

BOYS AND GIRLS CLUB OF
PHILLIPS COUNTY, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2010

Meyer & Ward, P.A.
Certified Public Accountants
P.O. Box 1045
Wynne, AR 72396

BOYS AND GIRLS CLUB OF PHILLIPS COUNTY, INC.

DECEMBER 31, 2010

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Boys and Girls Club of Phillips County, Inc.
Helena, AR 72342

We have audited the accompanying statement of financial position of Boys and Girls Club of Phillips County, Inc. (a non profit corporation) as of December 31, 2010 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Boys and Girls Club of Phillips County, Inc.'s management. Our responsibility is to express an opinion on those financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys and Girls Club of Phillips County, Inc. as of December 31, 2010, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Meyer & Ward

Meyer & Ward, P.A.
Certified Public Accountants
Wynne, AR 72396

March 15, 2011

BOYS AND GIRLS CLUB OF PHILLIPS COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

ASSETS

Cash	\$	534,754
Certificates of deposit		67,003
Accounts Receivable Contract		6,823
Accounts Receivable - Contributions		37,912
Prepaid Insurance		8,539
Property & Equipment, Net		<u>1,168,301</u>
Total Assets	\$	<u><u>1,823,332</u></u>

LIABILITIES

Accounts Payable	\$	2,390
Accrued Retirement Payable		4,413
Accrued and Withheld Payroll Taxes		<u>4,236</u>
Total Liabilities		<u>11,039</u>

NET ASSETS

Unrestricted		1,718,386
Temporarily Restricted		<u>93,907</u>
Total Net Assets		<u>1,812,293</u>
Total Liabilities and Net Assets	\$	<u><u>1,823,332</u></u>

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

BOYS AND GIRLS CLUB OF PHILLIPS COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR YEAR ENDED DECEMBER 31, 2010

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Restricted</u>	<u>Total</u>
Revenues and Other Support				
Contributions	\$ 345,249	\$ 85,975	\$ -	\$ 431,224
Boys and Girls Club of America OJP	6,823			6,823
Land Donation				-
Membership dues	3,461			3,461
Program fees	23,540			23,540
Rental Income	42,000			42,000
Interest income	876			876
Gain (Loss) on sale of stock	-			-
Net Assets Released from Restrictions:	-			-
Restrictions Satisfied Through Usage	123,568	(123,568)		-
	<u>545,517</u>	<u>(37,593)</u>		<u>\$ 507,924</u>
Expenses:				
Program Services :				
Boys and Girls Club Activities	<u>426,912</u>	<u>-</u>	<u>-</u>	<u>426,912</u>
Supporting Services:				
Fundraising	<u>1,362</u>			<u>1,362</u>
Total Expenses	<u>428,274</u>	<u>-</u>	<u>-</u>	<u>428,274</u>
Changes in Net Assets	117,243	(37,593)	-	79,650
Net Assets - Beginning of Year	<u>1,601,143</u>	<u>131,500</u>	<u>-</u>	<u>1,732,643</u>
Net Assets - End of Year	<u><u>1,718,386</u></u>	<u><u>\$ 93,907</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,812,293</u></u>

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

BOYS AND GIRLS CLUB OF PHILLIPS COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR YEAR ENDED DECEMBER 31, 2010

	Program Services	Fundraising	Total
Salaries	\$ 202,874		\$ 202,874
Payroll Taxes and Fringe	48,479		48,479
Advertising	2,858		2,858
Art programs	5,328		5,328
Career education programs	3,442		3,442
Character and leadership training	6,360		6,360
Contributions to endowment fund	-		-
Computer software and supplies	1,542		1,542
Depreciation	69,021		69,021
Health/Life skills	1,294		1,294
Incentives	1,121		1,121
Insurance	14,141		14,141
Dues and Subscriptions	5,688		5,688
Meetings and Seminars	-		-
Miscellaneous	2,818		2,818
Office Expense	4,110		4,110
Professional Fees	6,255		6,255
Board and Staff Recruitment	6,386		6,386
Repairs	8,773		8,773
Sports Programs	14,005		14,005
Supplies	2,618	\$ 1,362	3,980
Telephone	2,750		2,750
Utilities	12,750		12,750
Uniform	633		633
Travel and Entertainment	3,666		3,666
	<u>\$ 426,912</u>	<u>\$ 1,362</u>	<u>\$ 428,274</u>

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

BOYS AND GIRLS CLUB OF PHILLIPS COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR YEAR ENDED DECEMBER 31, 2010

Cash flows from Operating Activities

Increase (Decrease) in Net Assets	\$ 79,650
Adjustments to Reconcile Net Cash Provided by Operating Activities	
Depreciation	69,021
(Increase) Decrease in	
Accounts receivable - Contract	4,943
Accounts receivable - contribution	(37,912)
Prepaid Expenses	(2,570)
Increase (Decrease) in	
Accounts payable	(433)
Accrued retirement plan	(1,185)
Accrued and withheld payroll taxes	1,014
Net Cash Provided (used) by Operating Activities	<u>112,528</u>

Investing Activities

Purchase of property and Equipment	(377)
Purchase of Certificates of deposit	<u>(35,877)</u>
Net Cash Provided (used) by Investing Activities	<u>(36,254)</u>

Financing Activities

Net Cash Provided (used) by Financing Activities	<u>-</u>
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Net Increase (Decrease) in Cash and Cash Equivalents	76,274
Cash and Cash Equivalents Beginning of Year	458,480
Cash and Cash Equivalents - End of Year	<u>\$ 534,754</u>

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

BOYS AND GIRLS CLUB OF PHILLIPS COUNTY, INC.
NOTES TO FINANCIAL STATEMENT
FOR YEAR ENDED DECEMBER 31, 2010

NOTE A - Organization and Summary of Significant Accounting Policies

Organization

Boys and Girls Club of Phillips County, Inc. was established in 2005 as a non-profit, 501-(c)(3) tax exempt organization. Boys and Girls Club of Phillips County, Inc. (the Club) was formed for the purpose of constructing and operating a boys and girls club program in Phillips County Arkansas.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Revenue and Other Support

The Club receives a significant part of its revenue from grants and contracts that are accounted for as contributions. Revenues that are restricted are reported as increases in unrestricted net assets if the restrictions or usage requirements are satisfied in the fiscal year in which the grants are recognized. Other restricted revenues are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction requirement is met, temporarily restricted assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Property and Equipment

Property and equipment are capitalized and recorded at cost. Donated property is recorded as contributions at estimated fair market value. Expenditures for major renewals and betterments are capitalized while minor replacements, maintenance and repairs which do not improve or extend the life of such assets are charged to operations as incurred. Depreciation is computed using the straight line depreciation method based on the respective useful lives of the assets. Estimated useful lives used are summarized as follows:

Furniture and Equipment	5-10 years
Buildings and Improvements	20- 30 years

Income Taxes

Boys and Girls Club of Phillips County, Inc. is a 501 (c)(3) organization exempt from income tax as provided under Section 501 (a) of the Internal Revenue Code, and is not classified as a private foundation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BOYS AND GIRLS CLUB OF PHILLIPS COUNTY, INC.
 NOTES TO FINANCIAL STATEMENT
 FOR YEAR ENDED DECEMBER 31, 2010

NOTE A - Organization and Summary of Significant Accounting Policies (Cont'd)

Cash Equivalents

Boys and Girls Club of Phillips County, Inc. does not consider certificates of deposit to be cash equivalents. Also, cash deposited in accounts restricted for specified uses are not considered cash equivalents.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions Revenues

Contributions are recognized when the donor makes a promise to give that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporary or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Advertising

Advertising costs are expensed as incurred.

NOTE B - PROPERTY AND EQUIPMENT

A summary of activity for Property, and Equipment for the year ended December 31, 2010 is as follows:

	Balance 1/1/2010	Additions	Reductions	Balance 12/31/2010
Assets subject to depreciation:				
Furniture and Equipment	\$ 119,350	\$ 377	\$ -	\$ 119,727
Building	1,034,229	-	-	1,034,229
	<u>1,153,579</u>	<u>377</u>	<u>-</u>	<u>1,153,956</u>
Less accumulated depreciation	(97,416)	(69,021)		(166,437)
Assets not depreciated				
Construction in progress	180,782	-	-	180,782
	<u>\$ 1,236,945</u>	<u>\$ (68,644)</u>	<u>\$ -</u>	<u>\$ 1,168,301</u>

BOYS AND GIRLS CLUB OF PHILLIPS COUNTY, INC.
NOTES TO FINANCIAL STATEMENT
FOR YEAR ENDED DECEMBER 31, 2010

NOTE C - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for use in future years.
At December 31, 2010 temporarily restricted net assets are as follows:

Restricted for use in future years	\$ <u>93,907</u>
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NOTE D - Concentration of Credit Risk

Cash Balances

The Club maintains cash balances at one bank. At year end, cash deposits were fully collateralized by FDIC insurance.

Revenue

The majority of Boys and Girls Club of Phillips County, Inc.'s contribution revenues are from local Phillips County and surrounding area residents, and businesses.

NOTE E – Certificates of Deposit

Certificates of deposit are held at local banks, and are valued at cost, which approximates market value.

NOTE F – RETIREMENT PLAN

The Boys and Girls Club of Phillips County, Inc. established a retirement plan during the year ended December 31, 2007. Substantially all employees who normally work more than 20 hours per week are eligible to participate. Expenses for the plan year ended December 31, 2010 were \$ 5,254.

NOTE G – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. No items were noted which would require disclosure.