

**BOYS AND GIRLS CLUB OF
EL CAMINO REAL
(a non-profit corporation)
Natchitoches, Louisiana**

Financial Statements

December 31, 2012

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

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December 31, 2012

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WILLIAM E. WEATHERFORD, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
the Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

I have reviewed the accompanying statement of financial position of the Boys and Girls Club of El Camino Real (a non-profit corporation) as of December 31, 2012, and the related statements of activities, cash flows, and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying summary schedule of findings and summary schedule of prior year findings is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I did not become aware of any material modifications that should be made to such information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated December 4, 2013, on the results of my agreed-upon procedures.

William E. Weatherford, CPA, LLC

William E. Weatherford, CPA, LLC
Shreveport, Louisiana
December 4, 2013

FINANCIAL STATEMENTS

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Statement of Financial Position
December 31, 2012

ASSETS

Current Assets:

Cash and cash equivalents	\$ 15,740
Accounts receivable:	
Grants	13,682
Gaming	6,994
Prepaid expenses	2,532
Total current assets	<u>38,948</u>

Non-current Assets:

Investments	21,335
Fixed assets - at cost (net of accumulated depreciation of \$64,850)	<u>9,672</u>
Total non-current assets	<u>31,007</u>

Total Assets \$ 69,955

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 21,524
Accrued salaries payable	3,066
Employee benefits payable	16,542
Notes payable	<u>15,018</u>
Total current liabilities	<u>56,150</u>

Net Assets:

Unrestricted net assets:

Undesignated	4,133
Fixed assets	<u>9,672</u>
Total Net Assets	<u>13,805</u>

Total Liabilities and Net Assets \$ 69,955

See accompanying notes and independent accountant's review report.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Statement of Activities
For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUES			
Bingo revenue	\$ 90,117	\$ -	\$ 90,117
Contributions	45,038	-	45,038
Dividends	467	-	467
Grants:			
Boys and Girls Club of America	-	15,000	15,000
City of Natchitoches, Louisiana - cash	-	12,500	12,500
City of Natchitoches, Louisiana - fair market value of facilities	-	199,100	199,100
Louisiana Alliance	-	3,682	3,682
United Healthcare	-	7,000	7,000
United Way	-	5,066	5,066
Interest	17	-	17
Memberships	330	-	330
Miscellaneous	868	-	868
Program revenues	13,470	-	13,470
Special events revenue	32,166	-	32,166
Net assets released from restrictions	242,348	(242,348)	-
Total Public Support and Revenues	<u>424,821</u>	<u>-</u>	<u>424,821</u>
EXPENSES			
Program Services	294,709	-	294,709
Administration and general	93,991	-	93,991
Fundraising	53,526	-	53,526
Total Expenses	<u>442,226</u>	<u>-</u>	<u>442,226</u>
Change in net assets	(17,405)	-	(17,405)
Net assets, beginning of year	31,210	-	31,210
NET ASSETS, END OF YEAR	<u>\$ 13,805</u>	<u>\$ -</u>	<u>\$ 13,805</u>

See accompanying notes and independent accountant's review report.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (17,405)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	8,295
Decrease in gaming receivable	4,604
Increase in grants receivable	(10,475)
Increase in prepaid expenses	(2,532)
Increase in accounts payable	5,024
Increase in accrued expenses	3,066
Increase in employee benefits payable	16,542
Net Cash Used by Operating Activities	<u>(9,423)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Unrealized gain on investments	<u>5,880</u>
Net Cash Provided by Investing Activities	<u>5,880</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Cash received through issuance of debt	2,089
Cash paid for debt service	<u>(412)</u>
Net Cash Provided by Financing Activities	<u>1,677</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,866)
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	<u>17,606</u>
CASH AND CASH EQUIVALENTS-END OF YEAR	<u>\$ 15,740</u>
<u>Supplemental Disclosure:</u>	
Interest Paid	<u>\$ 930</u>

See accompanying notes and independent accountant's review report.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program Expenses	General Operating Expenses	Fund Raising Expenses	Total Expenses
Auto and truck expenses	\$ 5,153	\$ -	\$ -	\$ 5,153
Bank service charge	-	321	-	321
Bingo expenses	-	-	48,154	48,154
Conferences and professional development	-	936	-	936
Depreciation	6,444	1,851	-	8,295
Dues and subscriptions	-	9,906	-	9,906
In-kind services	199,100	-	-	199,100
Insurance	3,171	1,535	-	4,706
Interest	-	930	-	930
Legal and accounting	-	10,280	-	10,280
Licenses and fees	-	105	-	105
Maintenance and grounds care	495	-	-	495
Miscellaneous	5,125	8,068	-	13,193
Office related expenses	-	1,762	-	1,762
Payroll and related expenses	71,101	52,047	-	123,148
Supplies	2,751	-	-	2,751
Special events expense	-	-	4,665	4,665
Technology and communications	-	3,226	-	3,226
Utilities	1,369	3,024	707	5,100
Total expenses	<u>\$ 294,709</u>	<u>\$ 93,991</u>	<u>\$ 53,526</u>	<u>\$ 442,226</u>

See accompanying notes and independent accountant's review report.

NOTES TO THE FINANCIAL STATEMENTS

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Notes to the Financial Statements
December 31, 2012

Nature of Organization and Activities:

The Boys and Girls Club of El Camino Real, Inc. (a Louisiana nonprofit corporation) hereafter referred to as “the Club” was incorporated on April 27, 1989. The Boys and Girls Club of El Camino Real was formed as a youth services agency to provide behavior guidance and to promote the health, social, educational, vocational, and character development of youth with special concern for those from disadvantaged circumstances. The core program areas have broadened from sports, fitness and recreation to include education and career development, the arts, health and life skills, and character and leadership development.

Young people are given the opportunity to participate in age appropriate programs and activities. They participate in multi-week classes in various skill areas such as computer operation, creative writing, nutrition and art. Participants are offered daily homework assistance and are taught to resist drugs, violence, gang activity, and other threats to young people.

Note 1 - Summary of Significant Accounting Policies:

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, payables, and other liabilities. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50, *Financial Statements for Not-for-Profit Organizations*, formerly Statement of Financial Accounting Standards (SFAS) No. 117. Under FASB ASC 958-210-50-3, the Club 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.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the board for specific purposes.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Notes to the Financial Statements
December 31, 2012

Note 1 - Summary of Significant Accounting Policies: - (continued)

Basis of Presentation (continued):

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the board, and/or by the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the board. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes.

As of December 31, 2012, the Club had no temporarily or permanently restricted net assets.

Public Support and Revenue:

Annual Club membership fees and unconditional promises to give are recorded as unrestricted support as received.

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor.

Grants and other contributions of cash or other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Cash Equivalents:

The Club considers deposits that can be redeemed on demand and all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Notes to the Financial Statements
December 31, 2012

Note 1 - Summary of Significant Accounting Policies: - (continued)

Receivables:

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable. At December 31, 2012, no amounts were deemed to be uncollectible.

Investments:

The Club's investments in marketable securities are held for an indefinite period. The investments are recorded at fair value on the statement of position.

Financial Instruments:

The Club's financial instruments are cash and cash equivalents, investments (mutual funds), accounts receivable, accounts payable and notes payable. The recorded values of cash and cash equivalents, accounts receivable, accounts payable, and notes payable approximate their fair values based on their short-term nature. Investments are reported at their quoted market prices.

Prepaid Expenses:

Payments made to vendors for services that will benefit periods beyond December 31, 2012 are recorded as prepaid expenses.

Fixed Assets:

Vehicles and equipment are capitalized at cost. It is the Club's policy to capitalize expenditures for those items with cost in excess of \$1,000. Lesser amounts, minor replacements, maintenance and repairs are expensed as incurred. When vehicles and equipment are retired or otherwise disposed, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Vehicles and equipment are being depreciated over estimated useful lives of five years using a straight –line method.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Notes to the Financial Statements
December 31, 2012

Note 1 - Summary of Significant Accounting Policies: - (continued)

Deferred Revenues:

Deferred revenues arise when the Club receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Club has a legal claim to the resources, the liability for deferred revenue is removed from the statement of position and revenue is recognized.

As of December 31, 2012, the Club had no liability related to deferred revenues.

Income Taxes:

The Club is a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. No provision for income taxes has been made in these financial statements.

Estimates:

Preparing the Club's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The actual results could differ from those estimates.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for overall support and direction of the Club.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Notes to the Financial Statements
December 31, 2012

Note 2 – Cash and Cash Equivalents:

As of December 31, 2012, the Club had cash and cash equivalents (book balances) totaling \$15,740 as follows:

Demand deposits	\$ 15,640
Savings deposits	<u>100</u>
Total	<u><u>\$ 15,740</u></u>

These deposits had collected bank balances totaling \$18,304 which were fully insured by the Federal Deposit Insurance Corporation.

Note 3 – Receivables:

Grants receivable and accounts receivable at December 31, 2012 consisted of the following:

Grants Receivable:	
BGCA Capacity Building Grant	\$ 10,000
Louisiana Alliance Grant	<u>3,682</u>
	<u><u>\$ 13,682</u></u>

Accounts Receivable:	
Bingo	<u><u>\$ 6,994</u></u>

Note 4 – Investments:

FASB ASC 958, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, requires investments to be carried at fair value. At December 31, 2012, the Club owned investments in mutual funds which are summarized as follows:

	Original Cost	Gross Unrealized Gain	Fair Value
Mutual funds	<u><u>\$ 15,000</u></u>	<u><u>\$ 6,335</u></u>	<u><u>\$ 21,335</u></u>

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Notes to the Financial Statements
December 31, 2012

Note 5 – Fixed Assets:

The following is a summary of changes in vehicles and equipment during 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Vehicles	\$ 32,222	\$ -	\$ -	\$ 32,222
Equipment	42,300	-	-	42,300
Total being depreciated	74,522	-	-	74,522
Less accumulated depreciation	<u>56,555</u>	<u>8,295</u>	<u>-</u>	<u>64,850</u>
Net fixed assets	<u>\$ 17,967</u>	<u>\$ (8,295)</u>	<u>\$ -</u>	<u>\$ 9,672</u>

Depreciation expense totaled \$8,295 for the year ended December 31, 2012.

Note 6 – Employee Pension Plan:

On November 11, 2005 the Club adopted the Boys and Girls Clubs of America Master Pension Plan and Trust as a means of instituting a pension plan for their employees. The Plan is a defined contribution plan. An employee of the Club shall be eligible to participate in the Plan on entry date (the first day of the Plan Year and the first day of the seventh month of the Plan Year) following the attainment of age 21 and the completion of one year of service. The employee is 100% vested in the Plan upon entry. The Club is required to contribute 5.0% of the salaries of covered employees to the Plan on a quarterly basis.

The Club is to act as the Plan Administrator with the Chief Professional Officer responsible for any required government filings. On December 10, 2012, The Boys and Girls Clubs of America notified the Club that it was delinquent in payments to its qualified pension plan. Failure to promptly pay this liability can result in the Club being placed on provisional status and the potential revocation of the Club's membership rights. Additionally, excise tax penalties accrue for any contributions not made by September 15th of the plan year.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Notes to the Financial Statements
December 31, 2012

Note 6 – Employee Pension Plan: - (continued)

The employer contributions due to the plan at December 31, 2012 are as follows:

<u>Year</u>	<u>Contribution Payable</u>
2010	\$ 8,572
2011	6,580
2012	1,390
	<u>\$ 16,542</u>

Note 7 – Long-Term Debt:

Following is a summary of debt outstanding at December 31, 2012:

4.5% note payable to bank in monthly installments of \$719.21, maturing May 24, 2013, secured by two vans	\$ 5,111
6.0% note payable to Edward Jones, interest only, principle payable upon demand, secured by investments held by Edward Jones.	8,636
18.75% unsecured note payable to insurer-payable in monthly installments of \$171.82, maturing January 17, 2013	<u>1,271</u>
Total notes payable	<u>\$ 15,018</u>

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Notes to the Financial Statements
December 31, 2012

Note 8 – Donated Services:

The Club receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized for these services in the statement of activities because the criteria for recognition under FASB ASC 958-605-50, formerly SFAS No. 116, have not been satisfied.

The City of Natchitoches and an individual donated facilities for use by the Club. The estimated fair market rental value of these properties is estimated to be \$199,100 and is reported in the financial statements as non-cash grants and in-kind expenses.

Note 9 – Cooperative Endeavor Agreement:

On September 17, 2012, the Club entered into a cooperative endeavor agreement pursuant to the provisions of Section 14 (C) of Article VII of the Louisiana Constitution of 1974 with the City of Natchitoches, Louisiana. Under the terms of this agreement, the City of Natchitoches agrees to provide the Club access to the facilities at the Martin Luther King, Jr. Recreation Facility to operate and provide programs for boys and girls in the City of Natchitoches for the period June 1, 2012 through May 31, 2013.

Note 10 – Contingencies, Risks and Uncertainties:

The Club is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Club carries commercial insurance for all risks of loss, including workers' compensation. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

The Club is not currently named as a defendant in any current or pending litigation.

Note -11 – Related Party Transactions:

Procedures, observations, and inquiries did not disclose any material related party transactions for the year ended December 31, 2012.

Note 12 – Board of Director's Compensation:

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Notes to the Financial Statements
December 31, 2012

Note 13 –Subsequent Events:

On October 27, 2013, the Club was notified that the Internal Revenue Service had revoked the tax exempt status of the Club for failure to file required annual returns (Form 990) for three consecutive years. The Club filed the required Forms 990 and a Form 1023 (Application for Recognition of Exemption Under Section 501 (c) (3)) on December 4, 2013. The Club has requested retroactive reinstatement to the date of the original revocation.

Subsequent events have been evaluated through December 4, 2013, the date the financial statements were available to be issued.

WILLIAM E. WEATHERFORD, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
the Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Boys and Girls Club of El Camino Real, Natchitoches, Louisiana and the Legislative Auditor, State of Louisiana solely to assist the users in evaluating management's assertions about the Boys and Girls Club of El Camino Real's compliance with certain laws and regulations during the year ended December 31, 2012 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

<u>Grant Name</u>	<u>Grant Year</u>	<u>CFDA No.</u>	<u>Amount</u>
City of Natchitoches, Louisiana	2012	N/A	<u>\$ 12,500</u>

2. For each federal, state, and local award, I randomly selected six (6) disbursements (or all disbursements if total disbursements were less than six) from each award administered during the period under examination, provided that no more than thirty (30) disbursements would be selected.

3. For the items selected in procedure 2, I traced the disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found that the payments were for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, I determined if the six disbursements were properly coded to the correct fund and general ledger account.

I examined supporting documentation for each of the six selected disbursements and found that the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, I determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approval from proper authorities.

6. For the items selected in procedure 2, for federal awards, I determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* and, for state and local awards, I determined whether the disbursements complied with the grant agreement relating to:

Activities allowed or unallowed:

I reviewed the previously listed disbursements for types of services allowed or not allowed. All disbursements complied with the allowability requirements.

Eligibility:

I reviewed the previously listed disbursements for eligibility requirements. All disbursements complied with the eligibility requirements.

Reporting:

I reviewed the previously listed disbursements for reporting requirements. All disbursements complied with the reporting requirements.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, I compared the close-out report, when required, with the Club's financial records to determine whether the amounts agree.

No close-out report was required by the grant from the City of Natchitoches, Louisiana.

Meetings

8. I examined evidence indicating the agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Boys and Girls Club of El Camino Real is only required to post a notice of each meeting and the accompanying agenda on the door of the Club's office building. My tests and inquiries disclosed that management did not properly post a notice of each meeting and the accompanying agenda as required by the open meetings law.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

The Boys and Girls Club of El Camino Real, was not required to and did not provide a comprehensive budget to the City of Natchitoches, Louisiana.

Prior Comments and Recommendations

10. I reviewed any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Some prior year findings were not resolved by the Boys and Girls Club of El Camino Real, during 2012.

I was not engaged to, and did not; perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Boys and Girls Club of El Camino Real and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William E. Weatherford, CPA, LLC

William E. Weatherford, CPA, LLC
Shreveport, LA
December 4, 2013

Boys and Girls Club of El Camino Real
Natchioches, Louisiana

Summary Schedule of Findings
For the Year Ended December 31, 2012

INTERNAL CONTROL

Item: 12-1:

Criteria or specific requirement:

Effective internal control requires that bank balances be reconciled to the general ledger balances on a monthly basis in a timely manner.

Condition:

The Club's checking account balances were not properly reconciled to the general ledger balances as of December 31, 2012.

Questioned costs:

None

Context:

The Club's checking account balances are not reconciled to the related general ledger account balances in a timely manner.

Effect:

Failure to timely reconcile bank balances to the related general ledger account balances could allow errors or defalcations to occur and not be detected in a timely manner.

Cause:

The Boys and Girls Club of El Camino has limited funding and cannot afford a full time person to handle the bookkeeping and accounting functions.

Recommendation:

The importance of properly reconciling the bank statement balances to the related general ledger accounts should be stressed to the Chief Professional Officer. Management should require that the bank balances be correctly reconciled to the related general ledger accounts not later than the last day of the month. The board of directors should review and approve these monthly bank reconciliations.

Boys and Girls Club of El Camino Real
Natchioches, Louisiana

Summary Schedule of Findings
For the Year Ended December 31, 2012

Management's Response

The board of directors will stress the importance of properly reconciling the bank statement balances to the related general ledger accounts in a timely manner. The board of directors will review and approve the monthly bank reconciliations prepared by the Chief Professional Officer.

Item: 12-2:

Criteria or specific requirement:

The financial records of the Boys and Girls Club of El Camino Real must be correctly maintained so that the financial information provided to management can be used to make good decisions.

Condition:

The Club's financial records were not properly closed for the year ended December 31, 2011. Therefore, several adjustments were necessary to correct the financial records of the Club for the year ended December 31, 2012.

Questioned costs:

None

Context:

The accounting functions of the Club are performed by the Chief Professional Officer. The Chief Professional Officer has other duties that must be performed on a daily basis and that compete with her duties to maintain the financial records.

Effect:

Material errors existed in the books of account that required correction prior to generating the financial statements of the Club.

Cause:

The Club does not have adequate funding to employ a full-time bookkeeper.

Boys and Girls Club of El Camino Real
Natchioches, Louisiana

Summary Schedule of Findings
For the Year Ended December 31, 2012

Recommendation:

The Club should consider obtaining the services of a contractor on a quarterly basis to review and correct the books of account.

Management's Response

The Club is not financially able to obtain the services of a contractor on a quarterly basis to review and correct the books of account. The Treasurer will review the books of account on a monthly basis and recommend corrections to the Chief Professional Officer.

COMPLIANCE

Item: 12-3

Criteria or specific requirement:

Louisiana Revised Statute (LSA-R.S.) 24:513(A) (5) (a) requires the Boys and Girls Club of El Camino's financial review to be completed and filed with the Louisiana Legislative Auditor within six months of the close of the entity's fiscal year.

Condition:

The Boys and Girls Club of El Camino Real's review not completed and filed with the Louisiana Legislative Auditor on or before June 30, 2013.

Questioned costs:

None

Context:

The Boys and Girls Club of El Camino Real's annual reviewed financial statements were issued after the mandatory due date of June 30, 2013.

Effect:

The Boys and Girls Club of El Camino is not in compliance with Louisiana Revised Statute (LSA-R.S.) 24:513(A) (5) (a).

Boys and Girls Club of El Camino Real
Natchioches, Louisiana

Summary Schedule of Findings
For the Year Ended December 31, 2012

Cause:

The financial records of the Boys and Girls Club of El Camino Real were not properly closed for the prior year. The predecessor auditor did not provide the accountant with requested financial information for the year ended December 31, 2011. Significant additional time was needed to obtain supporting documentation to allow preparation of accurate financial statements for the year ended December 31, 2012. In addition, the accountant had a death in his immediate family and was seriously ill during the months of April and May. These factors prevented timely completion of the review.

Recommendation:

The Boys and Girls Club of El Camino Real should file its annual financial statements on or before June 30 of the following year.

Management's Response

The Club will make every possible effort to ensure that its annual financial statements are filed with the Louisiana Legislative Auditor on or before June 30 of the following year.

Item: 12-4:

Criteria or specific requirement:

The Boys and Girls Club of El Camino Real is required to file certain annual information returns with the Internal Revenue Service.

Condition:

The Boys and Girls Club of El Camino Real has not filed Federal information returns (Form 990) for the years 2010, 2011 and 2012.

Questioned costs:

None

Boys and Girls Club of El Camino Real
Natchioches, Louisiana

Summary Schedule of Findings
For the Year Ended December 31, 2012

Context:

The Boys and Girls Club of El Camino Real is a non-profit corporation and is required to file federal information returns (Form 990) by the 15th day of the fifth month following the close of its fiscal year. Failure to file these returns can result in the revocation of the Club's tax exempt status.

Effect:

The Boys and Girls Club of El Camino Real is not in compliance with federal law. On October 27, 2013, the Club was notified that the Internal Revenue Service had revoked the tax exempt status

Cause:

The management of the Boys and Girls Club of El Camino Real changed significantly during 2011. Management believed that the auditor of the 2010 and 2011 financial statements had prepared and timely filed the Forms 990 for those years; however, they were not filed. The independent accountant filed a timely request for an extension of time to file the 2012 return but the IRS revoked the Club's tax exempt status on May 15, 2013 due to the 2010 and 2011 returns not being filed.

Recommendation:

The Boys and Girls Club of El Camino Real should file its annual information returns (Form 990) with the Internal Revenue Service on or before May 15th each year.

Management's Response

The Club will file its federal forms 990 with the Internal Revenue Service on or before May 15th each year.

Item: 12-5:

Criteria or specific requirement:

Louisiana Revised Statutes 42:1 through 42:12 (the open meetings law) requires the management of the Boys and Girls Club of El Camino Real to post a public notice of its meetings accompanied by an agenda of the meetings at its office at least twenty-four hours prior to the meetings.

Boys and Girls Club of El Camino Real
Natchioches, Louisiana

Summary Schedule of Findings
For the Year Ended December 31, 2012

Condition:

The Boys and Girls Club of El Camino Real has not posted a public notice of its meetings accompanied by an agenda of the meetings at its office at least twenty-four hours prior to the meetings.

Questioned costs:

None

Context:

The Boys and Girls Club of El Camino Real is required by the open meetings law to publicly post notification of the meetings of its board of directors and an agenda of the meetings at its office (the location of the board of director meetings) at least twenty-four hours prior to the meetings to allow public participation.

Effect:

The Boys and Girls Club of El Camino Real is not in compliance with Louisiana Revised Statutes 42:1 through 42:12 (the open meetings law).

Cause:

The management of the Boys and Girls Club of El Camino Real was not aware of its requirement to comply with the requirements of Louisiana Revised Statutes 42:1 through 42:12 (the open meetings law).

Recommendation:

Management of the Boys and Girls Club of El Camino Real should post a public notice of its meetings accompanied by an agenda of the meetings at its office at least twenty-four hours prior to the meetings.

Management's Response

The Chief Professional Officer will post a public notice of the meetings of the Club's board of directors accompanied by an agenda of the meetings on the front door of its office at least twenty-four hours prior to the meetings.

Boys and Girls Club of El Camino Real
Natchioches, Louisiana

Summary Schedule of Findings
For the Year Ended December 31, 2012

Item: 12-6:

Criteria or specific requirement:

The Boys and Girls Club of El Camino Real is required to file federal form 5500 (Annual Return/Report of Employee Benefit Plan) for its qualified pension plan with the Internal Revenue Service annually.

Condition:

The Boys and Girls Club of El Camino Real has not filed an Annual Return/Report of Employee Benefit Plan (Form 5500) for the years 2010, 2011 and 2012.

Questioned costs:

None

Context:

The Club has not timely filed its Annual Return/Report of Employee Benefit Plan, due July 31 of each year. The Club may be assessed penalties and excise taxes for failure to properly pay its quarterly pension liabilities and timely file the required forms 5500.

Effect:

The Boys and Girls Club of El Camino Real is not in compliance with federal law.

Cause:

The management of the Boys and Girls Club of El Camino Real changed significantly during 2011. Current management was unaware of the requirement to file annual federal form 5500 with the Internal Revenue Service.

Recommendation:

The Boys and Girls Club of El Camino Real should file its annual form 5500, Annual Return/Report of Employee Benefit Plan, with the Internal Revenue Service on or before July 31st of each year.

Boys and Girls Club of El Camino Real
Natchioches, Louisiana

Summary Schedule of Findings
For the Year Ended December 31, 2012

Management's Response

The Club will file federal form 5500 (Annual Return/Report of Employee Benefit Plan) for its qualified pension plan with the Internal Revenue Service annually on or before July 31st each year.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2012

INTERNAL CONTROL

Item: 11-1:

Condition:

The accounting functions were handled by a person that did not have the skills to properly record and classify transactions, consequently, prior period audit adjustments and recording errors existed in the summary books of account.

Status:

Not resolved. See similar finding Item 12-2.

Item: 11-2:

Condition:

The bank accounts were not reconciled through December 31, 2011. It was also noted that the bank accounts were not reconciled within a timely period after month end.

Status:

Not resolved. See similar finding Item 12-1.

Item: 11-3:

Condition:

During the preparation of the financial statements, it was determined that the Organization did not properly allocate program expenses in the books of accounting, consequently, the Statement of Functional Expenses contain material errors.

Status:

Resolved.

Boys and Girls Club of El Camino Real
Natchitoches, Louisiana

Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2012

Item: 11-4:

Condition:

The Bingo operations consist of just one person who performs the Bingo games, counts the supplies, counts the revenues, and files the reports.

Status:

Resolved.

COMPLIANCE

Item: 11-5:

Condition:

Louisiana state law requires that the Club have an annual audit performed and submitted to the Legislative Auditor within six months after the close of their fiscal year.

Status:

Not resolved. See similar finding Item 12-3.

Item: 11-6:

Condition:

The federal form 990 Return of Organization Exempt from Income Tax for the year ended December 31, 2010 was not filed on a timely basis. The Form 990 is due on the 15th day of the fifth month after the end of the fiscal year.

Status:

Not resolved. See similar finding Item 12-4.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

April 24, 2013

William E. Weatherford, CPA, LLC
P. O. Box 5946
Shreveport, LA 71107

In connection with your review of our financial statements as of December 31, 2012 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of April 24, 2013.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Yes No

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No

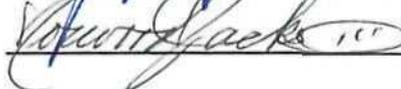
Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

	Secretary	April 24, 2013
	Treasurer	April 24, 2013
	President	April 24, 2013