

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

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 error 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management, the Board of Directors and the various funding sources of the Agency. This restriction is not intended to limit the distribution of this report.



Cook & Woodhart
Certified Public Accountants
August 14, 1998

Bossier Kids, Inc.
Bossier City, Louisiana
Notes to Financial Statements
June 30, 1998

(I) Summary of Significant Accounting Policies

Bossier Kids, Inc. is a private nonprofit organization incorporated under the laws of the State of Louisiana. Bossier Kids, Inc. is governed by a Board of Directors serving under the authority of the Adkins Drive Church of Christ of Bossier City, Louisiana.

Bossier Kids, Inc. provides a family environment for needy children whose natural family situation has been temporarily disrupted. They promote the development and maintenance of stable, healthy Christian families to provide for the needs of the child until the natural family situation is restored or the child is emancipated. The primary sources of funding are from a contract with the State of Louisiana and donations from the Adkins Drive Church of Christ.

A. Basis of Accounting

The financial statements of Bossier Kids, Inc. have been prepared on the accrual basis of accounting.

B. 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.

C. Income Taxes

Bossier Kids, Inc. has received a letter of determination from the Internal Revenue Service advising that it qualifies as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to income taxes.

(Continued)

Breder-Kids, Inc.
Bossier City, Louisiana

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COOK & MERRITT

Certified Public Accountants

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Independent Auditors' Report

To the Board of Directors
Booster Kids, Inc.
Booster City, Indiana

We have audited the accompanying statement of financial position of Booster Kids, Inc. (a nonprofit organization) as of June 30, 1986, and the related statements of activities, and statement of 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 generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 Booster Kids, Inc. as of June 30, 1986, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 14, 1986, and shown on pages 11-12 on our consideration of Booster Kids, Inc.'s internal control structure and a report dated August 14, 1986, and shown on page 13 on its compliance with laws and regulations.



Cook & Merritt
Certified Public Accountants
August 14, 1986

Bosley Kids, Inc.
 Bosley City, Louisiana
 Statement of Financial Position
 June 30, 1998

ASSETS

Current Assets:	
Cash	\$ 20,758
Revenue Receivable	8,158
Prepaid Expenses	1,234
Note Receivable - Current Portion	<u>549</u>
Total Current Assets	<u>30,699</u>
Property and Equipment	256,620
Accumulated Depreciation	<u>(1,85,327)</u>
Net Property and Equipment	<u>71,293</u>
Note Receivable - Long-term	8,709
Total Assets	<u><u>\$ 210,698</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accounts Payable	\$ 3,046
Salaries Payable	1,581
Payroll Taxes Payable	<u>183</u>
Total Current Liabilities	<u>4,810</u>
Net Assets:	
Unrestricted:	
Operating	42,645
Fixed Assets	<u>172,182</u>
Total Net Assets	<u>214,827</u>
Total Liabilities and Net Assets	<u><u>\$ 219,637</u></u>

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

Dessler Kids, Inc.
Bossier City, Louisiana
Statement of Activities
For the Year Ended June 30, 1985

	<u>Unrestricted</u>
REVENUE AND OTHER SUPPORT	
State Revenue - Child Care Contract	\$ 80,004
Arline Church of Christ Donations	39,000
Other Income	1,207
Donations	11,563
Interest Income	1,487
Total Revenue and Other Support	<u>133,261</u>
 EXPENSES AND LOSSES	
Personnel	37,186
Fringe Benefits	2,649
Child Care	68,176
Repairs and Maintenance	2,251
Office Expense	1,077
Utilities	7,048
Travel	293
Insurance	3,482
Depreciation	8,201
Miscellaneous	620
Professional Services	898
Total Expenses	<u>128,629</u>
Loss from Disposal of Equipment	488
Total Expenses and Losses	<u>129,117</u>
 Change in Net Assets	 (5,120)
Net Assets, July 1, 1985	220,994
Net Assets, June 30, 1986	<u>\$ 215,874</u>

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

Dessler Kids, Inc.
Dessler City, Louisiana
Statement of Cash Flows
For the Year Ended June 30, 1980

	Restricted
Operating Activities	
Change in net assets	1 5,126
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	9,891
Loss on disposal of equipment	488
(Increase) decrease in:	
Contract revenue receivable	1 2,958
Prepaid expenses	55
Increase (decrease) in:	
Accounts payable	855
Salaries payable	808
Payroll taxes payable	128
Net cash provided by operating activities	4,638
Investing Activities	
Purchases of property and equipment	1 4,757
Proceeds from sale of equipment	58
Collections on loans	2,813
Net cash (used) by investing activities	(1,886)
Net increase (decrease) in cash	2,752
Cash as of beginning of year	25,867
Cash as of end of year	28,619

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

FINANCIAL
STATEMENTS
1966-67

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city and PLACE
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Bossier Kids, Inc.
Bossier City, Louisiana

Financial Statements

For the Year Ended June 30, 1966

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: HE 12 1967

Bessie Kilo, Inc.
Bossier City, Louisiana
Notes to Financial Statements
June 30, 1998
(Continued)

D. Property and Equipment

Donated assets are valued at the fair market value at the time of donation. All other fixed assets are stated at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

E. Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

F. Retirement Obligations

The employees of Bessie Kilo, Inc. are members of the Social Security System. There are no other retirement plans available through Bessie Kilo, Inc.

G. Use of Estimates

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

H. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, Bessie Kilo considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(Continued)

Bozler Kids, Inc.
Bossier City, Louisiana
Notes to Financial Statements
June 30, 1998
(Continued)

(7) Change in Accounting Principles

Bozler Kids elected to adopt Statement of Financial Accounting Standards (SFAS) No. 118, Accounting for Contributions Received and Contributions Made, in 1995. In accordance with SFAS No. 118, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. This adoption had no effect on the change in net assets for the year ended June 30, 1998.

In 1995, Bozler Kids elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, Bozler Kids 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. In addition, Bozler Kids is required to present a Statement of Cash Flows. Bozler Kids has, accordingly reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for the year ended June 30, 1995.

(8) Revenue Receivable

This amount represents reimbursements billed, but not yet received, from the State of Louisiana Child Care Contract for periods prior to June 30, 1998.

(9) Property and Equipment

A summary of property and equipment at June 30, 1998 is as follows:

	Cost	Accumulated
	Basis	Depreciation
Building Unit #1	\$ 91,171	\$ 34,327
Building Unit #2	58,272	21,221
Vehicles	8,877	9,877
Office Furniture and Equipment	8,080	4,271
Other Equipment	1,837	827
Storage Building	935	514
Total Street Property	<u>\$ 169,292</u>	<u>\$ 75,037</u>

Depreciation expense for the period July 1, 1996 through June 30, 1998 is \$9,801.

(Continued)

Bozeler Kite, Inc.
Bozeler City, Louisiana
Notes to Financial Statements
June 30, 1998
(Continued)

6) **Notes Receivable**

The balance in notes receivable is comprised of two separate notes. One is a note receivable created by the sale of certain real estate by Bozeler Kite, Inc., to a corporation. The note had an original amount due of \$2,500, 0% interest, due in consecutive monthly installments of 135 per month, beginning February, 1994 until the note is paid in full. The note is collateralized by a first mortgage on the real estate sold.

The other note receivable is dated October 25, 1994, created by the sale of real estate by Bozeler Kite, Inc., to an individual in Bozeler Parish. The original amount of the note was \$13,000, 1% interest, due in consecutive monthly installments of 1300, beginning December 1, 1994 until the note is paid in full. The note is collateralized by a first mortgage on the real estate sold.

6B) **Financial Instruments**

Concentrations of Credit Risk

Financial instruments that potentially subject Bozeler Kite, Inc., to concentrations of credit risk consist principally of temporary cash investments, accounts receivable, and a note receivable.

Bozeler Kite, Inc., maintains its cash balances at a local financial institution. The balances are insured by the FDIC up to \$100,000. At June 30, 1998, there were no balances that were not insured or collateralized by the institution.

Concentrations of credit risk with respect to accounts receivable were \$9,168 at June 30, 1998, due from a governmental agency under contracted terms. As of June 30, 1998, Bozeler Kite, Inc., had no significant concentration of credit risk in relation to accounts receivable.

Concentrations of credit risk with respect to the notes receivable of \$15,270 at June 30, 1998 are due from a corporation and an individual. The notes are collateralized by certain real estate sufficient to cover any loss Bozeler Kite, Inc., would incur if the parties failed to perform according to the contract. As of June 30, 1998, Bozeler Kite, Inc. had no significant concentration of credit risk in relation to the notes receivable.

(Continued)

Bozler Kid, Inc.
Bossier City, Louisiana
Notes to Financial Statements
June 30, 1988
(Continued)

(7) Contractual Revenue

During the year ended June 30, 1988, Bozler Kid received \$52,074 in funding from the State of Louisiana, Department of Social Services, Office of Community Services, for the purpose of providing private foster care services. The continued existence of this funding is based upon annual contract renewals.

(8) Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 157, "Disclosures about Fair Value of Financial Instruments", requires that Bozler Kid, Inc. disclose estimated fair values for its financial instruments. The fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying value of such amounts.

COOKE & MORGENTHAU

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**Report on Internal Control Structures Based on an Audit of Financial
Statements Performed in Accordance With Government Auditing Standards**

To the Board of Directors
Bossier Kids, Inc.
Bossier City, Louisiana

We have audited the financial statements of Bossier Kids, Inc. as of and for the year ended June 30, 1995, and have issued our report thereon dated August 14, 1995.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards 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 Bossier Kids, 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 Bossier Kids, Inc. for the year ended June 30, 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.

COOK & MOSEBART

Certified Public Accountants

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OF STATE-CERTIFIED ACCOUNTANTS

MEMBER IN CHARGE,
MONROE & LAKEVIEW, L.L.C.

MEMBER IN CHARGE,
MONROE & LAKEVIEW, L.L.C.

**Compliance Report Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

To the Board of Directors
Bossier Kids, Inc.
Bossier City, Louisiana

We have audited the financial statements of Bossier Kids, Inc. as of and for the year ended June 30, 1998, and have issued our report thereon dated August 14, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards 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 Bossier Kids, Inc. is the responsibility of Bossier Kids, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Bossier Kids, Inc.'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 disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management, the Board of Directors and for various funding sources of the organization. This restriction is not intended to limit the distribution of this report.



Cook & Moschert
Certified Public Accountants
August 14, 1998

**Reports Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**