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LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.

WEST MONROE, LOUISIANA

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2004

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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 7-20-05

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
DECEMBER 31, 2004

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"The CPA Never Underestimate The Value"

**Certified Public Accountants**

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- Accounting & Auditing
  - H.U.D. Audits
  - Non-Profit Organizations
- Business & Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

June 22, 2005

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Louisiana Alliance of Boys & Girls Clubs, Inc.  
West Monroe, Louisiana

We have audited the accompanying statement of financial position of Louisiana Alliance of Boys & Girls Clubs, Inc. as of and for the year ended December 31, 2004, and the related statement of activities 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 *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 Louisiana Alliance of Boys & Girls Clubs, Inc. as of December 31, 2004, and the changes in its net assets and 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 a report dated June 22, 2005 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Louisiana Alliance of Boys & Girls Clubs, Inc. 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 for the year ended December 31, 2004, are 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.*

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CERTIFIED PUBLIC ACCOUNTANTS

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June 22, 2005

## 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

To the Board of Directors  
Louisiana Alliance of Boys & Girls Clubs, Inc.  
West Monroe, Louisiana

We have audited the financial statements of Louisiana Alliance of Boys & Girls Clubs, Inc. (a nonprofit organization) as of and for the year ended December 31, 2004, and have issued our report thereon dated June 22, 2005. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Louisiana Alliance of Boys & Girls Clubs, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Alliance of Boys & Girls Clubs, Inc.'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 noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use 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

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2004

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	24,755
Accounts Receivable (Net of Allowance for Bad Debts of <u>None</u> )	<u>49,112</u>

TOTAL CURRENT ASSETS 73,867

TOTAL ASSETS 73,867

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Due to Clubs	<u>69,053</u>
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TOTAL CURRENT LIABILITIES 69,053

NET ASSETS

General Fund - Unrestricted	<u>4,814</u>
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TOTAL NET ASSETS 4,814

TOTAL LIABILITIES AND NET ASSETS 73,867

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

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
 WEST MONROE, LOUISIANA  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Member Fees & Dues	5,000
Grants - TANF	364,471
Contributions	<u>1,752</u>

<u>TOTAL UNRESTRICTED SUPPORT AND REVENUE</u>	<u>371,223</u>
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EXPENSES

Program Services	309,177
Management and General	56,934
Fund-Raising	<u>9,000</u>

<u>TOTAL EXPENSES</u>	<u>375,111</u>
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<u>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</u>	<u>( 3,888)</u>
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<u>TOTAL INCREASE (DECREASE) IN NET ASSETS</u>	<u>( 3,888)</u>
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<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>8,702</u>
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<u>NET ASSETS - END OF YEAR</u>	<u><u>4,814</u></u>
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The accompanying notes are an integral part of these financial statements.



LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
 WEST MONROE, LOUISIANA  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2004

<u>ACCOUNT</u>	<u>FUND-RAISING</u>	<u>PROGRAM SERVICES</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>TOTALS</u>
Salaries	-	258,812	41,618	300,430
Benefits	-	31,391	5,110	36,501
Contractual	9,000	-	-	9,000
Audit	-	-	3,125	3,125
Professional	-	-	377	377
Supplies	-	13,252	456	13,708
Travel	-	1,885	647	2,532
Office	-	1,222	1,358	2,580
Equipment Rental & Repairs	-	-	2,448	2,448
Telephone	-	-	247	247
Postage	-	122	12	134
Insurance	-	-	-	-0-
Training	-	2,493	439	2,932
Bank Charges	-	-	-	-0-
Taxes & Licenses	-	-	5	5
Miscellaneous	-	-	1,092	1,092
<u>TOTAL EXPENSES BEFORE DEPRECIATION</u>	9,000	309,177	56,934	375,111
<u>DEPRECIATION</u>	-0-	-	-	-0-
<u>TOTAL EXPENSES</u>	<u>9,000</u>	<u>309,177</u>	<u>56,934</u>	<u>375,111</u>

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

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
 WEST MONROE, LOUISIANA  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2004

OPERATING ACTIVITIES

Change in Net Assets	( 3,888)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	-
(Increase) Decrease in Accounts Receivable	( 9,037)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	( 4,588)
Net Cash Provided (Used) by Operating Activities	(17,513)

INVESTING ACTIVITIES

None -0-

FINANCING ACTIVITIES

None -0-

NET DECREASE IN CASH AND CASH EQUIVALENTS (17,513)

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 42,268

CASH AND CASH EQUIVALENTS - END OF YEAR 24,755

SUPPLEMENTAL DATA:

Interest Paid	-0-
Income Taxes	-0-

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

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Operations and Reporting Entity

Louisiana Alliance of Boys & Girls Clubs, Inc. is a non-profit corporation organized to promote the Louisiana based Boys and Girls Clubs by supportive activities related to the state legislature. The Organization is supported by dues from Boys and Girls Clubs located in Louisiana and by state grants.

(B) Financial Statement Presentation

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) based upon the existence or absence of donor-imposed restrictions.

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

(C) Basis of Accounting

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

(D) Cash Equivalents

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

(E) Bad Debts

The reserve method of accounting for bad debts is used. Management believes no allowance for bad debts is needed.

(F) Functional Allocation 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 benefitted. Fund-raising costs are not material.

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2004

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(G) 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.

(H) Release of Restriction

Louisiana Alliance of Boys & Girls Clubs, Inc. has adopted the policy that when donor-restricted assets are received, and the restrictions are met in the same period, the resources are classified as unrestricted. In addition, gains and losses on investments are also classified as unrestricted unless state law requires such gains and losses to be restricted. During the year 2004, all restrictions on donated resources have been met and the resources are classified as unrestricted.

(I) Advertising Expenses

The Corporation expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2004 were not material.

(2) FEDERAL GRANTS

The TANF (Temporary Assistance to Needy Families) Program is administered by the State of Louisiana to provide a Teen Pregnancy Prevention Program for at-risk youth. The loss of this grant would have a material negative effect on the Organization.

(3) INCOME TAXES

Louisiana Alliance of Boys & Girls Clubs, 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.

(4) CASH ACCOUNTS

All cash is deposited in financial institutions which have FDIC insurance coverage.

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2004

(5) COMMITMENTS AND CONTINGENCIES

No material commitments and contingencies were outstanding.

(6) DONATED SERVICES

The Organization received donated services at various times during the year, mostly from officers and board members. No value for these services has been recorded in these financial statements.

SUPPLEMENTARY INFORMATION

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

<u>FEDERAL ASSISTANCE PROGRAMS</u>	<u>FEDERAL CFDA NUMBER</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
Temporary Assistance for Needy Families (Pass Through Funds)	93.558	364,471

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1      BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Louisiana Alliance of Boys & Girls Clubs, Inc. and is presented on the accrual basis of accounting. All federal assistance received directly or passed-through other government or non-profit agencies is included on the schedule.

NOTE 2      SUBRECIPIENTS

Louisiana Alliance of Boys & Girls Clubs, Inc. did not provide federal awards to subrecipients.



LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2004

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

\* Reportable condition(s) identified that  
are not considered to be material  
weaknesses?                                   \_\_\_ yes X none reported

Noncompliance material to financial  
statements noted?                           \_\_\_ yes X no

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2004

SECTION II - FINANCIAL STATEMENT FINDINGS

Internal Control

There were no findings nor questioned costs for internal control for the year ended December 31, 2004.

Compliance

There were no findings nor questioned costs for compliance for the year ended December 31, 2004.

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2004

SECTION II - FINANCIAL STATEMENT FINDINGS

Internal Control

Finding: At December 31, 2003, it was noted that time records were not approved by appropriate personnel.

Status: At December 31, 2004, it was noted that tested time records used for reimbursement purposes were approved by supervisors.

Compliance

Not Applicable

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Internal Control

Finding: At December 31, 2003, it was noted that time records were not approved by appropriate personnel.

Status: At December 31, 2004, it was noted that tested time records used for reimbursement purposes were approved by supervisors.

Compliance

Not Applicable