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August 22, 2016

To the Board of Directors
Big Brothers Big Sisters of the Mid-South, Inc.
Memphis, TN

We have audited the financial statements for the years ended December 31, 2015 and 2014 of Big Brothers Big Sisters of the Mid-South, Inc. (Organization) and have issued our report thereon dated August 22, 2016. Professional standards require that we provide you with certain information related to our audit.

This report summarizes our audit, the scope of our engagement, communications required by our professional standards, communications about internal control related matters identified in our audit and our observations relating to certain business issues being faced by the Organization. We received the full support and assistance of the Organization's personnel. This report is intended solely for the use of the Members, Board of Directors and management of Big Brothers Big Sisters of the Mid-South, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate this opportunity to be of service and the confidence you place in our Firm. If you have any questions or comments concerning the information presented herein, please contact us at your earliest convenience.

Respectfully submitted,

DelBrocco & Associates, PLLC

BIG BROTHERS BIG SISTERS OF THE MID-SOUTH, INC.

AUDITORS' REQUIRED COMMUNICATIONS AND RECOMMENDATIONS TO MANAGEMENT DECEMBER 31, 2015

SUMMARY OF AUDIT DESIGN AND EMPHASIS

As previously discussed with management, our audit plan represented an approach responsive to the assessment of risk for the Organization. Specifically, we designed our audit to (1) issue an opinion on the combined financial statements of the Organization and (2) issue this Audit Results Summary with Comments to the board of directors and management of the Organization.

Areas of audit emphasis included:

Revenue recognition
Allowance for doubtful accounts adequacy
Management override of controls
Valuation of in-kind contributions

There were no significant changes to our planned approach of areas of audit emphasis.

REQUIRED COMMUNICATIONS

Statement on Auditing Standards No. 114 and other professional standards require the auditor to provide those charged with governance with information pertaining to the planned scope and timing of the audit, representations from management and significant audit findings that may assist those responsible for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, including the entity's financial reporting process. The areas requiring communication and our comments are summarized as follows:

I. AUDITORS' RESPONSIBILITIES UNDER GAAS

As stated in our engagement letter dated October 1, 2015, our responsibilities, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibilities, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting.

Accordingly, as part of our audit, we considered the internal control of the Organization solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Auditor Comments
Management has acknowledged its responsibility for the Organization's combined financial statements by signing a representation letter addressed to the Firm.

The Firm has issued an unqualified opinion on the Organization's consolidated financial statements as of December 31, 2015. The audit opinion was dated August 22, 2016.

II. PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing discussed with management in planning meetings and in our engagement letter of October 1, 2015.

III. SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Big Brothers Big Sisters of the Mid-South, Inc. are described in Note 1 to the financial statements.

Auditor Comments
We discuss our judgments about quality, not just the acceptability, of accounting principles selected by management, the consistency of their application, and the clarity and completeness of the Organization's financial statements, which include related disclosures.

During the course of our audit of the financial statements of Big Brothers Big Sisters of the Mid-South, Inc. as of December 31, 2015 and 2014 and for the years then ended, we satisfied ourselves that the significant accounting policies of the Organization provide reliable and comparable financial information; are relevant to the Organization's current business environment; and are applied consistently from period to period.

There were no changes to existing principles or their application during the year ended December 31, 2015.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus.

Although management is responsible for recording transactions in the general ledger prior to the audit, adjustments totaling $261,074 were proposed by the auditors which increased net assets by $20,511. The largest adjustment was to recognize $240,563 of in-kind contributions and expenses related to the SportsBall. The adjustments which increased net assets consisted primarily of entries to increase grants and donations receivable in the amount of $12,911 and to decrease accrued payroll and taxes in the amount of $7,774.

There are no significant unusual or nonrecurring accounting transactions.

IV. SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events.

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The following areas required management of the Organization to make significant accounting estimates.

Revenue recognition
Valuation of in-kind contributions
Prepaid expenses
Accrual of investment income

V. FINANCIAL STATEMENT DISCLOSURES

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to the financial statement users.

Auditor Comments
The disclosures in the financial statements are neutral, consistent and clear. The most sensitive disclosures affecting the financial statements are:

Note 1 - Fair Value of Financial Instruments
Note 1 - Donated Services and Materials
Note 1 - Functional Allocation of Expenses

We discussed with management our judgments about quality, not just the acceptability, of disclosures selected by management and the clarity and completeness of the disclosures within the Organization's financial statements.

VI. SIGNIFICANT DIFFICULTIES ENCOUNTERED DURING THE AUDIT

We encountered no significant difficulties in dealing with management and personnel in performing and completing our audit.

VII. METHODS OF ACCOUNTING FOR SIGNIFICANT UNUSUAL TRANSACTIONS

We are required to inform you about the methods used to account for significant unusual transactions and the effects of significant accounting principles in controversial emerging areas for which there is a lack of authoritative guidance or consensus.

Auditor Comments

No emerging areas were noted for which there is a lack of authoritative guidance.

VIII. CORRECTED AND UNCORRECTED MISSTATEMENTS

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.

In addition, professional standards require us to communicate to you all material, corrected misstatements brought to the attention of management as a result of our audit procedures.

Auditor Comments

Although management is responsible to record transactions in the general ledger prior to the audit, adjustments were proposed by the auditor.

Management has approved the auditor proposed adjustments as follows:

Description	Increase (Decrease) Net Assets
Record in-kind contributions from Sport	$ 240,563
Record in-kind expenses from SportsBall	(240,563)
Adjust cash balance	2,161
Adjust depreciation expenses	2,635
Adjust accrued payroll	7,774
Record consulting fee liability	(4,949)
Adjust United Way receivable	5,199
Record cost reimbursement grant receivable	7,712
Miscellaneous	(21)
Total increase to net assets	$ 20,511

There were no passed audit adjustments of significance.

IX. FRAUD AND ILLEGAL ACTS

We are to report to the Audit Committee fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause material misstatements of the financial statements

Auditor Comments
None noted

X. OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

Pursuant to professional standards, our responsibility as auditors for "other information" in documents which contain the Organization's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such information.

Our responsibility also included communicating to you any information, which we believe is a material misstatement of fact.

Auditor Comments
We were informed of no instances of other information being distributed by the Organization which included documents containing audited financial statements.

XI. DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a financial, accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report.

Auditor Comments
None

XII. MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter which is dated August 22, 2016. A copy is attached.

XIII. OTHER SIGNIFICANT FINDINGS OR ISSUES

In the normal course of our professional association with the Organization, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Organization, and business plans and strategies that may affect the risks of material misstatements.

Auditor Comments

Complete Recording of In-Kind Contributed Goods and Services
Observation - The Organization did not record the in-kind contributions of $240,563 for donated items for the 2015 SportsBall.

Recommendation - The Organization should implement controls to ensure all non-cash donations are properly recorded in the general ledger.

Cash
Observation - Adjustments of $2,161 were required to agree the bank reconciliations to the general ledger balance at December 31, 2015.

Recommendation - As part of the monthly closing process, a member of the accounting staff staff should ensure the agreement of the cash reconciliation to the general ledger.

Timely Recording of Cost Reimbursement Grants
Observation - An adjustment of $7,712 was required to record the amount receivable from the cost reimbursement grant through the Department of Justice. Failure to record the invoice in the proper period results in management receiving financial statements which do not properly match the period revenues with the appropriate costs. Misstatements in the financial statements may prevent management from having accurate data in which to make informed decisions.

Recommendation - The Organization should record the cost reimbursement invoices in the period for which the expenditures were incurred to ensure proper matching of revenues and expenditures. Management should implement controls to assure compliance with the billing policy.

Accrued Salaries and Wages
Observation - As a result of tests performed during our audit, an adjustment totaling $7,774 was required to properly state accrued salaries and wages at year end.

Recommendation - Cutoff procedures are intended to ascertain that all transactions have been recorded in the proper period. As part of the monthly closing process, the accounting staff should be trained and alerted to record transactions in the period in which the payroll expense was incurred.

Accounts Receivable
Observation - The Organization did not recognize $5,199 of United Way Donor's Choice pledge receivables at December 31, 2015. The revenue was recorded as the payments were received in 2016.

Recommendation - The Organization should recognize grant revenue in the accounting periods in which such revenue is pledged to the Organization. Management should implement controls to ensure revenues are recorded when unconditionally pledged. Pledge receivables should be reviewed at least quarterly for collectibility.

Accounts Payable
Observation - As a result of tests performed during our audit, an adjustment totaling $4,949 was required to properly accrue for consulting services performed in 2015.

Recommendation - Cutoff procedures are intended to ascertain that all transactions have been recorded in the proper period. As part of the monthly closing process, the accounting staff should be trained and alerted to record transactions in the period in which the expenditure was incurred.

Property and Equipment
Observation - A $2,635 adjustment was required as the Organization fixed asset schedule allowed depreciation in excess of cost basis on certain assets.

Recommendation - As part of the monthly closing process, a member of the accounting staff should review the fixed asset schedule to ensure accumulated depreciation does not exceed the cost basis of the assets.

XIV. MANAGEMENT'S CONSULTATION WITH OTHER ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts

Auditor Comments
Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

XV. COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN AN AUDIT

We are required to communicate in writing to management and those charged with governance control deficiencies identified during an audit that upon evaluation are considered significant deficiencies or material weaknesses.

Auditor Comments
As a result of the $240,563 adjustment to record in-kind contributions and expenses for the 2015 SportsBall, a significant deficiency in internal control exists.

Material Weakness

Complete Recording of In-Kind Contributed Goods and Services

Observation - The Organization did not record the in-kind contributions of $240,563 for donated items for the 2015 SportsBall.

Recommendation - The Organization should implement controls to ensure all non-cash donations are properly recorded in the general ledger.

Significant Deficiency

Depository Bank Agreement and Collateralizations

Observation - The Organization maintained cash balances at times during the year which exceeded the FDIC limits.

Recommendation: Procedures should be strengthened to ensure all bank deposits are adequately safeguarded.

XVI. INDEPENDENCE

Generally accepted auditing standards require independence for all audits. The auditor should communicate to those charged with governance circumstances or relationships (for example, financial interests, business and or family relationships, or non-audit service provided or expected to be provided) that in the auditor's professional judgment may reasonably be thought to impact on their independence.

The auditor should communicate to those charged with governance that they gave significant consideration to such matters in reaching the conclusion that independence had not been impaired.

Auditor Comments

We are unaware of any relationships between the Firm and the Organization that, in our professional judgment, may reasonably be thought to bear on our independence.

XVII. ACCOUNTING AND AUDITING DEVELOPMENTS

We continuously monitor the standard setting bodies for developments and trends in financial reporting and accounting. There are no proposed standards which may have an impact on the financial statements at December 31, 2015 and for the year then ended.
