

7297

RECEIVED  
2007 JUL -3 AM 9:38

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
WEST MONROE, LOUISIANA

---

FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION  
FOR THE YEAR ENDED  
DECEMBER 31, 2006

---

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

Release Date 9/5/07

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2006

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.....	18-19
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS.....	20

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



ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC

PAM BATTAGLIA, CPA  
JAY CUTHBERT, CPA  
JULIAN B. JOHNSTON, CPA

"The CPA Never Underestimates The Value"

*Certified Public Accountants*

3007 Armand Street  
Monroe, Louisiana 71201

Telephone (318) 322-5156 or (318) 323-1411  
Facsimile (318) 323-6331

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

June 29, 2007

## 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.  
West Monroe, Louisiana

We have audited the financial statements of Boys and Girls Club of West Monroe, Inc. (a nonprofit organization) as of and for the year ended December 31, 2006, and have issued our report thereon dated June 29, 2007. 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.'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.'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. This finding is identified in the schedule of findings and questioned costs as item 06-1.

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 Boys and Girls Club of West Monroe, 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 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

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

ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC

PAM BATTAGLIA, CPA  
JAY CUTHBERT, CPA  
JULIAN B. JOHNSTON, CPA



"The CPA Never Underestimates The Value"  
*Certified Public Accountants*  
3007 Armand Street  
Monroe, Louisiana 71201  
Telephone (318) 322-5156 or (318) 323-1411  
Facsimile (318) 323-6331

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

June 29, 2007

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Boys and Girls Club of West Monroe, Inc.  
West Monroe, Louisiana

We have audited the accompanying statement of financial position of Boys and Girls Club of West Monroe, Inc. (a non-profit organization) as of December 31, 2006, 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. as of December 31, 2006, 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 29, 2007 on our consideration of Boys and Girls Club of West Monroe, 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 performed for the purpose of forming an opinion on the basic financial statements of Boys and Girls Club of West Monroe, 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 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.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	1,171	-	1,171
Accounts Receivable - Grants	29,419	-	29,419
Prepaid Insurance	13,872	-	13,872
Unconditional Promise to Give - United Way Service and Capital One Funding in Next Calendar Year	-	86,640	86,640
Unconditional Promise to Give - Capital One Funding After Next Calendar Year	-	50,000	50,000
<u>TOTAL CURRENT ASSETS</u>	<u>44,462</u>	<u>136,640</u>	<u>186,102</u>
<u>FIXED ASSETS</u>			
Equipment and Leasehold Improvements, Net	105,529	-	105,529
<u>NET FIXED ASSETS</u>	<u>105,529</u>	<u>-0-</u>	<u>105,529</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>153,939</u>	<u>136,640</u>	<u>290,579</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	19,954	-	19,954
Accrued Payroll Taxes	2,665	-	2,665
Accrued Insurance	18,928	-	18,928
Pension Payable	1,572	-	1,572
Line of Credit	-	-	-
<u>TOTAL CURRENT LIABILITIES</u>	<u>43,119</u>	<u>-0-</u>	<u>43,119</u>
<u>NET ASSETS</u>	<u>110,820</u>	<u>136,640</u>	<u>247,460</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>153,939</u>	<u>136,640</u>	<u>290,579</u>

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



BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
<u>SUPPORT</u>			
Grants	118,674	-	118,674
Contributions	26,293	-	26,293
Other	1,085	-	1,085
United Way Contributions	66,189	61,640	127,829
Capital One Grant	25,000	75,000	100,000
Net Assets Released from Restriction	<u>67,000</u>	<u>( 67,000)</u>	<u>-</u>
<u>TOTAL SUPPORT</u>	<u>304,241</u>	<u>69,640</u>	<u>373,881</u>
<u>REVENUE</u>			
Special Events - Net	5,928	-	5,928
Membership Dues	2,225	-	2,225
Program Service Fees	37,864	-	37,864
Concessions	7,328	-	7,328
Legalities and Bequests	400	-	400
Interest Income	<u>17</u>	<u>-</u>	<u>17</u>
<u>TOTAL REVENUE</u>	<u>53,762</u>	<u>-0-</u>	<u>53,762</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>358,003</u>	<u>69,640</u>	<u>427,643</u>
<u>EXPENSES</u>			
Program Services	<u>333,168</u>	<u>-</u>	<u>333,168</u>
Support Services			
Management and General	39,536	-	39,536
Fund-Raising	<u>29,415</u>	<u>-</u>	<u>29,415</u>
<u>Total Support Services</u>	<u>68,951</u>	<u>-0-</u>	<u>68,951</u>
<u>Total Functional Expenses</u>	<u>402,119</u>	<u>-0-</u>	<u>402,119</u>
<u>TOTAL EXPENSES</u>	<u>402,119</u>	<u>-0-</u>	<u>402,119</u>
Change in Net Assets	( 44,116)	69,640	25,524
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>154,936</u>	<u>67,000</u>	<u>221,936</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>110,820</u>	<u>136,640</u>	<u>247,460</u>

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

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	<u>25,524</u>
Adjustments to Reconcile Change in Unrestricted Net Assets To Net Cash Provided by Operating Activities	
Depreciation	24,129
(Increase) Decrease in Accounts Receivable - Grants	(29,419)
(Increase) Decrease in United Way Funding Commitment	5,360
(Increase) Decrease in Capital One Funding Commitment	(75,000)
(Increase) Decrease in Prepaid Insurance	18,255
Increase (Decrease) in Accounts Payable	15,908
Increase (Decrease) in Accrued Payroll Taxes	( 41)
Increase (Decrease) in Accrued Insurance	14,536
Increase (Decrease) in Pension Payable	<u>1,105</u>
Net Cash Provided (Used) By Operating Activities	<u>357</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	357
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD</u>	<u>814</u>
<u>CASH AND CASH EQUIVALENTS - END OF PERIOD</u>	<u><u>1,171</u></u>
Cash Paid for Interest	2,032
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.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Program Services Boys and Girls Club	Support Services		Total
		Management And General	Fund- Raising	
Salaries	142,362	17,233	17,233	176,828
Employee Benefits	18,819	2,066	2,066	22,951
Payroll Taxes	11,635	1,369	684	13,688
Professional Fees	10,070	1,185	592	11,847
Supplies	29,372	3,456	1,728	34,556
Occupancy	32,062	3,771	1,886	37,719
Rental/Maintenance Equipment	550	65	32	647
Printing and Publications	-	-	-	-
Travel/Convention	8,511	1,001	501	10,013
Painting and Postage	1,298	153	76	1,527
Telephone	4,356	513	256	5,125
Insurance	44,065	5,184	2,592	51,841
Interest	1,725	205	102	2,032
Dues and Fees	7,285	857	429	8,571
Depreciation	20,510	2,413	1,206	24,129
Miscellaneous	548	65	32	645
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>333,168</u></b>	<b><u>39,536</u></b>	<b><u>29,415</u></b>	<b><u>402,119</u></b>

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

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Boys and Girls Club of West Monroe, Inc. (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.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006

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, 2006.

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, 2006 were immaterial.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2006

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, 2006 is as follows:

	<u>Amount</u>
Land	25,000
Buildings	100,000
Pool	254,984
Computer Equipment	33,586
Vehicles	9,298
Equipment	<u>67,502</u>
Subtotal	490,370
Accumulated Depreciation	<u>(384,841)</u>
<u>Total</u>	<u>105,529</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</u>	<u>Concessions</u>
	<u>Events</u>	
Gross Sales	24,698	7,328
Cost of Sales	<u>18,770</u>	<u>-</u>
<u>NET PROFIT (LOSS)</u>	<u>5,928</u>	<u>7,328</u>

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006

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 \$8,280.

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 \$25,000 line of credit with Capital One Bank. The interest rate on the line of credit is 11.75% and the outstanding balance is \$-0- at December 31, 2006.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006

NOTE 8 - GRANT RECEIVABLES:

Accounts Receivable - Grants at December 31, 2006 consists of reimbursements for expenses incurred under the various grant programs. The following list presents Accounts Receivable - Grants by fund at December 31, 2006:

Governor's Safe and Drug-Free Schools and Communities Program	2,710
Office of Juvenile Justice and Delinquency Prevention	25,373
Louisiana Alliance of Boys and Girls Clubs	461
Temporary Assistance for Needy Families	<u>875</u>
<u>Total</u>	<u>29,419</u>



SUPPLEMENTARY FINANCIAL INFORMATION

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2006

<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	55,992
Temporary Assistance for Needy Families (Pass-Through Funds)	93.558	<u>16,093</u>
<u>TOTAL</u>		<u>72,085</u>

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2006

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. and is presented on the accrual basis of accounting.

NOTE 2 - SUBRECIPIENTS

Boys and Girls Club of West Monroe, Inc. did not provide federal awards to subrecipients.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
SCHEDULE OF BOARD MEMBERS COMPENSATION  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

\* Material weakness(es) identified?                     yes     no

\* Control deficiency(s) identified that are  
not considered to be material weaknesses?     yes     none reported

Noncompliance material to financial  
statements noted?     yes     no

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
WEST MONROE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2006

SECTION II - FINANCIAL STATEMENT FINDINGS

Internal Control

06-1

Criteria: Invoices should be paid timely each month.

Condition: Several invoices and payroll tax reports were not paid timely, resulting in interest and penalties, and the Organization is operating with a deficit.

Cause: Due to cash flow problems during the year, the Organization incurred substantial penalties and interest on vendor invoices and payroll taxes. In addition, the Organization incurred an operating deficit during the year.

Questioned Costs: None

Context: Internal Controls

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

Recommendation: The Board of Directors should develop a plan to assist in funding the operating budget and ensuring vendor invoices and payroll taxes are paid timely.

Reply: Management agrees with this finding and will ensure vendor invoices and payroll liabilities are paid timely, and the Board of Directors will develop a plan to control the operating budget.

Compliance

There were no findings nor questioned costs for compliance for the year ended December 31, 2006.

BOYS AND GIRLS CLUB OF WEST MONROE, INC.  
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS  
DECEMBER 31, 2006

There were no prior year findings.