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BIG BUDDY PROGRAM

BATON ROUGE, LOUISIANA

DECEMBER 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/29/09

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Big Buddy Program

We have audited the statements of financial position of Big Buddy Program as of December 31, 2008 and 2007, and the related statements of activities, cash flows, and functional expenses for the year ended December 31, 2008. 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 audits. The prior year summarized comparative information shown on the statements of activities, cash flows, and functional expenses has been derived from the Organization's 2007 financial statements and, in our report dated December 10, 2008 we expressed a qualified opinion on those financial statements.

Except as discussed in the following paragraphs, 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. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

In 2007, there was a general lack of accounting controls over the acquisition of and payment for goods and services particularly with respect to the entry of such transactions into the accounting records and the functional allocation and distribution of costs. Accordingly, it was not practicable for us to extend our audit of accounts payable as of December 31, 2007, and functional expenses for the year then ended beyond the amounts recorded.

In our opinion, except for the effects on the 2007 financial statements of such adjustments, if any, as might have been determined to be necessary had the transactions referred to in the preceding paragraph been susceptible to satisfactory audit tests, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Big Buddy Program as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the year ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Continued...

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2009, on our consideration of Big Buddy Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Big Buddy Program, taken as a whole. The accompanying supplemental information description of programs on pages 14 is presented for additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Also, the accompanying schedule of expenditures of federal awards on page 15 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

L.A. Champagne & Co. L.L.P.

June 29, 2009

BIG BUDDY PROGRAM
STATEMENTS OF FINANCIAL POSITION
December 31, 2008 and 2007 as restated

	2008	2007 (as restated)
ASSETS		
CURRENT ASSETS		
Cash (includes savings and time deposits of $ 26,239 and $9,556 at December 31, 2008 and 2007, respectively)	$ 31,080	$ 30,616
Unconditional promises to give	72,892	-
Grants and other receivables	193,940	145,965
Prepaid expenses	27,750	55,941
Total current assets	325,662	232,522
PROPERTY AND EQUIPMENT		
Buildings	172,754	172,754
Transportation equipment	175,149	175,149
Furniture and equipment	49,211	42,462
	397,114	390,365
Less accumulated depreciation	(201,049)	(162,284)
	196,065	228,081
OTHER ASSETS		
Refundable deposits	1,227	1,227
Total assets	$ 522,954	$ 461,830

Continued...

		2008		2007 (as restated)
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Bank overdraft	$	-	$	34,232
Short-term loan obligation		17,101		20,590
Current portion of long-term loan obligation		46,854		46,854
Accounts payable		33,336		104,507
Payroll taxes and other withholdings payable		98,743		18,394
Accrued salaries		10,915		23,237
Accrued compensated absences		6,046		4,045
Other liabilities		24,024		9,055
Total current liabilities		237,019		260,914
LONG-TERM LIABILITIES				
Long-term loan obligation		46,854		46,854
Less current portion		(46,854)		(46,854)
Total long-term liabilities		-		-
NET ASSETS				
Unrestricted		89,851		(56,895)
Temporarily restricted		193,909		255,636
Permanently restricted		2,175		2,175
Total net assets		285,935		200,916
Total liabilities and net assets	$	522,954	$	461,830

See accompanying notes

BIG BUDDY PROGRAM
STATEMENT OF ACTIVITIES
Year Ended December 31, 2008
(With Comparative Totals for 2007 as restated)

	2008				2007 (as restated)
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
PUBLIC SUPPORT AND REVENUE					
United Way allocation	$ -	$ 257,503	$ -	$ 257,503	$ 242,971
Donations	187,419		-	187,419	171,586
Grant income	31,182	1,704,935	-	1,736,117	1,687,955
Fees and contract revenue	267,790		-	267,790	301,997
Other revenue	186		-	186	11,391
Transfer in satisfaction of restriction	2,024,165	(2,024,165)	-	-	-
TOTAL REVENUE AND RECLASSIFICATIONS	2,510,742	(61,727)	-	2,449,015	2,415,900
EXPENSES					
Functional expenses:					
Program services-					
Title IV-B Twenty First Century Community Learning Centers	535,115	-	-	535,115	278,088
Title IV-A Temporary Assistance for Needy Families-Teen Pregnancy Prevention	93,858	-	-	93,858	24,130
Title IV-A Temporary Assistance for Needy Families	565,797	-	-	565,797	628,764
Title IV-B-2 Mentoring Children of Prisoners	-	-	-	-	113,797

Continued...

	2008 Unrestricted	2008 Temporarily Restricted	2008 Permanently Restricted	2008 Total	2007 (as restated) Total
2005 Hurricane Relief	-	-	-	-	10,613
Compassion Capital Targeted Capacity Program Youth	-	-	-	-	32,028
Gaining Early Awareness and Readiness for Undergraduate Programs	26,652	-	-	26,652	31,708
Safe and Drug-Free Schools and Communities National Programs/Mentoring Grants	193,207			193,207	-
Other programs	814,250	-	-	814,250	1,182,113
TOTAL PROGRAM EXPENSES	2,228,879	-	-	2,228,879	2,301,241
Fundraising	75,761	-	-	75,761	30,257
Management and general	59,356	-	-	59,356	100,829
	135,117	-	-	135,117	131,086
TOTAL EXPENSES	2,363,996	-	-	2,363,996	2,432,327
INCREASE (DECREASE) IN NET ASSETS	146,746	(61,727)	-	85,019	(16,427)
Net assets - beginning of year as originally reported	(33,658)	232,399	2,175	200,916	217,343
Reclassification of net assets resulting from restatement	(23,237)	23,237	-	-	-
Net assets - beginning of year as restated	(56,895)	255,636	2,175	200,916	217,343
Net assets - end of year	$ 89,851	$ 193,909	$ 2,175	$ 285,935	$ 200,916

See accompanying notes

BIG BUDDY PROGRAM
STATEMENTS OF CASH FLOWS
Year Ended December 31, 2008
(With Comparative Totals for 2007 as restated)

	2008	2007 (as restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 85,019	$ (16,427)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	38,765	36,332
Increase in receivables	(47,975)	(24,263)
Decrease (increase) in prepaid expenses	28,191	(26,338)
Increase (decrease) in payroll taxes and other withholdings payable	80,348	(4,901)
Increase (decrease) in accrued salaries	(12,322)	23,237
Increase (decrease) in accrued compensated absences	2,001	(2,437)
Increase (decrease) in accounts payable	(71,171)	23,504
Loss on abandonment of equipment	-	1,089
Increase in unconditional promises to give	(72,892)	-
Total adjustments	(55,055)	26,223
Net cash provided by operating activities	29,964	9,796
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal of savings deposits	-	2,387
Acquisition of equipment	(6,749)	(54,062)
Net cash used in investing activities	(6,749)	(51,675)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in bank overdrafts	(34,232)	34,232
Increase in other liabilities	14,969	9,055
Proceeds from short-term borrowing	18,916	22,766
Principal payments on short-term borrowing	(22,404)	(18,140)
Proceeds from long-term borrowing	-	18,000
Principal payments on long-term borrowing	-	(20,250)
Net cash provided by financing activities	(22,751)	45,663
NET INCREASE IN CASH	464	3,784
Cash - beginning of year	30,616	26,832
Cash - end of year	$ 31,080	$ 30,616

See accompanying notes

BIG BUDDY PROGRAM
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2008
(With Comparative Totals for 2007 as restated)

	Title IV-B *Twenty First* Century Community Learning Centers	Title IV-A *Temporary Assistance* for Needy Families Teen Pregnancy Prevention	Title IV-A *Temporary* Assistance for Needy Families	Gaining Early Awareness *and Readiness* for Undergraduate Programs	Safe and Drug-Free Schools and *Communities* National Programs and Mentoring Grants
Salaries and related payroll expenses	$ 449,091	$ 74,916	$ 482,197	$ 21,290	$ 157,484
Supplies	23,964	4,281	16,099	748	9,059
Fundraising	-	-	-	-	-
Telephone	-	-	-	-	-
Occupancy	-	-	-	-	-
Local transportation	-	-	-	-	-
Scholarships	-	-	-	-	-
General insurance	-	-	-	-	-
Professional fees	-	-	-	-	-
Contracted services	62,060	14,661	67,501	4,614	26,664
Other	-	-	-	-	-
	535,115	93,858	565,797	26,652	193,207
Depreciation	-	-	-	-	-
	$ 535,115	$ 93,858	$ 565,797	$ 26,652	$ 193,207

See accompanying notes

2008				2007 (as restated)
Other Programs	Management and General	Fundraising	Total	Total
$ 470,132	$ 33,637	$ 9,971	$ 1,698,718	$ 1,152,176
35,239	78	23	89,491	155,729
-	-	-	-	369
2,731	267	79	3,077	5,750
-	-	-	-	12,168
5,408	-	-	5,408	10,888
6,689	-	-	6,689	9,679
41,278	1,139	338	42,755	41,761
7,703	753	223	8,679	17,452
156,636	15,300	4,535	351,971	883,563
54,026	4,821	59,596	118,443	106,460
779,842	55,995	74,765	2,325,231	2,395,995
34,408	3,361	996	38,765	36,332
$ 814,250	$ 59,356	$ 75,761	$ 2,363,996	$ 2,432,327

BIG BUDDY PROGRAM
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Big Buddy Program is a nonprofit organization operating in the Baton Rouge area, offering children Pre K through twelfth grade from low-income families the opportunities for recreational, cultural, and educational activities. The Organization is primarily funded by Capital Area United Way; the City of Baton Rouge-Parish of East Baton Rouge; and Federal, state and other private programmatic grants.

Basis of accounting

The Organization prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned or billed, and expenses are recognized when goods or services are received and the obligation for payment is incurred.

Basis of presentation

Financial statement presentation follows the guidance of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations.* Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities under three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. *Unrestricted net assets* are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Permanently restricted net assets are those resources whose use by the Organization is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Comparative financial information

The statement of activities, statement of cash flows, and statement of functional expenses include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2007, from which the summarized information was derived.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and grants

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

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with maturities of ninety days or less when acquired to be cash equivalents.

Property and equipment

Acquisitions of property and equipment in excess of $500 are capitalized. Property and equipment is stated at cost less accumulated depreciation with depreciation being calculated on the straight-line basis over the estimated useful life of the assets as follows:

Buildings	15-39 yrs
Furniture and equipment	5-7 yrs
Transportation equipment	5 yrs

When property is retired or otherwise disposed of, the accounts are relieved of the applicable cost and accumulated depreciation, and any resulting gain or loss is reflected in operations.

Donated personal services

The value of donated personal services provided has not been recorded in the accompanying financial statements. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization in the performance of its programs and various committee activities.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated equipment

Equipment donated to the Organization is recorded at fair market value on the date received.

Income taxes

Big Buddy Program is an organization exempt from income taxes as defined in Section 501(c)(3) of the Internal Revenue Code.

In June 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"), an interpretation of FASB Statement No. 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, Accounting for Income Taxes ("SFAS 109"). FIN 48 clarifies the application of SFAS 109 by defining a criterion that an individual tax position must meet for any part of the benefit of that position to be recognized in an enterprise's financial statements. Additionally, FIN 48 provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. In December 2008, the FASB issued FASB Staff Position (FSP) FIN 48-3 which permits an entity within its scope to defer the effective date of FIN 48 to its annual financial statements for fiscal years beginning after December 15, 2008. The Big Buddy Program has elected to defer the application of FIN 48 for the year ending December 31, 2008. The Big Buddy Program evaluates its uncertain tax position using the provisions of FASB 5, *Accounting for Contingencies.* Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. Management has not completed its evaluation of the impact of this standard; however, the Big Buddy Program does not expect the impact will be material to the financial statements.

Compensated absences

Full-time employees earn one day of vacation time per month. Employees that do not use all of their vacation time are allowed to carry forward a maximum of 6 days to the following year. Employees terminating their employment with Big Buddy are entitled to be compensated for their accrued vacation pay. Full-time employees also earn one day of sick time each month. Employees are allowed to accumulate up to a maximum of 60 days of sick time. Employees terminating their employment with Big Buddy are not compensated for their accrued sick pay.

A liability for compensated vacation time is provided based upon the number of hours of unused time at the employee's current hourly rate. No liability is accrued for sick leave in accordance with applicable accounting standards.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables and bad debts

Management believes that receivables are collectible in full, and no allowance for bad debts has been provided in the financial statements.

B: ECONOMIC DEPENDENCY

The Organization receives support from a number of sources, significant among those are the following reflecting their percent of total revenues provided in 2008 and 2007:

	2008	2007
Capital Area United Way	11%	11%
Department of Education Grants	24%	20%
Department of Health and Human Services Grants	27%	7%
Department of Social Services	15%	15%
Local Foundations	7%	14%

C: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs are charged specifically to a program or function and the remaining costs are allocated among programs, administrative and fund raising based upon estimates of staff time devoted to these functions.

D: RETIREMENT PLAN

The Organization provides a Section 403(b) contributory deferred compensation plan covering employees eligible as to age and length of service. Participation in the plan is voluntary and provides that employees may contribute a percentage of their salaries to the plan. The Organization makes a matching contribution of up to 5% of an employee's salary after three consecutive years of full time employment and 10% after five consecutive years of full time employment.

Because of low participation and the costs to maintain the plan, the Board of Directors approved a resolution to discontinue the Section 403(b) contributory deferred compensation plan as of December 31, 2008.

E: CONCENTRATION OF CREDIT RISK

The Big Buddy Program maintains its cash in bank deposit accounts, which at some times may exceed federally insured limits.

F: LEASE OBLIGATION

The Organization leases certain equipment under agreements classified as operating leases. The lease expense under these agreements for the year ended December 31, 2008 was $1,033 and was $3,794 for the year 2007.

The following is a schedule by years of future minimum rental payments required under the equipment leases as of December 31, 2008:

Years Ending December 31	
2009	$ 3,708
2010	3,597
2011	3,597
2012	1,499

G: NOTE PAYABLE

The Big Buddy Program maintains a $50,000 line of credit through a local financial institution secured by a mortgage on program facilities located at 1415 Main Street. The line of credit matured on March 13, 2007 and was extended to January 30, 2009. Big Buddy is obligated to make monthly interest payments at 8.5% until maturity on January 30, 2009 at which time all unpaid principal and interest are due.

The Big Buddy Program entered into a financing agreement for its business auto insurance policy premium effective November 14, 2007. The financing arrangement calls for ten monthly installment payments of $1,988 including principal and interest at 10.95% beginning December 14, 2008.

H: NET ASSETS

Temporarily restricted net assets consist of funds designated by donors or grantors for specific purposes or programs. A total of $30,727 is restricted to the maintenance of Big Buddy facilities, $88,996 is restricted to use in specific programmatic areas and $1,295 represents earnings on endowments dedicated to funding scholarships. In addition $72,891 is restricted to use in future periods.

H: NET ASSETS (Continued)

Permanently restricted net assets consist of donations intended to remain in perpetuity, the income from which is restricted to funding scholarships. The earnings on these endowments are reported as temporarily restricted for use in funding such scholarships.

I: FEDERALLY ASSISTED PROGRAMS

Federal and State assistance programs represent an important source of funding for Big Buddy. These programs are audited annually in accordance with the "Single Audit Act". Other programmatic audits may be conducted by grantor agencies. Prior audits have not resulted in any significant disallowed cost. However, grantor agencies may conduct or require additional examinations which could result in the cancellation of grants or contracts, the disallowance of costs charged to the grant or require the repayment of any questioned costs identified and such repayments may be material to the financial statements.

J: RESTATEMENTS

The 2007 financial statements have been restated to reflect the reclassification of revenues and expenses originally reported as agency transactions. The $23,237 originally reported in the statement of financial position as agency obligations payable has been reduced to $0. Grant revenues were increased by $237,066 and program expenses were increased by $213,769.

Also, adjustments for accrued salaries in the amount of $23,237 increased current liabilities and expenses by this amount.

As a result of these restatements temporary restricted net assets increased and unrestricted net assets decreased by $23,237.

SUPPLEMENTAL INFORMATION

DESCRIPTION OF PROGRAMS

Title IV-B Twenty-First Century Community Learning Centers

The Title IV-B Twenty-First Century program accounts for the administration of programs for preK-12th grade students and their families in and out of school hours. The programs provide academic, recreation, and enrichment activities to students in targeted high poverty area schools.

Title IV-A Temporary Assistance for Needy Families

The Title IV-A funds account for various after school activities for school children from preK-12th grade. The programs provide recreation, academic, and enrichment activities to students in schools in high poverty areas.

Title IV-A Temporary Assistance for Needy Families – Teen Pregnancy Prevention Program

The Title IV-A funds account for teen pregnancy prevention activities for school children in middle school grades 6-8. The program provides recreation and enrichment activities to students in schools in high poverty areas.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

This grant program is designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. The students enter the program no later than the seventh grade. Big Buddy provides the programmatic educational services and monitors their progress throughout high school.

Safe and Drug-Free Schools and Communities – National Programs/Mentoring Grants

This program promotes mentoring for children with the greatest need by assisting them in receiving support and guidance from a mentor in order to improve their academic performance, to improve interpersonal relationships between the children and their peers, teachers, other adults, and family members, to reduce the dropout rate, and to reduce juvenile delinquency and involvement in gangs.

Other Programs

The Big Buddy Program accounts for other programs for academic, recreation, and enrichment to children in high poverty areas. Their programs are geared toward the social and academic development of our youth. They target children of all ages both in school and out of school.

BIG BUDDY PROGRAM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2008

FEDERAL GRANTOR GRANTORS/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT YEAR END	PROGRAM OR AWARD AMOUNT	REVENUE RECOGNIZED	TOTAL FEDERAL EXPENDITURES
U.S. Department of Education					
Safe and Drug-Free Schools and Communities National Programs and Mentoring Grants	84.184B	3/30/2011	$ 520,159	$ 193,207	$ 193,207
Passed Through the Louisiana Department of Education:					
Title IV-B Twenty First Century Community Learning Centers	84.287C	12/31/2009	368,000	168,490	147,798
		12/31/2010	260,550	101,361	91,907
Passed Through the St. Francis Xavier Catholic Church:					
Title IV-B Twenty First Century Community Learning Centers	84.287C	12/31/2010	434,250	233,865	191,675
Passed Through Children's Charter School					
Title IV-B Twenty First Century Community Learning Centers	84.287C	6/30/2010	600,000	93,814	93,814
Passed Through Louisiana State University					
Gaining Early Awareness and Readiness for Undergradute Programs	84.334	07/20/2009	63,000	27,136	26,652
U.S. Department of Health and Human Services					
Passed Through the Louisiana Department of Education:					
Title IV-A Temporary Assistance for Needy Families	93.558	8/31/2008	288,119	273,233	252,824
		8/31/2008	227,331	46,059	92,056
Title IV-A Temporary Assistance for Needy Families - Community Response Initiative	93.558	12/31/2008	146,749	88,306	84,789
		12/31/2008	140,043	140,043	136,128
Passed Through the State of Louisiana Department of Social Services:					
Title IV-A Temporary Assistance for Needy Families-Teen Pregnancy Prevention	93.558	2/28/2008	132,288	5,086	16,743
		2/28/2009	132,288	110,932	77,115
			$ 3,312,777	$ 1,481,532	$ 1,404,708

Note A: The schedule above is prepared using accrual basis of accounting. This information is presented in accordance with the requirement of OMB Circular A-133, Audits of State, Local Government, and NonProfit Organizations. Therefore, the amounts presented on the schedule may differ from amounts presented in the basic financial statements.

L. A. CHAMPAGNE & CO., L.L.P.

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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*

The Board of Directors
Big Buddy Program

We have audited the accompanying financial statements of Big Buddy Program, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 29, 2009. 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 Buddy Program'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 Buddy Program'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of the findings and questioned costs as items 2008-1, 2008-2 and 2006-1, to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Big Buddy Program's financial statements are free of 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2008-3.

Big Buddy's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Big Buddy's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management and board of Big Buddy Program, the Legislative Auditor, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana R. S. 24:513, this report is distributed by the Legislative Auditor as a public document.

L. A. Champagne & Co. L.L.P.

June 29, 2009

L. A. CHAMPAGNE & CO., L.L.P.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Directors
Big Buddy Program

Compliance

We have audited the compliance of Big Buddy Program with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2008. Big Buddy Program's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the Big Buddy Program's management. Our responsibility is to express an opinion on Big Buddy Program's compliance based on our audit.

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 of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Big Buddy Program's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Big Buddy Program's compliance with those requirements.

In our opinion, Big Buddy Program complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Big Buddy Program is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Big Buddy Program's internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Big Buddy Program's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects that entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-1, 2008-2 and 2006-1 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Big Buddy Program's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Big Buddy Program's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management and board of Big Buddy Program, the Legislative Auditor, federal and state awarding agencies and other pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana R. S. 24:513, this report is distributed by the Legislative Auditor as a public document.

L A Champagne & Co LLP

June 29, 2009

BIG BUDDY PROGRAM
SUMMARY OF AUDIT RESULTS AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2008

A: SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Big Buddy Program.

2. Three significant deficiencies in internal controls, 2008-1, 2008-2 and 2006-1, relating to the audit of the financial statements are included in the "Report on Internal Control and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards.*" No items are reported as material weaknesses.

3. One instance of noncompliance 2008-3 material to the financial statements of Big Buddy Program was disclosed during the audit.

4. Two significant deficiencies in internal controls, 2008-1 and 2008-2 relating to the audit of the major federal award programs are included in the "Report on compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133". No items are reported as material weaknesses.

5. The auditor's report on compliance for the major federal award programs for Big Buddy Program expresses an unqualified opinion.

6. No audit findings relative to the major federal award programs for Big Buddy Program were disclosed during the audit.

7. The programs tested as major programs are as follows:

   U. S. Department of Education
   CFDA 84.287C – Title IV-B Twenty-First Century Community Learning Centers

   U. S. Department of Health and Human Services
   CFDA 93.558 - Title IV-A Temporary Assistance for Needy Families

8. The threshold for distinguishing Types A and B programs was $300,000.

9. Big Buddy Program was determined to be a high-risk auditee.

B: FINDINGS - FINANCIAL STATEMENTS AUDIT

INTERNAL CONTROL

2008-1 Delinquent Payroll Taxes Payments

Condition: We noted that during the last two quarters of 2008, payroll taxes were not timely remitted to tax authorities. Although it appears that all of the delinquent balances were settled in early 2009, the delay in payment resulted in thousands of dollars in penalty and interest charges.

Effect: Late remittance of payroll taxes to tax authorities resulted in thousands of dollars in interest and penalty charges.

Criteria: Internal controls include those policies and procedures that exist to assure that employee withholdings and payroll taxes are remitted timely.

Auditor's Recommendation: Manage cash flows to assure that all obligations, particularly payroll tax remittances are paid timely in order to avoid costly penalty and interest charges.

Management Response: Management is working to better utilize internal accounting data to monitor cash flows in order to avoid late payments that result in additional interest and penalty charges.

2008-2 Accumulation of Programmatic Costs

Condition: Big Buddy's accounting system is designed to capture receipts and disbursements and record the transactions in standard general ledger accounts to facilitate preparation of financial statements. The system also has the capability to record each transaction in programmatic cost categories to facilitate billings on reimbursable grants and the compiling of revenue and cost details for reporting federal and other program expenditures as required.

It was noted that the system program cost report totals for a particular program sometimes varied with the total of cost reimbursement requests billed to grantors. Our testing of reimbursement requests found that costs billed to the various agencies were properly supported. However, some receipt and disbursement transactions may not have been coded in the proper program categories.

Effect: The programmatic cost reports generated by the system may not be reliable in accumulating costs categorized by program which is essential in reporting to grantors and in the preparation of billings on reimbursable grants. Also, allowable costs may be omitted from grant billings if not properly accumulated and reported.

Criteria: Internal controls include those policies and procedures to assure that programmatic costs are accurately accumulated for billing and reporting.

Auditor's Recommendation: Develop and implement controls and procedures to assure reliability of the program cost data.

Management Response: Many of the problems and errors are the result of poor record keeping that occurred early in 2008 prior to the hiring of the new director of finance. Because of the volume of transactions that had already been recorded in the system prior to her hiring, it was not possible to correct all of the errors in the program cost system, and greater attention was given to assuring the integrity of the general ledger accounting system. Policies, procedures and controls have been implemented to assure greater accuracy in the program cost system.

2006-1 Internal Control over Financial Reporting

Condition: We have always assisted management in the analysis and reclassification of various accounts in order to close the books at year end and in drafting the financial statements and related notes as part of our year-end audit process.

Effect: Because our involvement is so key to that process there is an indication that this deficiency in internal control over financial reporting of the Organization meets the definition of a significant deficiency as defined below.

Criteria: Internal controls over financial reporting are those policies and procedures that exist to assure an entity's ability to initiate, record, process, and report financial data consistent with assertions embodied in the annual financial statements, and that financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

Auditor's Recommendation: At this time it is not feasible for the Big Buddy Program to acquire the expertise necessary to actually draft the year end financial statements in accordance with GAAP. Therefore, we propose to continue to assist management in the drafting of those financial statements.

Management Response: Management acknowledges the condition as described above. Although the Big Buddy Program's management does not actually prepare and draft the financial statements, they have the capacity and experience to understand proposed adjustments and to oversee the drafting of financial statements prepared in accordance with generally accepted accounting principles. They provide all of the information to support adjustments and reclassifications and other information to be included in the financial statements and they understand the financial statement presentation. Therefore, management proposes to continue with the current arrangement for financial statement preparation.

COMPLIANCE

2008-3 Engagement Completion

Condition: During final engagement review in June 2009, the auditor determined that certain receipts and disbursements classified as agency transactions in both 2007 and

2008 were actually revenues and expenditures related to sub-grants and contracts from two community based organizations. It was also determined that these sub-grants were federally funded. When the 2008 reclassified disbursements were added to existing federal program expenditures and the effects reassessed, it was determined that a federal program category previously determined to be a non-major program should have been classified as a major federal program requiring additional testing under the requirements of Office of Management and Budget Circular A-133.

The additional testing was undertaken, but it was not possible to complete the required additional testing and reporting in time to submit the report to the Legislative Auditor by the filing deadline of June 30, 2009.

Effect: According to the Legislative Auditor of the State of Louisiana, failure to comply with the six month statutory issuance date is specifically required to be reported as a material instance of noncompliance with state law.

Criteria: L.R.S. 24:513 provides that the audited financial statements are to be filed with the Legislative Auditor within six months of the close of the fiscal year.

Auditor's Recommendation: There is no recommendation relative to this finding. The circumstances causing the delay in filing the report were unforeseen.

Management Response: The circumstances causing the delay in submitting the report were unforeseen and every effort was made to accommodate the auditor's additional testing and expedite the completion of the audit.

C: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

INTERNAL CONTROL

2008-1 Delinquent Payroll Taxes Payments

Condition: We noted that during the last two quarters of 2008, payroll taxes were not timely remitted to tax authorities. Although it appears that all of the delinquent balances were settled in early 2009, the delay in payment resulted in thousands of dollars in penalty and interest charges.

Effect: Late remittance of payroll taxes to tax authorities resulted in thousands of dollars in interest and penalty charges.

Criteria: Internal controls include those policies and procedures that exist to assure that employee withholdings and payroll taxes are remitted timely.

Auditor's Recommendation: Manage cash flows to assure that all obligations, particularly payroll tax remittances are paid timely in order to avoid costly penalty and interest charges.

Management Response: Management is working to better utilize internal accounting data to monitor cash flows in order to avoid late payments that result in additional interest and penalty charges.

2008-2 Accumulation of Programmatic Costs

Condition: Big Buddy's accounting system is designed to capture receipts and disbursements and record the transactions in standard general ledger accounts to facilitate preparation of financial statements. The system also has the capability to record each transaction in programmatic cost categories to facilitate billings on reimbursable grants and the compiling of revenue and cost details for reporting federal and other program expenditures as required.

It was noted that the system program cost report totals for a particular program sometimes varied with the total of cost reimbursement requests billed to grantors. Our testing of reimbursement requests found that costs billed to the various agencies were properly supported. However, some receipt and disbursement transactions may not have been coded in the proper program categories.

Effect: The programmatic cost reports generated by the system may not be reliable in accumulating costs categorized by program which is essential in reporting to grantors and in the preparation of billings on reimbursable grants. Also, allowable costs may be omitted from grant billings if not properly accumulated and reported.

Criteria: Internal controls include those policies and procedures to assure that programmatic costs are accurately accumulated for billing and reporting.

Auditor's Recommendation: Develop and implement controls and procedures to assure reliability of the program cost data.

Management Response: Many of the problems and errors are the result of poor record keeping that occurred early in 2008 prior to the hiring of the new director of finance. Because of the volume of transactions that had already been recorded in the system prior to her hiring, it was not possible to correct all of the errors in the program cost system, and greater attention was given to assuring the integrity of the general ledger accounting system. Policies, procedures and controls have been implemented to assure greater accuracy in the program cost system.

Big Buddy Program

1415 Main St., Baton Rouge, LA 70802
Ph. (225) 388-9737 Fax (225) 346-8441

June 29, 2009

The Big Buddy Program respectfully submits the following corrective action plan for the year ended December 31, 2008.

Name and Address of independent public accounting firm:
L.A. Champagne & Co., L.L.P.
4911 Bennington Avenue
Baton Rouge, LA 70808

Audit period: Year ended December 31, 2008

The findings from the 2008 schedule of findings and questioned cost are discussed below. The findings are numbered consistently with the number assigned to the schedule.

INTERNAL CONTROL

2008-1 Delinquent Payroll Taxes Payments

Condition: We noted that during the last two quarters of 2008, payroll taxes were not timely remitted to tax authorities. Although it appears that all of the delinquent balances were settled in early 2009, the delay in payment resulted in thousands of dollars in penalty and interest charges.

Effect: Late remittance of payroll taxes to tax authorities resulted in thousands of dollars in interest and penalty charges.

Criteria: Internal controls include those policies and procedures that exist to assure that employee withholdings and payroll taxes are remitted timely.

Auditor's Recommendation: Manage cash flows to assure that all obligations, particularly payroll tax remittances are paid timely in order to avoid costly penalty and interest charges.

Management Response: Management is working to better utilize internal accounting data to monitor cash flows in order to avoid late payments that result in additional interest and penalty charges.

2008-2 Accumulation of Programmatic Costs

Condition: Big Buddy's accounting system is designed to capture receipts and disbursements and record the transactions in standard general ledger accounts to facilitate preparation of financial statements. The system also has the capability to record each transaction in programmatic cost categories to facilitate billings on reimbursable grants and the compiling of revenue and cost details for reporting federal and other program expenditures as required.

It was noted that the system program cost report totals for a particular program sometimes varied with the total of cost reimbursement requests billed to grantors. Our testing of reimbursement requests found that costs billed to the various agencies were properly supported. However, some receipt and disbursement transactions may not have been coded in the proper program categories.

Effect: The programmatic cost reports generated by the system may not be reliable in accumulating costs categorized by program which is essential in reporting to grantors and in the preparation of billings on reimbursable grants. Also, allowable costs may be omitted from grant billings if not properly accumulated and reported.

Criteria: Internal controls include those policies and procedures to assure that programmatic costs are accurately accumulated for billing and reporting.

Auditor's Recommendation: Develop and implement controls and procedures to assure reliability of the program cost data.

Management Response: Many of the problems and errors are the result of poor record keeping that occurred early in 2008 prior to the hiring of the new director of finance. Because of the volume of transactions that had already been recorded in the system prior to her hiring, it was not possible to correct all of the errors in the program cost system, and greater attention was given to assuring the integrity of the general ledger accounting system. Policies, procedures and controls have been implemented to assure greater accuracy in the program cost system.

2006-1 Internal Control over Financial Reporting

Condition: We have always assisted management in the analysis and reclassification of various accounts in order to close the books at year end and in drafting the financial statements and related notes as part of our year-end audit process.

Action Taken: Management acknowledges the condition as described above. Although the Big Buddy Program's management does not actually prepare and draft the financial statements, they have the capacity and experience to understand proposed adjustments and to oversee the drafting of financial statements prepared in accordance with generally accepted accounting principles. They provide all of the information to support adjustments and reclassifications and other information to be included in the financial statements and they understand the financial statement presentation. Therefore, management proposes to continue with the current arrangement for financial statement preparation.

COMPLIANCE

2008-3 Engagement Completion

Condition: During final engagement review in June 2009, the auditor determined that certain receipts and disbursements classified as agency transactions in both 2007 and 2008 were actually revenues and expenditures related to sub-grants and contracts from two community based organizations. It was also determined that these sub-grants were federally funded. When the 2008 reclassified disbursements were added to existing federal program expenditures and the effects reassessed, it was determined that a federal program category previously determined to be a non-major program should have been classified as a major federal program requiring additional testing under the requirements of Office of Management and Budget Circular A-133.

The additional testing was undertaken, but it was not possible to complete the required additional testing and reporting in time to submit the report to the Legislative Auditor by the filing deadline of June 30, 2009.

Effect: According to the Legislative Auditor of the State of Louisiana, failure to comply with the six month statutory issuance date is specifically required to be reported as a material instance of noncompliance with state law.

Criteria: L.R.S. 24:513 provides that the audited financial statements are to be filed with the Legislative Auditor within six months of the close of the fiscal year.

Auditor's Recommendation: There is no recommendation relative to this finding. The circumstances causing the delay in filing the report were unforeseen.

Management Response: The circumstances causing the delay in submitting the report were unforeseen and every effort was made to accommodate the auditor's additional testing and expedite the completion of the audit.

If there are any questions regarding this plan, please call me at 225-388-9737.

Respectively submitted,

Big Buddy Program

Gaylynne Mack
Executive Director

BIG BUDDY PROGRAM
SCHEDULE OF CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
Year Ended December 31, 2008

2007-1 Internal Control over Acquisitions and Payments

Condition: There is a lack of accounting controls over the acquisition of and payment for goods and services particularly with respect to the entry of such transactions into the accounting records and the functional allocation of costs and expenses. Big Buddy has not maintained an effective control environment due to the lack of resources dedicated to the accounting function to ensure that such transactions are properly recorded and that appropriate authorizations, approvals, reviews and reconciliations are performed in the course of the acquisition and payment cycle.

Also these transactions are not being properly entered in the Peachtree accounts payables system causing errors to occur. The system's aged payable listing totals do not agree with and cannot be reconciled to the balance of accounts payable in the general ledger.

In addition, it was noted that the bank account reconciliation reflected over a hundred outstanding checks that should have been voided and a number of checks had been written but were being held undelivered, some for several months.

Resolution: The new Finance Director has brought the accounting records current and has implemented procedures and controls to improve the accuracy and reliability of accounts payable, functional expense and program cost data.

2007-2 Payroll Taxes and other Employee Withholdings

Condition: We noted that on numerous occasions during 2007, that payroll taxes were not remitted to tax authorities on time. In many instances checks were prepared and recorded, but not sent to the tax authorities. There were many of these remittance checks showing as outstanding on the bank account reconciliation. Although it appears that all of the delinquent balances have been settled, the delay in payment has cost Big Buddy many thousands of dollars in penalty and interest charges.

In addition controls over other withholdings and payments appear to be lacking. It appears that payments are being made on garnishments but are either not withheld from the employee or at best the withholdings are not being recorded to the proper general ledger account.

Resolution: The record keeping issues addressed in this finding have been corrected, particularly those related to the holding of payroll tax remittance checks as outstanding reconciling items and the controls over withholdings and the settlement of amounts withheld.

Issues related to cash management and timely remittance of payroll taxes are repeated in current year findings as item 2008-1.

2007-3 Engagement Completion

Condition: As noted in Item 2007-1 above, deficiencies in accounting controls particularly over the acquisition of and payment for goods and services and particularly with respect to the allocation and distribution of costs and expenses has resulted in the need to revise, reconstruct and adjust significant portions of the 2007 accounting records.

Also, three different individuals have served in the position of Director of Finance since the beginning of 2007. The present director who was responsible for providing information to the auditors was not hired until the second quarter of 2008 and had no association with the recording of 2007 financial transactions. The revision and adjustment work required considerable time to complete, and had to be completed while also processing current 2008 transactions.

Resolution: Management and the new Director of Finance have made every effort to close the books and were ready for the commencement of the annual audit by mid-April. Improving record keeping as noted in 2006-2 below will facilitate providing audit information promptly.

2006-1 Internal Control over Financial Reporting

Repeated in current year findings as item 2006-1.

2006-2 Maintenance, Storage and Retrieval of Records and Documents

Condition: Program files are not maintained in a manner that allows for ready retrieval and reference. Grant applications, awards, contracts, etc. are not kept together in a manner that allows for quick reference to information that is key to the administration and operation of programs consistent with the terms of those agreements. Also, other supporting documentation such as invoices, bills, statements, etc. are not maintained in a manner that allows ready access to those documents.

Resolution: Management has developed and implemented policies and procedures with respect to the maintenance and retention of Big Buddy accounting records and related data and documentation in an effort to improve the communication and monitoring elements in the organization's system of internal control.

2006-3 Segregation of Accounting Duties

Condition: We noted that the director of finance prepares grant reimbursement requests, receives grant reimbursements and other payments, prepares the deposit slip, and posts receipts to the cash receipts journal. The director also receives all vendor invoices and statements, processes them for payment, prepares, prints, signs and mails payment checks. The director also receives directly and reconciles the monthly bank statement without review.

Resolution: Management has developed policies and procedures to separate incompatible accounting duties to the extent possible within the constraints of available staffing.