2021, $74,215 and $78,802, respectively, has been recognized as revenue in the financial statements for donated advertising services; $0 and $33,890, respectively, has been recognized for various donated gifts, which consist primarily of tickets to events; and $2,000 and $0, respectively, has been recognized for professional services. There were no restricted in-kind goods and services for the years ended June 30, 2022 or 2021.

Functional Allocation of Expenses

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

2. Summary of Significant Accounting Policies (continued)

Advertising Costs

The Organization uses advertising to promote its programs among the audience it serves. The costs of advertising are expensed as incurred.

Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, requires disclosure of the fair value of financial instruments held by the Foundation. ASC 825, *Financial Instruments*, defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The three levels of valuation hierarchy are defined as follows:

- Level 1 – Inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 – Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The Organization's assets that are measured at fair value on a recurring basis as of June 30, 2022 and 2021 consist of mutual funds, fixed income funds, equities, and ETF's, which are classified as investments and all are considered Level 1 in the fair value hierarchy.

Investments in mutual funds and equities are valued using market prices in active markets. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. There has been no change in this valuation method from the prior year.

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

2. Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncements

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* The objective of the ASU is to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU 2020-07 is applicable to any entity that receive contributed nonfinancial assets and is effective for fiscal years beginning after June 15, 2021. The Organization adopted ASU 2020-07, effective July 1, 2021, and has retroactively applied the update, which did not have a material impact to the financial statements.

Recent Accounting Pronouncements

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842).* The objective of the ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. ASU No. 2016-02 is applicable to any entity that enters into a lease and is effective for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the impact of this update.

3. Net Assets Restricted by Donors and Board

Donor Restricted

Donor restricted net assets consist of the following at June 30:

	June 30, 2022	June 30, 2021
Big Futures program	**$ 25,000**	$ -
Technology upgrades	**24,808**	5,223
Community based programming	**18,250**	39,492
Arthur Director Leadership Program	**10,000**	20,000
FGP programming	**8,500**	2,800
Site based programming	**4,583**	67,665
Virtual mentoring	**-**	750
Total	**$ 91,141**	$ 135,930

3. Net Assets Restricted by Donors and Board

Board Reserve Fund

The Board of Directors has designated $344,275 and $288,453 as of June 30, 2022 and 2021, respectively, as a reserve fund to support the mission of the Organization. The fund is comprised of contributions without donor restrictions received by the Organization, the total of which is held in investment and money market accounts. The reserve fund is included as part of net assets without donor restrictions. The Board approves all investment and spending decisions involving the fund. Changes in the reserve fund for the years ended June 30, 2022 and 2021 were as follows:

		2022		2021
Reserve fund, beginning of year	**$**	**288,453**	$	154,679
Investment (loss) gain, net of fees		**(44,178)**		33,774
Contributions		**100,000**		100,000
Reserve fund, end of year	**$**	**344,275**	$	288,453

4. Investments

Investments as of June 30, 2022 are summarized as follows:

		Cost		**Fair Value**		**Unrealized (Loss) Gain**
Mutual funds	**$**	**98,322**	**$**	**87,843**	**$**	**(10,479)**
Equities		**78,518**		**83,919**		**5,401**
Fixed income		**124,786**		**114,907**		**(9,879)**
ETFs		**52,234**		**51,792**		**(442)**
Total	**$**	**353,860**	**$**	**338,461**	**$**	**(15,399)**

The following schedule summarizes the investment return for the year ended June 30, 2022:

Interest and dividends	**$**	**10,738**
Unrealized and realized loss		**(50,681)**
Investment fees		**(4,209)**
	$	**(44,152)**

4. Investments (continued)

Investments as of June 30, 2021 are summarized as follows:

		Cost		Fair Value		Unrealized (Loss) Gain
Mutual funds	$	69,067	$	80,536	$	11,469
Equities		55,414		72,413		16,999
Fixed income		80,263		81,289		1,026
ETFs		37,544		42,906		5,362
Total	$	242,288	$	277,144	$	34,856

The following schedule summarizes the investment return for the year ended June 30, 2021:

Interest and dividends	$	3,464
Unrealized and realized gain		32,470
Investment fees		(2,159)
	$	33,775

5. Receivables

Unconditional promises to give (contributions receivable) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Discount rates of 1.14% and 0.46% (based on the three year Treasury bill rates of return) were used for the fiscal years ended June 30, 2022 and 2021, respectively.

5. Receivables (continued)

Included in receivables are the following unconditional promises to give:

	2022	2021
Contributions	**$ 83,070**	$ 133,690
Grants	**170,775**	90,919
Other receivables	**34,439**	34,326
Total gross receivables	**288,284**	258,935
Less: discount to present value	**(393)**	(290)
Less: allowance for doubtful accounts	**(3,600)**	(4,300)
Net receivables	**$ 284,291**	$ 254,345
Amounts due in:		
Less than one year	**$ 268,791**	$ 158,635
One to five years	**15,500**	100,300
Total gross receivables	**$ 284,291**	$ 258,935

As of June 30, 2022, amounts receivable for the Foster Grandparents Program represented approximately 31% of total gross receivables. As of June 30, 2021, amounts receivable for the Foster Grandparents Program represented approximately 15% of total gross receivables and a grant receivable from an individual donor was approximately 11% of total gross receivables.

6. Property and Equipment

Property and equipment consisted of the following at June 30:

	2022	2021
Leasehold improvements	**$ 18,950**	$ 18,950
Furniture and fixtures	**23,080**	23,080
Computers and software	**80,280**	80,280
	122,310	122,310
Less: accumulated depreciation	**(117,939)**	(113,676)
Total property and equipment, net	**$ 4,371**	$ 8,634

Depreciation expense related to property and equipment was $4,263 and $4,783 for the years ended June 30, 2022 and 2021, respectively.

7. Line of Credit

The Organization maintained into a Line of Credit Agreement with an unrelated third-party that allowed borrowings of up to $75,000 as of June 30, 2021. Interest was payable monthly on amounts outstanding at a rate of 4% per annum, payable in arrears. The Line of Credit expired on May 30, 2022 and was not renewed. There were no borrowings outstanding under the Line of Credit at June 30, 2021.

8. Paycheck Protection Program Loans

Round 1 – PPP Forgivable Loan

On May 1, 2020, the Organization received its first round of loan forgiveness funding in the amount of $236,353 from the Small Business Administration (SBA) under the Paycheck Protection Program (PPP) related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was established to assist small businesses in keeping their employees on payroll during the COVID-19 outbreak in early 2020. Funds may only be used to (a) retain workers and maintain payroll and/or (b) make mortgage interest payments, lease payments, and utility payments, and for no other purposes. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act and maintain a certain number of employees. If these restrictions are not met within a 24-week period, the unspent funds become a loan which is payable two years from the date of issuance and bears an interest rate of 1%. The Organization elected to account for the proceeds in accordance with FASB ASC 470, Debt, and as a result, had recorded the $236,353 forgivable loan as a liability at June 30, 2020. In June 2021, the loan was fully forgiven by the SBA. During the year ended June 30, 2021, the Organization recognized $236,353 of PPP debt forgiveness income.

Round 2 – PPP Forgivable Loan

On February 15, 2021, the Organization received its second round of loan forgiveness funding in the amount of $238,657 from the SBA under the PPP. At June 30, 2021, the Organization recorded the $238,657 forgivable loan as a liability. In May 2022, the loan was fully forgiven by the SBA. During the year ended June 30, 2022, the Organization recognized $238,657 of PPP debt forgiveness income.

9. United Way Allocations

The following is a schedule of support from the various United Way contributing agencies:

	June 30,	
	2022	**2021**
United Way of Central & Northeastern CT	**$ 27,001**	$ 50,004
United Way of West Central Connecticut	**3,778**	3,538
United Way of Northwest Connecticut, Inc.	**1,375**	1,623
United Way of Naugatuck and Beacon Falls, Inc.	**250**	500
United Way of Meriden and Wallingford	**2,500**	3,000
United Way of Greater Waterbury	**14,000**	14,000
United Way of Milford	**1,650**	-
Valley United Way	**500**	-
Total	**$ 51,054**	$ 72,665

10. HartSprings Foundation, Inc.

HartSprings Foundation, Inc. (HartSprings) is a nonprofit organization co-founded in 1997 with Big Brothers Big Sisters of Hampden County, Inc. and currently is controlled and operated by Big Brothers Big Sisters of Hampden County, Inc. HartSprings solicits and collects donations of clothing, which are then sold to an unrelated company. The Organization has an agreement through July 2023 to allow HartSprings to solicit donations in Hartford, Tolland, Windham, Middlesex, and upper New Haven Counties in Connecticut under the Organization's name in exchange for a fixed dollar amount per pound of clothing collected. For the years ended June 30, 2022 and 2021, the Organization earned $58,031 and $52,674, respectively, from HartSprings under the agreement.

11. Special Events

The Organization holds several special events during the year, including Bowl for Kids, an Annual Golf Tournament, and an Annual Gala. Special event revenues are shown net of related expenses in the accompanying Statements of Activities and Changes in Net Assets. Gross special events revenue and expenses for the years ended June 30, 2022 and 2021 are as follows:

	2022	**2021**
Gross revenue	**$ 277,287**	$ 327,403
Less: costs of direct benefits to donors	**(63,566)**	(74,688)
Special events revenue, net	**$ 213,721**	$ 252,715

12. Income Taxes

The Organization has received an exemption from the Internal Revenue Service (IRS) from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is required to make the appropriate tax payments on any income considered unrelated to its exempt purpose.

Management of the Organization evaluates all significant tax positions required by accounting principles generally accepted in the United States of America. At June 30, 2022 and 2021, management stated it does not have any tax position that would require the recording of any additional tax liability nor does it have any unrealized tax benefits that would either increase of decrease within the next twelve months.

The Organization's income tax returns are subject to examination by the appropriate taxing jurisdictions. As of June 30, 2022 and 2021, the Organization's federal and state tax returns generally remain open for examination for years after June 30, 2019.

13. Commitments and Contingencies

Operating Lease

The Organization has a lease for office space in Hartford, Connecticut through December 2022 that requires a monthly lease payment of $4,519 plus certain charges for maintenance and storage. Rent expense for both of the years ended June 30, 2022 and 2021 was $70,146 and $60,228, respectively.

The Organization also leases office space in Bridgeport, Connecticut through March 2023 with monthly lease payments of $1,702 and office equipment through June 2025.

Future minimum rental payments under non-cancelable operating leases are as follows for the year ended June 30:

2023	$	46,089
2024		3,660
2025		1,086
Total	$	50,835

14. Information about Liquidity

The operations and programs of the Organization are primarily funded through contributions, grants and special events. The revenues allow the Organization to provide mission-related services while maintaining a positive working capital position. Should the Organization require additional funds to support operations, the Board of Directors has established a reserve fund to support the mission of the Organization. The balance in the fund at June 30, 2022 and 2021 was $344,275 and $288,453, respectively (Note 3).

15. Availability of Financial Assets

The following reflects the Organization's financial assets as of the financial position date, reduced by amounts not available for general use within one year of the financial position date because of contractual or donor imposed restrictions or internal designations.

	2022	2021
Financial assets:		
Cash and cash equivalents	**$ 993,062**	$ 885,120
Receivables	**284,291**	254,345
Investments	**338,461**	277,144
	1,615,814	1,416,609
Less:		
Receivables scheduled to be collected in more than 1 year	**15,107**	100,010
Board designated funds *	**344,275**	288,453
Funds subject to donor restrictions	**91,141**	135,930
	450,523	524,393
Total financial assets available within one year	**$ 1,165,291**	$ 892,216

* Board designated funds are available for use by management upon written approval of Board of Directors.

16. Affiliate Transactions

The Organization is a local affiliate of Big Brothers Big Sisters of America, Inc. (the national affiliate). The Organization pays membership dues and fees for use of the national affiliate's software. National affiliate membership dues totaled $30,139 and $29,593 for the years ending June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, payables outstanding to Big Brothers Big Sisters of America, Inc. were $0 and $6,963, respectively.

16. Affiliate Transactions (continued)

The Organization entered into an agreement through January 31, 2020 with Big Brothers Big Sisters of Massachusetts Bay (BBBSMB), who is also a local affiliate of the national organization. BBBSMB provides consulting services related to aspects of its major donor development plan. The Organization made payments of $10,000 to BBBSMB every six months in exchange for these services. The agreement was not renewed, and the arrangement was terminated as of January 31, 2020. At June 30, 2021 and 2022, there was $10,000 payable to BBBSMB related to this agreement. BBBSMB has indicated that the final amount due can be deferred indefinitely.

17. Concentration of Support and Revenue

The Organization receives a significant amount of support from the U.S. Federal Government for the Foster Grandparents Program in the form of grants. For the years ended June 30, 2022 and 2021, this support was approximately 20% and 23% of total revenues, respectively. A significant reduction in the level of this support could have a material effect on the Organization's ability to continue the Foster Grandparents Program and related activities.

18. Employee Benefit Plan

The Organization has a defined contribution plan covering all eligible employees. The Organization is required to make a matching contribution in the amount of $0.50 per dollar for the first 2% invested in the Plan. Total employer matching contribution expense for the years ended June 30, 2022 and 2021 was $4,905 and $3,590, respectively.

19. Litigation

The Organization periodically is subject to claims that arise in the ordinary course of operations. It is the opinion of management that the disposition or ultimate resolution of such claims will not have a material adverse effect on the financial position of the Organization.

20. Subsequent Events

The Organization has evaluated events occurring between June 30, 2022 and March 8, 2023, the date the financial statements were available to be issued.

Reports in Accordance with Government Auditing Standards and the Federal Single Audit Act

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Big Brothers Big Sisters of Connecticut, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Big Brothers Big Sisters of Connecticut, Inc. (the Organization), which comprise the statement of financial position as June 30, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 8, 2023.

Internal Control over Financial Reporting

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

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

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

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* (continued)

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Fiondella, Milone & LaSaracina LLP

Glastonbury, Connecticut
March 8, 2023

Independent Auditors' Report on Compliance for Each Major Program; Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
Big Brothers Big Sisters of Connecticut, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Big Brothers Big Sisters of Connecticut, Inc.'s (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 year ended June 30, 2022. 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.

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 year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Independent Auditors' Report on Compliance for each Major Program; Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (continued)

Report on 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Organization as of and for the year ended June 30, 2022, and have issued our report thereon dated March 8, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Fiondella, Milone & LaSaracina LLP

Glastonbury, Connecticut
March 8, 2023

Big Brothers Big Sisters of Connecticut, Inc.

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Pass-Through Entity Name	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
AmeriCorps: Corporation for National and Community Service				
Foster Grandparent/Senior Companion Cluster:				
Foster Grandparent Program	N/A	94.011	N/A	$ 448,705
				448,705
Department of Housing and Urban Development				
Community Development Block Grants / Entitlement Grants	City of New Britain	14.218	B-22-MC-09-0008	10,000
Community Development Block Grants / Entitlement Grants	City of East Hartford	14.218	Not Assigned	12,000
Community Development Block Grants / Entitlement Grants	City of Meriden	14.218	Not Assigned	14,000
Department of Justice				
Coronavirus State and Local Fiscal Recovery Funds	Hartford Unity	21.027	Not Assigned	5,000
Mentoring +	Youth Collaboratory	16.726	2020-JU-FX-0006	128,080
Office of Juvenile Justice and Delinquency Prevention - #9	Big Brothers Big Sisters of America	16.726	2019-MU-FX-0001	61,167
Office of Juvenile Justice and Delinquency Prevention - #10	Big Brothers Big Sisters of America	16.726	2020-JU-FX-0030	60,873
Office of Juvenile Justice and Delinquency Prevention - #11	Big Brothers Big Sisters of America	16.726	15PJDP-21-GG-02765-MENT	13,693
Office of Juvenile Justice and Delinquency Prevention – Mentoring Youth Impacted by Opioids – Phase III	Big Brothers Big Sisters of America	16.726	2020-JY-FX-0003	17,094
Office of Juvenile Justice and Delinquency Prevention – Mentoring Youth Impacted by Opioids – Phase IV	Big Brothers Big Sisters of America	16.726	15PJDP-21-GG-02743-MENT	1,804
Total				$ 772,416

See notes to schedule of expenditures of federal awards

Big Brothers Big Sisters of Connecticut, Inc.

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Policies

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. The Organization calculates indirect rates in accordance with the Uniform Guidance and has not elected to use the 10% de minimis cost rate. Pass-through entity identifying numbers are presented where available.

Big Brothers Big Sisters of Connecticut, Inc.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	___yes	_X_ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___yes	_X_ none reported
Noncompliance material to financial statements noted?	___yes	_X_ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___yes	_X_ no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___yes	_X_ none reported
Type of auditors' opinion issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 510(a)?	___yes	_X_ no

Identification of major programs:

Federal Assistance Listing Numbers	Name of Federal Program or Cluster	Grant Expenditures
94.011	Foster Grandparent/Senior Companion Cluster	$ 448,705

Dollar threshold used to distinguish between Type A and Type B program:	$ 750,000	
Auditee qualified as low-risk auditee?	_yes	X__no

II. Findings- Financial Statement Audit

None

III. Findings and Questioned Costs- Major Federal Awards Program Audit

None