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THE DISTRICT BOYS AND GIRLS CLUB OF NORFOLK, INC.

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 1946

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, 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 ~~Jan 20 1947~~



Headquarters: Perry, CPA  
Branch: St. Thomas, CPA (Ret.)

Levy: Perkins, CPA  
Felt: Sautter, CPA

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- Corporate Fund Raising

May 28, 1997

### INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of the Tri-District Boys and Girls Club of Monroe, Inc., as of and for the year ended December 31, 1996, and the related statements of activities, functional expenses, and cash flows 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, 1996, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, in 1995 the Club changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

As discussed in Note 7 to the financial statements, the club has suffered recurring significant reductions in grant revenues that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 7. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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.

*Larry S. Conway*  
FERRY & COMPANY

A PROFESSIONAL ACCOUNTING CORPORATION

THE-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
 MONROE, LOUISIANA  
 STATEMENT OF FINANCIAL POSITION  
 DECEMBER 31, 1996

**ASSETS**

Cash in Checking		578
Unconditional Promises to Give		
Unrestricted	26,185	
United Way Services Funding for the Next Fiscal Year	129,234	
Grants	<u>2,552</u>	156,749
Utility Deposits		575
Property and Equipment		
Education Equipment	28,329	
Furniture and Fixtures	154,288	
Recreational Equipment	55,981	
Vehicles	100,765	
Buildings and Additions	504,427	
King Oaks Subdivision LLC	7,500	
Household Improvements	11,833	
Landscaping	3,278	
Works of Art	16,800	
	<u>821,319</u>	
Accumulated Depreciation	<u>(298,584)</u>	

NET FIXED ASSETS 542,035

TOTAL ASSETS 628,907

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts Payable	58,835	
Payroll Taxes Payable	5,888	
Accrued Salaries	4,641	
Notes Payable - Current	<u>15,000</u>	

TOTAL LIABILITIES 84,364

NET ASSETS, RESTRICTED

Unrestricted	515,854
Temporarily Unrestricted	<u>130,150</u>

TOTAL NET ASSETS 646,004

TOTAL LIABILITIES AND NET ASSETS 628,907

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

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
 MONROE, LOUISIANA  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 1996

UNRESTRICTED NET ASSETS

Support	
Business, Civic, Religious & General Public	56,058
Federal Grants	
M&IT	25,402
Urban Affairs	28,384
Juvvenile Report Center	3,850
Learning Program	10,829
Other Support	<u>1,187</u>
<u>TOTAL UNRESTRICTED SUPPORT</u>	125,700

Net Assets Released from Restriction	
United Way Services Funding for the Year	<u>123,422</u>

TOTAL UNRESTRICTED SUPPORT AND RESTRICTIONS 249,122

Expenses

Program Services	
Youth Community Services	181,627
M&IT Program	20,483
Learning Program	10,829
Urban Affairs	28,384
Juvvenile Report Center	<u>3,850</u>
<u>TOTAL PROGRAM SERVICES</u>	245,173

Supporting Services	
Management and General	<u>36,224</u>

TOTAL EXPENSES 316,840

INCREASE IN UNRESTRICTED NET ASSETS ( 67,718)

TEMPORARILY RESTRICTED NET ASSETS

Services Funding For the Next Year	128,224
Investment Returns	
Net Assets Released from Restrictions	
Expiration of Time Restrictions on United Way	(112,482)
Services Funding	( 28,285)
Restrictions Satisfied by Payments	

INCREASE IN TEMPORARILY RESTRICTED NET ASSETS ( 12,543)

TOTAL INCREASE IN NET ASSETS 1 99,294

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

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 1996

<u>NET ASSETS AT BEGINNING OF YEAR BEFORE CUMULATIVE EFFECT ADJUSTMENT</u>	503,409
<u>CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</u>	132,818
<u>NET ASSETS AT BEGINNING OF YEAR, RESTATED</u>	736,227
<u>NET ASSETS AT END OF YEAR</u>	848,833

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

- 5 -

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774-DISTRICT 2078 BUS AND TRUCK CLUB OF MONROE, INC.  
 MONROE, LOUISIANA  
 STATEMENT OF FINANCIAL OPERATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 1998

	Program Income			Supporting Income, Reimbursements, and Grants	TOTAL REVENUE
	YOUTH Community Services	508-17 Summer Camps	Learning Expense Reimburse	Parent Report Fundy	
<b>EXPENSES AND RELATED INDEBTEDNESS</b>					
Salaries	48,789	18,169	9,523	3,428	79,909
Insurance - Miscellaneous	18,738	184	291	111	20,324
Payroll Tax Expense	1,473	3,822	181	3,212	9,688
	69,000	22,176	10,004	6,751	108,951
<b>OTHER REVENUE</b>					
Donated Bus Program	1,810	-	-	-	1,810
Bank Charges	-	-	-	-	872
Conferences and Meetings	-	-	-	-	3,985
Costs - National and Regional	-	-	-	-	281
Insurance and Bond Premiums	-	-	-	-	4,888
Interest Loan	-	6,189	-	-	(6,189)
Interest	-	-	-	-	1,100
Maintenance and Repair - Building and Grounds	3,554	-	489	-	4,043
Maintenance and Repair - Equipment	3,260	-	-	-	3,260
Reimbursements	-	-	-	-	454
Rentals	582	-	-	-	582
Printing and Postage	24	-	-	-	24
Printing and Postage - Professional Services	64,411	276	-	-	64,687
Program Supplies	-	-	-	-	484
Security	6,417	-	-	-	6,417
Supplies	4,311	-	-	-	4,311
Telephone	4,311	-	-	-	4,311
Vehicle Expenses and Travel	18,128	-	-	-	18,128
Utilities	-	-	-	-	30
	148,554	24,521	10,109	4,711	188,395
<b>TOTAL COSTS INCURRED</b>	177,654	26,697	18,113	11,462	233,926
	69,331	-	-	-	69,331
<b>Total Expenses Before Depreciation</b>	181,621	26,697	18,113	11,462	237,903
Depreciation	-	-	-	-	3,823
	181,621	26,697	18,113	11,462	241,926

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

TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
 MONROE, LOUISIANA  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 1986

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	192,294
Increase in Net Assets	
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided (Used) by Operating Activities	
Depreciation	65,937
Increase in Receivables	(21,885)
Decrease in Accounts Payable	18,881
Increase in Accrued and Withheld Taxes	1,619
Increase in Salaries Payable	4,641
<u>NET CASH USED BY OPERATING ACTIVITIES</u>	(29,658)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>	15,220
Proceeds from Note Payable	
<u>NET DECREASE IN CASH</u>	(14,438)
<u>CASH AT BEGINNING OF YEAR</u>	25,127
<u>CASH AT END OF YEAR</u>	10,689
Interest Paid	1,102

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, 1994

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. The Club is supported primarily through donor contributions, grants, and the United Way. Approximately 49% of the Club's support came from allocations from the United Way.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Club 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.

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 these estimates.

Financial Statement Presentation

In 1994, the Club elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Club 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, the Club is required to present a statement of cash flows. As permitted by this new statement, the Club has discontinued its use of fund accounting and has, accordingly, reclassified

TRI-DISTRICT BOYS AND GIRLS CLUB OF MORGAN, INC.  
MORGAN, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1996

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets for 1996.

Contributions

The Club also elected to adopt SFAS No. 116, "Accounting for Contributions Received and Contributions Made", in 1996. The Club previously recorded allocations from the United Way as deferred revenue when it was notified of the allocations and recognized the allocations as contributions in the period to which they related. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. As permitted by SFAS No. 116, the Club has retroactively applied the provisions of this new statement by restating net assets as of December 31, 1995. The Club made an adjustment to increase net assets as of December 31, 1995 by \$123,499. That adjustment represents time-restricted contributions from the United Way previously reported as deferred revenue. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction. The Club also made an adjustment of \$29,329 reducing net assets as of December 31, 1996 to record payment restricted contributions from grants previously recorded as deferred revenue. The effect of this new statement on the Club's change in net assets for 1996 was an increase of \$5,125 from what would have been reported under prior accounting principles.

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.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Club considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

3rd-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
 MONROE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1996

NOTE 1 - Summary of Significant Accounting Policies (continued)

Fair Values of Financial Instruments

The following methods and assumptions were used by the club in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, short-term investments, and promises to give due in less than one year: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of these instruments.

Fair Values of Financial Instruments

	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Financial Assets</u>		
Cash	519	519
Deposits	515	515
Unconditional Promises to Give	154,747	154,747
<u>Financial Liabilities</u>		
Payables and Accounts	38,924	38,924
Notes Payable	15,980	15,980

Restrictions on Net Assets

Substantially all of the restrictions on net assets at the end of 1996 relate to United Way Services funding for the next year.

Allocation of Professional Expenses

Allocations have been made for expenses between Program Services and Supporting Services when both services share the same expense as follows:

Program Services, 54% and Supporting Services, 2% for Maintenance and Repair - Buildings 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.

FBI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1996

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Allocation of Functional Expenses (Continued)

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.

Reserve for Bad Debt

The reserve method is used to account for bad debts. Management believes all receivables are collectible, and the reserve at December 31, 1996 is zero.

NOTE 2 - Federal Grants

The FAX-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 development in education - reading and math skills, social development skills and substance abuse prevention.

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 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, 1998

NOTE 2 - Federal Grants (continued)

The Learning Center is also in connection with the Monroe Housing Authority. The Learning Center Program is designed to assist disadvantaged youth through diverse services in education and development.

NOTE 3 - Other Compensation

In May, 1998 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 1998, 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 \$48,000) subsequent to the termination date in 1991 represent other compensation to the two employees on whose behalf the contributions were made. An adjustment has been made to the accompanying financial statements for the amount of employment tax (including penalties and interest payable by the Club in the total amount of \$8,847.

NOTE 4 - Deferred Compensation Plan

During 1998, the Club enrolled in a deferred compensation plan which entitled employees who elected to participate to contribute up to 20% of wages. There is no matching contribution by the Club.

NOTE 5 - Note Payable

The Club borrowed \$18,880 on a line of credit to a bank to pay off the remaining construction of the building. The note is a 9.9% rate demand loan with quarterly interest payments. Subsequent to year end the loan was paid in full.

NOTE 6 - Going Concern

As shown in the financial statements, the Club incurred a decrease in net assets of \$99,194 during the year ended December 31, 1998. The Club has also suffered recurring significant reductions in grant revenues that raise substantial doubt about its ability to continue as a going concern at year end. Subsequent to year end, management has implemented various fund raisers in an attempt to increase cash flows. Additionally, as specific grants ended program expenditures were reduced or eliminated. Management also intends to continue to seek out new grants.

TRI-DISTRICT BONE AND GINSENG CLASS OF MONROE, INC.  
MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1994

NOTE 6 - Going Concern (Continued)

The ability of the Club to continue as a going concern is dependent upon the success of management implementing new fund raising and reducing costs. The financial statements do not include any adjustments that might be necessary should the Club be unable to continue as a going concern.

ADDITIONAL INFORMATION

THE DISTRICT BOYS AND GIRLS CLUB OF MONROE, LA.  
MONROE, LOUISIANA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 1999

Federal Agency/Type-Through Agency/Program Title	Federal CFA Number	Total Program or Award Amount	Current Year Revenue	Current Year Expense
<b>U.S. Department of Housing and Urban Development</b>				
<b>Year-Through Programs</b>				
<b>Homeownership Assistance</b>				
<b>Comprehensive Assistance Program (HMO-IT)</b>				
4-18-99 Program Year	14-850	50,000	50,000	14,000
4-18-97 Program Year	14-850	38,000	9,000	9,000
<b>Comprehensive Assistance Program (Homeless Outlets)</b>				
2-28-97 Program Year	14-850	12,000	10,000	10,000
<b>TOTAL COMPREHENSIVE ASSISTANCE PROGRAMS</b>		<b>12,000</b>	<b>29,000</b>	<b>23,000</b>
<b>Community Development Block Grant Urban Affairs</b>				
4-30-98 Program Year	14-218	88,000	88,000	88,000
<b>TOTAL URBAN AFFAIRS</b>		<b>88,000</b>	<b>88,000</b>	<b>88,000</b>
<b>U.S. Department of Justice</b>				
<b>Louisiana Commission on Law Enforcement and Administration of Criminal Justice</b>				
Juvenile Report Center	14-548	14,000	3,000	3,000
<b>TOTAL FEDERAL ASSISTANCE</b>		<b>102,000</b>	<b>117,000</b>	<b>111,000</b>

See accompanying notes to schedule of Federal Financial Assistance.



TRI-DISTRICT BOYS AND GIRLS CLUB OF MONROE, INC.  
MONROE, LOUISIANA  
NOTICE TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 1966

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. is 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.



Richard Avey, CPA  
Walter D. Thomas, CPA (Ret.)  
Lynn Heston, CPA  
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May 28, 1997

**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, 1996, and have issued our report thereon dated May 28, 1997.

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". These 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, 1994, 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:** Although canceled checks are attached to paid invoices, the invoices are sometimes not marked paid. Canceled checks can be separated from the invoices and could be overlooked as paid.

**Recommendation:** We recommend that all invoices be marked paid with date and check number to insure that it will not be paid twice.

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

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 equivalent civil 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.

*Ernie J. Anthony*  
FERRY & COMPANY  
A PROFESSIONAL ACCOUNTING CORPORATION



Howland Perry, CPA  
Barry D. Toms, CPA (Ret.)

Anthony Potts, CPA  
Paul Douglas, CPA

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May 28, 1997

**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, 1996, and have issued our report thereon dated May 28, 1997.

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.

*Larry S. Conway*  
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May 28, 1997

**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, 1996, and have issued our report thereon dated May 28, 1997. 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 May 28, 1997.

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 Non-Profit Institutions." These 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, 1996, 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 May 28, 1997.

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 judgments 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 recorded 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 to 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, 1984, the Tri-District Boys and Girls Club of Monroe, Inc. expended one hundred percent of its total federal financial assistance under the following nonmajor federal financial assistance programs:

U.S. Dept. of Justice (Pass Through)	3,868
Community Development Block Grant - Urban Affairs (CFDA 14.218)	28,394
Monroe Housing Authority - Transportation Equipment (Pass Through)	26,230
Total	<u>60,582</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, would 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:** Although canceled checks are attached to paid invoices, the invoices are sometimes not marked paid. Canceled checks can be separated from the invoices and could be overlooked as paid.

**Recommendation:** We recommend that all invoices be marked paid with date and check number to insure that it will not be paid twice.

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

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 some 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 cognate 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.

*Ferry & Company*

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Member of Perry, CPA  
Member of Tri-District Boys and Girls Club of Monroe, CPA (Inc.)

Larry Perry, CPA  
Paul Heston, CPA

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May 28, 1993

**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, 1992, and have issued our report thereon dated May 28, 1993.

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, 1992: 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 constituent 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.

*Lang. F. Bryan*

PERKY & COMPANY

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Walter A. Perry, CPA  
Member of the Institute of CPAs (IACPA)  
—  
Lynn Perkins, CPA  
and Georgia, CPA

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May 28, 1997

**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, 1996, and have issued our report thereon dated May 28, 1997.

In connection with our audit of the December 31, 1996 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, 1996.

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 Ten-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.

*Ernest J. Perry*  
PERRY & COMPANY

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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, 1986

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

Status: Cleared, as assets are now tagged.

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.

Status: Cleared, as prenumbered checks are being used for all disbursements.

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

Status: Cleared, as grants accounts receivable are now being timely reconciled.