

**Return of Organization Exempt From Income Tax**

**2006**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2006 calendar year, or tax year beginning and ending

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return  
 Amended return  
 Application pending

**C** Name of organization: **BOYS AND GIRLS CLUB OF KENOSHA, INC.**  
 Number and street (or P.O. box if mail is not delivered to street address): **P.O. BOX 1761**  
 City or town, state or country, and ZIP + 4: **KENOSHA, WI 53141-1761**

**D** Employer identification number: **39-1732935**

**E** Telephone number: **262-654-6200**

**F** Accounting method:  Cash  Accrual  
 Other (specify):

**G** Website: **N/A**

**J** Organization type (check only one):  501(c)(3) (insert no)  4947(a)(1) or  527

**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: **1,999,124.**

**H** and **I** are not applicable to section 527 organizations  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates: **N/A**  
**H(c)** Are all affiliates included? **N/A**  Yes  No (If "No," attach a list.)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Group Exemption Number: **N/A**  
**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Contributions to donor advised funds	1a	24,112.		
	b	Direct public support (not included on line 1a)	1b	299,531.		
	c	Indirect public support (not included on line 1a)	1c	40,000.		
	d	Government contributions (grants) (not included on line 1a)	1d	1,226,457.		
	e	Total (add lines 1a through 1d) (cash \$ 1,590,100. noncash \$ )	1e		1,590,100.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		198,308.	
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4			
	5	Dividends and interest from securities	5			
	6a	Gross rents	6a			
	6b	Less: rental expenses	6b			
6c	Net rental income or (loss). Subtract line 6b from line 6a	6c				
7	Other investment income (describe )	7				
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
	b	Less: cost or other basis and sales expenses	8a	8b	43,406.	
	c	Gain or (loss) (attach schedule)	8c		-43,406.	
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8d		-43,406.	
Revenue	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a	Gross revenue (not including \$ 0. of contributions reported on line 1b)	9a	198,423.		
	b	Less: direct expenses other than fundraising expenses	9b	127,089.		
9c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c		71,334.		
Revenue	10a	Gross sales of inventory, less returns and allowances	10a			
	b	Less: cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
Revenue	11	Other revenue (from Part VII, line 103)	11		12,293.	
	12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		1,828,629.	
Expenses	13	Program services (from line 44, column (B))	13		1,811,008.	
	14	Management and general (from line 44, column (C))	14		212,926.	
	15	Fundraising (from line 44, column (D))	15			
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses. Add lines 13 and 14, column (A)	17		2,023,934.	
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		-195,305.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		943,484.	
	20	Other changes in net assets or fund balances (attach explanation)	20		0.	
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		748,179.	

g.m  
24

**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A <b>STMT 4</b>	80,583.	48,349.	32,234.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	1,179,227.	1,128,746.	50,481.	
27 Pension plan contributions not included on lines 25a, b, and c	16,526.	16,133.	393.	
28 Employee benefits not included on lines 25a - 27	108,800.	107,956.	844.	
29 Payroll taxes	107,459.	94,657.	12,802.	
30 Professional fundraising fees				
31 Accounting fees				
32 Legal fees				
33 Supplies	123,392.	103,356.	20,036.	
34 Telephone	15,016.	12,913.	2,103.	
35 Postage and shipping	2,424.	1,834.	590.	
36 Occupancy	38,709.	36,424.	2,285.	
37 Equipment rental and maintenance	30,134.	29,641.	493.	
38 Printing and publications	1,185.	986.	199.	
39 Travel				
40 Conferences, conventions, and meetings	15,353.	6,141.	9,212.	
41 Interest	5,852.		5,852.	
42 Depreciation, depletion, etc (attach schedule)	56,165.		56,165.	
43 Other expenses not covered above (itemize)				
a _____				
b _____				
c _____				
d _____				
e _____				
f _____				
g <b>SEE STATEMENT 3</b>	243,109.	223,872.	19,237.	
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,023,934.	1,811,008.	212,926.	0.

Joint Costs. Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;  
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? SEE STATEMENT 5

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a YOUTH RECREATION AND SOCIAL ACTIVITIES IN ORDER TO BUILD SELF-ESTEM, VALUES AND PREVENT DRUG AND ALCOHOL INVOLVEMENT.

(Grants and allocations \$ ) If this amount includes foreign grants, check here

1,811,008.

b (Grants and allocations \$ ) If this amount includes foreign grants, check here

c (Grants and allocations \$ ) If this amount includes foreign grants, check here

d (Grants and allocations \$ ) If this amount includes foreign grants, check here

e Other program services (attach schedule) (Grants and allocations \$ ) If this amount includes foreign grants, check here

f Total of Program Service Expenses (should equal line 44, column (B), Program services) 1,811,008.

Form 990 (2006)

**Part IV Balance Sheets** (See the instructions.)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
<b>Assets</b>	45 Cash - non-interest-bearing	50,907.	45	
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable			
	b Less allowance for doubtful accounts		47c	
	48 a Pledges receivable	27,852.		
	b Less allowance for doubtful accounts		48c	27,852.
	49 Grants receivable		49	107,801.
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	19,994.	53	14,197.
	54 a Investments - publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a	
	b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55 a Investments - land, buildings, and equipment: basis				
b Less: accumulated depreciation		55c		
56 Investments - other		56		
57 a Land, buildings, and equipment basis	1,784,207.			
b Less accumulated depreciation <b>STMT 6</b>	937,382.	57c	846,825.	
58 Other assets, including program-related investments (describe <input type="checkbox"/> )		58		
<b>59 Total assets</b> (must equal line 74) Add lines 45 through 58	1,086,844.	59	996,675.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	43,360.	60	72,758.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable	100,000.	64b	168,438.
	65 Other liabilities (describe <input type="checkbox"/> <b>BANK OVERDRAFT</b> )		65	7,300.
<b>66 Total liabilities.</b> Add lines 60 through 65	143,360.	66	248,496.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/></b> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	908,484.	67	748,179.
	68 Temporarily restricted	35,000.	68	0.
	69 Permanently restricted		69	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/></b> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	<b>73 Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	943,484.	73	748,179.
	<b>74 Total liabilities and net assets/fund balances.</b> Add lines 66 and 73	1,086,844.	74	996,675.





Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)		
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85	501(c)(4), (5), or (6) organizations		
a	Were substantially all dues nondeductible by members?		
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	N/A		
c	Dues, assessments, and similar amounts from members		
	85c N/A		
d	Section 162(e) lobbying and political expenditures		
	85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	N/A		
86	501(c)(7) organizations		
a	Initiation fees and capital contributions included on line 12		
	86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b N/A		
87	501(c)(12) organizations		
a	Gross income from members or shareholders		
	87a N/A		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
	87b N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89 a	501(c)(3) organizations		
	Enter: Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>		
b	501(c)(3) and 501(c)(4) organizations		
	Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0.</u>		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <u>0.</u>		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
	89g		
90 a	List the states with which a copy of this return is filed <u>WI</u>		
b	Number of employees employed in the pay period that includes March 12, 2006	90b	165
91 a	The books are in care of <u>WALLY GRAFFEN</u> Telephone no. <u>262-654-6200</u> Located at <u>P.O. BOX 1761, KENOSHA, WI</u> ZIP + 4 <u>53141-1761</u>		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <u>N/A</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		X
	91b		

**Part VI Other Information** (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States?  Yes  No  
 If "Yes," enter the name of the foreign country **N/A**

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here   
 and enter the amount of tax-exempt interest received or accrued during the tax year **92**  N/A

**Part VII Analysis of Income-Producing Activities** (See the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a <b>VARIOUS PROGRAM FEES</b>					198,308.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					-43,406.
101 Net income or (loss) from special events					71,334.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a <b>MISCELLANEOUS</b>					12,293.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		0.	238,529.
105 Total (add line 104, columns (B), (D), and (E))					238,529.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93	<b>PARTICIPANT AND SPONSOR FEES FOR VARIOUS PROGRAMS</b>
101	<b>NET INCOME FROM VARIOUS FUNDRAISING EVENTS</b>
103	<b>MISCELLANEOUS INCOME FROM VARIOUS SOURCES</b>

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13) **N/A**

**106** Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

<b>Yes</b>	<b>No</b>

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
<b>Totals</b>				

**107** Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

<b>Yes</b>	<b>No</b>

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
<b>Totals</b>				

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

<b>Yes</b>	<b>No</b>

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: *[Signature]* Date: **9/6/07**  
**PRESIDENT**  
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: **8-30-07** Check if self-employed:   
 Firm's name (or yours if self-employed), address, and ZIP + 4: **CLIFTON GUNDERSON LLP**  
**7500 GREEN BAY ROAD, SUITE 202**  
**KENOSHA, WI 53142**  
 Preparer's SSN or PTIN (See Gen Inst X):  
 EIN: **37-0802863**  
 Phone no.: **262-697-5123**

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust

**2006**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information-(See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

**BOYS AND GIRLS CLUB OF KENOSHA, INC.**

Employer identification number

**39 1732935**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000	0			

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services	0	

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services	0	

**Part III Statements About Activities** (See page 2 of the instructions.)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?	2a	X
b	Lending of money or other extension of credit?	2b	X
c	Furnishing of goods, services, or facilities?	2c	X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e	Transfer of any part of its income or assets?	2e	X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a	X
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c	X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a	X
b	Did the organization make any taxable distributions under section 4966?	4b	X
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c	X
d	Enter the total number of donor advised funds owned at the end of the tax year	►	0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	►	0.
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	►	0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year	►	0.

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III-Functionally Integrated       Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b>					▶

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

**Part IV-A** Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting.  
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,517,662.	1,960,791.	1,771,775.	1,858,870.	7,109,098.
16 Membership fees received		738.	1,351.	3,897.	5,986.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	384,417.	290,411.			674,828.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975		5,747.	389.	404.	6,540.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	9,427.	9,198.	SEE STATEMENT 10		18,625.
23 Total of lines 15 through 22	1,911,506.	2,266,885.	1,773,515.	1,863,171.	7,815,077.
24 Line 23 minus line 17	1,527,089.	1,976,474.	1,773,515.	1,863,171.	7,140,249.
25 Enter 1% of line 23	19,115.	22,669.	17,735.	18,632.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 142,805.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 7,140,249.
d Add: Amounts from column (e) for lines: 18 6,540. 19 _____ 22 18,625. 26b _____					26d 25,165.
e Public support (line 26c minus line 26d total)					26e 7,115,084.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 99.6476%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A	(2005)	(2004)	(2003)	(2002)	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A	(2005)	(2004)	(2003)	(2002)	
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire** (See page 9 of the instructions.)

N/A

**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
_____			
_____			
_____			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
_____			
_____			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
_____			
_____			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 10 of the instructions.) N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check  **a** if the organization belongs to an affiliated group. Check  **b** if you checked "a" and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
<b>If the amount on line 40 is -</b>	<b>The lobbying nontaxable amount is -</b>		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities** (For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.) N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.







FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT	7
DESCRIPTION		AMOUNT	
DIRECT EXPENSES FOR SPECIAL EVENTS			127,089.
RELEASE OF TEMPORARILY RESTRICTED NET ASSETS			35,000.
TOTAL TO FORM 990, PART IV-A			162,089.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT	8
DESCRIPTION		AMOUNT	
DIRECT EXPENSES FOR SPECIAL EVENTS			127,089.
LOSS ON DISPOSAL OF ASSETS			43,406.
TOTAL TO FORM 990, PART IV-B			170,495.

FORM 990	PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES	STATEMENT	9
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ADELENE GREENE (12/06) 8600 SHERIDAN ROAD KENOSHA, WI 53143	SECRETARY 2.00	0.	0.	0.
ANDY DOPUCH (12/08) 8505 - 108TH AVENUE PLEASANT PRAIRIE, WI 53158	DIRECTOR 1.00	0.	0.	0.
BRIAN MCTERNAN (12/07) 2529 - 75TH STREET KENOSHA, WI 53143	DIRECTOR 1.00	0.	0.	0.
BRYAN ALBRECHT (12/09) 3620 - 30TH AVENUE KENOSHA, WI 53144	DIRECTOR 1.00	0.	0.	0.
CINDY BARBER (12/09) 7500 GREEN BAY ROAD KENOSHA, WI 53142	V.P. OF SUPPORT SERVICES 2.00	0.	0.	0.

DAVID BARNES (12/07) 6058 - 40TH AVENUE KENOSHA, WI 53142	VICE PRESIDENT FINANCES 2.00	0.	0.	0.
DAVID HOUGHTON (12/09) 6233 39TH AVENUE KENOSHA, WI 53142	DIRECTOR 1.00	0.	0.	0.
DAVID WILK (12/08) 600 52ND STREET SUITE 200 KENOSHA, WI 53140	DIRECTOR 1.00	0.	0.	0.
DEBBIE STEVENS (12/08) 7027 GREEN BAY ROAD KENOSHA, WI 53142	DIRECTOR 1.00	0.	0.	0.
ERIC OLSON (12/08) 11200 88TH AVENUE PLEASANT PRAIRIE, WI 53158	DIRECTOR 1.00	0.	0.	0.
GARY HUTCHINS (12/09) P.O. BOX 548 KENOSHA, WI 53141	VICE PRESIDENT OPERATIONS 2.00	0.	0.	0.
GREG ROCCO (12/09) 10400 - 75TH STREET KENOSHA, WI 53142	DIRECTOR 1.00	0.	0.	0.
GREGORY PARKHURST (12/09) 5713 41ST AVENUE KENOSHA, WI 53144	DIRECTOR 1.00	0.	0.	0.
JEFF MILKIE (12/07) 7829 - 16TH AVENUE KENOSHA, WI 53143	DIRECTOR 1.00	0.	0.	0.
JEFFREY VALERI (12/07) P.O. BOX 575 KENOSHA, WI 53141	DIRECTOR 1.00	0.	0.	0.
JEN FISHER (12/09) 5419 WASHINGTON ROAD KENOSHA, WI 53144	DIRECTOR 1.00	0.	0.	0.
JENNA DEATON (12/07) 1202 - 60TH STREET KENOSHA, WI 53140	DIRECTOR 1.00	0.	0.	0.
JERRY BALDWIN (12/07) 2528 ROOSEVELT ROAD KENOSHA, WI 53143	DIRECTOR 1.00	0.	0.	0.

JOHN MORRISSEY (12/07) 4308 - 80TH STREET KENOSHA, WI 53142	DIRECTOR 1.00	0.	0.	0.
KATHERINE RUFFOLO (12/07) 1715 TAYLOR AVENUE RACINE, WI 53403	DIRECTOR 1.00	0.	0.	0.
KEITH JOHNSON (12/07) 4230 - 95TH STREET PLEASANT PRAIRIE, WI 53158	DIRECTOR 1.00	0.	0.	0.
KEITH LEMAY (12/09) 7110 74TH PLACE KENOSHA, WI 53142	DIRECTOR 1.00	0.	0.	0.
LARRY RASCH (12/07) 4715 GREEN BAY ROAD KENOSHA, WI 53144	DIRECTOR 1.00	0.	0.	0.
LENNY KLAVER (12/08) BOX 2000 KENOSHA, WI 53141	DIRECTOR 1.00	0.	0.	0.
MARK BORQUE (12/07) 6040 - 39TH AVENUE, SUITE 4 KENOSHA, WI 53142	DIRECTOR 1.00	0.	0.	0.
MARTI MILLS (12/08) 4015 80TH STREET KENOSHA, WI 53142	DIRECTOR 1.00	0.	0.	0.
MATTHEW CARLSON (12/09) 4600 GREEN BAY ROAD KENOSHA, WI 53144	DIRECTOR 1.00	0.	0.	0.
MIKE PITTS (12/07) 1000 - 60TH STREET KENOSHA, WI 53140	DIRECTOR 1.00	0.	0.	0.
PATRICK DEGRACE (12/09) 8401 WEST 102ND STREET SUITE 300 PLEASANT PRAIRIE, WI 53158	DIRECTOR 1.00	0.	0.	0.
RADE DIMITRIJEVIC (12/07) 5800 - 82ND PLACE KENOSHA, WI 53142	DIRECTOR 1.00	0.	0.	0.
RHONDA JOLLY (12/07) 912 - 56TH STREET KENOSHA, WI 53140	DIRECTOR 1.00	0.	0.	0.

RON STEVENS (LIFETIME) 5901 WASHINGTON ROAD KENOSHA, WI 53144	PRESIDENT 2.00	0.	0.	0.
THOMAS AIELLO (12/08) 1108 - 56TH STREET KENOSHA, WI 53140	DIRECTOR 1.00	0.	0.	0.
THOMAS HELLER (12/09) 5717 - 8TH AVENUE KENOSHA, WI 53140	DIRECTOR 1.00	0.	0.	0.
TOM CARLS (12/09) P.O. BOX 548 KENOSHA, WI 53141	DIRECTOR 1.00	0.	0.	0.
WALTER GRAFFEN 6906 - 62ND AVENUE KENOSHA, WI 53142	EXECUTIVE DIRECTOR 40.00	74,799.	5,784.	0.
WILLIAM LABA (12/08) 8700 - 75TH STREET KENOSHA, WI 53142	TREASURER 2.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		<u>74,799.</u>	<u>5,784.</u>	<u>0.</u>

SCHEDULE A	OTHER INCOME			STATEMENT	10
DESCRIPTION	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT	
MISCELLANEOUS	9,427.	9,198.	0.	0.	
TOTAL TO SCHEDULE A, LINE 22	<u>9,427.</u>	<u>9,198.</u>	<u>0.</u>	<u>0.</u>	



**BOYS & GIRLS CLUB OF  
KENOSHA, INC.**  
Kenosha, Wisconsin

**FINANCIAL STATEMENTS**  
December 31, 2006 and 2005

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**Clifton  
Gunderson LLP**

Certified Public Accountants & Consultants

## Independent Auditor's Report

Board of Directors  
Boys & Girls Club of Kenosha, Inc.  
Kenosha, Wisconsin

We have audited the accompanying statements of financial position of Boys & Girls Club of Kenosha, Inc. as of December 31, 2006 and 2005, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 & Girls Club of Kenosha, Inc. as of December 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2007 in our consideration of Boys & Girls Club of Kenosha, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Boys & Girls Club of Kenosha, Inc. taken as a whole. The accompanying schedule of expenditures of federal and state awards, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Clifton Gunderson LLP*

Kenosha, Wisconsin  
August 30, 2007

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2006 and 2005**

**ASSETS**

	<u>2006</u>	<u>2005</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 50,907
Pledges receivable	27,852	33,865
Grants receivable	107,801	121,147
Unconditional promises to give	-	35,000
Prepaid expenses	<u>14,197</u>	<u>19,994</u>
 Total current assets	 <u>149,850</u>	 <u>260,913</u>
 <b>PROPERTY AND EQUIPMENT</b>		
Land	331,951	331,951
Buildings and improvements	857,137	1,093,293
Furniture and equipment	218,838	244,898
Vehicles	54,186	96,639
Land improvements	<u>322,095</u>	<u>237,693</u>
Total, at cost	1,784,207	2,004,474
Less accumulated depreciation	<u>937,382</u>	<u>1,178,543</u>
 Total property and equipment	 <u>846,825</u>	 <u>825,931</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 996,675</u>	 <u>\$ 1,086,844</u>

**LIABILITIES AND NET ASSETS**

	<u>2006</u>	<u>2005</u>
<b>CURRENT LIABILITIES</b>		
Bank overdraft	\$ 7,300	\$ -
Note payable to bank	68,438	-
Accounts payable	37,886	20,637
Accrued expenses	34,872	22,723
Note payable to foundation	<u>100,000</u>	<u>100,000</u>
Total current liabilities	<u>248,496</u>	<u>143,360</u>
<b>NET ASSETS</b>		
Unrestricted	748,179	908,484
Temporarily restricted	<u>-</u>	<u>35,000</u>
Total net assets	<u>748,179</u>	<u>943,484</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 996,675</u>	<u>\$ 1,086,844</u>

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

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>UNRESTRICTED NET ASSETS</b>		
Revenues and Support:		
Grants and contracts	\$ 1,226,457	\$ 1,308,787
Contributions	299,531	175,374
United Way	40,000	35,000
Program fees	198,308	190,119
Special events and fundraising	198,423	194,298
Other	12,293	9,427
Release of restrictions	<u>59,112</u>	<u>130,000</u>
Total revenues and support	<u>2,034,124</u>	<u>2,043,005</u>
Operating Expenses:		
Program services:		
Youth empowerment	599,477	616,850
Community learning center programs	372,270	396,735
CYC Sports	440,068	415,481
Drop-in-centers	248,123	237,886
Even start	<u>190,747</u>	<u>209,481</u>
Total program services	1,850,685	1,876,433
Support services:		
Management and general	289,355	232,514
Fundraising	<u>54,389</u>	<u>36,341</u>
Total operating expenses	<u>2,194,429</u>	<u>2,145,288</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<u>(160,305)</u>	<u>(102,283)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions:		
United Way	-	35,000
Donor restricted	24,112	-
Release of restrictions	<u>(59,112)</u>	<u>(130,000)</u>
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>(35,000)</u>	<u>(95,000)</u>
<b>CHANGE IN NET ASSETS</b>	(195,305)	(197,283)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>943,484</u>	<u>1,140,767</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 748,179</u>	<u>\$ 943,484</u>

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

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2008

	Program Services							Fund-raising	Total
	Youth Empowerment	Learning Centers	CYC Sports	Drop-In Centers	Even Start	Total	Management and General		
<b>EXPENSES</b>									
Salaries	\$ 366,809	\$ 307,108	\$ 186,062	\$ 173,977	\$ 143,139	\$ 1,177,095	\$ 82,715	\$ -	\$ 1,259,810
Pension plan contributions	7,224	3,151	3,356	1,800	602	16,133	393	-	16,526
Employee benefits	59,481	9,271	22,584	8,302	8,318	107,956	844	-	108,800
Payroll taxes	31,931	22,920	13,848	14,907	11,051	94,657	12,802	-	107,459
Workers compensation	9,470	7,540	4,061	4,206	3,017	28,294	1,092	-	29,386
Subraantee payments	77,614	-	-	-	-	77,614	-	-	77,614
Professional fees	4,668	1,440	400	1,440	6,940	14,888	2,400	-	17,288
Programs and activities	-	-	34,321	-	-	34,321	85	-	34,406
Supplies and uniforms	9,685	6,021	70,084	8,576	8,990	103,356	20,036	-	123,392
Telephone	5,788	2,286	2,639	1,563	637	12,913	2,103	-	15,016
Postage	563	152	721	238	160	1,834	590	-	2,424
Insurance	2,956	2,723	12,681	5,365	1,478	25,203	1,512	-	26,715
Utilities	2,060	687	22,538	10,692	447	36,424	2,285	-	38,709
Building and grounds maintenance	540	361	13,297	6,826	217	21,241	428	-	21,669
Contract maintenance	107	53	6,803	1,384	53	8,400	65	-	8,465
Subscriptions and advertising	30	474	85	60	152	801	346	-	1,147
Publications and printing	590	62	129	155	50	986	199	-	1,185
Vehicle	10,666	2,441	2,018	4,537	1,522	21,184	1,989	-	23,173
Conferences and meetings	701	1,411	739	2,959	331	6,141	9,212	-	15,353
Special events	-	-	39,677	-	-	39,677	33,023	54,389	127,089
Loss on disposal of equipment	-	-	-	-	-	-	43,406	-	43,406
Membership dues	3,113	1,602	1,602	1,602	1,511	9,430	127	-	9,557
Staff training	1,846	95	349	(755)	2,019	3,554	2,629	-	6,183
Public/employee relations	8	4	4	4	4	24	969	-	993
Miscellaneous	3,527	510	1,636	107	15	5,795	7,902	-	13,697
Drug testing	100	1,958	434	178	94	2,764	186	-	2,950
Interest	-	-	-	-	-	-	5,852	-	5,852
Total expenses before depreciation	599,477	372,270	440,068	248,123	190,747	1,850,685	233,190	54,389	2,138,264
Depreciation	-	-	-	-	-	-	56,165	-	56,165
Total	\$ 599,477	\$ 372,270	\$ 440,068	\$ 248,123	\$ 190,747	\$ 1,850,685	\$ 289,355	\$ 54,389	\$ 2,194,429

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

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2005

EXPENSES	Program Services										Total	Fund-raising	Management and General	Total		
	Youth Empowerment	Learning Centers	CYC Sports	Drop-in Centers	Even Start	Total	Management and General								Fund-raising	Total
							Salaries	Professional fees	Programs and activities	Supplies and uniforms						
Salaries	\$ 370,072	\$ 323,395	\$ 161,315	\$ 143,145	\$ 131,476	\$ 1,129,403	\$ 78,316	\$ -	\$ -	\$ 1,207,719	\$ -	\$ -	\$ 1,207,719			
Pension plan contributions	7,468	2,234	1,789	2,377	1,229	15,097	1,348	-	-	16,445	-	-	16,445			
Employee benefits	77,362	11,699	22,313	11,681	14,209	137,264	2,235	-	-	139,499	-	-	139,499			
Payroll taxes	37,990	28,489	13,462	14,198	11,022	105,161	6,803	-	-	111,964	-	-	111,964			
Workers compensation	4,798	3,967	1,601	1,849	2,340	14,555	2,932	-	-	17,487	-	-	17,487			
Subrantee payments	67,822	-	-	-	-	67,822	-	-	-	67,822	-	-	67,822			
Professional fees	5,986	3,443	1,477	3,143	10,818	24,867	728	-	-	25,595	-	-	25,595			
Programs and activities	-	2,290	33,869	56	-	36,215	513	-	-	36,728	-	-	36,728			
Supplies and uniforms	11,117	4,617	55,796	10,783	23,275	105,588	9,591	-	-	115,179	-	-	115,179			
Telephone	6,893	1,965	2,036	1,768	894	13,556	1,626	-	-	15,182	-	-	15,182			
Postage	847	332	857	324	344	2,704	854	-	-	3,558	-	-	3,558			
Insurance	3,622	3,216	18,547	6,108	1,477	32,970	1,124	-	-	34,094	-	-	34,094			
Utilities	1,512	673	23,902	14,793	460	41,340	1,617	-	-	42,957	-	-	42,957			
Building and grounds maintenance	462	253	19,226	13,962	304	34,207	377	-	-	34,584	-	-	34,584			
Contract maintenance	124	53	2,096	3,126	33	5,432	67	-	-	5,499	-	-	5,499			
Subscriptions and advertising	15	166	30	232	143	586	571	-	-	1,157	-	-	1,157			
Publications and printing	240	259	1,021	120	187	1,827	5,509	-	-	7,336	-	-	7,336			
Vehicle	7,700	2,903	2,549	3,363	3,158	19,673	2,023	-	-	21,696	-	-	21,696			
Conferences and meetings	852	796	738	1,596	381	4,363	9,989	-	-	14,352	-	-	14,352			
Special events	-	-	48,113	-	-	48,113	20,190	-	-	68,303	-	-	68,303			
Loss on disposal of equipment	-	-	-	-	-	-	-	-	-	-	-	-	-			
Membership dues	3,732	1,920	1,920	1,920	1,837	11,329	1,707	-	-	13,036	-	-	13,036			
Staff training	5,776	608	48	2,802	4,794	14,028	1,512	-	-	15,540	-	-	15,540			
Public/Employee relations	65	36	34	29	24	188	914	-	-	1,102	-	-	1,102			
Miscellaneous	2,295	1,562	1,910	197	204	6,168	16,666	-	-	22,834	-	-	22,834			
Drug testing	100	1,859	832	314	872	3,977	183	-	-	4,160	-	-	4,160			
Interest	-	-	-	-	-	-	746	-	-	746	-	-	746			
Total expenses before depreciation	616,850	396,735	415,481	237,886	209,481	1,876,433	168,141	36,341	-	2,080,915	-	-	2,080,915			
Depreciation	-	-	-	-	-	-	64,373	-	-	64,373	-	-	64,373			
Total	\$ 616,850	\$ 396,735	\$ 415,481	\$ 237,886	\$ 209,481	\$ 1,876,433	\$ 232,514	\$ 36,341	\$ -	\$ 2,145,288	\$ -	\$ -	\$ 2,145,288			

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

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**December 31, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (195,305)	\$ (197,283)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	56,165	64,373
Loss on disposal of equipment	43,406	-
Effects of changes in operating assets and liabilities:		
Pledges receivable	6,013	(19,480)
Grants receivable	13,346	(2,019)
Unconditional promises to give	35,000	20,000
Prepaid expenses	5,797	9,237
Accounts payable and accrued expenses	<u>29,398</u>	<u>(4,980)</u>
Net cash used in operating activities	<u>(6,180)</u>	<u>(130,152)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(120,465)</u>	<u>(10,318)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in bank overdraft	7,300	(2,974)
Borrowings on note payable to bank	<u>68,438</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>75,738</u>	<u>(2,974)</u>
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(50,907)</b>	<b>(143,444)</b>
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>50,907</u>	<u>194,351</u>
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 50,907</u>
 <b>SUPPLEMENTAL DATA</b>		
Interest paid	\$ 5,852	\$ 746

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

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2006 and 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Boys & Girls Club of Kenosha, Inc. is a nonprofit corporation organized under the laws of the state of Wisconsin. The Organization is a youth guidance organization dedicated to promoting health, social, educational, vocational, cultural, character and leadership development. The Organization helps youth improve their lives by building skills, values, and self-esteem in order to prevent potential gang involvement and alcohol and other drug abuse. The Organization operates walk-in sites at the Madrigano Center and Christian Youth Center. In collaboration with the Kenosha Unified School District #1 the Organization offers 21<sup>st</sup> Century Community Learning Centers. School based learning centers provide safe, supervised sites for academic and enrichment programs for children.

The financial statements of Boys & Girls Club of Kenosha, Inc. have been prepared on the accrual basis. The Organization's fiscal year ends on December 31. Significant accounting policies followed by the Organization are presented below.

**Use of Estimates in Preparing Financial Statements**

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

**Cash Equivalents**

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Accounts Receivable**

Accounts receivable are uncollateralized customer obligations which generally require payment within thirty days from the invoice date. Accounts receivable are stated at the invoice amount.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of the amounts due the Organization could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2006 and 2005**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pledges Receivable**

Pledges receivable are uncollateralized donor pledge amounts due within the next year according to a donor designated schedule. Payments of pledges receivable are applied to the specific donor pledge account from the remittance advice. The carrying amount of pledges receivable is reduced by a valuation allowance that reflects the Organization's best estimate of amounts that will not be collected. This amount is based on historical write-off amounts and standards of practice.

**Property and Equipment**

Property and equipment are stated at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of related assets.

**Impairment of Long-Lived Assets**

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Net Assets**

Net assets are classified into one of three classes of net assets based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

**Unrestricted**

Unrestricted net assets includes all net assets which are neither temporarily or permanently restricted.

**Temporarily Restricted**

Temporarily restricted net assets includes contributed net assets for which donor imposed time and purpose restrictions which have not been met and the ultimate purpose of the contribution is not permanently restricted.

**Permanently Restricted**

Permanently restricted net assets includes contributed net assets which require, by donor restriction, the restrictions on the corpus be invested in perpetuity and only the income be made available for program operation in accordance with donor restrictions.

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2006 and 2005

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Public Support and Revenue**

All contributions and allocations are considered to be available for unrestricted use unless specifically restricted by the donor. All restricted contributions received meeting donor stipulations in the year received, are reported as increases in unrestricted assets.

**Revenue Recognition**

The Company recognizes revenues from product sales when the products are shipped or delivered and the title and risk of loss pass to the customer. Provisions for any rebates, sales incentives, promotions and product returns and discounts to customers are accounted for as reductions in revenues in the same period revenues are recorded.

**Income Taxes**

The Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

**Functional Expenses**

The Organization allocates salaries and benefits of employees between program services, management and general, and fundraising based on time spent in each area. Other expenses that are common to these functions are allocated by management's use of estimates.

**NOTE 2 - WISCONSIN UNEMPLOYMENT RESERVE FUND**

Under provision of the Wisconsin Unemployment Compensation law, the Organization has elected to reimburse the State of Wisconsin for the actual unemployment benefit claims paid to former employees. A letter of credit totaling \$37,864 has been deposited with the Wisconsin Department of Industry, Labor and Human Relations as collateral for future unemployment compensation requirements of the Organization.

**NOTE 3 - DEBT**

**Note payable to bank**

The Organization has a line-of-credit established with a bank in the amount of \$250,000 and expiring on October 21, 2008. Amounts drawn as of December 31, 2006 and 2005 were \$68,438 and \$0, respectively. Interest is payable at prime (8.25% at December 31, 2006). The line is secured by real estate located at 6201 67<sup>th</sup> Street, Kenosha, WI.

**Note payable - foundation**

The Organization has a related party note payable with a balance of \$100,000 at December 31, 2006 and 2005.

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2006 and 2005**

**NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2006</u>	<u>2005</u>
Subsequent year's operations	<u>\$ -</u>	<u>\$ 35,000</u>

**NOTE 5 - PENSION PLAN**

The Organization maintains a SIMPLE pension plan for eligible employees. Employees can defer up to \$9,000 of wages per year. The Organization contributes 3% of participating employee wages. Matching contributions were \$16,525 for 2006 and \$16,445 for 2005.

**NOTE 6 - REVENUE AND SUPPORT**

The Organization receives revenues and support from various funding sources. The loss of some or all of these funding sources revenues and support could have a material effect on the Organization's financial position.

**NOTE 7 - CONDITIONAL PROMISE TO GIVE**

The Organization is the recipient of a conditional promise to give totaling \$120,000 contingent upon the availability of funds by the contributor.

**NOTE 8 - RECLASSIFICATIONS**

Certain amounts in the December 31, 2005 financial statements have been reclassified to conform to the current year presentation.

This information is an integral part of the accompanying financial statements.

**SINGLE AUDIT SECTION**

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

Board of Directors  
Boys & Girls Club of Kenosha, Inc.  
Kenosha, Wisconsin

We have audited the financial statements of Boys & Girls Club of Kenosha, Inc. as of and for the year ended December 31, 2006, and have issued our report thereon dated August 30, 2007. 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 Boys & Girls Club of Kenosha, 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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2006-1, 2006-2, 2006-3, and 2006-4 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Boys & Girls Club of Kenosha, Inc.'s financial statements are free of material misstatement, we performed test 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 express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Boys & Girls Club of Kenosha, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Boys & Girls Club of Kenosha, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of directors, management, 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.

*Clifton Henderson LLP*

Kenosha, Wisconsin  
August 30, 2007



**Independent Auditor's Report on Compliance With Requirements Applicable to Its Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

Board of Directors  
Boys & Girls Club of Kenosha, Inc.  
Kenosha, Wisconsin

***Compliance***

We have audited the compliance of Boys & Girls Club of Kenosha, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2006. Boys & Girls Club of Kenosha, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Boys & Girls Club of Kenosha, Inc.'s management. Our responsibility is to express an opinion on Boys & Girls Club of Kenosha, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Boys & Girls Club of Kenosha, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Boys & Girls Club of Kenosha, Inc.'s compliance with those requirements.

In our opinion, Boys & Girls Club of Kenosha, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

***Internal Control Over Compliance***

The management of Boys & Girls Club of Kenosha, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Boys & Girls Club of Kenosha, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2006-1 and 2006-4 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Boys & Girls Club of Kenosha, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Boys & Girls Club of Kenosha, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of Board of Directors, management, 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.

*Clifton Henderson LLP*

Kenosha, Wisconsin  
August 30, 2007

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended December 31, 2006**

	<u>Federal CFDA Number</u>	<u>State Number ID</u>	<u>Expenditures</u>
<b>U.S. Department of Health and Human Services</b>			
Mentoring Children of Prisoners			
Passed through Greater Milwaukee Boys & Girls Club	93.616		\$ 66,023
Community - Based Abstinence Education			
Passed through Greater Milwaukee Boys & Girls Club	93.010		37,568
Social Services Block Grant			
Passed through County of Kenosha	93.667		5,078
Temporary Assistance for Needy Families			
Passed through Greater Milwaukee Boys & Girls Club	93.558		<u>17,621</u>
Total U.S. Department of Health and Human Services			<u>126,290</u>
 <b>U.S. Department of Justice Office of Programs Bureau of Justice Assistance</b>			
Part E - Developing, Testing, and Demonstrating Promising New Programs			
Passed through Office of Juvenile Justice and Delinquency Prevention, Department of Justice	16.541		10,000
Edward Byrne Memorial Justice Assistance Grant Program			
Passed through Office of Justice Assistance	16.738		45,335
Byrne Formula Grant Program			
Passed through Office of Justice Assistance	16.579		<u>34,103</u>
Total U.S. Department of Justice Office of Programs Bureau of Justice Assistance			<u>89,438</u>

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended December 31, 2006**

	<u>Federal CFDA Number</u>	<u>State Number ID</u>	<u>Expenditures</u>
<b>U.S Department of Housing and Urban Development</b>			
Community Development Block Grants/Entitlement Passed through the City of Kenosha	14.218		\$ <u>132,851</u>
<b>U.S. Department of Education</b>			
Title I Grants to Local Educational Agencies (LEA's) Passed through Kenosha Unified School District	84.010		17,017
Twenty-First Century Community Learning Centers Passed through Kenosha Unified School District	84.287		283,939
Even Start Passed through Kenosha Unified School District	84.213		<u>110,059</u>
Total U.S. Department of Education			<u>411,015</u>
<b>U.S. Department of Labor</b>			
WIA Youth Activities Passed through County of Kenosha	17.259		<u>256,000</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 1,015,594</u>
<b>STATE AWARDS</b>			
Gang prevention Passed through County of Kenosha		505.633	\$ 52,330
Community Intervention Passed through County of Kenosha		410.302	<u>11,595</u>
<b>TOTAL STATE AWARDS</b>			<u>\$ 63,925</u>

This information should be read only in connection with  
the accompanying note to the schedule of expenditures of federal and state awards.

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**December 31, 2006**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying "Schedule of Expenditures of Federal and State Awards" includes the federal and state grant activity of the Boys & Girls Club of Kenosha, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

This information is an integral part of the accompanying schedule of  
expenditures of federal and state awards.

**BOYS & GIRLS CLUB OF KENOSHA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2006**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified opinion  
 Internal control over financial reporting:  
 • Material weakness(es) identified? \_\_\_\_\_ yes X no  
 • Significant deficiencies identified that are not considered to be material weaknesses? X yes \_\_\_\_\_ none reported  
 Noncompliance material to financial statements noted? \_\_\_\_\_ yes X no

**Federal Awards**

Internal control over major programs:  
 • Material weakness(es) identified? \_\_\_\_\_ yes X no  
 • Significant deficiencies identified that are not considered to be material weakness(es)? X yes \_\_\_\_\_ none reported  
 Type of auditor's report issued on compliance for major programs: Unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? \_\_\_\_\_ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.287</u>	<u>21<sup>st</sup> Century Community Learning Centers</u>
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between type A and type B programs: \$300,000  
 Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no

**Section II - Financial Statement Findings**

**FINDING NO. 2006-1 - Preparation of Financial Statements**

*Finding:*

The Company engages Clifton Gunderson to assist in preparing its financial statements and accompanying disclosures.

*Recommendation:*

The Organization should continue to be responsible for the internal control system. They should also continue to engage an outside auditor to assist in preparing their financial statements and accompanying disclosures according to generally accepted accounting principles.

*Response:*

The Organization is aware that they are ultimately responsible for the financial statements and internal control system. They will continue to use an outside auditor to assist in the preparation of the financial statements.

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2006**

**Section II - Financial Statement Findings (continued)**

**FINDING NO. 2006-2 - Disbursement Made Without Adequate Documentation**

*Finding:*

A disbursement was lacking sufficient documentation such as invoice.

*Recommendation:*

In order to provide reasonable assurance that assets are safeguarded and are used in accordance with management's operating goals, all disbursements should be supported by adequate documentation.

*Response:*

Management agrees that appropriate documentation is needed and will work towards providing sufficient documentation for all disbursements.

**FINDING No. 2006-3 - Documentation of Employee Reimbursements**

*Finding:*

No supporting record was kept detailing a reimbursement given to an employee. These records are necessary to provide an audit trail of expense classification and to support the deduction for reimbursements.

*Recommendation:*

Guidelines for required support are provided by the Internal Revenue Service (IRS). Any employee receiving cash for expenses should be required to turn in detailed expense sheets and receipts for amounts above the current IRS threshold.

*Response:*

Management agrees and will emphasize the need for providing proper documentation as provided by the Internal Revenue Service.

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2006**

**Section II - Financial Statement Findings (continued)**

**FINDING NO. 2006-4 - Segregation of Duties**

*Finding:*

Due to a limited number of personnel performing accounting functions, the Organization does not have adequate segregation of duties over accounting transactions. As a result of this condition, there is a higher risk that errors or misappropriations could occur and not be detected within a timely period.

*Recommendation:*

When this condition exists, management's close supervision and review of accounting information is the best means of preventing or detecting errors and irregularities.

*Response:*

Management is aware of the limited staff in the accounting function. The continued close supervision of staff by the Executive Director and treasurer is taking place to identify any significant errors or irregularities on a timely basis.

**Section III - Federal Award Findings and Questioned Costs**

There were no findings or questioned costs identified in the current year.

**BOYS & GIRLS CLUB OF KENOSHA, INC.**  
**SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2006**

The finding or questioned costs in the prior year, Finding No. 2005-1, is carried over to the current year, Finding No. 2006-4.

# Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
  - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

<b>Type or print</b>	Name of Exempt Organization <b>BOYS AND GIRLS CLUB OF KENOSHA, INC.</b>	Employer identification number <b>39-1732935</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>P.O. BOX 1761</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>KENOSHA, WI 53141-1761</b>	

**Check type of return to be filed** (file a separate application for each return):

- |                                      |   |                                    |
|--------------------------------------|---|------------------------------------|
| <input type="checkbox"/> Form 990    | <input checked="" type="checkbox"/> Form 990-T (corporation)      | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **WALLY GRAFFEN**  
Telephone No. ▶ **262-654-6200** FAX No. ▶ \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

**1** I request an automatic 3-month (6-months for a section 501(c) corporation required to file Form 990-T) extension of time until **NOVEMBER 15, 2007**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year **2006** or  
▶  tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

**2** If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c</b> <b>Balance Due.</b> Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

# Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
  - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

<b>Type or print</b>	Name of Exempt Organization <b>BOYS AND GIRLS CLUB OF KENOSHA, INC.</b>	Employer identification number <b>39-1732935</b>
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. <b>P.O. BOX 1761</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>KENOSHA, WI 53141-1761</b>	

**Check type of return to be filed** (file a separate application for each return):

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **WALLY GRAFFEN**  
Telephone No. ▶ **262-654-6200** FAX No. ▶ \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a section 501(c) corporation required to file Form 990-T) extension of time until **AUGUST 15, 2007**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year **2006** or  
▶  tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

2 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$
<b>b</b> If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$
<b>c</b> <b>Balance Due.</b> Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$ <span style="float: right;">N/A</span>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.