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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, 2007

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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

8/6/08

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
DECEMBER 31, 2007

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"The CPA. Never Underestimate The Value."

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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

## 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, 2007, 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, 2007, 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 our report dated June 30, 2008 on our consideration of Louisiana Alliance of Boys & Girls Clubs, Inc.'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 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, 2007, 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.*

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

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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

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, 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 Louisiana Alliance of Boys & Girls Clubs, Inc.'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 Louisiana Alliance of Boys & Girls Clubs, Inc.'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 item 07-1.

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 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 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 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. 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, 2007

	<u>ASSETS</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	55,818	42,454	98,272
Accounts Receivable (Net of Allowance for Bad Debts of None)	-	-	-
<u>TOTAL CURRENT ASSETS</u>	<u>55,818</u>	<u>42,454</u>	<u>98,272</u>
<u>TOTAL ASSETS</u>	<u>55,818</u>	<u>42,454</u>	<u>98,272</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Due to Clubs	43,360	-	43,360
Deferred Revenue	523	-	523
<u>TOTAL CURRENT LIABILITIES</u>	<u>43,883</u>	<u>-0-</u>	<u>43,883</u>
<u>NET ASSETS</u>			
General Fund	11,935	42,454	54,389
<u>TOTAL NET ASSETS</u>	<u>11,935</u>	<u>42,454</u>	<u>54,389</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>55,818</u>	<u>42,454</u>	<u>98,272</u>

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, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>UNRESTRICTED NET ASSETS</u>			
<u>SUPPORT AND REVENUE</u>			
Member Fees and Dues	16,641	-	16,641
Grants - TANF	181,553	42,454	224,007
Grants - Other	<u>9,000</u>	<u>-</u>	<u>9,000</u>
 <u>TOTAL UNRESTRICTED SUPPORT AND REVENUE</u>	 <u>207,194</u>	 <u>42,454</u>	 <u>249,648</u>
 <u>EXPENSES</u>			
Program Services	181,553	-	181,553
Management and General	3,954	-	3,954
Fund-Raising	<u>17,400</u>	<u>-</u>	<u>17,400</u>
 <u>TOTAL EXPENSES</u>	 <u>202,907</u>	 <u>-0-</u>	 <u>202,907</u>
 <u>INCREASE (DECREASE) IN NET ASSETS</u>	 4,287	 42,454	 46,741
 <u>NET ASSETS - BEGINNING OF YEAR</u>	 <u>7,648</u>	 <u>-</u>	 <u>7,648</u>
 <u>NET ASSETS - END OF YEAR</u>	 <u>11,935</u>	 <u>42,454</u>	 <u>54,389</u>

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, 2007

<u>Account</u>	<u>Fund- Raising</u>	<u>Program Services</u>	<u>General &amp; Administrative</u>	<u>Totals</u>
Contractual	17,400	-	-	17,400
Audit	-	-	2,970	2,970
Travel	-	-	449	449
Postage	-	-	140	140
Training & Meetings	-	-	395	395
Payments to Clubs	-	181,553	-	181,553
 <u>TOTAL EXPENSES BEFORE DEPRECIATION</u>	 17,400	 181,553	 3,954	 202,907
 <u>DEPRECIATION</u>	 -0-	 -0-	 -0-	 -0-
 <u>TOTAL EXPENSES</u>	 17,400	 181,553	 3,954	 202,907

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, 2007

OPERATING ACTIVITIES

Change in Net Assets	46,741
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	-
(Increase) Decrease in Accounts Receivable	500
Increase (Decrease) in Accounts Payable and Accrued Liabilities	( 9,223)
Increase (Decrease) in Deferred Revenue	<u>523</u>
Net Cash Provided (Used) By Operating Activities	<u>38,541</u>

INVESTING ACTIVITIES

None	<u>-0-</u>
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FINANCING ACTIVITIES

None	<u>-0-</u>
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<u>NET DECREASE IN CASH AND CASH EQUIVALENTS</u>	38,541
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<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>59,731</u>
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<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>98,272</u>
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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, 2007

NOTE 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 various 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.

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

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

(E) Bad Debts

The reserve method of accounting for bad debts is used. Management believes no allowance for bad debts is needed. Management reviews bad debts monthly for any charge offs.

(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 benefited. Fund-raising costs are not material.

(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.

(I) Advertising Expenses

The Corporation expenses advertising costs as they are incurred. Advertising expenses for the year ended December 31, 2007 were not material.

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 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.

NOTE 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.

NOTE 4 - CASH ACCOUNTS:

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

NOTE 5 - COMMITMENTS AND CONTINGENCIES:

No material commitments and contingencies were outstanding.

NOTE 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.

NOTE 7 - PAYMENTS TO CLUBS:

Payments to Clubs, as shown on the statement of functional expenses, consists of reimbursements to clubs in Louisiana for operating summer programs.

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS:

Temporarily Restricted Net Assets consist of funds due to various clubs for which the grant revenue has been received but the documentation has not been provided by the clubs in order to be reimbursed.

SUPPLEMENTARY INFORMATION



LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

<u>FEDERAL ASSISTANCE PROGRAMS</u>	<u>FEDERAL CFDA NUMBER</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
Temporary Assistance for Needy Families (Pass-Through Funds)	93.558	181,553

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, 2007

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, 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

\* Reportable condition(s) identified that  
are not considered to be material  
weaknesses?                      X   yes        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, 2007

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Internal Control

07-1

Finding: 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 ability to prepare financial statements in 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.

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

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

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

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2007

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS  
(Continued)

Internal Control (Continued)

07-1 (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.

LOUISIANA ALLIANCE OF BOYS & GIRLS CLUBS, INC.  
WEST MONROE, LOUISIANA  
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2007

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Internal Control

06-1

Finding: Cost reimbursement forms that accurately summarize the expenses the clubs are requesting a reimbursement for should accompany all invoices in the request.

Status: Cleared

Compliance

Not Applicable