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TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 8-21-96

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
DECEMBER 31, 1995

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June 25, 1996

- Accounting And Auditing
- H.U.D. Audits
- Non-Profit Organizations
- Business And Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Real Estate

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
Tri-District Boys and Girls Club of Monroe, Inc.  
Monroe, Louisiana

We have audited the accompanying balance sheet of the Tri-District Boys and Girls Club of Monroe, Inc. as of and for the year ended December 31, 1995, and the related statements of support, revenue, and expenses and changes in fund balances and of functional expenses for the year then ended. These financial statements are the responsibility of the Club's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other NonProfit Institutions." Those standards and OMB Circular A-133 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 Tri-District Boys and Girls Club of Monroe, Inc., as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Tri-District Boys and Girls Club of Monroe, Inc. taken as a whole. The accompanying financial information listed as additional information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Perry, Powell + Company*

PERRY, POWELL & COMPANY  
A PROFESSIONAL ACCOUNTING CORPORATION

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
 MONROE, LOUISIANA  
 BALANCE SHEET  
 DECEMBER 31, 1995

	<u>Operating Funds</u>			Land, Building and Equipment Fund	Total All Funds
	<u>General</u>	<u>Grants</u>	<u>Total</u>		
<u>ASSETS</u>					
Cash in Checking	35,137	-	35,137	-	35,137
Receivables	-	11,564	11,564	-	11,564
Utility Deposits	575	-	575	-	575
Due from Other Funds	-	41,856	41,856	5,120	46,976
Education Equipment	-	-	-	28,327	28,327
Furniture and Fixtures	-	-	-	154,208	154,208
Recreational Equipment	-	-	-	55,981	55,981
Vehicles	-	-	-	100,765	100,765
Building and Additions King Oaks Subdivision Lot	-	-	-	504,627	504,627
Leasehold Improvements	-	-	-	7,500	7,500
Landscaping	-	-	-	11,933	11,933
Works of Art	-	-	-	3,278	3,278
Accumulated Depreciation	-	-	-	15,000	15,000
	-	-	-	(274,572)	(274,572)
<u>TOTAL ASSETS</u>	<u>35,712</u>	<u>53,420</u>	<u>89,132</u>	<u>612,167</u>	<u>701,299</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable	13,586	24,101	37,687	-	37,687
Payroll Taxes Payable	3,829	-	3,829	-	3,829
Deferred Revenue - Urban Affairs	-	29,319	29,319	-	29,319
Due to Other Funds	46,976	-	46,976	-	46,976
<u>TOTAL LIABILITIES</u>	64,391	53,420	117,811	-0-	117,811
<u>FUND BALANCES</u>	(28,679)	-0-	(28,679)	612,167	583,488
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>35,712</u>	<u>53,420</u>	<u>89,132</u>	<u>612,167</u>	<u>701,299</u>

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

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
STATEMENT OF SUPPORT, REVENUES, EXPENSES, AND CHANGES  
IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 1995

	Operating Funds			Land, Building and Equipment Fund	Total All Funds
	General	Grants	Total		
<u>PUBLIC SUPPORT AND REVENUE</u>					
<u>PUBLIC SUPPORT</u>					
United Way	113,102	-	113,102	-	113,102
Business, Civic, Religious	25,305	-	25,305	-	25,305
General Public	16,482	-	16,482	-	16,482
Federal Grants:					
HAK-IT Program	-	30,824	30,824	-	30,824
SMART MOVES Program	-	26,847	26,847	-	26,847
Project RESPECT	-	44,044	44,044	-	44,044
Urban Affairs	-	94,353	94,353	-	94,353
Housing and Urban Development	-	6,947	6,947	-	6,947
Cultural Arts Center	-	101,389	101,389	-	101,389
Monroe Housing Authority	-	50,306	50,306	-	50,306
Oak Manor Apartments	-	9,419	9,419	-	9,419
Juvenile Report Center	-	27,990	27,990	-	27,990
<u>TOTAL PUBLIC SUPPORT</u>	<u>154,889</u>	<u>392,119</u>	<u>547,008</u>	<u>-0-</u>	<u>547,008</u>
<u>REVENUE</u>					
Indirect Cost Reimbursement	27,231	-	27,231	-	27,231
Membership Fees	73	-	73	-	73
Other	4,160	-	4,160	-	4,160
<u>TOTAL REVENUE</u>	<u>31,464</u>	<u>-0-</u>	<u>31,464</u>	<u>-0-</u>	<u>31,464</u>
<u>TOTAL PUBLIC SUPPORT AND REVENUE</u>	<u>186,353</u>	<u>392,119</u>	<u>578,472</u>	<u>-0-</u>	<u>578,472</u>

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

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TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
STATEMENT OF SUPPORT, REVENUES, EXPENSES, AND CHANGES  
IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 1995

	Operating Funds			Land, Building and Equipment Fund	Total All Funds
	General	Grants	Total		
<u>EXPENSES</u>					
<u>PROGRAM SERVICES</u>					
Youth Community Services	82,732	-	82,732	47,167	129,899
HAK-IT Program	-	32,228	32,228	-	32,228
SMART MOVES Program	-	26,730	26,730	-	26,730
Project RESPECT	-	46,506	46,506	-	46,506
Urban Affairs	-	32,144	32,144	-	32,144
Housing and Urban Development	-	7,804	7,804	-	7,804
Cultural Arts Center	-	-	-	-	-
Oak Manor Apartments	-	8,332	8,332	-	8,332
Juvenile Report Center	-	25,203	25,203	-	25,203
<u>TOTAL PROGRAM SERVICES</u>	82,732	178,947	261,679	47,167	308,846
<u>SUPPORTING SERVICES</u>					
Management and General	74,466	-	74,466	963	75,429
<u>TOTAL EXPENSES</u>	157,198	178,947	336,145	48,130	384,275
Excess (Deficiency) of Public Support and Revenue over Expenses	29,155	213,172	242,327	( 48,130)	194,197
<u>OTHER CHANGES IN FUND BALANCES</u>					
Capital Additions	( 21,740)	(224,460)	(246,200)	246,200	-0-
Operating Transfers	( 16,408)	11,288	( 5,120)	5,120	-0-
<u>FUND BALANCE - BEGINNING OF YEAR</u>	( 19,686)	-0-	( 19,686)	408,977	389,291
<u>FUND BALANCE - END OF YEAR</u>	( 28,679)	-0-	( 28,679)	612,167	583,488

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

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 1995

	Program Services						
	Youth Community Services	HAK-IT Program	SMART MOVES Program	Project RESPECT	Urban Affairs	Housing and Urban Development Apartments	Juvenile Report Center
<u>SALARIES AND RELATED EXPENSES</u>							
Salaries	5,874	22,730	19,922	27,350	25,489	6,800	15,131
Insurance - Hospitalization	2,371	734	643	883	813	220	489
Payroll Tax Expense	538	2,593	1,918	2,907	2,584	784	1,744
Other Compensation	860	-	-	-	-	-	-
	<u>9,643</u>	<u>26,057</u>	<u>22,483</u>	<u>31,140</u>	<u>28,886</u>	<u>7,804</u>	<u>17,364</u>
<u>TOTAL SALARIES AND RELATED EXPENSES</u>							
<u>OTHER EXPENSE</u>							
Adult and Youth Programs	692	-	1,001	-	-	-	-
Awards and Prizes	206	-	773	-	-	-	-
Bank Charges	-	-	-	-	-	-	-
Conventions and Meetings	-	-	-	-	-	-	-
Dues - National and Regional	-	-	-	-	-	-	-
Insurance and Bond Premiums	17,366	-	-	-	-	-	-
Indirect Cost	-	4,583	-	6,875	1,740	-	5,921
Interest	-	-	-	-	-	-	-
Maintenance and Repair - Building and Grounds	9,548	-	-	-	-	-	-
Maintenance and Repair - Equipment	8,329	-	-	-	-	-	-
Miscellaneous	5,338	13	128	-	-	51	1,278
Postage	1,019	-	-	-	-	-	-
Printing and Promotion	596	-	-	-	-	-	-
Professional Fees	-	-	-	5,519	-	-	-
Program Supplies	1,892	591	-	413	315	-	640
Supplies	4,806	984	2,345	910	596	-	-
Telephone	4,680	-	-	-	-	-	-
Vehicle Expenses and Travel	5,153	-	-	1,649	607	-	-
Utilities	13,464	-	-	-	-	-	-
	<u>73,089</u>	<u>6,171</u>	<u>4,247</u>	<u>15,366</u>	<u>3,258</u>	<u>-0-</u>	<u>7,839</u>
<u>TOTAL OTHER EXPENSES</u>							
Total Expenses Before Depreciation	82,732	32,228	26,730	46,506	32,144	7,804	25,203
Depreciation	<u>47,167</u>	-	-	-	-	-	-
<u>TOTAL EXPENSES</u>	<u>129,899</u>	<u>32,228</u>	<u>26,730</u>	<u>46,506</u>	<u>32,144</u>	<u>7,804</u>	<u>25,203</u>

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



TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
 MONROE, LOUISIANA  
 STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Supporting Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
<u>SALARIES AND RELATED EXPENSES</u>			
Salaries	27,848		151,144
Insurance - Hospitalization	10,498		16,651
Payroll Tax Expense	2,549		15,617
Other Compensation	<u>3,809</u>		<u>4,669</u>
	44,704		188,081
<u>TOTAL SALARIES AND RELATED EXPENSES</u>			
<u>OTHER EXPENSE</u>			
Adult and Youth Programs			1,693
Awards and Prizes	-		979
Bank Charges	185		185
Conventions and Meetings	855		855
Dues - National and Regional	3,484		3,484
Insurance and Bond Premiums	5,789		23,155
Indirect Cost	-		27,231
Interest	135		135
Maintenance and Repair - Building and Grounds	195		9,743
Maintenance and Repair - Equipment	170		8,550
Miscellaneous	-		6,757
Postage	340		1,359
Printing and Promotion	199		795
Professional Fees	14,719		20,238
Program Supplies	-		4,020
Supplies	1,602		11,243
Telephone	96		4,776
Vehicle Expenses and Travel	1,718		9,127
Utilities	<u>275</u>		<u>13,739</u>
	29,762		148,064
Total Expenses Before Depreciation	74,466		336,145
Depreciation	<u>963</u>		<u>48,130</u>
	75,429		384,275
			<u>384,275</u>

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

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1995

NOTE 1 - Summary of Significant Accounting Policies

Nature of Activity

Tri-District Boys and Girls Club of Monroe, Inc. (the Club) is a nonprofit corporation organized to provide behavioral guidance and to promote the health, social, educational, vocational and character development of youth in the community of Monroe, Louisiana.

Basis of Presentation

Financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants in its Industry Audit Guide, Audits of Voluntary Health and Welfare Organizations.

Fund Accounting

In order to comply with restrictions which donors placed on grants and other gifts, as well as designations made by its governing board, the principles of fund accounting are used. Accordingly, all assets, liabilities and activities are stated on the accrual basis and are accounted for in the General and Grants Operating Funds and Land, Building and Equipment Fund. Contributions are considered to be unrestricted funds unless restricted by the donor or provider. All funds over which the Board of Directors has discretionary control have been included in the General Fund.

Revenue

The main sources of revenue are the yearly allocation by United Way of Northeast Louisiana, Inc., contributions by the general public, and federal and state financial assistance.

Grants

Resources from government grants are recorded as revenue when the related costs are incurred. Grants restricted to future years are deferred. All other grants are recorded as revenue when the grant is pledged or received.

Donated Services

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

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1995

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Allocation of Functional Expenses

The General Fund is the general operating fund of the Club and is used to account for all financial resources except those accounted for in the Grant Fund. Thus, both Program Services as well as Supporting Services are accounted for in this fund. Allocations have been made for expenses between Program Services and Supporting Services when both services share the same expenses as follows:

Program Services, 98% and Supporting Services, 2% for Maintenance and Repair - Building and Grounds, Maintenance and Repair - Equipment, Depreciation, Utilities, and Telephone.

Program Services, 75% and Supporting Services, 25% for Insurance and Bond Premiums, Postage, Printing and Promotion, Supplies, and Vehicle Expenses and Travel.

Ratio of time spent on Program Services and Supporting Services for Insurance - Hospitalization, Payroll Taxes and Other Compensation.

Land, Building and Equipment

Land, building and equipment are stated at cost if purchased or fair market value if donated. Depreciation is recorded by the straight-line method. The Club utilizes estimated useful lives of 5 years for vehicles, 5 to 10 years for furniture and fixtures and equipment, and 10 to 30 years for building and additions. Works of art are included in fixed assets but are not depreciated.

Tax Status

The Club is a nonprofit corporation exempted from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - Federal Grants

The HAK-IT (Help A Kid) Program is administered in conjunction with the Monroe Housing Authority and is to provide services to youth of the Monroe housing developments in education - reading and math skills, social development skills and substance abuse prevention.

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1995

NOTE 2 - Federal Grants (Continued)

The SMART MOVES Program is also in connection with the Monroe Housing Authority. The SMART MOVES Program is designed to reduce preteen and teenage vulnerability to drug use and sexual involvement. Youths will learn that commitment, tenacity and hard work can change their reality.

Project RESPECT is an 18-month contract through the state Department of Health and Hospitals and is a program to serve African-American males who are gang members or are at risk of becoming involved with gang members. The program provides for educational, work readiness, therapeutic intervention and family involvement components.

The Urban Affairs Program strives to provide non-residential prevention and diversion services to youths and the community through educational training in areas such as delinquency prevention and substance abuse. The program also focuses on child awareness, career education, building self-esteem and parent-child relationships.

The Housing and Urban Development Training Program is to recruit and train a resident of the Carver public housing development to work in the Club with the children from the development.

The Cultural Arts Center utilizes federal pass-through funds and local donations. This program is enabling the Club to increase and further diversify services to the community by enabling the expansion of the Club facility. The added space will allow for the accommodation of a day school, a community meeting hall and citizenship and leadership programs in accordance with federal guidelines and policies.

Through the Oak Manor Apartments program, the Club provides highly structured activities for the residents of Oak Manor Apartments which will have positive carryover values in instilling self-esteem, pride and accomplishment. Participants will engage in educational and sports activities at Club sites and also engage in extracurricular activities.

The Juvenile Report Center is a concept that offers a structured, community-based day program in supervised education, recreation, and counseling for youth and parents. This initiative will guide failing youths through an educational process into business possibilities.

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1995

NOTE 3 - Other Compensation

In May, 1991 the Club terminated its enrollment in the National Boys and Girls Club of America Pension Plan and began making contributions to another retirement account. In 1995, it was determined that no pension plan document had been executed to properly establish a local-level pension plan in accordance with Internal Revenue Service rules and regulations. Therefore, the contributions made by the Club (approximately \$40,000) subsequent to the termination date in 1991 represent other compensation to the two employees on whose behalf the contributions were made. No adjustment has been made to the accompanying financial statements for the amount of employment tax and possible penalties and interest payable by the Club as a result of this error.

NOTE 4 - FASB 116 and 117

The Corporation has not adopted FASB 116 or FASB 117.

NOTE 5 - Subsequent Event

Subsequent to year end, the Tri-District Boys and Girls Club of Monroe, Inc. obtained a loan in the amount of \$35,036 to pay off the remaining liabilities from the construction of the building. The note is a 9.5% demand loan with quarterly interest payments until January 24, 1997 when the principal is due in full with any unpaid accrued interest.

ADDITIONAL INFORMATION

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
 MONROE, LOUISIANA  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED DECEMBER 31, 1995

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Program or Award Amount</u>	<u>Current Year Revenue Recognized</u>	<u>Current Year Expense</u>
U.S. Department of Housing and Urban Development Pass-Through Programs Monroe Housing Authority Comprehensive Assistance Program (HAK-IT)				
6-30-95 Program Year	14.852	30,936	15,947	15,947
6-30-96 Program Year	14.852	<u>30,936</u>	<u>14,877</u>	<u>14,877</u>
<u>TOTAL COMPREHENSIVE ASSISTANCE PROGRAM</u>		<u>61,872</u>	<u>30,824</u>	<u>30,824</u>
SMART MOVES Program	14.854	<u>40,000</u>	<u>26,847</u>	<u>26,847</u>
Community Development Block Grant Urban Affairs				
6-30-95 Program Year	14.218	60,000	33,672	33,672
6-30-96 Program Year	14.218	<u>90,000</u>	<u>60,681</u>	<u>60,681</u>
<u>TOTAL URBAN AFFAIRS</u>		<u>150,000</u>	<u>94,353</u>	<u>94,353</u>
*Community Development Block Grant Cultural Arts Center	14.218	223,500	101,389	101,389
Monroe Housing Authority Transportation Equipment	Pass Through	50,306	50,306	50,306
U.S. Department of Health and Human Services Louisiana Department of Health and Hospitals Project RESPECT	93.125	150,000	44,044	44,044
U.S. Department of Justice Louisiana Commission on Law Enforcement and Administration of Criminal Justice Juvenile Report Center	16.540	34,575	27,990	27,990
U.S. Department of Housing and Urban Development Boys & Girls Clubs of America Department of Housing and Urban Development Training Project	N/A	18,000	6,947	6,947
Standard Enterprises, Inc. Oak Manor Apartments	N/A	<u>175,000</u>	<u>9,419</u>	<u>9,419</u>
<u>TOTAL FEDERAL ASSISTANCE</u>		<u>903,253</u>	<u>392,119</u>	<u>392,119</u>
* Major Program				

See accompanying notes to Schedule of Federal Financial Assistance.

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 1995

1. General

The Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of the Tri-District Boys and Girls Club, Inc. (a nonprofit organization - the Club). All financial assistance received directly or passed through other government or nonprofit agencies is included on the schedule.

2. Basis of Accounting

The Schedule of Federal Financial Assistance is presented using the accrual basis of accounting, which is described in Note 1 to the Club's financial statements.



TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
 MONROE, LOUISIANA  
 RECONCILIATION OF CURRENT YEAR FEDERAL EXPENSES TO STATEMENT  
 OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN FUND  
 BALANCES FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>HAK-IT Program</u>	<u>SMART MOVES Program</u>	<u>Project RESPECT</u>	<u>Urban Affairs</u>	<u>Cultural Arts Center</u>
TOTAL EXPENSES - PAGE 5	32,228	26,730	46,506	32,144	-0-
CAPITAL ADDITIONS	-	117	-	68,774	101,389
OPERATING TRANSFERS	( 1,404)	-	( 2,462)	( 6,565)	-
<u>CURRENT YEAR</u> <u>FEDERAL EXPENSES</u>	<u>30,824</u>	<u>26,847</u>	<u>44,044</u>	<u>94,353</u>	<u>101,389</u>

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
 MONROE, LOUISIANA  
 RECONCILIATION OF CURRENT YEAR FEDERAL EXPENSES TO STATEMENT  
 OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN FUND  
 BALANCES FOR THE YEAR ENDED DECEMBER 31, 1995

	<u>Juvenile Report Center</u>	<u>Housing &amp; Urban Development</u>	<u>Oak Manor Apartments</u>	<u>Monroe Housing Authority Pass Through</u>	<u>Totals</u>
TOTAL EXPENSES -					
PAGE 5	25,203	7,804	8,332	-0-	178,947
CAPITAL ADDITIONS	2,787	-	1,087	50,306	224,460
OPERATING TRANSFERS	<u>-</u>	<u>( 857)</u>	<u>-</u>	<u>-</u>	<u>( 11,288)</u>
<u>CURRENT YEAR</u>					
<u>FEDERAL EXPENSES</u>	<u>27,990</u>	<u>6,947</u>	<u>9,419</u>	<u>50,306</u>	<u>392,119</u>



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June 25, 1996

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**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Tri-District Boys and Girls Club of Monroe, Inc.  
Monroe, Louisiana

We have audited the financial statements of the Tri-District Boys and Girls Club of Monroe, Inc. as of and for the year ended December 31, 1995, and have issued our report thereon dated June 25, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other NonProfit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Tri-District Boys and Girls Club of Monroe, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Tri-District Boys and Girls Club of Monroe, Inc., for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Club's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

**Finding:** During our test of internal controls, we found that fixed assets do not contain inventory tags. Fixed assets without serial numbers would be difficult to control and identify during the annual physical inventory of fixed assets.

**Recommendation:** We recommend that all fixed assets be assigned an inventory tag to be reconciled at year end during the physical inventory.

**Response:** The Executive Director agrees to inventory all fixed assets with inventory tags.

**Finding:** During our test of internal controls, we found that prenumbered checks were not always used in numerical sequence. This would lead to unreconciled missing checks during the bank reconciliation.

**Recommendation:** We recommend that checks be used in numerical sequence.

**Response:** The Executive Director agrees with this recommendation.

**Finding:** During our test of internal controls, we found that grant receivables are not reconciled on a timely basis.

**Recommendation:** We recommend that grant monthly reimbursement reports be reconciled to the general ledger on a quarterly basis.

**Response:** The Executive Director agrees with this recommendation.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors of the Tri-District Boys and Girls Club of Monroe, Inc., its cognizant audit agency, other agencies granting funds to the Club and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH LAWS, REGULATIONS  
CONTRACTS, AND GRANTS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Tri-District Boys and Girls Club of Monroe, Inc.  
Monroe, Louisiana

We have audited the financial statements of the Tri-District Boys and Girls Club of Monroe, Inc. as of and for the year ended December 31, 1995, and have issued our report thereon dated June 25, 1996.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other NonProfit Institutions". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Tri-District Boys and Girls Club of Monroe, Inc. is the responsibility of the Club's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Club's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the Tri-District Boys and Girls Club of Monroe, Inc. complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Tri-District Boys and Girls Club of Monroe, Inc. had not complied, in all material respects, with those provisions.

This report is intended for the information of the Board of Directors of the Tri-District Boys and Girls Club of Monroe, Inc., its cognizant audit agency, other agencies granting funds to the Club and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL  
ASSISTANCE PROGRAMS

Board of Directors  
Tri-District Boys and Girls Club of Monroe, Inc.  
Monroe, Louisiana

We have audited the financial statements of the Tri-District Boys and Girls Club of Monroe, Inc., as of and for the year ended December 31, 1995, and have issued our report thereon dated June 25, 1996. We have also audited the compliance of the Tri-District Boys and Girls Club of Monroe, Inc., with requirements applicable to federal financial assistance programs and have issued our report thereon dated June 25, 1996.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other NonProfit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether Tri-District Boys and Girls Club of Monroe, Inc., complied with laws and regulations, noncompliance with which would be material to a federal financial assistance program.

In planning and performing our audits for the year ended December 31, 1995, we considered the internal control structure of the Tri-District Boys and Girls Club of Monroe, Inc., in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements of the Tri-District Boys and Girls Club of Monroe, Inc., and on the compliance of the Tri-District Boys and Girls Club of Monroe, Inc., with requirements applicable to federal financial assistance programs. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated June 25, 1996.



The management of the Tri-District Boys and Girls Club of Monroe, Inc., is responsible for establishing an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related cost for internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with the Board's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Cash Receipts and Accounts Receivable	Property and Equipment
Cash Disbursements and Accounts Payable	Payroll and Related Liabilities

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, the Tri-District Boys and Girls Club of Monroe, Inc. expended sixty-three percent of its total federal financial assistance under major federal financial assistance programs and the following nonmajor federal financial assistance programs:

Community Development Block Grant - Urban Affairs (CFDA 14.218)	94,353
Monroe Housing Authority - Transportation Equipment (Pass Through)	50,306
Total	<u>144,659</u>

We performed tests of controls as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Club's major federal financial assistance program, which is identified in the accompanying Schedule of Federal and State Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment,

could adversely affect Tri-District Boys and Girls Club of Monroe, Inc.'s ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

**Finding:** During our test of internal controls, we found that fixed assets do not contain inventory tags. Fixed assets without serial numbers would be difficult to control and identify during the annual physical inventory of fixed assets.

**Recommendation:** We recommend that all fixed assets be assigned an inventory tag to be reconciled at year end during the physical inventory.

**Response:** The Executive Director agrees to inventory all fixed assets with inventory tags.

**Finding:** During our test of internal controls, we found that prenumbered checks were not always used in numerical sequence. This would lead to unreconciled missing checks during the bank reconciliation.

**Recommendation:** We recommend that checks be used in numerical sequence.

**Response:** The Executive Director agrees with this recommendation.

**Finding:** During our test of internal controls, we found that grant receivables are not reconciled on a timely basis.

**Recommendation:** We recommend that grant monthly reimbursement reports be reconciled to the general ledger on a quarterly basis.

**Response:** The Executive Director agrees with this recommendation.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors of the Tri-District Boys and Girls Club of Monroe, Inc., its cognizant audit agency, other agencies granting funds to the Club and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE  
TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Directors  
Tri-District Boys and Girls Club of Monroe, Inc.  
Monroe, Louisiana

We have audited the financial statements of the Tri-District Boys and Girls Club of Monroe, Inc. as of and for the year ended December 31, 1995, and have issued our report thereon dated June 25, 1996.

We have applied procedures to test Tri-District Boys and Girls Club of Monroe, Inc.'s compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the Schedule of Federal and State Financial Assistance, for the year ended December 31, 1995: Cash Management, Political Activity, Davis-Bacon Act, Federal Financial Reports, Civil Rights, Drug-Free Workplace Act and Administrative Requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Higher Learning and Other NonProfit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Tri-District Boys and Girls Club of Monroe, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Tri-District Boys and Girls Club of Monroe, Inc. had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the Board of Directors of the Tri-District Boys and Girls Club of Monroe, Inc., its cognizant audit agency, other agencies granting funds to the Club and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Directors  
Tri-District Boys and Girls Club of Monroe, Inc.  
Monroe, Louisiana

We have audited the financial statements of the Tri-District Boys and Girls Club of Monroe, Inc. as of and for the year ended December 31, 1995, and have issued our report thereon dated June 25, 1996.

We have also audited the Club's compliance with the requirements governing types of services allowed or not allowed; reporting; and special tests and provisions applicable to its major federal financial assistance program, which is identified in the accompanying Schedule of Federal and State Financial Assistance, for the year ending December 31, 1995. The management of the Club is responsible for the Club's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other NonProfit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Club's compliance with those requirements. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the Club complied, in all material respects, with the requirements governing types of services allowed or not allowed; reporting; and special tests and provisions that are applicable to its major federal financial assistance program for the year ended December 31, 1995.

This report is intended for the information of the Board of Directors of the Tri-District Boys and Girls Club of Monroe, Inc., its cognizant audit agency, other agencies granting funds to the Club and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL  
FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

Board of Directors  
Tri-District Boys and Girls Club of Monroe, Inc.  
Monroe, Louisiana

We have audited the financial statements of the Tri-District Boys and Girls Club of Monroe, Inc. as of and for the year ended December 31, 1995, and have issued our report thereon dated June 25, 1996.

In connection with our audit of the December 31, 1995 financial statements of the Tri-District Boys and Girls Club of Monroe, Inc., and with consideration of the Club's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other NonProfit Institutions", we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1995.

As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, and special test and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Tri-District Boys and Girls Club of Monroe, Inc.'s compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Tri-District Boys and Girls Club of Monroe, Inc. had not complied, in all material respects, with those requirements. Also, results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the Board of Directors of the Tri-District Boys and Girls Club of Monroe, Inc., its cognizant audit agency, other agencies granting funds to the Club and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

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TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 1995

Finding: A large number of invoices and time sheets did not show proper documentation of authorization.

Status: Cleared.

Finding: The bookkeeper has incompatible duties of preparation of disbursement checks, having access to blank checks, mailing checks and receiving unopened bank statements.

Status: Cleared.

Finding: There was a lack of grant record-keeping regarding the periods covered by the grants, the status of the grants in terms of funds available, amounts drawn to date and any amendments to the original grants.

Status: Cleared.

Finding: In performing our tests of employee benefits expense, it was determined the Club had made payments to retirement accounts on behalf of two employees for which no pension document had been executed. Further, this condition had existed since the first half of fiscal 1991. Since the Club's contributions to these accounts was not covered by a retirement plan qualified under the Internal Revenue Code, the amounts paid into the individual's accounts should have been reported to them as compensation.

Status: The Club prepared and issued corrected W-2's for the affected employees and filed amended payroll tax returns. The Board of Directors will take up the matter of retirement plans and take such action as it deems in the best interest of the Club and its mission.