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BOYS & GIRLS CLUBS
OF GREATER BATON ROUGE, INC.
BATON ROUGE, LOUISIANA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-8-04

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Certified Public Accountant



Donald C. DeVille

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INDEPENDENT AUDITOR'S REPORT

March 19, 2004

Members of the Board of Directors
The Boys & Girls Clubs of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

I have audited the accompanying statement of financial position of the Boys & Girls Clubs of Greater Baton Rouge, Inc. (a non-profit organization) as of December 31, 2003, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Boys & Girls Clubs of Greater Baton Rouge, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boys & Girls Clubs of Greater Baton Rouge, Inc. as of December 31, 2003, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated March 19, 2004, on our consideration of Boys & Girls Clubs of Greater Baton Rouge's internal control over financial reporting and our tests of its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Donald C. DeVille

BOYS & GIRLS CLUBS OF GREATER BATON ROUGE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2003

(With Comparative Totals for 2002)

	<u>UNRESTRICTED</u>	<u>TEMPORARY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL 2003</u>	<u>TOTAL 2002</u>
ASSETS:					
Cash	\$120,268	\$4,216	\$-0-	\$124,484	\$52,985
Baton Rouge Area Foundation	-0-	-0-	41,343	41,343	31,610
Accounts Receivable	3,600	-0-	-0-	3,600	-0-
Grants Receivable	10,269	-0-	-0-	10,269	44,322
Prepaid Expenses	425	-0-	-0-	425	-0-
Deposits	1,850	-0-	-0-	1,850	1,850
Fixed Assets, Net	28,901	-0-	-0-	28,901	20,828
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	165,313	4,216	41,343	210,872	151,595
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES & NET ASSETS:					
LIABILITIES:					
Accounts Payable	\$14,767	\$-0-	\$-0-	\$14,767	\$6,697
Employee Withholding Payable	641	-0-	-0-	641	734
Retirement Plan Payable	2,400	-0-	-0-	2,400	5,200
Refundable Grant Advances	-0-	3,620	-0-	3,620	21,449
Custodial Funds	-0-	596	-0-	596	-0-
Lease Payable	15,731	-0-	-0-	15,731	-0-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	33,539	4,216	-0-	37,755	34,080
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
NET ASSETS					
Unrestricted	131,774	-0-	41,343	173,117	117,515
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	131,774	-0-	41,343	173,117	117,515
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND NET ASSETS	165,313	4,216	41,343	210,872	151,595
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BOYS AND GIRLS CLUBS OF GREATER BATON ROUGE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003

(With Comparative Totals for 2002)

	<u>UNRESTRICTED</u>	<u>TEMPORARY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL 2003</u>	<u>2002</u>
REVENUE AND OTHER SUPPORT:					
Contributions	\$123,793	\$-0-	\$2,000	\$125,793	\$92,900
United Way	261,782	-0-	-0-	261,782	244,200
Government Grants	296,497	21,449	-0-	317,946	233,507
Foundation Grants	20,600	-0-	-0-	20,600	25,000
Special Events	128,483	-0-	-0-	128,483	94,251
Membership Dues	52,547	-0-	-0-	52,547	29,789
Gain on Investments	-0-	-0-	7,330	7,330	-0-
Interest Income	213	-0-	941	1,154	1,146
Miscellaneous	3,365	-0-	-0-	3,365	3,243
Net Assets Released from Restrictions:					
Restrictions Satisfied By Payment	21,449	(21,449)	-0-	-0-	-0-
TOTAL REVENUE	908,729	-0-	10,271	919,000	724,036
EXPENSES:					
PROGRAM SERVICES					
Programs	677,468	-0-	-0-	677,468	548,100
SUPPORT SERVICES					
Administration	67,241	-0-	538	67,779	96,903
Fund Development	118,151	-0-	-0-	118,151	113,330
TOTAL EXPENSES	862,860	-0-	538	863,398	758,333
INCREASE (DECREASE) IN NET ASSETS	45,869		9,733	55,602	(34,297)
NET ASSETS, Beginning of Year	85,905	-0-	31,610	117,515	151,812
NET ASSETS, End of Year	131,774	-0-	41,343	173,117	117,515

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BOYS & GIRLS CLUBS OF GREATER BATON ROUGE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2003

(With Comparative Totals for 2002)

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>		<u>TOTAL EXPENSES</u>
	<u>PROGRAM SERVICES</u>	<u>ADMINISTRATION</u>	<u>FUND DEVELOPMENT</u>	<u>2003</u>	
SALARIES	\$369,628	\$37,430	\$60,825	\$467,883	\$370,941
EMPLOYEE BENEFITS	41,165	4,169	6,774	52,108	46,507
PAYROLL TAXES	28,341	2,870	4,664	35,875	29,584
PROFESSIONAL	13,104	1,327	2,156	16,587	36,315
SUPPLIES	74,363	7,530	12,237	94,130	93,144
POSTAGE	3,309	335	545	4,189	1,318
TELEPHONE	5,806	588	955	7,349	8,002
OCCUPANCY	50,236	5,087	8,267	63,590	68,771
PRINTING	13,491	1,366	2,220	17,077	20,473
TRAVEL	2,139	217	352	2,708	522
CONFERENCES	10,936	1,107	1,800	13,843	13,649
MEMBERSHIP DUES	2,188	222	360	2,770	1,917
PAYMENT TO AFFILIATE	3,630	368	597	4,595	5,145
YOUTH ACTIVITIES	3,172	-0-	-0-	3,172	1,659
SPECIAL EVENTS	26,036	2,637	4,284	32,957	34,977
GOT HOMEWORK	-0-	-0-	8,012	8,012	164
BANK CHARGES	1,162	118	191	1,471	1,067
MISCELLANEOUS	4,693	475	770	5,938	6,700
REPAIRS	4,976	-0-	-0-	4,976	4,936
MEETINGS	-0-	-0-	-0-	-0-	2,322
CONTRACT LABOR	10,637	1,077	1,750	13,464	-0-
DEPRECIATION	8,456	856	1,392	10,704	10,220
TOTAL EXPENSES	677,468	67,779	118,151	863,398	758,333

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BOYS & GIRLS CLUBS OF GREATER BATON ROUGE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003

(With Comparative Totals for 2002)

	<u>2003</u>	<u>2002</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Increase (Decrease) In Net Assets	\$55,602	\$(34,297)
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:		
Depreciation	10,704	10,220
Other		-0-
(Increase) Decrease In Operating Assets:		
Accounts Receivable	(3,600)	4,500
Grants Receivable	34,053	(21,008)
Prepaid Expenses	(425)	931
Deposits	-0-	1,051
Increase (Decrease) In Operating Liabilities:		
Accounts Payable	8,070	7,209
Withholding	(93)	(324)
Refundable Advances	597	(670)
Retirement Plan Payable	(2,800)	
Grant Advances	(17,829)	21,449
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>84,279</u>	<u>(10,939)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of Equipment	(18,778)	(3,666)
Baton Rouge Area Foundation	(9,733)	(31,610)
	<u>(28,511)</u>	<u>(35,276)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Lease Payable	18,778	-0-
Repayment of Long-Term Debt	(3,047)	-0-
	<u>15,731</u>	<u>-0-</u>
NET INCREASES (DECREASE) IN CASH AND CASH EQUIVALENTS	71,499	(46,215)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>52,985</u>	<u>99,200</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>124,484</u></u>	<u><u>52,985</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BOYS & GIRLS CLUBS OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Boys & Girls Clubs of Greater Baton Rouge, Inc. (Club) is a Louisiana non-profit corporation, for the purpose of promoting the health, social, educational, vocational and character development of boys and girls.

BASIS OF PRESENTATION

The financial statements are presented in accordance with Statement of Financial Accounting Standards No. 116 (SFAS No. 116), "Accounting for Contributions Received and Contributions Made" and Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". SFAS No. 116 requires contributions to be recognized as revenue when they are received or unconditionally pledged. SFAS No. 117, which eliminates the utilization of fund accounting for financial reporting purposes, requires net assets to be classified as either 1) unrestricted, 2) temporarily restricted, or 3) permanently restricted depending on limitations placed on the net assets.

DONATED SERVICES

Amounts have not been reported in the statements for donated services because they do not meet the criteria for recognition under SFAS No. 116. A substantial number of volunteers have donated significant amounts of their time to the Organization.

Contributions of service shall be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individual possessing those skills and would typically need to be purchased if not provided by donation.

REVENUE RECOGNITION

Contributions are recognized as revenue when they are received or unconditionally pledged.

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

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

BOYS & GIRLS CLUBS OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

REVENUE RECOGNITION: CONTRIBUTIONS - Continued...

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purposes restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Contributions receivable represent amounts committed by donors that have not been received by the Organization.

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

INVENTORIES

Inventory is stated at the lower cost or market, determined by the first-in, first-out method.

PREPAID

Insurance and similar services which extend over more than one accounting period have been recorded as prepaid.

ACCOUNTS RECEIVABLE

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

USE OF ESTIMATES

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

BOYS & GIRLS CLUBS OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

PROPERTY AND EQUIPMENT

The purchase of property and equipment is recorded at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$1,000. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment is depreciated using the straight-line method over the estimated useful lives of 5 to 10 years.

Functional Allocation of Expenses

The cost of providing Club's various programs and supporting services have been summarized on a functional basis in the statement of support, revenue and expenses, and changes in fund balances. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

COMPARATIVE DATA

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Clubs' financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE #2. CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

The Boys & Girls Club maintains several bank accounts at four financial institutions. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

At December 31, 2003, the Club had cash and cash equivalent (book balances) totaling \$125,484. These deposits are stated at cost, which approximates market. At December 31, 2003, the Club had \$129,174 in deposits (collected bank balances) of which \$107,818 was secured by FDIC insurance and \$21,356 was at risk.

BOYS & GIRLS CLUBS OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #3. ENDOWMENT FUND

In order to assure the perpetual operations of the Boys & Girls Clubs of Greater Baton Rouge, Inc. and the continuation of its goals the board established a permanently restricted endowment fund with the Baton Rouge Area Foundation. The activity of the fund is as follow for the year:

Balance, Beginning of Year	\$31,610
Revenue - Gifts	2,000
Net Gain on Investments	7,329
Income on Investments	941
Expenses	(537)
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Balance, End of Year	41,343
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NOTE #4. EQUIPMENT

Equipment at year-end consist of the following:

Equipment	\$170,108
Less: Accumulated Depreciation	(141,207)
	<hr/>
Equipment Book Value	28,901
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NOTE #5. DEPOSITS

Deposits at year-end consist of the following:

Rent	\$1,850
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NOTE #6. CUSTODIAL FUNDS

The Club administers the Children Scholarship Fund as follows:

Beginning Balance	\$-0-
Cash Receipts	88,710
Cash Disbursements	(88,114)
	<hr/>
Ending Balance	596
	<hr/> <hr/>

The mission of the Children's Scholarship Fund is to open the doors of educational opportunity for lower income families in communities nationwide by helping their children attend the private schools of their choice.

BOYS & GIRLS CLUBS OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #7. REFUNDABLE GRANT ADVANCES

State of Louisiana Office of Family Support advanced the Boys & Girls Club \$7,280 during the year. The remaining amount unearned as of December 31, 2003, was \$3,600.

NOTE #8. RESTRICTIONS ON NET ASSETS

Substantially all the restrictions on net assets at the end of December 31, 2003, are related to unearned advances from the State of Louisiana.

Prermanently restricted net assets consist of endowment fund investments to be held indefinitely at the Baton Rouge Area Foundation, the income from which is expendable to support the organization.

NOTE #9. RELATED PARTY TRANSACTIONS

During the year the Club had the following related party transaction with Boys and Girls Clubs of America:

Membership Dues	\$4,595
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NOTE #10. LEASE OBLIGATIONS

On January 1, 2000, the Club entered into an operating lease of a building that houses the Club's main office. On December 23, 2003 the Club extended the lease and the rental to be paid by the Club shall be \$1,900 per month ending December 31, 2004.

In 2003, the Club entered into a capital lease with Xerox for a copier. The lease payments to be paid by the Club shall be the sum of \$23,939 in sixty monthly installments of \$399. The future minimum lease payments are as follows:

Year End December 31, 2004,	\$4,788
Year End December 31, 2005,	4,788
Year End December 31, 2006,	4,788
Year End December 31, 2007,	4,788

BOYS & GIRLS CLUBS OF GREATER BATON ROUGE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #11. PENSION PLAN

The Boys & Girls Clubs of Greater Baton Rouge, Inc. participates in a pension plan covering various Boys and Girls Clubs. The plan is an insured, non-contributory defined benefit pension plan, covering substantially all employees of various Boys & Girls Clubs. The amount charged to pension expense and contributed to the plan during the year was \$17,631.

The Organization also has a 403 (b) Plan, "salary reduction plan" where by the employee chooses to reduce their compensation and have these amounts contributed to the Plan on their behalf. The purpose of the Plan is to reward eligible employees for long and loyal service by providing them with retirement benefits. Employee are eligible to participate in the Plan on the date of their employment. The Organization has the option to match employee contributions. No match was paid for the year.

NOTE #11. BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE #12. CONTINGENCIES

The Boys & Girls Clubs receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

NOTE 13 - RISK MANAGEMENT

The Boys & Girls Club is exposed to various risks of loss related to torts, theft of, damage of and destruction of assets; errors and omissions and natural disasters for which the organization carries commercial insurance. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

SUPPLEMENTAL INFORMATION

Certified Public Accountant



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

March 19, 2004

Members of the Board of Directors
Boys & Girls Club of Greater Baton Rouge, Inc.
Baton Rouge, Louisiana

I have audited the financial statements of the Boys & Girls Clubs of Greater Baton Rouge, Inc. as of and for the year ended December 31, 2003, and have issued my report thereon dated March 19, 2004. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether Boys & Girls Clubs of Greater Baton Rouge, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered Boys & Girls Clubs of Greater Baton Rouge, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. This report is intended for the information of the management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and distribution is not limited. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Walt C. [Signature]

BOYS AND GIRLS CLUBS OF GREATER BATON ROUGE, INC.
SCHEDULE OF PRIOR YEAR'S FINDINGS AND STATUS
DECEMBER 31, 2003

NONE

BOYS AND GIRLS CLUBS OF GREATER BATON ROUGE, INC.
AUDIT COST PAID WITH FEDERAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

No audit cost were paid with Federal Funds.