

**BIG BROTHERS/BIG SISTERS  
OF ACADIANA, INC.  
Lafayette, Louisiana**

**Financial Statements**

**For the Year Ended December 31, 2011**

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**Darnall, Sikes,  
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(A Corporation of Certified Public Accountants)

## Independent Auditor's Report

To the Board of Directors  
 Big Brothers/Big Sisters of Acadiana, Inc.  
 Lafayette, Louisiana

We have audited the accompanying statement of financial position of Big Brothers/Big Sisters of Acadiana, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Brothers/Big Sisters of Acadiana, Inc., as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012, on our consideration of Big Brothers/Big Sisters of Acadiana, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 should be read in conjunction with this report in considering the results of our audit.

*Darnall, Sikes, Gardes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana

June 25, 2012

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BIG BROTHERS/BIG SISTERS OF ACADIANA, INC.

Statement of Financial Position  
December 31, 2011

ASSETS	
CURRENT ASSETS	
Cash	\$ 2,987
Grant and support funds receivable	15,700
Prepaid expenses	<u>4,407</u>
Total current assets	<u>23,094</u>
PROPERTY AND EQUIPMENT	
Furniture and equipment	31,457
Building and improvements	179,316
Less: Accumulated depreciation	<u>(103,006)</u>
Net property and equipment	<u>107,767</u>
OTHER ASSETS	
Deposits	<u>300</u>
Total other assets	<u>300</u>
TOTAL ASSETS	<u>\$ 131,161</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 668
Payroll taxes payable	656
Due to related party	7,165
Line of credit payable	50,323
Other current liabilities	<u>8,779</u>
Total current liabilities	<u>67,591</u>
NET ASSETS	
Temporarily restricted	4,650
Unrestricted	<u>58,920</u>
Total net assets	<u>63,570</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 131,161</u>

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

BIG BROTHERS/BIG SISTERS OF ACADIANA, INC.

Statement of Activities  
Year Ended December 31, 2011

UNRESTRICTED NET ASSETS

SUPPORT

Donations and other	\$ 51,665
Fundraisers	149,137
United Way	<u>111,661</u>
Total support	<u>312,463</u>

GRANTS

Federal:	
Office of Juvenile Justice and Delinquency Prevention - Youth Mentoring Program	109,527
Crime Victim Assistance	43,174
Community Development Block Grant	3,578
Children's Trust Fund	14,590
Junior League of Lafayette	5,000
Pinhook Foundation	<u>3,000</u>
Total grants	<u>178,869</u>

REVENUES

Interest	<u>33</u>
Total support, grants and revenues	<u>491,365</u>

EXPENSES

Program services	350,165
Support services:	
Management and general	82,733
Fund raising	<u>74,952</u>
Total expenses	<u>507,850</u>

DECREASE IN UNRESTRICTED NET ASSETS (16,485)

DECREASE IN TEMPORARILY RESTRICTED NET ASSETS (8,400)

NET ASSETS AT BEGINNING OF YEAR 88,455

NET ASSETS AT END OF YEAR \$ 63,570

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

BIG BROTHERS/BIG SISTERS OF ACADIANA, INC.

Statement of Functional Expenses  
Year Ended December 31, 2011

	Direct Community Services	Management and General	Fundraising	Totals
Salaries	\$ 220,513	\$ 52,065	\$ 33,689	\$ 306,267
Payroll taxes	18,073	4,267	2,761	25,101
Retirement plan	1,878	385	-	2,263
Activities expense	5,743	-	-	5,743
Affiliation fees	8,087	-	-	8,087
Contract labor	963	963	-	1,926
Depreciation	5,803	1,451	-	7,254
Dues and subscriptions	2,999	750	-	3,749
Insurance	28,210	7,053	-	35,263
Interest expense	-	3,040	-	3,040
Legal and accounting	5,225	5,225	-	10,450
Office expense	2,212	2,212	-	4,424
Printing	2,187	243	-	2,430
Postage	1,765	441	-	2,206
Rent expense	-	1,200	-	1,200
Repairs and maintenance	12,471	-	-	12,471
Supplies - other expenses	9,550	-	38,202	47,752
Telephone	6,567	1,642	-	8,209
Training	2,107	527	-	2,634
Travel	4,878	-	-	4,878
Utilities	5,075	1,269	-	6,344
Volunteer activities	4,659	-	-	4,659
Webpage	1,200	-	300	1,500
	<u>1,200</u>	<u>-</u>	<u>300</u>	<u>1,500</u>
TOTAL	<u>\$ 350,165</u>	<u>\$ 82,733</u>	<u>\$ 74,952</u>	<u>\$ 507,850</u>

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

BIG BROTHERS/BIG SISTERS OF ACADIANA, INC.

Statement of Cash Flows  
Year Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$(24,885)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	7,254
Changes in operating assets and liabilities:	
Decrease in accounts receivable	1,832
Decrease in prepaid expenses	1,083
Decrease in payroll taxes and accounts payable	(898)
Value of equipment included in donations	<u>(2,500)</u>
Total adjustments	<u>6,771</u>
Net cash used by operating activities	<u>(18,114)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds of bank loans	3,506
Proceeds of related party loans	10,765
Payments on related party loans	<u>(3,600)</u>
Net cash provided by financing activities	<u>10,671</u>

NET DECREASE IN CASH (7,443)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 10,430

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 2,987

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

BIG BROTHERS/BIG SISTERS OF ACADIANA, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

Big Brothers/Big Sisters of Acadiana, Inc. is a non-profit corporation organized under the laws of the State of Louisiana. The primary purpose of the Organization is to meet the unique needs of at-risk youth from single-parent homes by providing positive adult role models through individually matched relationships that foster an improved sense of well-being.

Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. The Organization receives funding from various grantors whose revenues are reported in this matter.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Property and Equipment

Property and equipment are reported at cost. Depreciation is computed based on the estimated useful lives of the assets using the straight-line method. The estimated useful lives of the principal classes of assets are as follows:

Furniture and equipment	5-7
Building	30

Depreciation expense for the year ended December 31, 2011 is \$7,254.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.



BIG BROTHERS/BIG SISTERS OF ACADIANA, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Big Brothers/Big Sisters of Acadiana, Inc. qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and, therefore has no provision for federal income taxes.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Donated Services and Materials

The Organization recognizes donated services that (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers donate significant amounts of their time in the Organization's program services. No amounts have been recorded in the financial statements for donated services that are not of a specialized nature.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the following:

1. Reported amounts of assets and liabilities.
2. Disclosure of contingent assets and liabilities at the financial statement date.
3. Reported amounts of revenues and expenses during that period.

Actual amounts could differ from estimates.

BIG BROTHERS/BIG SISTERS OF ACADIANA, INC.

Notes to Financial Statements

NOTE 2 GRANT AND SUPPORT FUNDS RECEIVABLE

Grant and Support funds receivable at December 31, 2011, consisted of the following:

Children's Trust Fund	\$ 3,503
Crime Victims Assistance Grant	<u>12,197</u>
Total	<u>\$ 15,700</u>

NOTE 3 FUNCTIONAL EXPENSES

Expenses are charges to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to programs based on units of service.

NOTE 4 RETIREMENT PLAN

Big Brothers/Big Sisters of Acadiana, Inc. began offering its employees the opportunity to participate in a "Simple IRA" retirement plan in July 1999. All eligible employees who work full time or over 30 hours per week may contribute from one percent (1%) of their gross pay upward. Big Brothers/Big Sisters of Acadiana, Inc. matches their contribution up to three percent (3%) of gross pay. The associated expense for 2011 was \$2,263.

NOTE 5 LINE OF CREDIT

Big Brothers/Big Sisters of Acadiana has a \$50,000 line of credit with a local financial institution. The line of credit has a variable interest rate, currently 6.25% and a maturity date of June 5, 2012. At December 31, 2011, there was a balance of \$50,323 on the line of credit. The line of credit is secured by a multiple indebtedness mortgage on the Company's building.

NOTE 6 TEMPORARILY RESTRICTED FUND BALANCE

Temporarily restricted fund balance of \$4,650 consists of revenues received prior to December 31, 2011 that is designated towards the year 2012 Bowl for Kids Sake Project.

NOTE 7 RELATED PARTY TRANSACTIONS

During the year 2011, the executive director loaned personal funds to Big Brothers/Big Sisters of Acadiana, Inc., to enable the company to meet its semi-monthly payroll obligations and other expenditures during times of cash flow shortage. The total amount of these loans was \$10,765, of which \$3,600 was repaid resulting in a year end balance of \$7,165. These loans are non-interest bearing.

BIG BROTHERS/BIG SISTERS OF ACADIANA, INC.

Notes to Financial Statements

NOTE 8 SUBSEQUENT EVENTS – DEBT REFINANCING AND NEW LINE OF CREDIT

On January 10, 2012, Big Brothers/Big Sisters of Acadiana, Inc. entered into a loan agreement with a local financial institution to borrow \$51,683 in order to fully refinance the outstanding balance of an existing line of credit and to pay the related costs of refinancing. This refinancing loan requires an immediate payment of \$514 followed by (23) regular monthly payments of \$453 and one last irregular payment of \$47,821 on January 10, 2014. The loan bears interest at an annual rate of 6.50% and is collateralized by a mortgage on the Company's building.

Also on January 10, 2012, Big Brothers/Big Sisters of Acadiana, Inc. opened a new line of credit with a local financial institution in the amount of \$30,250 bearing interest at an annual rate of 7.0% with a maturity date of January 10, 2013. The Company has subsequently drawn advances on the line of credit in the amounts of \$8,600 in January and \$9,700 in May. The line of credit is collateralized by a mortgage on the Company's building.

We have evaluated events subsequent to the balance sheet date through June 25, 2011, the date the financial statements were available to be issued.

INTERNAL CONTROL AND COMPLIANCE



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**INDEPENDENT AUDITOR'S 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**

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To the Board of Directors of  
 Big Brothers/Big Sisters, Inc.  
 Lafayette, Louisiana

We have audited the financial statements of Big Brothers/Big Sisters of Acadiana, Inc. (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Big Brothers/Big Sisters of Acadiana, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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/Big Sisters of Acadiana, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 misstatements on a timely basis. A material weakness is a deficiency, or 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.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Big Brothers/Big Sisters of Acadiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

This report is intended solely for the information and use of the board of directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Dannall, Sikes, Gaudes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana

June 25, 2012