

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

(With Summarized Totals for the Year Ended June 30, 2012)

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.

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Independent Auditor's Report

Board of Directors
Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc. which comprise the balance sheet as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Board of Directors
Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc.

Report on Summarized Comparative Information

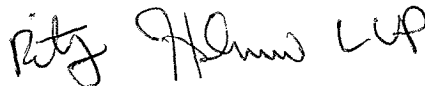
We have previously audited Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc.'s 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis in accordance with the *State Single Audit Guidelines* and is also not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* and the *State Single Audit Guidelines*, we have also issued our report dated November 7, 2013, on our consideration of Big Brothers and Big Sisters of Metropolitan Milwaukee, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *State Single Audit Guidelines* in considering Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc.'s internal control over financial reporting and compliance.



RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
November 7, 2013

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
BALANCE SHEET
JUNE 30, 2013
(With Summarized Totals for June 30, 2012)

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 467,891	\$ 439,493
Grants Receivable	38,751	45,406
Current Pledges Receivable	201,625	241,750
Allowance for Uncollectible Accounts	(6,000)	(6,000)
Prepaid Expenses	40,084	49,017
Total Current Assets	\$ 742,351	\$ 769,666
FIXED ASSETS		
Furniture and Fixtures	\$ 3,009	\$ 56,354
Equipment	46,065	140,109
Leasehold Improvements	48,238	69,603
Total Fixed Assets	\$ 97,312	\$ 266,066
Less: Accumulated Depreciation	(72,392)	(260,367)
Net Fixed Assets	\$ 24,920	\$ 5,699
LONG-TERM ASSETS		
Long-Term Pledges Receivable	\$ 5,000	\$ 10,000
Total Long-Term Assets	\$ 5,000	\$ 10,000
TOTAL ASSETS	\$ 772,271	\$ 785,365
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 23,318	\$ 24,523
Accrued Payroll Liabilities	66,513	72,242
Total Current Liabilities	\$ 89,831	\$ 96,765
Total Liabilities	\$ 89,831	\$ 96,765
NET ASSETS		
Unrestricted	\$ 384,880	\$ 354,825
Temporarily Restricted	297,560	333,775
Total Net Assets	\$ 682,440	\$ 688,600
TOTAL LIABILITIES AND NET ASSETS	\$ 772,271	\$ 785,365

The accompanying notes are an integral part of these financial statements.

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(With Summarized Totals for the Year Ended June 30, 2012)

	Unrestricted	Temporarily Restricted	2013 Total	2012 Total
REVENUE				
Contributions	\$ 858,861	\$ 135,060	\$ 993,921	\$ 1,153,787
United Way	179,172	---	179,172	137,646
Community Advocates - Brighter Futures	150,985	---	150,985	151,519
Big Brothers Big Sisters of America	58,042	---	58,042	127,833
Special Events Revenue	429,816	150,300	580,116	571,407
Special Events Expense	(121,197)	---	(121,197)	(106,257)
Investment Income	344	---	344	411
Donated Goods and Services	153,753	---	153,753	153,479
Net Assets Released From Restrictions	321,575	(321,575)	---	---
Total Revenue	\$ 2,031,351	\$ (36,215)	\$ 1,995,136	\$ 2,189,825
EXPENSES				
Program Services	\$ 1,431,762	\$ ---	\$ 1,431,762	\$ 1,327,401
Management and General	150,267	---	150,267	175,400
Marketing and Development	419,267	---	419,267	435,678
Total Expenses	\$ 2,001,296	\$ ---	\$ 2,001,296	\$ 1,938,479
CHANGE IN NET ASSETS	\$ 30,055	\$ (36,215)	\$ (6,160)	\$ 251,346
Net Assets, Beginning of Year	354,825	333,775	688,600	437,254
NET ASSETS, END OF YEAR	\$ 384,880	\$ 297,560	\$ 682,440	\$ 688,600

The accompanying notes are an integral part of these financial statements.

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013
(With Summarized Totals for the Year Ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (6,160)	\$ 251,346
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	7,672	7,301
(Increase) Decrease in Grants Receivable	6,655	(3,043)
(Increase) Decrease in Pledges Receivable	45,125	(31,835)
(Increase) Decrease in Prepaid Expenses	8,933	(21,274)
Increase (Decrease) in Accounts Payable	(1,205)	5,693
Increase (Decrease) in Accrued Payroll Liabilities	<u>(5,729)</u>	<u>(630)</u>
Net Cash Provided by Operating Activities	<u>\$ 55,291</u>	<u>\$ 207,558</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	<u>\$ (26,893)</u>	<u>\$ ---</u>
Net Cash Used by Investing Activities	<u>\$ (26,893)</u>	<u>\$ ---</u>
Net Increase in Cash and Cash Equivalents	\$ 28,398	\$ 207,558
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>439,493</u>	<u>231,935</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 467,891</u>	<u>\$ 439,493</u>

The accompanying notes are an integral part of these financial statements.

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - Summary of Significant Accounting Policies

Organization

The Organization's mission is to provide children facing adversity with strong and enduring, professionally supported one-to-one relationships that change their lives for the better, forever. The Organization is an affiliate of Big Brothers Big Sisters of America. Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc. is one of the 30 largest Big Brothers and Big Sisters organizations out of 400 in the country.

Accounting Method

The financial statements of Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc. have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The Organization capitalized all assets with values of \$1,000 or greater.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Assets of the restricted classes are created only by donor-imposed restrictions.

Contributions

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Estimates

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

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE B - Comparative Financial Information

The financial information shown for the 2012 fiscal year end in the accompanying financial statements is included to provide a basis of comparison with the 2013 fiscal year end and represents summarized totals only. For comparability, certain 2012 amounts have been reclassified to conform to classification adopted in 2013. The reclassifications have no effect on reported amounts or change in net assets.

NOTE C - Concentration of Credit Risk

The Organization maintains its cash balances at a financial institution located in Wisconsin. The combined account balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2013, the Organization's uninsured cash balances totaled \$222,379.

NOTE D - Grants Receivable

Grants Receivable consists of the following amounts at June 30, 2013:

<u>Source</u>	<u>Amount</u>
Community Advocates	\$38,751

NOTE E - Pledges Receivable

Pledges Receivable is comprised of unconditional individual, foundation and United Way pledges to be collected in future periods.

Future pledges are expected to be collected as follows:

<u>During the Year Ending June 30,</u>	<u>Amount</u>
2014	\$201,625
2015	<u>5,000</u>
Gross Pledges Receivable	\$206,625
Less: Allowance for Uncollectible	<u>(6,000)</u>
Net Pledges Receivable	<u>\$200,625</u>

NOTE F - Line of Credit

The Organization has available a \$250,000 line of credit maturing on January 10, 2017. The interest rate on the line of credit is determined to be 2.25 percentage points over the British Bankers Association LIBOR independent index. At June 30, 2013, the interest rate was 2.46%. The line of credit is secured by all personal and real property. The line of credit was not being used as of as of June 30, 2013.

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE G - Future Liabilities

The Organization has a hotel contract extending into the next fiscal year related to its annual gala. The cost to the Organization if they would cancel their contract would be \$7,500 at June 30, 2013.

NOTE H - Office Lease

The Organization leases office space located in Milwaukee, Wisconsin, under a lease that extends through May 31, 2015. In addition, the Organization paid \$150 per month for storage space. Total rent expense for the year ended June 30, 2013 was \$96,188.

Minimum future rental payments under this non-cancelable operating lease are:

<u>For the Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 96,747
2015	<u>90,713</u>
Total	<u>\$187,460</u>

NOTE I - Operating Lease

In July 2010, the Organization entered into a five-year lease for a copier with an estimated life of seven years. The lease requires a monthly minimum payment of \$240 through June 30, 2015. Lease payments on the copier were \$2,880 during the year ended June 30, 2013.

In April 2011, the Organization entered into a five-year lease for a phone system with an estimated life of seven years. The lease requires a monthly minimum payment of \$702 through April 11, 2016. Lease payments on the phone system were \$8,424 during the year ended June 30, 2013.

Minimum future rental payments under these non-cancelable operating leases are:

<u>For the Year Ending June 30,</u>	<u>Amount</u>
2014	\$11,304
2015	11,304
2016	<u>7,020</u>
Total	<u>\$29,628</u>

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE J - Retirement Plan

The Organization has established a Simplified Employee Pension plan. Employees who have performed services for the Organization during at least two of the immediately preceding plan years and who are age 21 are eligible to participate. The Organization contributed 4% of employees' compensation. Retirement expense for the year ended June 30, 2013 was \$29,684.

NOTE K - Donated Goods and Services

The Organization received donated goods and services valued at \$153,753 during the year ended June 30, 2013. The value of the services is included in the accompanying financial statements.

Donated Goods and Services consist of the following at June 30, 2013:

<u>Source</u>	<u>Amount</u>
Rent	\$ 51,855
Advertising Space	300
Tickets and Community Programs	<u>101,598</u>
Total	<u>\$153,753</u>

NOTE L - Temporarily Restricted Net Assets

Temporarily Restricted Net Assets are comprised of the following at June 30, 2013:

<u>Source</u>	<u>Amount</u>
Time Restricted:	
Individual Pledges - 2014	\$127,560
Corporate Pledges - 2014	7,500
Corporate Pledges - 2015	<u>5,000</u>
Subtotal	<u>\$140,060</u>
Purpose Restricted:	
Golf Event	\$140,300
Gala	10,000
Scholarship Fund	<u>7,200</u>
Subtotal	<u>\$157,500</u>
Total	<u>\$297,560</u>

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE M - Net Assets Released From Restrictions

During the year ended June 30, 2013, net assets released from restrictions are comprised of the following:

<u>Source</u>	<u>Amount</u>
Individual Pledges	\$119,550
Foundation Pledges	50,000
Corporate Pledges	5,600
Golf Event	123,175
Waukesha Youth Collaborative	3,750
Big Brothers Big Sisters of America	17,500
Scholarship Fund	1,000
Thrive Grant Surveys	<u>1,000</u>
Total	<u>\$321,575</u>

NOTE N - Board Donations

During the year ended June 30, 2013, board members and their affiliated companies and foundations donated \$697,709.

NOTE O - Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of June 30, 2013, the Organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year.

NOTE P - Subsequent Events

The Organization evaluated subsequent events and transactions for possible adjustments to the financial statements and disclosures. The Organization has considered events and transactions occurring after June 30, 2013, the date of the most recent balance sheet, through November 7, 2013, the date the financial statements are available to be issued. It has been determined that no subsequent events need to be disclosed.

BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013
(With Summarized Totals for the Year Ended June 30, 2012)

	Program Services	Management and General	Marketing and Development	2013 Total	2012 Total
Salaries	\$ 831,528	\$ 73,163	\$ 268,658	\$ 1,173,349	\$ 1,094,782
Employee Benefits	95,189	12,362	30,985	138,536	122,011
Retirement Expense	18,710	2,530	8,444	29,684	30,889
Payroll Taxes	84,904	6,239	24,224	115,367	109,064
Travel Expense	14,414	1,132	1,808	17,354	15,309
Telephone	10,247	324	1,729	12,300	12,852
Supplies	27,507	3,216	1,287	32,010	29,909
Postage and Shipping	3,657	665	6,908	11,230	10,855
Printing	1,904	210	11,898	14,012	21,681
Organizational Dues	11,830	1,291	3,194	16,315	18,565
Occupancy	96,375	5,804	21,334	123,513	121,674
Insurance	29,958	4,924	9,586	44,468	39,241
Marketing	5,400	1,992	4,094	11,486	32,374
Equipment Maintenance and Rental	6,668	494	1,491	8,653	13,330
Information Technology	13,362	614	7,780	21,756	32,363
Depreciation	6,007	304	1,361	7,672	7,316
Professional Fees	25,484	16,735	428	42,647	36,022
Conferences, Meetings and Staff Development	2,212	4,221	4,815	11,248	12,762
Volunteer Events and Cultivation	3,916	---	---	3,916	4,818
In-Kind Expense	142,490	2,021	9,243	153,754	153,479
Bad Debt Expense	---	6,000	---	6,000	12,245
Other Expenses	---	91	---	91	---
Bank Fees	---	5,935	---	5,935	6,938
TOTALS	<u>\$ 1,431,762</u>	<u>\$ 150,267</u>	<u>\$ 419,267</u>	<u>\$ 2,001,296</u>	<u>\$ 1,938,479</u>

**BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2013**

State Grantor/ Pass-Through Grantor	<u>Expenditures</u>
STATE EXPENDITURES	
Wisconsin Department of Children and Families	
Community Advocates - Reach 7/1/12 - 12/31/12	\$ 37,008
Community Advocates - MCP 7/1/12 - 12/31/12	37,500
Community Advocates - Milwaukee Brighter Futures 1/1/13 - 6/30/13	<u>77,502</u>
TOTAL STATE EXPENDITURES	<u><u>\$ 152,010</u></u>

The accompanying note is an integral part of this schedule.

**BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
NOTE TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of state awards includes the state grant activity of Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *State Single Audit Guidelines*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used, in the preparation of the basic financial statements.

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 and the State Single Audit Guidelines

To the Board of Directors
Big Brothers and Big Sisters of Metropolitan Milwaukee, 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, and in accordance with the *State Single Audit Guidelines*, the financial statements of Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc., which comprise the balance sheet as of June 30, 2013, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated November 7, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc.'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 Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc.'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 Organization'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 may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Big Brothers and Big Sisters of Metropolitan Milwaukee, Inc.'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* or in accordance with the *State Single Audit Guidelines*.

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* and in accordance with the *State Single Audit Guidelines* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Ritz Holman LLP". The signature is written in a cursive, flowing style.

RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
November 7, 2013

**BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

B. FINANCIAL STATEMENT FINDINGS

No matters were reported.

C. STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

D. OTHER ISSUES

- | | |
|--|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e., material noncompliance, non-material noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with applicable <i>State Single Audit Guidelines</i> ? | |
| Department of Children and Families | No |
| Department of Health Services | N/A |
| Department of Workforce Development | N/A |
| Department of Corrections | N/A |

**BIG BROTHERS AND BIG SISTERS OF METROPOLITAN MILWAUKEE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

D. OTHER ISSUES (continued)

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?

No

4. Name and signature of partner



ANDREW C. HOLMAN

5. Date of report

November 7, 2013