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BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
WEST MONROE, LOUISIANA

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
FOR THE YEAR ENDED
DECEMBER 31, 2007

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 8/6/08

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA

FINANCIAL STATEMENTS
DECEMBER 31, 2007

CONTENTS

	<u>PAGE</u>
COMPLIANCE REPORTS:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	1-3
INDEPENDENT AUDITORS' REPORT.....	4-5
FINANCIAL STATEMENTS:	
Statement of Financial Position.....	6
Statement of Activities.....	7
Statement of Cash Flows.....	8
Statement of Functional Expenses.....	9
Notes to Financial Statements.....	10-14
SUPPLEMENTARY FINANCIAL INFORMATION:	
Schedule I - Schedule of Expenditures of Federal Awards.....	15-16
Schedule II - Schedule of Board Members Compensation.....	17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	18-21
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS.....	22

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.



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"The CPA. Never Underestimate The Value."

Certified Public Accountants

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- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

June 30, 2008

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 West Monroe, Inc.
d/b/a Boys and Girls Club of Northeast Louisiana
West Monroe, Louisiana

We have audited the financial statements of Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana (a nonprofit organization) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 30, 2008. We conducted our audit in accordance with accounting standards generally accepted in the United States of America 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 our audit, we considered Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. These findings are identified in the schedule of findings and questioned costs as items 07-1 and 07-2.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana's financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the audit committee, management, and Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnston, Perry, Johnson & Associates, L.L.P.

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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June 30, 2008

INDEPENDENT AUDITORS' REPORT

Board of Directors
Boys and Girls Club of West Monroe, Inc.
d/b/a Boys and Girls Club of Northeast Louisiana
West Monroe, Louisiana

We have audited the accompanying statement of financial position of Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana (a non-profit organization) as of December 31, 2007, and the related statements of activities, functional expenses, and 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 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 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 Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana as of December 31, 2007, 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*, we have also issued our report dated June 30, 2008 on our consideration of Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana's internal control over financial reporting and on our 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 considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents and the accompanying schedule of expenditures of federal awards 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.

Johnston, Perry, Johnson & Associates, L.L.P.

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	886	-	886
Accounts Receivable - Grants	46,917	-	46,917
Prepaid Insurance	17,051	-	17,051
Unconditional Promise to Give - United Way Service and Capital One Funding in Next Calendar Year	-	50,000	50,000
Unconditional Promise to Give - Capital One Funding After Next Calendar Year	-	37,500	37,500
<u>TOTAL CURRENT ASSETS</u>	<u>64,854</u>	<u>87,500</u>	<u>152,354</u>
<u>FIXED ASSETS</u>			
Equipment and Leasehold Improvements, Net	82,230	-	82,230
<u>NET FIXED ASSETS</u>	<u>82,230</u>	<u>-0-</u>	<u>82,230</u>
<u>OTHER ASSETS</u>			
Other Assets	3,948	-	3,948
<u>TOTAL OTHER ASSETS</u>	<u>3,948</u>	<u>-0-</u>	<u>3,948</u>
<u>TOTAL ASSETS</u>	<u>151,032</u>	<u>87,500</u>	<u>238,532</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	4,319	-	4,319
Accrued Payroll Taxes	1,281	-	1,281
Accrued Insurance	14,137	-	14,137
Pension Payable	-	-	-
Line of Credit	24,115	-	24,115
<u>TOTAL CURRENT LIABILITIES</u>	<u>43,852</u>	<u>-0-</u>	<u>43,852</u>
<u>NET ASSETS</u>	<u>107,180</u>	<u>87,500</u>	<u>194,680</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>151,032</u>	<u>87,500</u>	<u>238,532</u>

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

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
<u>SUPPORT</u>			
Grants	167,324	-	167,324
Contributions	33,352	-	33,352
Other	1,300	-	1,300
United Way Contributions	54,103	50,000	104,103
Capital One Grant	-	-	-
Net Assets Released from Restriction	<u>99,140</u>	<u>(99,140)</u>	<u>-</u>
<u>TOTAL SUPPORT</u>	<u>355,219</u>	<u>(49,140)</u>	<u>306,079</u>
<u>REVENUE</u>			
Special Events - Net	14,813	-	14,813
Membership Dues	1,896	-	1,896
Program Service Fees	41,551	-	41,551
Concessions	9,949	-	9,949
Legalities and Bequests	315	-	315
Interest Income	<u>11</u>	<u>-</u>	<u>11</u>
<u>TOTAL REVENUE</u>	<u>68,535</u>	<u>-0-</u>	<u>68,535</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>423,754</u>	<u>(49,140)</u>	<u>374,614</u>
<u>EXPENSES</u>			
Program Services	358,446	-	358,446
Support Services			
Management and General	39,083	-	39,083
Fund-Raising	<u>29,865</u>	<u>-</u>	<u>29,865</u>
<u>Total Support Services</u>	<u>68,948</u>	<u>-0-</u>	<u>68,948</u>
<u>Total Functional Expenses</u>	<u>427,394</u>	<u>-0-</u>	<u>427,394</u>
<u>TOTAL EXPENSES</u>	<u>427,394</u>	<u>-0-</u>	<u>427,394</u>
Change in Net Assets	(3,640)	(49,140)	(52,780)
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>110,820</u>	<u>136,640</u>	<u>247,460</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>107,180</u>	<u>87,500</u>	<u>194,680</u>

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

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	(52,780)
Adjustments to Reconcile Change in Unrestricted Net Assets To Net Cash Provided by Operating Activities	
Depreciation	23,299
(Increase) Decrease in Accounts Receivable - Grants	(17,498)
(Increase) Decrease in United Way Funding Commitment	11,640
(Increase) Decrease in Capital One Funding Commitment	37,500
(Increase) Decrease in Prepaid Insurance	(3,179)
Increase (Decrease) in Accounts Payable	(15,635)
Increase (Decrease) in Accrued Payroll Taxes	(1,384)
Increase (Decrease) in Accrued Insurance	(4,791)
Increase (Decrease) in Pension Payable	(1,572)
 Net Cash Provided (Used) By Operating Activities	 (24,400)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from Line-of-Credit	86,011
Payments on Line-of-Credit	(61,896)
 Net Cash Provided (Used) By Financing Activities	 24,115

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (285)

CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD 1,171

CASH AND CASH EQUIVALENTS - END OF PERIOD 886

Cash Paid for Interest	7,330
Cash Paid for Income Taxes	-0-

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

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Program <u>Services</u>	<u>Support Services</u>		<u>Total</u>
	Boys and Girls Club	<u>Management And General</u>	<u>Fund- Raising</u>	
Salaries	164,566	16,800	16,800	198,166
Employee Benefits	23,826	2,016	2,016	27,858
Payroll Taxes	12,063	1,680	1,680	15,423
Professional Fees	9,547	1,123	562	11,232
Supplies	34,849	4,100	2,050	40,999
Occupancy	28,178	3,314	1,657	33,149
Rental/Maintenance Equipment	1,451	170	85	1,706
Printing and Publications	255	30	15	300
Travel/Convention	6,842	806	403	8,051
Painting and Postage	1,496	176	88	1,760
Telephone	3,757	442	221	4,420
Insurance	38,003	4,470	2,235	44,708
Interest	6,229	734	367	7,330
Dues and Fees	5,364	632	316	6,312
Award/Grant	1,589	186	93	1,868
Charitable Gaming	-	-	75	75
Depreciation	19,804	2,330	1,165	23,299
Miscellaneous	627	74	37	738
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>358,446</u>	<u>39,083</u>	<u>29,865</u>	<u>427,394</u>

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

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana (the Organization) is a local non-profit organization that provides a pool, gym, baseball, flag football, and basketball to boys and girls in northeast Louisiana. The Organization is supported through contributions by the United Way and various other grants.

Basis of Accounting

Financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Promises to Give

Under Statement of Financial Accounting Standards (SFAS) No. 116, contributions are recognized when the donor makes a promise to give to the Organization 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.

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.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents. Fair value approximates carrying amounts.

Allocation of Functional 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, fund-raising costs, and supporting services benefited.

Reserve for Bad Debts

Accounts receivable have been reviewed by management and it has been determined that there is no requirement for an allowance for doubtful accounts as of December 31, 2007.

Income Tax Status

The Organization qualified as a tax-exempt organization under Section 501(C)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

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.

Advertising Costs

The Organization expenses advertising costs as they are incurred. Advertising expenses for the year ended December 31, 2007 were immaterial.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 2 - DONATED SERVICES:

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

NOTE 3 - PLANT ASSETS AND DEPRECIATION:

Depreciation of plant assets is calculated on the straight line basis over the estimated useful lives of the assets. The Organization capitalizes all assets over \$1,000 with useful life greater than one year. The cost of such assets at December 31, 2007 is as follows:

	<u>Amount</u>
Land	25,000
Buildings	100,000
Pool	254,984
Computer Equipment	33,586
Vehicles	9,298
Equipment	67,502
Subtotal	490,370
Accumulated Depreciation	(408,140)
<u>Total</u>	<u>82,230</u>

NOTE 4 - FUND-RAISING COSTS:

Fund-raising costs, other than special events and concession sales, are detailed in the statement of functional expenses. The costs of special events and concessions are as follows:

	<u>Special Events</u>	<u>Concessions</u>
Gross Sales	27,555	9,949
Cost of Sales	12,742	-
<u>NET PROFIT (LOSS)</u>	<u>14,813</u>	<u>9,949</u>

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 5 - PENSION PLAN:

The Organization maintains an employee retirement plan for full-time, salaried employees. Employee contributions are equal to five percent of compensation. The pension contribution for the year was \$6,900.

NOTE 6 - NET ASSETS:

The Organization reports information regarding its financial position and activities according to these classes of net assets:

Unrestricted Net Assets - consists of assets, public support and program revenues which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

Permanently Restricted Net Assets - includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the organization to expend part or all of the income derived from the donated assets.

NOTE 7 - LINE OF CREDIT:

The Organization established a \$35,000 line of credit with Capital One Bank. The interest rate on the line of credit is 11.14% and the outstanding balance is \$24,115 at December 31, 2007.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 8 - GRANT RECEIVABLES:

Accounts Receivable - Grants at December 31, 2007 consists of reimbursements for expenses incurred under the various grant programs. The following list presents Accounts Receivable - Grants by fund at December 31, 2007:

Governor's Safe and Drug-Free Schools and Communities Program	9,718
Office of Juvenile Justice and Delinquency Prevention	34,129
Louisiana Alliance of Boys and Girls Clubs	<u>3,070</u>
<u>Total</u>	<u>46,917</u>

SUPPLEMENTARY FINANCIAL INFORMATION

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Disbursements/ Expenditures</u>
Office of Justice Programs	16.541	114,355
Temporary Assistance for Needy Families (Pass-Through Funds)	93.558	<u>16,152</u>
<u>TOTAL</u>		<u>130,507</u>

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2007

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana and is presented on the accrual basis of accounting.

NOTE 2 - SUBRECIPIENTS

Boys and Girls Club of West Monroe, Inc. d/b/a Boys and Girls Club of Northeast Louisiana did not provide federal awards to subrecipients.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
SCHEDULE OF BOARD MEMBERS COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2007

No compensation was paid to any board member during the year under audit.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007

SECTION I -- SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- * Material weakness(es) identified? ___ yes X no
- * Control deficiency(s) identified that are
not considered to be material weaknesses? X yes ___ none reported
- Noncompliance material to financial
statements noted? ___ yes X no

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

SECTION II — FINANCIAL STATEMENT FINDINGS

Internal Control

07-1

Criteria: The Organization should not operate with an operating deficit.

Condition: At December 31, 2007, the Organization is operating with a deficit.

Cause: Due to cash flow problems during the year, the Organization incurred an operating deficit at year end.

Questioned Costs: None

Context: Internal Controls

Effect: This finding has no effect on the financial statements.

Recommendation: Management should review expenditures and sources of revenue, and assist in operating with a balanced budget.

Reply: Management agrees with this finding and will review periodically to control the operating budget.

07-2

Criteria: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the organization's annual financial statements. This condition is intentional by management based upon the organization's financial complexity, along with the cost effectiveness of acquiring the

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

SECTION II -- FINANCIAL STATEMENT FINDINGS (Continued)

Internal Control (Continued)

07-2 (Continued)

Criteria: ability to prepare financial statements in
(Continued) accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Condition: Proper internal controls under SAS 112 require management to prepare the organization's annual financial statements.

Cause: It is not cost effective for the organization to cure this control deficiency.

Questioned Costs: None

Context: Internal Controls

Effect: This finding has no effect on the financial statements.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
WEST MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

Internal Control (Continued)

07-2 (Continued)

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case, we do not believe that curing the significant deficiency described above would be cost effective or practical and, accordingly, do not believe any corrective action is necessary.

Reply: Management agrees with this finding.

Compliance

There were no findings nor questioned costs for compliance for the year ended December 31, 2007.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.
D/B/A BOYS AND GIRLS CLUB OF NORTHEAST LOUISIANA
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
DECEMBER 31, 2007

06-1

Finding: Several invoices and payroll tax reports were not paid timely, resulting in late fees and penalties, and the Organization operating with a deficit.

Status: Invoices and payroll tax reports were paid timely. Also, line-of-credit was increased by \$10,000 to help with the Organization's operating deficit.