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BOYS AND GIRLS CLUB OF WEST MONROE, INC.

WEST MONROE, LOUISIANA

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2003

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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 7-28-04

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2003

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# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.



"The CPA Never Underestimate The Value"

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- Accounting & Auditing
  - H.U.D. Audits
  - Non-Profit Organizations
- Business & Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

June 25, 2004

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Boys and Girls Club of West Monroe, Inc.  
West Monroe, Louisiana

We have audited the accompanying statement of financial position of Boys and Girls Club of West Monroe, Inc. (a non-profit organization) as of December 31, 2003, 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 Boys and Girls Club of West Monroe, Inc. as of December 31, 2003, 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, 2004, on our consideration of Boys and Girls Club of West Monroe, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report 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 Boys and Girls Club of West Monroe, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards 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.

*Johnston, Perry, Johnson & Associates, L.L.P.*

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CERTIFIED PUBLIC ACCOUNTANTS

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

June 25, 2004

To the Board of Directors  
Boys and Girls Club of West Monroe, Inc.  
West Monroe, Louisiana

We have audited the financial statements of Boys and Girls Club of West Monroe, Inc. (a nonprofit organization) as of and for the year ended December 31, 2003, and have issued our report thereon dated June 25, 2004. 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.

### Compliance

As part of obtaining reasonable assurance about whether Boys and Girls Club of West Monroe, 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Boys and Girls Club of West Monroe, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the

design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, Board of Directors, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2003

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	1,434	-	1,434
Accounts Receivable	27,002	-	27,002
Unconditional Promise to Give United Way Services Funding For the Next Fiscal Year	<u>          -</u>	<u>128,924</u>	<u>128,924</u>
<u>TOTAL CURRENT ASSETS</u>	<u>28,436</u>	<u>128,924</u>	<u>157,360</u>
Equipment and Leasehold Improvements, Net	144,609	-	144,609
Other Assets	<u>9,746</u>	<u>          -</u>	<u>9,746</u>
<u>TOTAL ASSETS</u>	<u>182,791</u>	<u>128,924</u>	<u>311,715</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	9,619	-	9,619
Accrued Payroll Taxes	1,618	-	1,618
Pension Payable	1,423	-	1,423
Line of Credit	<u>4,117</u>	<u>          -</u>	<u>4,117</u>
<u>TOTAL CURRENT LIABILITIES</u>	16,777	-0-	16,777
<u>NET ASSETS</u>	<u>166,014</u>	<u>128,924</u>	<u>294,938</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>182,791</u>	<u>128,924</u>	<u>311,715</u>

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

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE PERIOD ENDED DECEMBER 31, 2003

	<u>UNRESTRICTED</u>	<u>TEMPORARILY UNRESTRICTED</u>	<u>TOTAL</u>
<u>SUPPORT AND REVENUE</u>			
<u>SUPPORT</u>			
Grants	154,452	-	154,452
Contributions	27,145	-	27,145
Other	444	-	444
United Way Contributions for the Next Fiscal Year	-	128,924	128,924
Net Assets Released from Restriction	<u>156,379</u>	<u>(156,379)</u>	<u>-</u>
<u>TOTAL SUPPORT</u>	<u>338,420</u>	<u>( 27,455)</u>	<u>310,965</u>
<u>REVENUE</u>			
Special Events - Net	3,180	-	3,180
Membership Dues	3,910	-	3,910
Program Service Fees	29,907	-	29,907
Miscellaneous			
Concessions	7,150	-	7,150
Legalities & Bequests	250	-	250
Interest Income	34	-	34
Gain on Sale of Vehicle	<u>833</u>	<u>-</u>	<u>833</u>
<u>TOTAL REVENUE</u>	<u>45,264</u>	<u>-0-</u>	<u>45,264</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>383,684</u>	<u>( 27,455)</u>	<u>356,229</u>
<u>EXPENSES</u>			
Program Services	<u>333,813</u>	<u>-</u>	<u>333,813</u>
Support Services			
Management and General	37,616	-	37,616
Fund-Raising	<u>26,469</u>	<u>-</u>	<u>26,469</u>
<u>Total Support Services</u>	<u>64,085</u>	<u>-0-</u>	<u>64,085</u>
<u>Total Functional Expenses</u>	397,898	<u>-0-</u>	397,898
Payments to Affiliates	<u>2,914</u>	<u>-</u>	<u>2,914</u>
<u>TOTAL EXPENSES</u>	<u>400,812</u>	<u>-0-</u>	<u>400,812</u>

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



BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE PERIOD ENDED DECEMBER 31, 2003

	<u>UNRESTRICTED</u>	<u>TEMPORARILY UNRESTRICTED</u>	<u>TOTAL</u>
Change in Net Assets Before Change in Accounting Principal	( 17,128)	( 27,455)	( 44,583)
Cumulative Effect of Prior Year Accounting Change	<u>14,677</u>	<u>147,339</u>	<u>162,016</u>
Change in Net Assets After Change in Accounting Principal	( 2,451)	119,884	117,433
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>168,465</u>	<u>9,040</u>	<u>177,505</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>166,014</u>	<u>128,924</u>	<u>294,938</u>

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

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JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED DECEMBER 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	<u>117,433</u>
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	25,392
(Increase) Decrease in Accounts Receivable	( 26,786)
(Increase) Decrease in United Way Funding Commitment	(128,924)
Increase (Decrease) in Accounts Payable	10,992
Increase (Decrease) in Accrued Payroll Taxes	<u>1,478</u>
Net Cash Provided (Used) by Operating Activities	( 415)

CASH FLOWS FROM INVESTING ACTIVITIES:

Disposition of Asset	670
Purchase of Fixed Assets	<u>( 18,226)</u>
Net Cash Provided (Used) by Investing Activities	( <u>17,556</u> )

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from Loan	27,300
Payment on Loan	<u>( 23,184)</u>
Net Cash Provided (Used) by Financing Activities	<u>4,116</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS ( 13,855)

CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD 15,289

CASH AND CASH EQUIVALENTS - END OF PERIOD 1,434

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

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE PERIOD ENDED DECEMBER 31, 2003

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND-RAISING	TOTAL
	BOYS AND GIRLS CLUB			
Salaries	144,321	15,323	15,323	174,967
Employee Benefits	20,547	2,417	1,209	24,173
Payroll Taxes	9,898	1,164	582	11,644
Professional Fees	5,795	682	341	6,818
Supplies	35,890	4,222	2,111	42,223
Occupancy	40,853	4,806	2,403	48,062
Rental/Maintenance Equipment	852	100	50	1,002
Printing and Publications	109	13	6	128
Travel/Convention	15,092	1,776	888	17,756
Painting & Postage	1,412	166	83	1,661
Telephone	2,755	324	162	3,241
Insurance	32,299	3,800	1,900	37,999
Interest	1,095	129	64	1,288
Dues and Fees	1,308	154	77	1,539
Depreciation	21,583	2,539	1,270	25,392
Miscellaneous	<u>4</u>	<u>1</u>	<u>-</u>	<u>5</u>
	<u>333,813</u>	<u>37,616</u>	<u>26,469</u>	<u>397,898</u>
	<u>TOTAL FUNCTIONAL EXPENSES</u>			

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

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Boys and Girls Club of West Monroe, Inc. (the Organization) is a local non-profit organization that provides a pool, gym, baseball, flag football, and basketball to boys and girls in northeast Louisiana. The Organization is supported primarily through contributions by the United Way, which represented approximately 36% of the Organization support for the year end December 31, 2003.

Basis of Accounting

Financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Promises to Give

Under Statement of Financial Accounting Standards (SFAS) No. 116, contributions 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 are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Basis of Presentation

Financial statement presentation follows the recommendations 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 according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents. Fair value approximates carrying amounts.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs, fund-raising costs, and supporting services benefitted.

Reserve for Bad Debts

Accounts receivable have been reviewed by management and it has been determined that there is no requirement for an allowance for doubtful accounts as of December 31, 2003.

Income Tax Status

The Agency qualified as a tax-exempt organization under Section 501(C)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising Costs

The Organization expenses advertising costs as they are incurred. Advertising expenses for the year ended December 31, 2003 were immaterial.

NOTE 2 - DONATED SERVICES

No amounts have been reflected in the financial statements for donated services as no objective basis is available to measure the value of such services.

NOTE 3 - PLANT ASSETS AND DEPRECIATION

Depreciation of plant assets is calculated on the straight line basis over the estimated useful lives of the assets. The Organization capitalizes all assets over \$1,000 with useful life greater than one year. The cost of such assets at December 31, 2003 is as follows:

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2003

NOTE 3 - PLANT ASSETS AND DEPRECIATION (Continued)

	<u>Amount</u>
Land	25,000
Buildings	100,000
Pool	254,984
Computer Equipment	9,711
Vehicles	8,345
Equipment	<u>67,502</u>
Subtotal	465,542
Accumulated Depreciation	<u>(320,933)</u>
<u>TOTAL</u>	<u>144,609</u>

NOTE 4 - FUND-RAISING COSTS

Fund-raising costs, other than special events and concession sales, are not material. The costs of special events and concessions are as follows:

	<u>Special Events</u>	<u>Concessions</u>
Gross Sales	16,976	7,150
Cost of Sales	<u>13,796</u>	<u>-</u>
<u>NET PROFIT (LOSS)</u>	<u>3,180</u>	<u>7,150</u>

NOTE 5 - PENSION PLAN

The Organization maintains an employee retirement plan for full-time, salaried employees. Employee contributions are equal to five percent of compensation. The pension contribution for the year was \$5,489.

NOTE 6 - NET ASSETS

The Organization reports information regarding its financial position and activities according to these classes of net assets:

Unrestricted Net Assets - consists of assets, public support and program revenues which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2003

NOTE 6 - NET ASSETS (Continued)

Temporarily Restricted Net Assets - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds. The organization has \$128,924 in temporarily restricted net assets, which is United Way funding for next year.

Permanently Restricted Net Assets - includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the organization to expend part or all of the income derived from the donated assets.

NOTE 7 - CHANGE IN ACCOUNTING PRINCIPLE

Due to requirements by funding sources and state law, the Organization has changed from the tax basis of accounting to the accrual basis of accounting. The accrual basis of accounting recognizes income when earned not when received, and recognizes expenses as incurred and not when paid. The cumulative effect of prior year accounting change is \$162,016.

NOTE 8 - LINE OF CREDIT

The Organization established a \$25,000 line of credit with Hibernia National Bank. The interest rate on the line of credit is 7.5% and the outstanding balance is \$4,117. The following is a schedule of the principal amounts maturing during the next five years.

<u>YEAR ENDED</u> <u>DECEMBER 31</u>	<u>PRINCIPAL</u> <u>MATURING</u>
2004	4,117
2005	-
2006	-
2007	-
2008	-

SUPPLEMENTARY FINANCIAL INFORMATION



BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2003

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL DISBURSEMENTS/ EXPENDITURES</u>
Office of Justice Programs (Pass Through Funds)	16.592	90,468
Temporary Assistance for Needy Families (Pass Through Funds)	93.558	<u>20,249</u>
<u>TOTAL</u>		<u>110,717</u>

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2003

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Boys and Girls Club of West Monroe, Inc. and is presented on the accrual basis of accounting.

NOTE 2 - SUBRECIPIENTS

Boys and Girls Club of West Monroe, Inc. did not provide federal awards to subrecipients.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
SCHEDULE OF EXPENDITURES OF BOARD MEMBERS COMPENSATION  
FOR THE YEAR ENDED DECEMBER 31, 2003

No compensation was paid any board member during the year under audit.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

\* Material weakness(es) identified?             yes  no

\* Reportable condition(s) identified that  
are not considered to be material  
weaknesses?                                     yes  none reported

Noncompliance material to financial  
statements noted?                             yes  no

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

Internal Control

There were no findings nor questioned costs for internal controls for the year ended December 31, 2003.

Compliance

There were no findings nor questioned costs for compliance for the year ended December 31, 2003.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS  
DECEMBER 31, 2003

There were no prior year findings.