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BOYS AND GIRLS VILLAGES FOUNDATION, INC.

FINANCIAL STATEMENTS AND
ACCOUNTANTS' REVIEW REPORT

Year Ended June 30, 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 6/1/11

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GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.
COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
JULIA W. PORTUS, C.P.A.
KATHRYN BLESSINGTON, C.P.A.

November 29, 2010

To the Board of Directors
Boys and Girls Villages Foundation, Inc.
Lake Charles, Louisiana

We have reviewed the accompanying statement of financial position of Boys and Girls Villages Foundation, Inc. (a nonprofit organization) as of June 30, 2010 and the related statement of activities for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Boys and Girls Villages Foundation, Inc.

A review consists principally of inquiries of Foundation personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, with the exception of the matter described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

A statement of cash flows for the year ended June 30, 2010, has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

Our review was made 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 supplemental information is presented only for purposes of additional analysis and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Gragson, Casiday & Guillory

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2010

ASSETS

Current Assets

Cash and cash equivalents	\$ 35,857
Accounts receivable, less allowance for doubtful accounts of \$-0-	1,681
Prepaid insurance	<u>31,342</u>
Total current assets	68,880

Property and Equipment, at cost (net of accumulated depreciation of \$3,748,638)	<u>702,523</u>
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TOTAL ASSETS \$ 771,403

LIABILITIES AND NET ASSETS

Current Liabilities

Current maturities of long-term debt	\$ -
Accounts payable	104,505
Accrued liabilities	<u>43,431</u>
Total current liabilities	<u>147,936</u>

Long-term Debt

Notes payable - Net of current maturities	<u>148,070</u>
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Net Assets

Unrestricted and undesignated	<u>475,397</u>
Total net assets	<u>475,397</u>

TOTAL LIABILITIES AND NET ASSETS \$ 771,403

See accompanying notes and accountants' review report.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS			
Contributions	\$ 45,680	\$ -	\$ 45,680
Contributions - In-kind	15,269	-	15,269
Special Events	92,808	-	92,808
United Way	-	151,800	151,800
Department of Education-School Food Service	28,089	-	28,089
Louisiana Commission on Law Enforcement - CVA	40,997	-	40,997
Office of Youth Development	924,963	-	924,963
Interest	3	-	3
Miscellaneous	15,952	-	15,952
Net assets released from restrictions:			
Expiration of time restrictions	<u>151,800</u>	<u>(151,800)</u>	<u>-</u>
Total public support, revenues and reclassifications	<u>1,315,561</u>	<u>-</u>	<u>1,315,561</u>
EXPENSES			
Program Expenses:			
Crime victims assistance	64,670	-	64,670
Therapeutic and medical	614,557	-	614,557
Dietary	115,501	-	115,501
Personal client needs	10,345	-	10,345
Recreation	784	-	784
School	<u>22,362</u>	<u>-</u>	<u>22,362</u>
Total program services	<u>828,219</u>	<u>-</u>	<u>828,219</u>

Continued

See accompanying notes and accountants' review report.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF ACTIVITIES - CONTINUED

Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Supporting Services:			
General and administrative	\$ 248,849	\$ -	\$ 248,849
Plant operation & maintenance	320,277	-	320,277
Fund raising	14,977	-	14,977
Total support services	<u>584,103</u>	<u>-</u>	<u>584,103</u>
Total expenses	<u>1,412,322</u>	<u>-</u>	<u>1,412,322</u>
Increase (decrease) in net assets	(96,761)	-	(96,761)
NET ASSETS - BEGINNING OF YEAR	<u>572,158</u>	<u>-</u>	<u>572,158</u>
NET ASSETS - END OF YEAR	<u>\$ 475,397</u>	<u>\$ -</u>	<u>\$ 475,397</u>

See accompanying notes and accountants' review report.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Boys and Girls Villages Foundation, Inc. was organized in 1947 as a nonprofit facility to provide care for boys and girls in need of a stable home environment. The present facilities can accommodate a capacity of thirty-six boys and girls.

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, Boys and Girls Villages Foundation, Inc. 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.

Public Support and Revenues

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

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, restricted net assets are reclassified to unrestricted net assets.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial 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.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Continued

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable at June 30, 2010 of \$1,681 represents receivables from federal and state grants.

Cash

At various times during the fiscal year, the Foundation's cash in bank balances may exceed the Federally insured limits. At June 30, 2010, the Foundation's cash balances were totally covered by FDIC.

Income Taxes

The Boys and Girls Villages Foundation, Inc. is a nonprofit organization as described under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Boys and Girls Villages Foundation, Inc. has been determined by the Internal Revenue Service not to be a "private" foundation within the meaning of Section 170(b)(1)(A)(vi) of the Code.

Subsequent Events

Management has evaluated subsequent events through November 29, 2010, the date the financial statements were available to be issued.

NOTE B - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2010 along with their estimated useful life:

	<u>Cost</u>	<u>Useful Life</u>
Land	\$ 207,067	-
Buildings	2,266,911	10-20 years
Improvements	1,084,309	10-20 years
Transportation equipment	187,927	5 years
Furniture and fixtures	545,081	3-10 years
Equipment	159,866	5-7 years
	<u>4,451,161</u>	
Less: Accumulated depreciation	<u>3,748,638</u>	
Total	<u>\$ 702,523</u>	

Continued

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE B - PROPERTY AND EQUIPMENT-CONTINUED

Property and equipment is stated at cost and is being depreciated over estimated useful lives of the related assets using the straight-line method. Depreciation expense for the year was \$143,637 and may be allocated as follows:

	<u>Depreciation</u>
Assets stated at cost	\$ 143,637
Donated assets recorded at fair value	-
	<u>\$ 143,637</u>

NOTE C - COMMITMENTS AND CONTINGENCIES

The Foundation receives a substantial amount of its support from state and local government and the United Way. A significant reduction in the level of this support, if this were to occur, may have an effect on the programs and activities.

NOTE D - FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are charged directly to program or management in general categories based on specific identification. Indirect expenses have been allocated based on salary expenditures.

NOTE E - NOTE PAYABLE

Long-term debt at June 30, 2010 consists of the following:

Joe W. and Dorothy Dorsett Brown's Foundation:

First mortgage note dated January 15, 2008;
secured by Hope Cottage; interest payable
at 5% per annum, 120 monthly installments
of \$625 for interest only, principal balance due
at maturity of January 15, 2018

\$ 148,070

Less current maturities

 -

Long-term debt

\$ 148,070

Continued

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE E - NOTE PAYABLE-CONTINUED

The following are maturities of long-term debt for each of the next five years:

June 30, 2011	\$	0
June 30, 2012		0
June 30, 2013		0
June 30, 2014		0
June 30, 2015		0
Thereafter		148,070

NOTE F - SUBSEQUENT EVENTS

In November 2010, a fire completely destroyed the administrative building. The board is currently discussing the plan of action to replace the building. Insurance coverage expected to be received is \$400,000 for the building, \$75,000 for contents, and \$10,000 for cleanup costs.

SUPPLEMENTAL INFORMATION

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

SCHEDULE OF EXPENSES

Year Ended June 30, 2010

Allowance	\$ 2,096
Bank Charges	6,411
Camp and recreation fees	784
Client supplies	1,755
Client travel	2,282
Client consultation	5,675
Clothing	4,212
Depreciation	143,637
Drugs and medicine	4,212
Employee benefits	70,895
Food supplies	70,915
Fund raising	14,977
Household supplies	4,210
In-kind medical fees	15,269
Insurance	86,057
Interest	7,500
Kitchen supplies	4,322
Laundry and janitorial	3,328
Lawn and shrubbery	946
License and fees	1,649
Miscellaneous	740
Office supplies	7,926
Postage	4,280
Professional services	4,250
Public relations	224
Repairs and maintenance	79,888
Salaries	725,319
School supplies	180
Seminar	922
Taxes - payroll	54,538
Taxes - property	346
Telephone	8,418
Training - staff	8,069
Utilities	49,677
Vehicle expense	<u>16,413</u>
	<u>\$ 1,412,322</u>

See accountants' report.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.
SCHEDULE OF AVERAGE COST PER CHILD CARE DAY

Year Ended June 30, 2010

Child care expenses - year ended June 30, 2010	\$ 1,177,909
Total child care days - year ended June 30, 2010	7,378
Average cost per child care day	\$ 160

$$\frac{\text{Child care expenses}}{\text{Child care days}} = \text{Average cost per child care day}$$

See accountants' report.

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