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Boys and Girls Club of Central Louisiana, Inc.

Alexandria, Louisiana
Annual Financial Report
December 31, 2010

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 **FEB 15 2012**

**The Boys and Girls Club of
Central Louisiana, Inc.**

December 31, 2010

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		3
Financial Statements		
Statement of Financial Position	A	5
Statement of Activities	B	6
Statement of Cash Flows	C	7
Schedule of Functional Expenses	D	8
Notes to Financial Statements		9-13
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>		14-15
Schedule of Findings and Responses		16-20
Management's Corrective Action Plan		21-24
Summary of Prior Year Audit Findings		25-27

K & NIGHT COMPANY CPAs, LLC

Independent Auditor's Report

To the Board of Directors of
Boys and Girls Club of Central Louisiana, Inc
Alexandria, LA

We were engaged to audit the accompanying statement of financial position of the Boys and Girls Club of Central Louisiana, Inc (a nonprofit organization) as of December 31, 2010, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management.

Management of the Boys and Girls Club of Central Louisiana, Inc were unable to provide supporting documentation for certain financial statement accounts. As a result, the accuracy and appropriateness of the transactions and balances contained within these accounts was indeterminable.

Due to the significance of the matters described above, and since the scope of work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2011, on our consideration of the Boys and Girls Club of Central Louisiana, 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 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.



Knight & Company CPAs, LLC

Alexandria, Louisiana
December 30, 2011

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FINANCIAL STATEMENTS

Boys and Girls Club of Central Louisiana, Inc
Statement of Financial Position
December 31, 2010

Exhibit A

Assets

Current Assets	
Cash and cash equivalents	\$ 78,073
Total Current Assets	78,073
Property, Plant, and Equipment,	
Net of Accumulated Depreciation	51,639
Other Assets	
Restricted Cash	77
Total Other Assets	77
Total Assets	\$ 129,789

Liabilities and Net Assets

Current Liabilities	
Accounts payable	\$ 11,891
Accrued payroll and withholding	69,590
Current portion of long term debt	1,349
Total Current Liabilities	82,830
Net Assets	
Unrestricted	37,665
Temporarily restricted	9,294
Permanently restricted	-
Total Net Assets	46,959
Total Liabilities and Net Assets	\$ 129,789

The accompanying notes are an integral part of the financial statements

Boys and Girls Club of Central Louisiana, Inc.
Statement of Activities
Year Ended December 31, 2010

Exhibit B

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, Gains, and Reclassifications				
Contributions and gifts	\$ 215,515	\$ 10,600	\$ -	\$226,115
Government grants	-	59,200	-	59,200
United Way and CFC	47,790	-	-	47,790
Fundraising income	74,260	-	-	74,260
Investment income	33	-	-	33
Program Fees	10,356	-	-	10,356
AmeriCorps Incentive	-	16,632	-	16,632
Other income	1,047	-	-	1,047
Net assets released from restrictions	86,432	(86,432)	-	-
Total Revenues, Gains (Losses) and Reclassifications	435,433	-	-	435,433
Functional Expenses				
Program expenses	212,236	-	-	212,236
Management and general	194,207	-	-	194,207
Fundraising	13,766	-	-	13,766
Total Expenses	420,209	-	-	420,209
Change in Net Assets	15,224	-	-	15,224
Net Assets, Beginning of Year	22,441	9,294	-	31,735
Net Assets, End of Year	\$ 37,665	\$ 9,294	\$ -	\$ 46,959

The accompanying notes are an integral part of the financial statements

Boys and Girls Club of Central Louisiana, Inc
Statement of Cash Flows
Year Ended December 31, 2010

Exhibit C

Cash Flows from Operating Activities	
Change in net assets	\$ 15,224
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	12,148
Changes in operating assets and liabilities	
Grants receivable	20,390
Accounts payable	(3,074)
Accrued payroll and withholding	(52,755)
Net Cash Used in Operating Activities	<u>(8,069)</u>
Cash Flows from Investing Activities	
Net Cash Used in Investing Activities	-
Cash Flows from Capital and Related Financing Activities	
Cash paid for purchase of fixed assets	(6,407)
Principal payments on long term debt	(13,763)
Net Cash Used in Capital and Related Financing Activities	<u>(20,170)</u>
Decrease in Cash	(28,239)
Cash, Beginning of Year	<u>106,389</u>
Cash, End of Year	<u>\$ 78,150</u>

Additional required disclosures

- 1 Boys and Girls Club of Central Louisiana, Inc considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents
- 2 No income taxes were paid during the current fiscal year
- 3 Interest paid for the year ended December 31, 2010 amounted to \$494
- 4 There were no material noncash financing or investing transactions during the fiscal year ended December 31, 2010

The accompanying notes are an integral part of the financial statements

Boys and Girls Club of Central Louisiana, Inc.
Statement of Functional Expenses
Year Ended December 31, 2010

Exhibit D

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges	-	53	-	53
Depreciation	-	12,146	-	12,146
Dues and subscriptions	-	5,379	-	5,379
Employee benefits	-	17,439	-	17,439
Equipment leasing	-	1,432	-	1,432
Fundraising	-	-	13,766	13,766
Insurance	800	10,452	-	11,252
Interest	-	245	-	245
Office expense	676	20,520	-	21,196
Payroll expense	142,637	84,331	-	226,968
Payroll taxes	10,936	6,373	-	17,309
Professional development	-	1,383	-	1,383
Professional fees	19,093	25,665	-	44,758
Program supplies	26,098	-	-	26,098
Repairs and maintenance	-	3,505	-	3,505
Telephone	-	3,233	-	3,233
Travel	11,995	2,052	-	14,047
	<u>212,235</u>	<u>194,208</u>	<u>13,766</u>	<u>420,209</u>

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

**Boys and Girls Club of Central Louisiana, Inc.
Notes to the Financial Statements
December 31, 2010**

1. Summary of Significant Accounting Policies

Organization

The Boys and Girls Club of Central Louisiana, Inc (the Club) is a nonprofit organization organized under the laws of the State of Louisiana. The mission of the The Club is "To inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible and caring citizens."

To fulfill their mission, the Club provides various activities for the children to participate in through after school and summer programs.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Club and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Club and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Club. Generally, the donors of these assets permit the Club to use all or part of the income earned on any related investments for general or specific purposes.

Contributions

Contributions are recorded as received. Unconditional promises to give are recorded as they are made. Conditional promises to give are recognized as when required conditions are fulfilled.

Boys and Girls Club of Central Louisiana, Inc.
Notes to the Financial Statements
December 31, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

Income Taxes

The Club is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Furthermore, the Club is not classified as a "private foundation" by the Internal Revenue Service. As of December 31, 2011 the IRS Form 990 has still not been filed for the year ended 2010.

Cash and Cash Equivalents

Cash and cash equivalents represent unrestricted bank deposits and highly liquid investments with original maturities of three months or less.

Furniture and Equipment

Furniture and equipment are recorded at cost on the date of acquisition. Donated property is recorded at the estimated fair value upon receipt. Depreciation of furniture and equipment is computed using the straight-line method over estimated useful lives ranging from 5 to 10 years.

Repairs, maintenance and minor replacements are charged to operations as incurred. Major replacements and improvements are capitalized at cost. When capitalized items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

Assets donated with explicit restrictions regarding their use and contributions of cash designated to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Club reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Donated Supplies and Services

Volunteers are utilized extensively for both program and supporting services. Contributed services are recognized as income and corresponding expense if the services require specialized skills. Contributed supplies and services are recorded if the Club would be required to purchase these if donations were not available.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of,

Boys and Girls Club of Central Louisiana, Inc.
Notes to the Financial Statements
December 31, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

The financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Grants Receivable

Grants are recorded at the time of the award, except for reimbursement grants which are recorded as expenditures are incurred. If a grant becomes uncollectible, it is written off. No allowance for doubtful grants is recorded because management believes all grants to be collectible.

Note 4 – Furniture and Equipment

Furniture and equipment utilized by the Club are presented as follows:

<u>Description</u>	<u>Life</u>	
Land	Nondepreciable	\$15,000
Automobiles	5 – 7 years	17,803
Furniture & equipment	5 – 10 years	45,704
Recreational equipment	5 – 7 years	22,132
Less Accumulated depreciation		<u>(49,000)</u>
Net Property, plant and equipment		<u>\$51,639</u>

Depreciation expense for the year ended December 31, 2010 was 12,146

Note 5 – Notes Payable

A summary of notes payable as of December 31, 2010, is as follows:

14 95% note payable to Imperial Credit Corp.
 Payable \$461.00 per month, principle and interest, with final payment due April 6, 2011

Current portion \$ 1,349

Boys and Girls Club of Central Louisiana, Inc.
Notes to the Financial Statements
December 31, 2010

Note 6 – Temporarily Restricted Net Assets

Details associated with temporarily restricted net assets are presented as follows

<u>Description</u>	
Tobacco Free Living	\$9,246
Christmas Party	<u>48</u>
Total Temporarily Restricted Net Assets	<u>\$9,294</u>

Note 8 – In-Kind Donations

During 2010, the Club was allowed to use a building and utilities at no cost. The building is owned by the City of Alexandria. No objective measurement on the fair rental value of the buildings and utilities was available, therefore, no income or expense has been recognized.

Note 9 – Contingencies

As of December 31, 2010, the Club had \$59,983 in unpaid prior year payroll tax liabilities. The Club is currently in negotiations with the Internal Revenue Service to settle this debt with an Offer in Compromise. Subsequently after the date of this report, an agreement was reached with the Internal Revenue Service. (See Note 11)

Due to the fact that the Club has not submitted IRS Form 990 tax return for year 2010, penalties and interest could apply as the result of this late filing. This amount is undeterminable at this time.

Note 10 – Retirement Plan

The Club is a participant in the Merrill Lynch Section 403(b)(7) Plan, a matching contribution plan. However, during 2010, the Club did not have any employees participating in the plan.

Note 11 – Subsequent Events (continued)

In April 2011, the Club announced it was going to cease operations in Alexandria, Louisiana. After the majority of the board approved the decision to cease operations, the acting executive director and a minority of the board members decided to keep the organization going.

The organization did not close the doors and is still operating using facilities donated by the Rapides Parish School Board. The Club still maintains its national affiliation and is in good standing.

Boys and Girls Club of Central Louisiana, Inc.
Notes to the Financial Statements
December 31, 2010

Note 11 – Subsequent Events (concluded)

The Club also resolved its ongoing prior period payroll tax liabilities issue. As of the date of the audit report, the Club is in good standing with the Internal Revenue Service.

Note 11 – Going Concern Issues

In December 2010, the executive director was dismissed and the organization was in need of funding to continue operations. The organization had lacked clear financial and resource strategies which resulted in uncertainty for the continuation of operations in 2011.

Due to these circumstances, the board decided that in April 2011 they would cease operations. However, the acting executive director and several of the board members decided to continue on with operations in light of the lack of funding the organization was receiving.

K & NIGHT COMPANY CPAs, LLC

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
Boys and Girls Club of Central Louisiana, Inc
Alexandria, Louisiana

We have audited the financial statements of the Boys and Girls Club of Central Louisiana, Inc (a nonprofit organization) as of and for the year ended December 31, 2010, and have issued our report thereon dated December 30, 2011. 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 the Boys and Girls Club of Central Louisiana, 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 the Boys and Girls Club of Central Louisiana, 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. We believe that findings 2010-01 through 2010-04 and findings 2010-06 through 2010-07

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and

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To the Board of Directors
Boys and Girls Club of Central Louisiana, Inc
Alexandria, Louisiana

responses to be significant deficiencies. We believe that finding 2010-05 in the schedule of findings and responses is considered a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Boys and Girls Club of Central Louisiana, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2010-08 and 2010-09.

The Boys and Girls Club of Central Louisiana, Inc's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Boys and Girls Club of Central Louisiana, Inc's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of directors, others within the entity, the Board of Trustees, 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, this report is a matter of public record, and its distribution is not limited.



Knight & Company CPAs, LLC

Alexandria, Louisiana
December 30, 2011

Schedule of Findings and Responses

Boys and Girls Club of Central Louisiana, Inc.
Schedule of Findings and Responses
December 31, 2010

Finding 2010 – 01 Grant Receivables Not Recorded

Condition. Grant revenue is not being recorded on the accrual basis.

Criteria Unconditional contributions and grants should be recorded at the time of award.
Conditional contributions and grants should be recorded at the time the condition is fulfilled

Effect Revenues and receivables are understated

Cause The entries necessary to record receivables and revenue are not being posted

Recommendation All revenues are recorded on the accrual basis and not on the cash basis

Response See Management's Corrective Action Plan

Finding 2010 – 02 Donated Items

Condition The receipt of all donated items is not documented and/or recorded.

Criteria Donated items should be documented and recorded in the accounting records at the time of the donated item is received

Effect Revenue, related expenses and/or assets are understated

Cause The entries necessary for recording donated revenue are not being posted

Recommendation All donated items and services should be documented at the time of donation and the information communicated to the outside accounting firm

Response See Management's Corrective Action Plan

Finding 2010 – 03 Program Revenue

Condition The membership subsidiary records are not being reconciled with general ledger

Criteria Controls should be established to ensure that all program revenue is being recorded properly

Effect There is no assurance that all program revenue is being accounted for properly

Cause The procedures are not in place to monitor the posting of program revenue.

Recommendation Information from the membership system should be provided to outside accountants and reconciled to the general ledger

Response See Management's Corrective Action Plan

Boys and Girls Club of Central Louisiana, Inc.
Schedule of Findings and Responses
December 31, 2010

Finding 2010 – 04 Fundraising Supporting Documents

Condition The schedules used to track fundraising activities did not agree to the general ledger. Procedures should be established to ensure that all fundraising revenue is recorded.

Criteria Procedures should be established to ensure that all fundraising revenue is recorded.

Effect There is no assurance that all fundraising revenue is being accounted for properly.

Cause The controls to ensure that all fundraising revenue is being recorded properly are not being utilized.

Recommendation Supplementary schedules used to track fundraiser activity should be provided to the outside accountants and reconciled to the general ledger.

Response See Management's Corrective Action Plan.

Finding 2010 – 05 Documentation of Board Meetings

Condition The minutes of the governing board were incomplete.

Criteria. Good business practices require every organization to keep accurate and complete records of the meetings of its members and directors, and of committees of the board.

Effect The organization is not in compliance with good business practice.

Cause. The secretary was unaware of how to keep complete and accurate minutes, and minutes were not kept for all meetings held.

Recommendation The organization should ensure that accurate minutes are taken and retained from all board meetings.

Response See Management's Corrective Action Plan.

Finding 2010 – 06 Controls over Receipts

Condition. Procedures to track all receipts coming into the organization are not in place to assure all funds received are accounted for properly.

Criteria: Controls to track all receipts should be designed to account for all funds and be reconciled to the general ledger.

Effect The controls in place are ineffective in protecting the organization's assets.

Cause Multiple cash receipt books were being kept and the log for receipts received by mail was incomplete.

Boys and Girls Club of Central Louisiana, Inc.
Schedule of Findings and Responses
December 31, 2010

Recommendation Procedures should be designed to provide assurance that all funds coming in are accounted for properly

Response See Management's Corrective Action Plan

Finding 2010 – 07 Cash Disbursement Documentation

Condition During the audit, we determined that the procurement and cash disbursement functions were not being followed properly. Our test of sixty – five disbursements disclosed the following discrepancies:

- No approved requisitions were attached to the corresponding documentation on any of the required disbursements in the sample.
- No approval signatures for electronic transactions on twenty – one of the required disbursements in the sample.
- No supporting invoice or time sheet on twenty of the required disbursements in the sample.

Criteria Adequate internal controls relating to the procurement and accounts payable/cash disbursements require that specific procedures be in place to ensure that the procurement of goods and services are in compliance with the organization's regulations and that disbursements are properly authorized, supported with documentation such as requisitions, invoices.

Effect The lack of adequate internal control relating to the procurement procedures and cash disbursements functions could result in the Club's assets being misappropriated and/or the financial statements could be materially misstated.

Cause Procedures set up for check disbursements aren't being utilized on all disbursements.

Recommendation Follow established procedures for all disbursements.

Response See Management's Corrective Action Plan

Finding 2010 – 08 Late Filing with Legislative Auditor

Condition The audit of the Club's financial statements was not completed and filed with the Office of Legislative Auditor within six months of the close of the Club's fiscal year.

Criteria. In accordance with Louisiana Revised Statute §24:513A(5)(a) audits shall be completed within six months of the close of the entity's fiscal year.

Effect Noncompliance with law

Boys and Girls Club of Central Louisiana, Inc.
Schedule of Findings and Responses
December 31, 2010

Cause: The Club voted to cease operations in April 2011 then subsequently decided to keep the organization going, resulting in the auditor resigning from the engagement and then reengaging the auditor to complete the prior year audit

Recommendation: Management needs to place emphasis on providing audit related data in a timely manner and establish financial reporting procedures that will ensure the complete, accurate, and timely recording to transactions. In addition, management should develop and adhere to year-end closing procedures

Response: See Management's Corrective Action Plan

Finding 2010 – 09 Timely Filing of Tax Return

Condition: The Club did not file the Internal Revenue Service Form 990 tax return for 2010 timely. No extensions were filed and the tax return has not been filed

Criteria: The Internal Revenue Service requires the Club to file an annual tax return (Form 990) by the 15th day of the 5th month after its fiscal year end excluding extensions

Recommendation: We recommend that the Club file its Form 990 IRS tax return on a timely basis to avoid paying fines and penalties

Response: See Management's Corrective Action Plan

Management's Corrective Action Plan

**Boys and Girls Club of Central Louisiana, Inc.
Management's Corrective Action Plan
December 31, 2010**

The Boys and Girls Club of Central Louisiana, Inc respectfully submits the following corrective action plan for the year ended December 30, 2011

Independent Public Accounting Firm

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3820A Bayou Rapides Road
Alexandria, LA 71303
(318) 483-4180

Auditee Contact Person:

Dominic Bradford, Exec Director
Boys and Girls Club of Central LA
P.O Box 5247
Alexandria, LA 71307
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Audit Period January 1, 2010 through December 31, 2010

The findings from the Schedule of Findings and Responses are discussed below. The findings are numbered consistently with the number assigned on the Schedule

Finding 2010 – 01 Grant Receivables Not Recorded

Condition and Context. Grant revenue is not being recorded on the accrual basis

Recommendation. All revenues are recorded on the accrual basis and not on the cash basis

Action Taken. The Executive Director will provide the outside bookkeeper all of the proper information in order to make sure all revenues are recorded on the accrual basis.

Finding 2010 – 02 Donated Items

Condition and Context. The receipt of donated items are not being documented and/or recorded.

Recommendation. All donated items and services should be documented at the time of donation and the information communicated to the outside accounting firm

Action Taken. The Executive Director will ensure that all donated items and services are being both documented and recorded

**Boys and Girls Club of Central Louisiana, Inc.
Management's Corrective Action Plan
December 31, 2010**

Finding 2010 – 03 Program Revenue

Condition and Context The membership subsidiary records are not being reconciled with the general ledger.

Recommendation Information from the membership system should be provided to the outside accountants and reconciled to the general ledger

Action Taken The Executive Director will ensure that the membership system information will be provided to the outside accountants to ensure they reconcile to the general ledger

Finding 2010 – 04 Fundraising Supporting Documents

Condition and Context The schedules used to track fundraising activities did not agree to the general ledger

Recommendation Supplementary schedules used to track fundraiser activity should be provided to the outside accountants and reconciled to the general ledger

Action Taken The Executive Director will ensure that the schedules used to track fundraiser activity will be provided to the outside accountants to ensure they agree with the general ledger

Finding 2010 – 05 Documentation of Board Meetings

Condition and Context The minutes of the governing board meetings were incomplete

Recommendation The organization should ensure that accurate minutes are taken and retained from all board meetings

Action Taken The Executive Director will ensure that all minutes are accurate and retained by the organization from all board meetings during the year

Finding 2010 – 06 Controls over Receipts

Condition and Context Procedures to track all receipts coming into the organization are not in place to ensure all funds received are account for properly

Recommendation Procedures should be designed to provide assurance that all funds coming in are accounted for properly

Action Taken The Executive Director will ensure that there will be procedures used to track all receipts coming into the organization

**Boys and Girls Club of Central Louisiana, Inc.
Management's Corrective Action Plan
December 31, 2010**

Finding 2010 – 07 Cash Disbursement Documentation

Condition and Context The organization's cash disbursement procedures are not being followed, which includes a lack of proper documentation

Recommendation The organization follow established procedures for all disbursements

Action Taken The Executive Director will ensure that all cash disbursement procedures are followed accordingly

Finding 2010 – 08 Late Filing with Legislative Auditor

Condition and Context The audit of the Club's financial statements was not completed and filed with the Office of Legislative Auditor within six months of the close of the Club's fiscal year

Recommendation Management needs to place emphasis on providing audit related data in a timely manner and establish financial reporting procedures that will ensure the complete, accurate, and timely recording of transactions

Action Taken The Executive Director will ensure that all information related to the audit will be provided to the auditor timely and accurately to help facilitate a timely filing with the Office of Legislative Auditor

Finding 2010 – 09 Timely Filing of Tax Return

Condition and Context: The Club did not file the Internal Revenue Service Form 990 tax return for 2010 timely No extensions were filed and the tax return has not been filed

Recommendation We recommend that the Club file its Form 990 IRS tax return on a timely basis to avoid paying fines and penalties.

Action Taken The Executive Director will ensure that all required filings to the IRS are delivered timely in the future.

**Boys and Girls Club of Central Louisiana, Inc.
Summary of Prior Year Audit Findings
December 31, 2010**

2009 – 01 Prior Year Audit Adjustments

Condition and Context: Adjusting entries made during the audit of the 2008 financial statements were not recorded. Approved journal entries should be posted to the general ledger.

Current Status: Resolved

2009 – 02 Grant Receivables

Condition and Context: Grant revenue is not being recorded on the accrual basis. Unconditional contributions and grants should be recorded at the time of award. Conditional contributions and grants should be recorded at the time the condition is fulfilled.

Current Status: Unresolved. See finding 2010 – 01

2009 – 03 Payroll Accrual

Condition and Context: Payroll expense is being recorded on a cash basis. Payroll occurring in one period and paid in the next period should be accrued.

Current Status: Resolved.

2009 – 04 Donated Items

Condition and Context: The receipt of all donated items is not documented and/or recorded. Donated items should be documented and recorded in the accounting records at the time of the donated item is received.

Current Status: Unresolved. See finding 2010 – 02

2010 – 05 Program Revenue

Condition and Context: The membership subsidiary records are not being reconciled with general ledger. Controls should be established to ensure that all program revenue is being recorded properly.

Current Status: Unresolved. See finding 2010 – 03

2009 – 06 Fundraising Supporting Documents

Condition and Context: The schedules used to track fundraising activities did not agree to the general ledger. Procedures should be established to ensure that all fundraising revenue is recorded.

Current Status: Unresolved. See finding 2010 – 04

**Boys and Girls Club of Central Louisiana, Inc.
Summary of Prior Year Audit Findings
December 31, 2010**

2009 – 07 Documentation of Board Meetings

Condition and Context The minutes of the governing board were incomplete. Good business practices require every organization to keep accurate and complete records of the meetings of its members and directors, and of committees of the board.

Current Status Unresolved. See finding 2010 – 05.

2009 – 08 Forms 1099

Condition and Context All required 1099 were not issued for 2009. All individuals or non-incorporated businesses performing services for more than \$600 should receive a Form 1099. The organization is not in compliance with Internal Revenue Service regulations, subjecting the organization to penalties.

Current Status Resolved.

2009 – 09 Controls over Receipts

Condition and Context Procedures to track all receipts coming into the organization are not in place to assure all funds received are accounted for properly. Controls to track all receipts should be designed to account for all funds and be reconciled to the general ledger.

Current Status Unresolved. See finding 2010 – 06.

2010 – 10 Cash Disbursement Procedures

Condition and Context Electronic transfers made did not follow the procedure requiring two signatures on disbursements greater than \$500. Disbursements greater than \$500 require approval by the board as indicated by two signatures on the check.

Current Status Unresolved. See finding 2010 – 07.

2009 – 11 Late Filing with Legislative Auditor

Condition and Context Submission of the 2009 audit report to the legislative auditor was made past the deadline. Reports are due to the legislative auditor the last day of the sixth month following the close of the year.

Current Status Unresolved. See finding 2010 – 08.

**Boys and Girls Club of Central Louisiana, Inc.
Summary of Prior Year Audit Findings
December 31, 2010**

2009 – 12 Cash Receipts not Deposited Timely

Condition and Context A grant received by the organization was held for extended period time prior to being deposited. All funds the organization receives should be deposited in a timely manner.

Current Status Resolved

2009 – 13 Undocumented Disbursements

Condition and Context Disbursements totaling \$12,000 were written to an outside organization without proper documentation. All disbursements should only be made when supported by proper documentation.

Current Status Unresolved See finding 2010 – 07

2009 – 14 Off the Books Bank Account

Condition and Context A bank account was maintained by a committee of the board, the majority of the transactions in this account were not recorded in the normal course of business. All bank accounts should be under the supervision of management with board oversight.

Current Status: Resolved

2009 – 15 Offer in Compromise

Condition and Context The Offer in Compromise submitted to the Internal Revenue Service was incomplete. Forms submitted to the Internal Revenue should be complete and accurate.

Current Status. Resolved