

Audited Financial Statements

Big Brothers Big Sisters of Connecticut, Inc.

*Years Ended June 30, 2024 and 2023
with Independent Auditors' Report and
Reports in Accordance with Government Auditing
Standards, the Uniform Guidance for Federal Awards
and the State Single Audit Act*



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Big Brothers Big Sisters of Connecticut, Inc.

Audited Financial Statements

Years ended June 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

Independent Auditors' Report (continued)

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 an 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.

Independent Auditors' Report (continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of Big Brothers Big Sisters of Connecticut Inc.'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 Big Brothers Big Sisters of Connecticut Inc.'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 Big Brothers Big Sisters of Connecticut Inc.'s internal control over financial reporting and compliance.

Fiondella, Milone & LaSaracina LLP

December 20, 2024
Glastonbury, Connecticut

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

Assets	June 30,	
	2024	2023
Current assets:		
Cash and cash equivalents	\$ 979,366	\$ 617,591
Investments	453,599	417,772
Receivables, net of allowance for doubtful accounts, current portion	902,993	703,321
Prepaid expenses	33,487	24,598
Total current assets	2,369,445	1,763,282
Non-current assets:		
Receivables, net, less current portion and discount	-	4,929
Property and equipment, net	1,583	2,532
Right-of-use assets	31,125	76,381
Total assets	\$ 2,402,153	\$ 1,847,124
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 104,146	\$ 84,084
Accrued expenses	136,991	88,962
Deferred revenue	132,500	13,500
Operating lease liabilities	31,125	68,959
Total current liabilities	404,762	255,505
Long-term liabilities:		
Operating lease liabilities, net of current portion	-	7,422
Total liabilities	404,762	262,927
Net assets without donor restrictions:		
Board designated - reserve fund	467,188	422,333
Undesignated	1,507,471	1,136,864
Total net assets without donor restrictions	1,974,659	1,559,197
Net assets with donor restrictions	22,732	25,000
Total net assets	1,997,391	1,584,197
Total liabilities and net assets	\$ 2,402,153	\$ 1,847,124

See accompanying notes

Big Brothers Big Sisters of Connecticut, Inc.
Statements of Activities
For the Years Ended June 30, 2024 and 2023

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Contributions	\$ 1,075,570	\$ 15,638	\$ 1,091,208	\$ 998,537	\$ 25,000	\$ 1,023,537
Government grants	1,623,999	-	1,623,999	1,192,124	-	1,192,124
Other grants	30,678	-	30,678	31,128	-	31,128
Special events, net	344,721	-	344,721	377,469	-	377,469
In-kind contributions	112,840	-	112,840	97,457	-	97,457
United Way contributions	35,368	-	35,368	54,309	-	54,309
HartSprings Foundation, Inc.	7,275	-	7,275	42,373	-	42,373
Net assets released from restriction	17,906	(17,906)	-	91,141	(91,141)	-
Investment income (loss), net	44,667	-	44,667	25,578	-	25,578
Total support and revenues	<u>3,293,024</u>	<u>(2,268)</u>	<u>3,290,756</u>	<u>2,910,116</u>	<u>(66,141)</u>	<u>2,843,975</u>
Expenses						
Program services:						
Big Brothers Big Sisters	1,916,195	-	1,916,195	1,639,935	-	1,639,935
Foster Grandparents	546,387	-	546,387	490,037	-	490,037
	<u>2,462,583</u>	<u>-</u>	<u>2,462,583</u>	<u>2,129,972</u>	<u>-</u>	<u>2,129,972</u>
Supporting services:						
Management and general	184,584	-	184,584	241,513	-	241,513
Fundraising	230,395	-	230,395	309,086	-	309,086
Total expenses	<u>2,877,562</u>	<u>-</u>	<u>2,877,562</u>	<u>2,680,571</u>	<u>-</u>	<u>2,680,571</u>
Change in net assets	415,462	(2,268)	413,194	229,545	(66,141)	163,404
Net assets - beginning of year	<u>1,559,197</u>	<u>25,000</u>	<u>1,584,197</u>	<u>1,329,652</u>	<u>91,141</u>	<u>1,420,793</u>
Net assets - end of year	<u>\$ 1,974,659</u>	<u>\$ 22,732</u>	<u>\$ 1,997,391</u>	<u>\$ 1,559,197</u>	<u>\$ 25,000</u>	<u>\$ 1,584,197</u>

See accompanying notes

Big Brothers Big Sisters of Connecticut, Inc.
Statement of Functional Expenses
Year Ended June 30, 2024

	<u>Program Services</u>				<u>Total</u>
	<u>Big Brothers Big Sisters</u>	<u>Foster Grandparents</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and related expenses:					
Salaries	\$ 1,290,324	\$ 205,433	\$ 60,806	\$ 130,137	\$ 1,686,700
Payroll taxes	102,495	14,929	7,399	8,725	133,548
Employee benefits	112,937	26,241	10,045	19,832	169,055
Total salaries and related expenses	<u>1,505,756</u>	<u>246,603</u>	<u>78,250</u>	<u>158,694</u>	<u>1,989,303</u>
Other expenses:					
Activities	98,136	23,107	1,473	258	122,974
Bad debt expense	-	-	-	10,029	10,029
Conferences and meetings	4,053	1,910	6,300	1,233	13,496
Donated advertising	45,628	9,257	-	18,117	73,003
Dues and subscriptions	25,042	-	12,406	1,122	38,570
Equipment rental and maintenance	16,424	2,830	6,813	1,519	27,586
Insurance	35,620	6,504	4,134	3,438	49,696
Bank and credit card fees	1,188	-	1,308	7,644	10,140
Occupancy	48,359	16,229	2,506	3,907	71,001
Office expense and supplies	12,186	478	8,398	1,644	22,706
Postage	1,829	332	1,551	181	3,893
Printing and publications	17	56	37,625	5,218	42,916
Professional fees	80,656	11,323	14,228	4,425	110,632
Telephone and internet	16,093	3,512	2,196	2,623	24,424
Travel	25,208	2,873	6,447	10,343	44,871
Volunteer support	-	221,373	-	-	221,373
Total other expenses	<u>410,439</u>	<u>299,784</u>	<u>105,385</u>	<u>71,701</u>	<u>887,310</u>
Depreciation	-	-	949	-	949
Total functional expenses	<u>\$ 1,916,195</u>	<u>\$ 546,387</u>	<u>\$ 184,584</u>	<u>\$ 230,395</u>	<u>\$ 2,877,562</u>

See accompanying notes

Big Brothers Big Sisters of Connecticut, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	<u>Program Services</u>				<u>Total</u>
	<u>Big Brothers Big Sisters</u>	<u>Foster Grandparents</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and related expenses:					
Salaries	\$ 1,048,615	\$ 182,941	\$ 133,996	\$ 175,526	\$ 1,541,078
Payroll taxes	76,157	13,286	10,158	12,761	112,362
Employee benefits	97,324	26,655	12,589	27,125	163,693
Total salaries and related expenses	1,222,096	222,882	156,743	215,412	1,817,133
Other expenses:					
Activities	109,592	27,045	2,299	127	139,063
Bad debt expense	4,000	-	-	19,800	23,800
Conferences and meetings	5,253	501	1,702	231	7,687
Donated advertising	34,960	7,093	-	13,881	55,934
Dues and subscriptions	31,761	-	1,269	2,833	35,863
Equipment rental and maintenance	13,571	2,674	5,601	2,097	23,943
Insurance	31,787	5,858	5,631	4,434	47,710
Bank and credit card fees	825	-	45	5,706	6,576
Occupancy	45,262	15,344	7,379	8,997	76,982
Office expense and supplies	11,496	347	5,449	198	17,490
Postage	2,394	600	1,484	405	4,883
Printing and publications	1,579	-	32,445	11,394	45,418
Professional fees	90,625	12,554	14,474	18,724	136,377
Telephone and internet	17,011	3,971	5,895	2,949	29,826
Travel	16,822	5,662	564	1,898	24,946
Volunteer support	-	185,101	-	-	185,101
Total other expenses	416,938	266,750	84,237	93,674	861,599
Depreciation	901	405	533	-	1,839
Total functional expenses	<u>\$ 1,639,935</u>	<u>\$ 490,037</u>	<u>\$ 241,513</u>	<u>\$ 309,086</u>	<u>\$ 2,680,571</u>

See accompanying notes

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

	Years Ended June 30,	
	2024	2023
Cash flows from operating activities		
Changes in net assets	\$ 413,194	\$ 163,404
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	949	1,839
Reduction in carrying amount of right-of-use assets	45,256	70,319
Unrealized and realized gain on investments, net of investment fees	(31,540)	(12,831)
Bad debt expense	10,029	23,800
Changes in assets and liabilities:		
Receivables	(204,772)	(447,759)
Prepaid expenses	(8,889)	(3,503)
Accounts payable	20,062	(5,023)
Accrued expenses	48,029	(37,418)
Deferred revenue	119,000	8,500
Operating lease liabilities	(45,256)	(70,319)
Net cash provided by (used in) operating activities	366,062	(308,991)
Cash flows from investing activities		
Purchases of investments, net	(4,287)	(66,480)
Net cash used in investing activities	(4,287)	(66,480)
Net change in cash and cash equivalents	361,775	(375,471)
Cash and cash equivalents - beginning of year	617,591	993,062
Cash and cash equivalents - end of year	\$ 979,366	\$ 617,591
Noncash investing and financing activities:		
Implementation of <i>ASC 842 Leases</i> , right-of-use asset	\$ -	\$ 146,700
Implementation of <i>ASC 842 Leases</i> , lease liability	-	(146,700)

See accompanying notes

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

June 30, 2024 and 2023

1. Description of Organization and Nature of Activities

Big Brothers Big Sisters of Connecticut, Inc. (the Organization) 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.

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 \$467,188 and \$422,333 at June 30, 2024 and 2023, (see Note 3).

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 \$22,732 and \$25,000 of donor restricted net assets at June 30, 2024 and 2023, (see Note 3).

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

2. Summary of Significant Accounting Policies (continued)

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, 2024 and 2023. The Organization also maintains an investment account in a financial institution that is not insured by the FDIC.

Cash and Cash Equivalents

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

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. The Organization estimates any allowance for doubtful accounts based on an analysis of specific donors, taking into consideration the donor's ability to pay and the age of past due accounts along with historical experience. There was an allowance for doubtful accounts of \$9,000 and \$17,500 at June 30, 2024 and 2023, respectively. Receivables that are expected to be collected in future years are recorded at their net present value (see Note 5).

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

2. Summary of Significant Accounting Policies (continued)

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.

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.

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

2. Summary of Significant Accounting Policies (continued)

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, 2024 and 2023, \$73,003 and \$55,934, respectively, has been recognized as revenue in the financial statements for donated advertising services; \$39,837 and \$38,250, respectively, has been recognized for various donated gifts, which consist primarily of tickets to events; and \$0 and \$3,273, respectively, has been recognized for professional services. There were no restricted in-kind goods and services for the years ended June 30, 2024 or 2023. Fair value of the in-kind items was determined based on amounts provided by donors and vendors or estimated fair market values of the donated goods and services at the date of receipt.

Leases

Short Term Leases - Short term leases are expensed on a straight-line basis over the lease term, with differences between lease payments and lease expenses being recorded to deferred rent.

Operating Leases - Operating leases are recorded through a right-of-use asset and operating lease liability on the statements of financial position. The lease liability is recorded at a present value using the risk-free discount rate (or rate implicit in the lease). The lease liability is reduced as lease payments are made throughout the life of the lease. The ROU asset is reduced as lease expense is recognized on a straight-line basis throughout the life of the lease. The total lease expense is equal to the total lease component payments made for the lease, less any amounts received from related parties for their proportional share of rent.

Finance Leases - Finance leases are recorded through a right-of-use asset within fixed assets and financing lease liability on the statements of financial position. The lease liability is recorded at a present value with a risk-free discount rate (or rate implicit in the lease). The lease liability is reduced as lease payments are made throughout the life of the lease. The initial right-of-use asset value is amortized over the life of the lease on a straight-line basis. Interest expense is also recognized based on the lease liability and the rate used.

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

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

Variable Payments - Variable lease payments are recognized as lease expenses in the period in which they are incurred.

The Organization has elected to not separate lease and nonlease components. The Organization accounts for lease and nonlease components as a single combined lease component.

The Organization has elected (by asset class) not to record on the statements of financial position a lease whose term is 12 months or less and does not include a purchase option that the lessee is reasonably certain to exercise.

The Organization has elected to use a risk-free discount rate when determining the present value of the lease payments for purposes of calculating the ROU asset and lease liability.

The Organization has elected to use hindsight in determining the lease term, including lease renewal, termination, and purchase options, as well as in assessing any impairment of the ROU asset by taking into consideration all available information prior to the effective date but not the events or circumstances after the effective date.

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.

Advertising Costs

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

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

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, requires disclosure of the fair value of financial instruments held by the Organization. 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, 2024 and 2023, 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, fixed income funds, equities, and ETF’s 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.

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

3. Net Assets Restricted by Donors and Board of Directors

Donor Restricted

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

	<u>2024</u>	<u>2023</u>
Big Futures program	\$ 19,638	\$ 20,000
Technology upgrades	3,094	5,000
Total	<u>\$ 22,732</u>	<u>\$ 25,000</u>

Board Reserve Fund

The Board of Directors has designated 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, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Reserve fund, beginning of year	\$ 422,333	\$ 344,275
Investment gain, net of fees	44,855	25,555
Contributions	-	52,503
Reserve fund, end of year	<u>\$ 467,188</u>	<u>\$ 422,333</u>

4. Investments

Investments as of June 30, 2024, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Mutual funds	\$ 117,370	\$ 134,656	\$ 17,286
Equities	83,195	118,793	35,598
Fixed income funds	134,448	135,859	1,411
ETFs	55,177	64,291	9,114
Total	<u>\$ 390,190</u>	<u>\$ 453,599</u>	<u>\$ 63,409</u>

The following schedule summarizes the investment return for the year ended June 30, 2024:

Interest and dividends	\$ 13,127
Unrealized and realized gain, net	35,732
Investment fees	(4,192)
	<u>\$ 44,667</u>

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

4. Investments (continued)

Investments as of June 30, 2023, are summarized as follows:

	Cost	Fair Value	Unrealized (Loss) Gain
Mutual funds	\$ 114,863	\$ 121,542	\$ 6,679
Equities	88,231	108,047	19,816
Fixed income funds	133,530	132,981	(549)
ETFs	51,977	55,202	3,225
Total	<u>\$ 388,601</u>	<u>\$ 417,772</u>	<u>\$ 29,171</u>

The following schedule summarizes the investment return for the year ended June 30, 2023:

Interest and dividends	\$ 12,747
Unrealized and realized gain, net	17,129
Investment fees	<u>(4,298)</u>
	<u>\$ 25,578</u>

The Organization is the beneficiary of income from donor-restricted purpose funds held, administered and controlled by the Hartford Foundation for Public Giving (the Foundation). These funds consist of gifts received with a donor stipulation that require the funds to be used for the benefit of the Organization and held for an indefinite period of time. The principal of these funds is neither in the possession nor under the control of the Organization and as these funds are subject to the Foundation's variance power, neither the fund assets nor the present value of the estimated cash receipts from these funds are recorded on the accompanying financial statements. Assets held by the Foundation for the benefit of the Organization totaled approximately \$24,043 and \$21,439 as of June 30, 2024 and 2023, respectively. There were no distributions received from these funds during the years ended June 30, 2024 and 2023.

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. There were no material unconditional promises to give that were expected to be collected in future years as of June 30, 2024. A discount rate of 4.49% (based on the three year Treasury bill rates of return) was used for the fiscal year ended June 30, 2023.

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

5. Receivables (continued)

Included in receivables are the following unconditional promises to give:

	2024	2023
Contributions	\$ 22,500	\$ 57,120
Grants	826,857	623,432
Other receivables	62,636	45,669
Total gross receivables	<u>911,993</u>	<u>726,221</u>
Less: discount to present value	-	(471)
Less: allowance for doubtful accounts	(9,000)	(17,500)
Net receivables	<u>\$ 902,993</u>	<u>\$ 708,250</u>
Amounts due in:		
Less than one year	\$ 902,993	\$ 703,321
One to five years	-	4,929
Total gross receivables	<u>\$ 902,993</u>	<u>\$ 708,250</u>

6. Property and Equipment

Property and equipment consisted of the following at June 30:

	2024	2023
Leasehold improvements	\$ 18,950	\$ 18,950
Furniture and fixtures	23,080	23,080
Computers and software	80,280	80,280
	<u>122,310</u>	<u>122,310</u>
Less: accumulated depreciation	(120,727)	(119,778)
Total property and equipment, net	<u>\$ 1,583</u>	<u>\$ 2,532</u>

Depreciation expense related to property and equipment was \$949 and \$1,839 for the years ended June 30, 2024 and 2023, respectively.

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

7. United Way Allocations

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

	June 30,	
	2024	2023
United Way of Central & Northeastern CT	\$ 17,500	\$ 30,002
United Way of Greater Waterbury	11,850	11,850
United Way of West Central Connecticut	3,663	4,500
Valley United Way	1,200	1,200
United Way of Milford	1,155	5,568
United Way of Meriden and Wallingford	-	750
United Way of Northwest Connecticut, Inc.	-	439
Total	\$ 35,368	\$ 54,309

8. 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 January 2025 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, 2024 and 2023, the Organization earned \$7,275 and \$42,373, respectively, from HartSprings under the agreement.

9. 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. Gross special events revenue and expenses for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Gross revenue	\$ 492,362	\$ 495,956
Less: costs of direct benefits to donors	(147,641)	(118,487)
Special events revenue, net	\$ 344,721	\$ 377,469

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

10. 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, 2024 and 2023, 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 or 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, 2024, the Organization's federal and state tax returns generally remain open for examination for years after June 30, 2021.

11. Commitments and Contingencies

Operating Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets and operating lease liabilities in the Organization's statements of financial position.

The Organization leases its primary office space in Hartford as well as office space in Norwich and Bridgeport and office equipment. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Supplemental statement of financial position information related to the leases were as follows at June 30:

	2024	2023
Operating lease ROU asset	\$ 146,700	\$ 146,700
Accumulated amortization	(115,575)	(70,319)
Net operating ROU asset	<u>\$ 31,125</u>	<u>\$ 76,381</u>
Operating lease liabilities:		
Current operating liability	\$ 31,125	\$ 68,959
Noncurrent operating lease liability	-	7,422
Total operating lease liability	<u>\$ 31,125</u>	<u>\$ 76,381</u>

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

11. Commitments and Contingencies (continued)

Operating Leases (continued)

	June 30, 2024
Weighted average remaining lease term – operating lease	6 months
Weighted average discount rate – operating lease	4.86 %

Maturities of the lease liabilities under the lease agreements were as follows for the years ended June 30:

2025	\$ 31,450
Total future undiscounted lease payments	31,450
Less: interest	(325)
Present value of lease liability	\$ 31,125
Current portion of lease liability	\$ 31,125
Long-term portion of lease liability	-

Lease expense under the above agreements aggregated \$71,001 and \$76,785 for the years ended June 30, 2024 and 2023, respectively.

12. 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 reserve fund at June 30, 2024 and 2023 was \$467,188 and \$422,333, respectively (Note 3).

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

13. 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.

	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 979,366	\$ 617,591
Receivables, net	902,993	708,250
Investments	453,599	417,772
	2,335,958	1,743,613
Less:		
Receivables scheduled to be collected in more than 1 year	-	4,929
Board designated funds *	467,188	422,333
Funds subject to donor restrictions	22,732	25,000
	489,920	452,262
Total financial assets available within one year	\$ 1,846,038	\$ 1,291,351

* Board designated funds are available for use by management with approval from the Board of Directors or an officer of the Board.

14. 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 \$36,245 and \$34,172 for the years ending June 30, 2024 and 2023, respectively.

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, 2024 and 2023, there was \$0 and \$10,000 payable to BBBSMB related to this agreement.

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

15. Concentrations

As of June 30, 2024, amounts receivable for the Foster Grandparents Program represented approximately 14% of total gross receivables, and grants receivable from one individual grant represented approximately 67% of total gross receivables. As of June 30, 2023, amounts receivable for the Foster Grandparents Program represented approximately 10% of total gross receivables, and grants receivable from two individual grantors represented approximately 67% and 11% of total gross receivables.

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, 2024 and 2023, this support was approximately 15% of total revenues. 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.

The Organization also received a grant during the year ended June 30, 2023 from the U.S. Federal Government under the American Rescue Plan Act (ARPA) that represented approximately 19% and 17% of total revenues for the years ended June 30, 2024 and 2023, respectively.

16. 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, 2024 and 2023 was \$6,916 and \$7,426, respectively.

17. 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.

18. Subsequent Events

The Organization has evaluated events occurring between June 30, 2024 and December 20, 2024, the date the financial statements were available to be issued.

During October 2024, the Organization entered into an operating lease agreement for new office space in Hartford, Connecticut. The lease is for an initial seven year term, with two optional extensions of four years each. The monthly rent increases from \$5,670 to \$6,157 over the initial seven year term.

II. Report in Accordance with *Government Auditing Standards*



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, 2024, 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 December 20, 2024.

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
December 20, 2024

III. Report in Accordance with Uniform Guidance for Federal Awards



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, 2024. 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, 2024.

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.

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)

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.

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 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, 2024, and have issued our report thereon dated December 20, 2024, 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
December 20, 2024

Big Brothers Big Sisters of Connecticut, Inc.

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

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	\$ 478,933
				<u>478,933</u>
Department of Housing and Urban Development				
Community Development Block Grants / Entitlement Grants	City of Hartford	14.218	Not Assigned	8,000
Community Development Block Grants / Entitlement Grants	City of East Hartford	14.218	Not Assigned	3,879
Community Development Block Grants / Entitlement Grants	City of Norwich	14.218	Not Assigned	10,000
				<u>21,879</u>
Department of Treasury				
Coronavirus State and Local Fiscal Recovery Funds	ARPA – Big Brothers and Big Sisters	21.027	12060-28093-2023- 82079-170037	611,743
Coronavirus State and Local Fiscal Recovery Funds	Hartford Unity	21.027	Not Assigned	16,000
				<u>627,743</u>
Department of Justice				
Mentoring +	Youth Collaboratory	16.726	2020-JU-FX-0006	6,288
Office of Juvenile Justice and Delinquency Prevention - #13	Big Brothers Big Sisters of America	16.726	15PJDP-23-GG-00851- MENT	5,903
Office of Juvenile Justice and Delinquency Prevention - #12	Big Brothers Big Sisters of America	16.726	15PJDP-22-GG-01749- MENT	71,609
Office of Juvenile Justice and Delinquency Prevention – Mentoring Youth Impacted by Opioids – Phase VI	Big Brothers Big Sisters of America	16.726	15PJDP-23-GG-01309- MENT	5,110
Office of Juvenile Justice and Delinquency Prevention – Mentoring Youth Impacted by Opioids – Phase V	Big Brothers Big Sisters of America	16.726	15PJDP-22-GG-03742- MENT	56,534
				<u>145,444</u>
Total				<u>\$ 1,273,999</u>

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, 2024

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, 2024. 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, 2024

I. Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___yes	<u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___yes	<u>X</u> none reported

Type of auditors' opinion issued on compliance for major programs:	<u>Unmodified</u>
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 510(a)?	___yes	<u>X</u> no
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Identification of major programs:

Federal Assistance Listing Numbers	Name of Federal Program or Cluster	Grant Expenditures
Department of Treasury 21.027	Coronavirus State and Local Fiscal Recovery Funds	\$ 627,743
Dollar threshold used to distinguish between Type A and Type B program:		\$ 750,000
Auditee qualified as low-risk auditee?		<u>X</u> yes ___no

II. Findings- Financial Statement Audit

None.

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

None.

IV. Report in Accordance with the State Single Audit Act



Independent Auditors' Report on Compliance for Each Major State Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of State Financial Assistance Required by the State Single Audit Act

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Big Brothers Big Sisters of Connecticut, Inc.'s (the Organization) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Organization's major state programs for the year ended June 30, 2024. The Organization's major state 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 state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State 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 State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act 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 state program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Independent Auditors' Report on Compliance for each Major State Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of State Financial Assistance Required by the State Single Audit Act
(continued)

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 state 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 State Single Audit Act 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 state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Single Audit Act, 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 State Single Audit Act, 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.

Independent Auditors' Report on Compliance for each Major State Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of State Financial Assistance Required by the State Single Audit Act
(continued)

Auditors' Responsibilities for the Audit of Compliance (continued)

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.

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 state 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 state 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 state 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 State Single Audit. Accordingly, this report is not suitable for any other purpose.

Independent Auditors' Report on Compliance for each Major State Program;
Report on Internal Control over Compliance; and Report on the Schedule of
Expenditures of State Financial Assistance Required by the State Single Audit Act
(continued)

**Report on Schedule of Expenditures of State Financial Assistance Required by the State
Single Audit Act**

We have audited the financial statements of the Organization as of and for the year ended June 30, 2024, and have issued our report thereon dated December 20, 2024, 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 state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act 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 state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Fiondella, Milone & LaSaracina LLP

Glastonbury, Connecticut
December 20, 2024

Big Brothers Big Sisters of Connecticut, Inc.

Schedule of Expenditures of State Financial Assistance

For the Year Ended June 30, 2024

State Grantor/Pass-Through Grantor Program Title	State Grant Program Core – CT Number	Passed Through Subrecipient	Expenditures
Department of Education:			
State of Connecticut – LPI – Other Expenses	11000-10020-2024-82010- 170004	N/A	\$ 350,000
Total State Financial Assistance			\$ 350,000

See notes to schedule of expenditures of state financial assistance

Big Brothers Big Sisters of Connecticut, Inc.

Note to Schedule of Expenditures of State Financial Assistance

For the Year Ended June 30, 2024

1. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes state grant activity of Big Brothers Big Sisters of Connecticut, Inc. (the Organization) under programs of the State of Connecticut for the fiscal year ended June 30, 2024. The Department of Education of the State of Connecticut has provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund the Organization's programs related to mentoring youth.

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities. The information in the Schedule of Expenditures of State Financial Assistance (the Schedule) is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

Big Brothers Big Sisters of Connecticut, Inc.

Schedule of State Findings and Questioned Costs

For the Year Ended June 30, 2024

I. Summary of Auditors' Results

Financial Statements

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

State Financial Assistance

Internal control over major programs:		
Material weakness(es) identified?	___yes	<u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___yes	<u>X</u> 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 Section 4-236-24 of the Regulations to the State Single Audit Act?	___yes	<u>X</u> no
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Identification of major programs:

State Grantor and Program	State Core – CT Number	Grant Expenditures
Department of Education LPI – Other Expenses	11000-10020-2024-82010-170004	\$ 350,000
Dollar threshold used to distinguish between Type A and Type B program:		\$ 200,000

II. Findings- Financial Statement Audit

None.

III. Findings and Questioned Costs- State Financial Assistance

None.