

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2023

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-13
SUPPLEMENTAL INFORMATION	
SCHEDULE OF EXPENSES	14
SCHEDULE OF AVERAGE COST PER CHILD CARE DAY	15
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER	16
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	17
SCHEDULE OF FINDINGS AND QUESTIONED COST	18



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Boys and Girls Villages Foundation, Inc. (the Foundation) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Boys and Girls Villages Foundation, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boys and Girls Villages Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys and Girls Villages Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Villages Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys and Girls Villages Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2023, on our consideration of Boys and Girls Villages Foundation, 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 solely 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 effectiveness of Boys and Girls Villages Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boys and Girls Villages Foundation, Inc.'s internal control over financial reporting and compliance.

Broussard and Company

Lake Charles, Louisiana
November 10, 2023

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

As of June 30, 2023

ASSETS

Current Assets

Cash and cash equivalents	\$	96,824
Investments		3,237,332
Accounts receivable, less allowance for doubtful accounts of \$-0-		132,839
Prepaid insurance		50,643
Total Current Assets		<u>3,517,638</u>

Property and Equipment, at cost

(net of accumulated depreciation of \$3,823,916)		<u>2,745,202</u>
--	--	------------------

TOTAL ASSETS \$ 6,262,840

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$	107,831
Accrued liabilities		42,534
Total Current Liabilities		<u>150,365</u>

Net Assets

Without donor restrictions		6,112,475
With donor restrictions		-
Total Net Assets		<u>6,112,475</u>

TOTAL LIABILITIES AND NET ASSETS \$ 6,262,840

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS			
Contributions	\$ 152,415	\$ -	\$ 152,415
Special events	28,212	-	28,212
United Way	-	2,317	2,317
Office of Juvenile Justice	1,402,180	-	1,402,180
FEMA	311,475	-	311,475
Net assets released from restrictions:			
Expiration of time restrictions	2,317	(2,317)	-
TOTAL PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS	<u>1,896,599</u>	<u>-</u>	<u>1,896,599</u>
OTHER INCOME			
Investment income/(loss)	331,628	-	331,628
TOTAL OTHER INCOME	<u>331,628</u>	<u>-</u>	<u>331,628</u>
TOTAL PUBLIC SUPPORT, REVENUES, RECLASSIFICATIONS AND OTHER INCOME	<u>2,228,227</u>	<u>-</u>	<u>2,228,227</u>
EXPENSES			
Program Services:			
Therapeutic and medical	851,085	-	851,085
Dietary	207,797	-	207,797
Personal client needs	9,313	-	9,313
Total Program Services	<u>1,068,195</u>	<u>-</u>	<u>1,068,195</u>
Supporting Services:			
General and administrative	541,105	-	541,105
Plant operation & maintenance	200,141	-	200,141
Fund raising	14,883	-	14,883
Total Support Services	<u>756,129</u>	<u>-</u>	<u>756,129</u>
TOTAL EXPENSES	<u>1,824,324</u>	<u>-</u>	<u>1,824,324</u>
Increase (decrease) in Net Assets	403,903	-	403,903
NET ASSETS - BEGINNING OF YEAR	<u>5,708,572</u>	<u>-</u>	<u>5,708,572</u>
NET ASSETS - END OF YEAR	<u>\$ 6,112,475</u>	<u>\$ -</u>	<u>\$ 6,112,475</u>

See accompanying notes to financial statements.

Boys and Girls Villages Foundation, Inc.
Schedule of Functional Expenses
For the Year Ended June 30, 2023

	Therapeutic and Medical	Dietary	Personal Client Needs	Total Program Services	General and Administrative	Plant Operation and Maintenance	Fund Raising	Total Support Services	Total
Salaries	\$ 719,430	\$ 88,437	\$ -	\$ 807,867	\$ 243,639	\$ -	\$ -	\$ 243,639	\$ 1,051,506
Seminars	-	-	-	-	8,878	-	-	8,878	8,878
Staff Training	-	-	-	-	4,716	-	-	4,716	4,716
Payroll taxes	53,908	4,023	-	57,931	22,528	-	-	22,528	80,459
Employee benefits	77,747	5,802	-	83,549	32,491	-	-	32,491	116,040
Professional services	-	-	-	-	9,200	-	-	9,200	9,200
Insurance	-	-	-	-	95,384	-	-	95,384	95,384
Licenses and accreditations	-	-	-	-	16,574	-	-	16,574	16,574
Office supplies	-	-	-	-	7,739	-	-	7,739	7,739
Bank Charges	-	-	-	-	1,164	-	-	1,164	1,164
Postage	-	-	-	-	2,461	-	-	2,461	2,461
Property tax	-	-	-	-	404	-	-	404	404
Telephone	-	-	-	-	7,852	-	-	7,852	7,852
Vehicle expense	-	-	-	-	62,702	-	-	62,702	62,702
Food costs	-	97,076	-	97,076	-	-	-	-	97,076
Kitchen supplies	-	12,459	-	12,459	-	-	-	-	12,459
Household supplies	-	-	-	-	21,226	-	-	21,226	21,226
Personal client needs	-	-	9,313	9,313	-	-	-	-	9,313
Repairs and maintenance	-	-	-	-	-	87,115	-	87,115	87,115
Utilities	-	-	-	-	-	67,966	-	67,966	67,966
Depreciation	-	-	-	-	-	45,060	-	45,060	45,060
Fund raising	-	-	-	-	-	-	14,883	14,883	14,883
Miscellaneous	-	-	-	-	4,147	-	-	4,147	4,147
Total functional expenses	\$ 851,085	\$ 207,797	\$ 9,313	\$ 1,068,195	\$ 541,105	\$ 200,141	\$ 14,883	\$ 756,129	\$ 1,824,324

See accompanying notes to financial statements.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 403,903
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	45,060
Unrealized (gain)/loss on investments	(285,369)
(Increase) Decrease in current assets:	
Accounts receivable	(5,293)
Prepaid expenses	(15,793)
Increase (Decrease) in liabilities:	
Accounts payable	81,564
Accrued liabilities	(7,278)
Net Cash Provided by (Used in) Operating Activities	<u>216,794</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Investment sales (purchases)	53,897
Net purchase of property and equipment	(559,248)
Net Cash Provided by (Used in) Investing Activities	<u>(505,351)</u>
NET INCREASE (DECREASE) IN CASH EQUIVALENTS	(288,557)
CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>385,381</u>
CASH EQUIVALENTS AT END OF YEAR	<u>\$ 96,824</u>
Supplemental disclosures:	
Interest income received	<u>\$ 46,102</u>

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

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

The Foundation has evolved into a treatment program, touching the lives of children who are in critical trouble or have been abused and neglected. A holistic approach is taken through a team of staff and clinicians that each has a unique expertise including psychologists, social workers, mental health counselors, direct care staff and more. The goals of the Foundation's programs are to equip these children with the necessary life tools to become healthy productive individuals.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*. Under ASC No. 958, Boys and Girls Villages Foundation, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Foundation follows the standards of accounting and financial reporting for voluntary health and welfare agencies prescribed by the American Institute of Certified Public Accountants.

Public Support and Revenues

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

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, restricted net assets are reclassified to unrestricted net assets.

Endowment contributions and investments are restricted by the donor, if any. Investment earnings available for distribution are recorded in net assets without donor restrictions.

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

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable at June 30, 2023 of \$132,839 represents receivables from state agencies for services provided.

Cash

The Foundation considers all liquid investments with an original maturity of three months or less to be cash equivalents. At various times during the fiscal year, the Foundation's cash in bank balances may exceed the insured limits of the Federal Deposit Insurance Corporation (FDIC). At June 30, 2023, the Foundation's uninsured cash balances were in excess of the limit covered by FDIC insurance by \$71,499.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Property and Equipment

The Foundation capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful life of the asset. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Vacation and Sick Leave Policies

The Foundation's vacation policy permits 5 days after one year of service, 10 days after two years of service, 15 days after five years of service, 20 days after ten years of service and 30 days after twenty years of service. Accrued vacation must be taken within one year. Employees are paid for unused vacation days upon termination of employment. Accrued vacation payable is recorded at \$30,131 at June 30, 2023.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vacation and Sick Leave Policies (continued)

The Foundation's sick leave policy permits the accumulation of one day per month up to a maximum of 36 days. Employees are not paid for unused sick days upon termination of employment.

Income Taxes

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for federal and state income taxes is included in the financial statements.

The Foundation is required to file the applicable Form 990, *Return of Organization Exempt from Income Tax*. The applicable form is based on the Foundation's gross receipts. The Foundation is in compliance with the filing requirements of the Internal Revenue Service (IRS). Returns are subject to examination by the IRS, generally for three years after they are filed. Returns filed before June 30, 2020 are not subject to review.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2023.

Subsequent Events

The Foundation evaluated its June 30, 2023 financial statements for subsequent events through November 10, 2023, the date of which the financial statements were available to be issued. Hurricane Laura and Hurricane Delta did extensive damage to the Foundation's facility. Repairs are ongoing as of November 10, 2023. Management believes insurance coverage will keep the Foundation's losses down to a minimum.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued an accounting update to clarify the principles of recognizing revenue by removing inconsistencies and weaknesses in existing revenue recognition standards. This guidance is effective for annual reporting periods beginning after December 15, 2019. The Foundation adopted this guidance for the fiscal year beginning July of 2020.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE B – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2023, along with their estimated useful life:

	<u>Cost</u>	<u>Useful Life</u>
Land	\$ 604,917	-
Construction in progress	102,921	-
Buildings and Improvements	4,983,411	10-20 years
Transportation equipment	187,368	5 years
Furniture and fixtures	364,635	3-10 years
Equipment	<u>325,866</u>	5-7 years
	6,569,118	
Less: Accumulated depreciation	<u>3,823,916</u>	
Total	<u>\$2,745,202</u>	

Depreciation expense for the year ended June 30, 2023 was \$45,060.

NOTE C – COMMITMENTS AND CONTINGENCIES

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

NOTE D – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain indirect costs have been allocated to the functional categories based on the Foundation’s analysis of time devoted to each category.

NOTE E – FAIR VALUE MEASUREMENTS

The Foundation has determined the fair value of its investments through a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Foundation has the ability to access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data. Level 3 inputs are unobservable and are based on assumptions that market participants would utilize in pricing the asset. The fair value of financial instruments, including cash, approximate the carrying value, principally because of the short maturity of those items and are considered Level 1 or Level 2.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE F – INVESTMENTS

Investments in equity securities with readily determinable fair values are carried at fair value. At the end of June 2023, the Foundation has invested a portion of the bequest proceeds in mutual funds as follows:

	Level 1	Level 2	Level 3	Fair Value
Money market	\$ -	\$ 8,855	\$ -	\$ 8,855
Mutual Funds:				
Domestic Fixed	574,235	-	-	574,235
Domestic Growth	2,217,758	-	-	2,217,758
Foreign Growth	436,484	-	-	436,484
Total Mutual Funds	<u>3,228,477</u>	<u>-</u>	<u>-</u>	<u>3,228,477</u>
Total	<u>\$ 3,228,477</u>	<u>\$ 8,855</u>	<u>\$ -</u>	<u>\$ 3,237,332</u>

NOTE G – BOARD COMPENSATION

Members of the Foundation’s Board of Directors receive no compensation and are reimbursed only for any expenses incurred relating to the Foundation’s business which must have appropriate supporting documentation.

NOTE H – RETIREMENT BENEFITS

The Foundation sponsors an IRA/SEP plan that covers all eligible employees. Eligible employees include persons with three years of continuous service with a minimum age of 21 years. Employer contributions for the plan shall be 6% of the participant’s compensation for the plan year. Employees do not contribute to the plan. Total costs and employer contributions for the year ended June 30, 2023 were \$36,312.

NOTE I – NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the year ended June 30, 2023:

Time restrictions:	
United Way	\$ 2,317
FEMA reimbursements	<u>311,475</u>
	<u>\$ 313,792</u>

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE J – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Village’s financial assets as of the balance sheet date, reduced by amounts available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. The Village has \$3,466,995 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$96,824, accounts receivable of \$132,839 and investments of \$3,237,332. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Village has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Village also invests its cash in excess of its daily needs in short-term investments.

Financial assets, at year-end	\$ 3,466,995
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,466,995</u>

NOTE K – REVENUE RECOGNITION

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Foundation adopted the new standard effective July 1, 2020, the first day of the Foundation’s fiscal year, using the full retrospective method.

As part of the adoption of the ASU, the Foundation elected to use the following transition practical expedients: (i) completed contracts that begin and end in the same annual reporting period have not been restated; (ii) the Foundation used the known transaction price for completed contracts; (iii) to exclude disclosures of transaction prices allocated to remaining performance obligations when the Foundation expects to recognize such revenue for all periods prior to the date of initial application of the ASU; and (iv) the Foundation has reflected the aggregate of all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2023

NOTE K – REVENUE RECOGNITION (CONTINUED)

The majority of the Foundation’s revenue is recognized over time based on services provided to governmental agencies as well as public contributions, fundraising and investment income. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the majority of the Foundation’s revenue streams do not contain variable consideration and contract modifications are generally minimal. For these reasons, there is not a significant impact as a result of electing these transition practical expedients.

The adoption of this ASU did not have a significant impact on the Foundation’s financial statements. Based on the Foundation’s evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

NOTE L – DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Foundation reports revenues based on the following categories: Governmental Revenues and Other Miscellaneous Revenue. The Foundation has determined that these categories can be used to meet the objective of the disaggregation disclosure requirements, which is to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The following table disaggregates the Foundation’s revenue based on type and on the timing of satisfaction of performance obligations for the year ended June 30, 2023:

	<u>Governmental Revenues</u>	<u>Other Revenue</u>	<u>Total</u>
Performance obligations satisfied at a point in time	\$ -	\$ -	\$ -
Performance obligations satisfied over time	<u>1,713,655</u>	<u>514,572</u>	<u>2,228,227</u>
	<u>\$ 1,713,655</u>	<u>\$ 514,572</u>	<u>\$ 2,228,227</u>

NOTE M – CONTRACT BALANCES

Contract assets include unbilled amounts resulting from sales under contracts when the percentage-of-completion cost-to-cost method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer. Contract liabilities include billings in excess of revenue recognized. Contract assets and contract liabilities were as follows for the year ended June 30, 2023:

	<u>2022</u>
Contract assets	\$ -
Contract liabilities	-

SUPPLEMENTAL INFORMATION

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

SCHEDULE OF EXPENSES
For the Year Ended June 30, 2023

Bank Charges	\$	1,164
Client Needs		9,313
Depreciation		45,060
Employee Benefits		116,040
Food Supplies		97,076
Fund Raising		14,883
Household Supplies		21,226
Insurance		95,384
Kitchen Supplies		12,459
Licenses and Accreditations		16,574
Miscellaneous		4,147
Office Supplies		7,739
Postage		2,461
Professional Services		9,200
Repairs & Maintenance		87,115
Salaries		1,051,506
Seminars		8,878
Staff Training		4,716
Taxes - Payroll		80,459
Taxes - Property		404
Telephone		7,852
Utilities		67,966
Vehicle Expense		62,702
		<hr/>
	\$	<u>1,824,324</u>

See accompanying notes to financial statements.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

SCHEDULE OF AVERAGE COST PER CHILD CARE DAY
For the Year Ended June 30, 2023

Child care expenses - year ended June 30, 2023	\$	1,824,324
Total child care days - year ended June 30, 2023		8,960
Average cost per child care day	\$	204

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

Boys and Girls Villages Foundation, Inc.
June 30, 2023

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

Year Ended: June 30, 2023

Agency Head: Nathan Paul Bray, Executive Director

Purpose	Amount
Salary	80,057
Benefits-insurance	-
Benefits-retirement	4,803
Benefits (other--list here)	-
Car allowance	-
Reimbursements (meals)	-
Travel (mileage, parking, tolls, taxi, etc)	-
Registration fees	174
Conference travel (air fare)	-
Housing / Hotel	-
FY TOTAL:	85,034

Audit\ACT706BenComAgyHd.xls



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*

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

We have audited, in accordance with the 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, the financial statements of Boys and Girls Villages Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 10, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boys and Girls Villages Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Villages Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Boys and Girls Villages Foundation, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boys and Girls Villages Foundation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Broussard and Company

Lake Charles, Louisiana
November 10, 2023

