

Boys and Girls Club of North Central Louisiana, Inc.

Financial Statements

For the Year Ended December 31, 2011



Douglas A. Brewer, LLC
Certified Public Accountant

Boys and Girls Club of North Central Louisiana, Inc.
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For the Year Ended December 31, 2011

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INDEPENDENT AUDTIOR'S REPORT

To the Board of Directors
Boys and Girls Club of North Central Louisiana, Inc.
Ruston, Louisiana 71270

I have audited the accompanying statement of financial position of the Boys and Girls Club of North Central Louisiana, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on 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 provides 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 and Girls Club of North Central Louisiana, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 28, 2012, on my consideration of Boys and Girls Club of North Central Louisiana, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 is presented for purposes of additional analyses and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Douglas A. Brewer, LLC

Ruston, Louisiana
June 28, 2012

Boys and Girls Club of North Central Louisiana, Inc.
Statement of Financial Position
For the Years Ended December 31, 2011

ASSETS

Cash and Cash Equivalents	\$ 73,648
Receivables	7,577
Furniture & Equipment, net	18,571
TOTAL ASSETS	<u><u>\$ 99,796</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable and Accrued Liabilities	\$ 91
Total Liabilities	<u>91</u>

Net Assets

Unrestricted Net Assets	95,146
Temporarily Restricted Net Assets	4,559
Permanently Restricted Net Assets	-
Total Net Assets	<u>99,705</u>

TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 99,796</u></u>
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The accompanying notes are an integral part of these financial statements.

Boys and Girls Club of North Central Louisiana, Inc.
Statement of Activities
For the Year Ended December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, Gains, And Other Support			
Contributions			
Ruston Housing Authority	\$ -	\$ 36,000	\$ 36,000
Boys & Girls Club of America/OJP	-	37,980	37,980
Summer Feeding Service Program	-	46,768	46,768
United Way Services	-	39,917	39,917
Smart Moves / Stay Smart	-	-	-
City of Ruston	-	20,000	20,000
Americorps	-	-	-
Other Grant Funding	-	-	-
Individual, Corporate, and Other	-	5,750	5,750
Designated Contributions	-	12,140	12,140
Fundraisers	228,989	-	228,989
Camp Fees	21,113	-	21,113
Special Events	856	-	856
After School Program	25,905	-	25,905
Miscellaneous	311	-	311
Total Revenues & Gains	<u>277,174</u>	<u>198,555</u>	<u>475,729</u>
Net Assets Released From Restrictions			
Satisfaction of Program Restrictions	<u>213,931</u>	<u>(213,931)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	491,105	(15,376)	475,729
Expenses:			
Program Services	228,493	-	228,493
Support Services	148,267	-	148,267
Fundraising	69,597	-	69,597
Total Expenses	<u>446,357</u>	<u>-</u>	<u>446,357</u>
Increase (Decrease) in Net Assets	44,748	(15,376)	29,372
Net Assets at Beginning of Year	<u>50,398</u>	<u>19,935</u>	<u>70,333</u>
NET ASSETS AT END OF YEAR	<u>\$ 95,146</u>	<u>\$ 4,559</u>	<u>\$ 99,705</u>

The accompanying notes are an integral part of this financial statement.

Boys and Girls Club of North Central Louisiana, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Granting Agencies and Contributors	\$ 477,499
Payments to Suppliers for Goods and Services	(204,874)
Payments to Employees	(223,449)
Payment of Payroll Taxes	(22,248)
Net Cash Provided (Used) by Operating Activities	<u>26,928</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Equipment	(3,126)
Net Cash Provided (Used) by Investing Activities	<u>(3,126)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds From Borrowings	-
Payments On Borrowings	-
Net Cash Provided (Used) by Financing Activities	<u>-</u>

Net Increase (Decrease) in Cash and Cash Equivalents 23,802

Cash and cash Equivalents at Beginning of Year 49,846

Cash and Cash Equivalents at End of Year \$ 73,648

Reconciliation of Operating Income to Net Cash Provided

by Operating Activities:

Increase (Decrease) in Net Assets	\$ 29,372
Adjustments to Reconcile Increase in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	6,633
(Increase) Decrease in Accounts Receivable	1,770
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(10,847)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 26,928</u></u>

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

Boys and Girls Club of North Central Louisiana, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Boys and Girls Club of North Central Louisiana, Inc. was incorporated under the laws of the State of Louisiana on May 28, 1997. The club's principle office is in Ruston, Louisiana, and is engaged in helping youth of all backgrounds, especially those who are disadvantaged. The club is supported primarily through donor contributions, grants and other support from various organizations including the Ruston Housing Authority, Boys & Girls Club of America, and United Way.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

C. Revenue

The club receives a substantial portion of its revenue from federal, state and local agencies. Revenue recognition depends on the contract, usually on a pro-rata basis over the life of the contract.

D. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

E. Restricted and Unrestricted Revenue and Support

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. 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 purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets from restriction.

F. Donated Materials and Services

Boys and Girls Club of North Central Louisiana, Inc. periodically receives donated materials and services. No amounts have been reflected in the financial statements for these materials and services.

Boys and Girls Club of North Central Louisiana, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2011

G. Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

H. Fixed Assets

Boys and Girls Club of North Central Louisiana, Inc. follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Computer and equipment	5 years
Vehicles	5 years
Furniture and fixtures	7 years
Leasehold Improvements	15 years

I. Functional Allocations of Expenses

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

J. Estimates

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

K. Income Taxes

Boys and Girls Club of North Central Louisiana, Inc. is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, Boys and Girls Club of North Central Louisiana, Inc. has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended December 31, 2011.

L. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Boys and Girls Club of North Central Louisiana, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2011

2. RECEIVABLES

Receivables include the following:

		<u>2011</u>
Boys & Girls Clubs/OJP	\$	<u>2,577</u>
Boys & Girls Clubs – Capacity Building Grant		5,000
Totals	\$	<u><u>7,577</u></u>

3. FURNITURE AND EQUIPMENT

Furniture and equipment is summarized below:

		<u>Balance</u>		<u>Additions</u>		<u>Retirements</u>		<u>Balance</u>
		<u>12/31/2010</u>						<u>12/31/2011</u>
Furniture & Fixtures	\$	4,337	\$	-	\$	-	\$	4,337
Computers & Equipment		20,625		3,130		-		23,755
Vehicles		23,204		-		-		23,204
Leasehold Improvements		10,946		-		-		10,946
Total	\$	<u>59,112</u>	\$	<u>3,130</u>	\$	<u>-</u>	\$	<u>62,242</u>
 Accumulated Depreciation	 \$	 <u>37,038</u>	 \$	 <u>-</u>	 \$	 <u>6,633</u>	 \$	 <u>43,671</u>
 Net Furniture & Equipment	 \$	 <u><u>22,074</u></u>	 \$	 <u><u>3,130</u></u>	 \$	 <u><u>6,633</u></u>	 \$	 <u><u>18,571</u></u>

Depreciation expense for the year ended December 31, 2011 was \$6,633.

4. FACILITIES

Boys and Girls Club of North Central Louisiana, Inc.'s facilities are provided by the City of Ruston's Parks and Recreation Department. No rent is paid under an agreement that began in January, 2005. The club is responsible for all occupancy costs and normal upkeep and maintenance.

5. CONCENTRATION OF CREDIT RISK

Boys and Girls Club of North Central Louisiana, Inc. maintains bank accounts at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 each. The club's cash balances at December 31, 2011 did not exceed federally insured limits.

Boys and Girls Club of North Central Louisiana, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2011

6. PENSION PLAN

The Boys and Girls Club of North Central Louisiana, Inc. pays into a pension plan on behalf of the executive director and unit director, but does not administer the plan, nor is it responsible for payment of benefits. Contributions for year ended December 31, 2011 totaled \$8,600. Administrative fees totaled \$575. The Club owed \$-0- for contributions and fees at December 31, 2011.

7. RELATED PARTY TRANSACTIONS

The Boys and Girls Club of North Central Louisiana, Inc. purchased goods from a company owned by the chief professional officer in the amount of \$510 for the year ended December 31, 2011.

A board member is the official agent for the Club's independent insurance agency. During the year ended December 31, 2011, insurance premiums in the amount of \$16,238 were paid by the club.

8. UNITED WAY PROGRAMS

The Boys and Girls Club of North Central Louisiana, Inc. participates in the United Way of Northeast Louisiana's Partner Agency program. As a participant in the program, the club must be in compliance with various financial, legal and accountability standards set forth by United Way.

9. FEDERAL FINANCIAL ASSISTANCE

The club received funding through the Boys & Girls Club of America as a subrecipient of funds provided by the Office of Justice Programs. Grant expenditures for the year ended December 31, 2011 was \$26,730.

10. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through June 28, 2012, the date on which the financial statements were available to be issued.

Boys and Girls Club of North Central Louisiana, Inc.
Notes to the Financial Statements
For the Year Ended December 31, 2011

11. UNCERTAIN TAX POSITIONS

The provisions of FASB Interpretation No. 48 (FIN 48) were adopted by the organization on January 1, 2009. The adoption of FIN 48 did not result in any changes to net assets or deferred income tax liabilities.

Accrued interest and penalties associated with uncertain tax positions are included as a component of the provision for income taxes. There were no unrecognized tax benefits at January 1, 2009. For the year ended December 31, 2011, there were no unrecognized tax benefits, or accrued interest and penalties.

The company files Form 990, an informational tax return in the U.S. federal tax jurisdiction. Federal tax returns prior to 2008 are closed.

Supplemental Information

Boys and Girls Club of North Central Louisiana, Inc.
Schedule of Functional Expenses
For the Year Ended December 31, 2011
(With Comparative Totals for 2010)

Schedule 1

	Program Services	Support Services	Fund Raising	Totals	
				2011	2010
Accounting Fees	\$ -	\$ 2,304	\$ -	\$ 2,304	\$ 2,178
Board Expenses	-	6,824	-	6,824	1,051
Conferences & Meetings	-	3,050	-	3,050	3,013
Computer Expenses	2,779	-	-	2,779	220
Depreciation	-	6,633	-	6,633	6,765
Designated Expenses	17,262	-	-	17,262	16,808
Fundraising Expenses	-	-	13,771	13,771	29,453
Interest Expense	-	-	-	-	949
Insurance	-	7,615	-	7,615	7,638
Office Expense	-	3,468	-	3,468	3,693
Organizational Dues	-	4,997	-	4,997	4,257
Other Human Resource Costs	31,672	21,265	-	52,937	31,984
Payroll Taxes	10,629	7,139	4,480	22,248	18,520
Program Expenses	6,377	-	-	6,377	9,791
Repairs & Maintenance	-	7,020	-	7,020	4,442
Resource Development	-	-	6,346	6,346	3,830
Salaries & Wages	106,751	71,698	45,000	223,449	219,953
Staff Training & Development	-	3,265	-	3,265	1,741
Summer Food Service Program	35,682	-	-	35,682	30,115
Sponsored Events	5,423	-	-	5,423	2,139
Supplies	2,244	-	-	2,244	2,068
Telephone	-	2,989	-	2,989	2,783
Transportation	9,674	-	-	9,674	8,778
Totals	\$ 228,493	\$ 148,267	\$ 69,597	\$ 446,357	\$ 412,169

See independent auditor's report.

Douglas A. Brewer, LLC

Certified Public Accountant

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

Board of Directors
Boys and Girls Club of North Central Louisiana, Inc.
Ruston, Louisiana

I have audited the financial statements of Boys and Girls Club of North Central Louisiana, Inc., (a nonprofit organization), (the entity), as of and for the year ended December 31, 2011, and have issued my report thereon dated June 28, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the entity's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the entity's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

Douglas A. Brennan, LLC

Ruston, Louisiana
June 28, 2012

Boys and Girls Club of North Central Louisiana, Inc.
Schedule of Findings and Questioned Costs
For The Year Ended December 31, 2011

I have audited the financial statements of Boys and Girls Club of North Central Louisiana, Inc. as of and for the year ended December 31, 2011, and have issued my report thereon dated June 28, 2012. 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. My audit of the financial statements as of and for the year ended December 31, 2011, resulted in an unqualified opinion.

Section I- Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ___ yes X no Significant Deficiencies ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards – N/A

Internal Control

Material Weaknesses ___yes ___no Significant Deficiencies ___yes___no

Type of Opinion on Compliance
For Major Programs

Unqualified ___ Qualified ___
Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)?

C. Identification of Major Programs: N/A

Dollar threshold used to distinguish between Type A and Type B Programs.

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?

Section II- Financial Statement Findings

There were no findings for the year ended December 31, 2011.

Section III-Federal Award Findings and Question Costs

This section is not applicable for this entity.

**Boys and Girls Club of North Central Louisiana, Inc.
Schedule of Prior Year Findings
For the Year Ended December 31, 2011**

A. Report on Internal Control and Compliance Material to the Financial Statements

There were no prior year findings for the year ended December 31, 2010

Management Letter

No management letter was issued.