

BIG BROTHERS BIG SISTERS OF SOUTHWESTERN ILLINOIS

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

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May 25, 2018

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Big Brothers Big Sisters of
Southwestern Illinois

We have audited the accompanying statement of financial position of **Big Brothers Big Sisters of Southwestern Illinois** (a nonprofit organization) which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Big Brothers Big Sisters of Southwestern Illinois** as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The schedule of functional expenses on page 8 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Moore & Simonin PC
MOORE & SIMONIN, P.C.

BIG BROTHERS BIG SISTERS OF SOUTHWESTERN ILLINOIS
STATEMENT OF FINANCIAL POSITION
December 31, 2017

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		\$ 97,114
Other assets		2,425

Total Current Assets		\$ 99,539

FIXED ASSETS		
Furniture and equipment		\$ 4,935
Less: Accumulated depreciation		4,305

		\$ 630

TOTAL ASSETS		\$100,169
		=====
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable		\$ 1,173
Other liabilities		0

Total Current Liabilities		\$ 1,173

NET ASSETS		
Unrestricted Net Assets:		
Operations		\$ 92,366
Fixed assets		630
Temporarily restricted		6,000

Total Net Assets		\$ 98,996

TOTAL LIABILITIES AND NET ASSETS		\$100,169
		=====

See accompanying notes and auditor's report.

BIG BROTHERS BIG SISTERS OF SOUTHWESTERN ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

	Unrestricted		
	Operations	Temporarily Restricted	Total
SUPPORT AND REVENUE			
SUPPORT			
Contributions	\$ 42,814	\$ 0	\$ 42,814
United Way	94,644	0	94,644
Fund raising - Net	276,102	0	276,102
Grants	0	62,509	62,509
	\$413,560	\$ 62,509	\$476,069
REVENUE			
Local tax funds – Community Mental Health Act (708)	\$ 78,319	\$ 0	\$ 78,319
Interest income	111	0	111
	\$ 78,430	\$ 0	\$ 78,430
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of usage restriction	\$ 56,509	(\$ 56,509)	\$ 0
	\$548,499	\$ 6,000	\$554,499
EXPENSES			
Program Services			
Operating expenses	\$306,121	\$ 0	\$306,121
Supporting Services			
General and administrative	\$ 79,441	\$ 0	\$ 79,441
Fund raising	104,438	0	104,438
	\$183,879	\$ 0	\$183,879
TOTAL EXPENSES	\$490,000	\$ 0	\$490,000
CHANGE IN NET ASSETS	\$ 58,499	\$ 6,000	\$ 64,499
Net Assets, Beginning of Year	34,497	0	34,497
NET ASSETS, END OF YEAR	\$ 92,996	\$ 6,000	\$ 98,996

See accompanying notes and auditor's report.

BIG BROTHERS BIG SISTERS OF SOUTHWESTERN ILLINOIS
STATEMENT OF CASH FLOWS
Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from public support	\$137,458
Cash received from fund raising - Net	276,102
Cash received from local tax fund	78,319
Interest received	111
Cash paid to suppliers and employees	(428,099)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 63,891

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 63,891
Cash and cash equivalents at beginning of year	33,223

CASH AND CASH EQUIVALENTS END OF YEAR	\$ 97,114
	=====
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Changes in net assets	\$ 64,499

Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	\$ 470
Increase (decrease) in accounts payable	(778)
(Increase) in other assets	(300)

Total Adjustments	(\$ 608)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 63,891
	=====
SUPPLEMENTAL CASH FLOW INFORMATION:	
Cash paid for interest	\$ 731
	=====

See accompanying notes and auditor's report.

BIG BROTHERS BIG SISTERS OF SOUTHWESTERN ILLINOIS
NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of the Organization

Big Brothers Big Sisters of Southwestern Illinois (the Organization) was created as a non-profit organization. The mission of Big Brothers Big Sisters of Southwestern Illinois is to provide children facing adversity with strong and enduring professionally supported 1-to-1 relationships that change their lives for the better, forever. The mentor program extends to area schools to promote the health, social, educational and character development of boys and girls in the Belleville, Illinois area. Grants, fundraising, and donations provide funding for these activities.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization's financial statement presentation complies with the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards Financial Statements of Not-for-Profit Organizations. According to Accounting Standards for Not-for-Profit Organizations, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets - represent resources over which the Board of Directors has unlimited discretionary control to carry out the activities of the Organization in accordance with the Articles of Incorporation and By-Laws.

Temporarily Restricted Net Assets - represent resources whose use is limited by donor-imposed restrictions that will be met either by actions of the Organization or by the passage of time.

Permanently Restricted Net Assets - are subject to donor-imposed stipulations that the net assets be retained and invested permanently. The Organization presently has no permanently restricted net assets.

Promises to Give

Contributions and grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions or grants are recognized. All other donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restrictions expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Taxes

The Organization is exempt from income taxes pursuant to section 501(c)(3) of the Internal Revenue Service Code. Therefore, no provisions is made for taxes on income.

BIG BROTHERS BIG SISTERS OF SOUTHWESTERN ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Organization adopted the provisions of Accounting for Uncertainty in Income Taxes on January 1, 2010. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of December 31, 2017, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed prior to 2015 are closed.

Fixed Assets and Depreciation

Fixed assets are recorded at cost or, in the case of donated property, at their estimated fair market value at the date of the donation. Depreciation and amortization is calculated by the straight-line method over the estimated useful lives of the assets, which is five years for the current list of fixed assets. Expenditures for repairs and maintenance are charged to operating expense as incurred.

Depreciation and amortization expense for the year ended December 31, 2017 was \$470.

Use of Estimates in Financial Statements

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

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for the purposes of the statement of cash flows.

Contributed Services

A number of volunteers contribute services to the Organization. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

NOTE 2 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the program services and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between general and administration, and the appropriate program based on evaluations of the related benefits. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

BIG BROTHERS BIG SISTERS OF SOUTHWESTERN ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 – LEASES

Big Brothers Big Sisters of Southwestern Illinois rents its office space at 2726 Frank Scott Parkway under a lease agreement. The lease was entered into on February 1, 2014 and expires January 31, 2019. This five year lease provides for monthly payments of \$2,125.

In November 2013, the Organization renewed its lease for 5 years with the Xerox Corporation. The lease expires on December 30, 2018 and provides for monthly payments of \$150. Minimum future lease payments are as follows:

Year Ending	
December 31, 2018	\$ 27,300
2019	2,125

	\$ 29,425
	=====

Lease expense associated with these leases was \$27,300 for the year ending December 31, 2017.

NOTE 4 – LINE OF CREDIT

The Organization maintains a \$150,000 line of credit with Providence Bank that matures on May 14, 2018. The line of credit carries an interest rate of 4%. As of December 31, 2017 the credit line balance was zero.

NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 25, 2018, the date which the financial statements were available for issue, and noted no reportable subsequent events.

SUPPLEMENTARY INFORMATION

BIG BROTHERS BIG SISTERS OF SOUTHWESTERN ILLINOIS
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended December 31, 2017

	Program Services	Support Services			Total Expenses
	Operating Expenses	General and Administrative	Fund Raising	Total	
Salaries	\$179,613	\$ 56,769	\$ 78,033	\$134,802	\$314,415
Payroll taxes	19,163	6,059	8,327	14,386	33,549
Group insurance and retirement	20,942	6,621	9,100	15,721	36,663
Total Salaries and Related Expenses	\$219,718	\$ 69,449	\$ 95,460	\$164,909	\$384,627
Office expense	2,463	274	7,097	7,371	9,834
Telephone	3,650	215	429	644	4,294
Legal and accounting	0	4,754	0	4,754	4,754
Rent	22,950	1,275	1,275	2,550	25,500
Conference and meetings	3,383	0	0	0	3,383
Dues and subscriptions	0	835	0	835	835
Insurance	8,453	939	0	939	9,392
Fees – Other BB BS Organizations	15,495	0	0	0	15,495
Activity expenses	8,925	0	0	0	8,925
Travel	5,921	0	0	0	5,921
Postage	7,004	0	0	0	7,004
Public relations	2,074	0	0	0	2,074
Repairs and maintenance - Office equipment	2,889	321	0	321	3,210
Utilities	3,196	178	177	355	3,551
Interest	0	731	0	731	731
Total Expenses Before Depreciation	\$306,121	\$ 78,971	\$104,438	\$183,409	\$489,530
Depreciation expense	0	470	0	470	470
TOTAL EXPENSES	\$306,121	\$ 79,441	\$104,438	\$183,879	\$490,000

See auditor's report.