

BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Boys and Girls Club of Metro Louisiana, Inc.
Baton Rouge, LA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Boys and Girls Club of Metro Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 Club of Metro Louisiana, Inc. as of December 31, 2022, 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 Club of Metro Louisiana, 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 Club of Metro Louisiana, 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 Club of Metro Louisiana, 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 Club of Metro Louisiana, 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 accompanying Schedule of Compensation, Benefits, and Other Payments to the Agency Head, and the Statewide Agreed Upon Procedures are not a required part of the financial statements, but are supplementary information required by Louisiana State Law. 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. We have applied certain limited procedures, which are described in the Independent Accounts' Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of Boys and Girls Club of Metro Louisiana, 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 Club of Metro Louisiana, 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 Club of Metro Louisiana, Inc.'s internal control over financial reporting and compliance.

Daigrepoint & Brian APAC

Daigrepoint & Brian, APAC
Baton Rouge, LA

June 30, 2023

BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

Current Assets	
Cash	\$ 767,614
Grants receivable	425,592
Pledges receivable, net	5,416
Prepaid expenses	18,008
	<hr/>
Total Current Assets	1,216,630
Property and Equipment	
Land	132,330
Equipment	849,183
Buildings and improvements	2,050,467
Less: Accumulated depreciation	(2,397,036)
	<hr/>
Net Property and Equipment	634,944
Other Assets	
Construction in progress	247,826
Investments	182,323
Deposits	6,777
	<hr/>
Total Other Assets	436,926
	<hr/>
Total Assets	<u><u>\$ 2,288,500</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 126,527
Credit cards	13,838
Payroll liabilities	34,110
Accrued expenses	41,385
Deferred revenue	6,500
	<hr/>
Total Current Liabilities	222,360
	<hr/>
Total Liabilities	222,360
Net Assets	
Without donor restrictions	1,443,162
With donor restrictions	622,978
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Total Net Assets	2,066,140
	<hr/>
Total Liabilities and Net Assets	<u><u>\$ 2,288,500</u></u>

See accompanying notes and independent auditors' report.

BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions & private grants	\$ 844,040	\$ 408,950	\$ 1,252,990
Federal grants	320,817	-	320,817
State grants	412,540	-	412,540
Program services	143,856	-	143,856
Events	314,032	-	314,032
Other income	11,847	-	11,847
Net assets released from restriction	638,038	(638,038)	-
Total Revenues	<u>2,685,170</u>	<u>(229,088)</u>	<u>2,456,082</u>
EXPENSES			
Program services	1,717,318	-	1,717,318
Fundraising	463,061	-	463,061
Management and general	925,259	-	925,259
Total Expenses	<u>3,105,638</u>	<u>-</u>	<u>3,105,638</u>
CHANGE IN NET ASSETS	(420,468)	(229,088)	(649,556)
Net Assets - Beginning of Year	<u>1,863,630</u>	<u>852,066</u>	<u>2,715,696</u>
Net Assets - End of Year	<u><u>\$ 1,443,162</u></u>	<u><u>\$ 622,978</u></u>	<u><u>2,066,140</u></u>

See accompanying notes and independent auditors' report.

BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Fundraising	Management & General	Total
Bad debt expense	\$ 6,500	\$ -	\$ 5,996	\$ 12,496
Bank fees	-	7,971	9,711	17,682
Depreciation	91,550	-	3,926	95,476
Dues, fees, and licenses	-	8,780	8,198	16,978
Employee benefits	24,637	20,291	57,893	102,821
Events	7,812	128,579	7,486	143,877
Insurance	69,388	-	9,760	79,148
Meals and entertainment	4,327	3,912	5,259	13,498
Office expense	20,796	5,560	66,720	93,076
Other	6,391	208	34,740	41,339
Payroll taxes	92,604	18,360	19,916	130,880
Professional services	13,417	3,638	94,696	111,751
Rent	3,300	-	108,450	111,750
Repairs and maintenance	21,011	-	26,596	47,607
Salaries	1,136,921	244,266	379,483	1,760,670
Supplies	57,427	3,737	5,551	66,715
Transportation	115,423	796	1,514	117,733
Travel	7,683	15,723	41,064	64,470
Utilities	38,131	1,240	38,300	77,671
	<u>\$ 1,717,318</u>	<u>\$ 463,061</u>	<u>\$ 925,259</u>	<u>\$ 3,105,638</u>

See accompanying notes and independent auditors' report.

BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ (649,556)
Adjustments to reconcile net expenses over revenues to net cash used in operating activities:	
Net unrealized investment gain	20,584
Interest/dividends reinvested	(2,008)
Bad debt expense	12,496
Depreciation	95,476
Increase in grants receivable	(189,114)
Decrease in pledges receivable	10,667
Increase in prepaid expenses	(8,439)
Increase in deposits	(3,047)
Increase in accounts payable	101,696
Increase in credit cards	7,427
Increase in payroll liabilities	31,110
Increase in accrued expenses	36,080
Decrease in deferred revenue	<u>(55,799)</u>
Net cash used in operating activities	<u>(592,427)</u>
DECREASE IN CASH	(592,427)
CASH, BEGINNING OF YEAR	<u>1,360,041</u>
CASH, END OF THE YEAR	<u><u>\$ 767,614</u></u>

See accompanying notes and independent auditors' report.

BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. Summary of Significant Accounting Policies

Organization

Boys and Girls Club of Metro Louisiana, Inc. (The Club), f/k/a Boys and Girls Club of Greater Baton Rouge, Inc., was incorporated on March 5, 1991, with offices in Baton Rouge, Louisiana and New Orleans, Louisiana. The purpose of The Club is to promote the health, social, educational, vocational and character development of boys and girls in the Baton Rouge, New Orleans, and surrounding areas.

Basis of Accounting

The current year financial statements of The Club have been prepared on the accrual basis of accounting according to accounting principles generally accepted in the United States of America. Accordingly, all significant receivables, payables and other liabilities are reflected in the financial statements.

Use of Estimates

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

Cash

Cash consists of deposits held with a bank.

Net Assets

The Club reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions that may or will be met by either actions of the organization or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions. During the year ended December 31, 2022 The Club received contributions and grants with donor restrictions of \$408,950 and spent \$638,038 for the various contributions and grants intended purposes. There are net assets with donor restrictions of \$622,978 at year end. The remaining restrictions will be satisfied as cost are incurred in fulfillment of the donors' stipulations.

The Club's board voted to set aside the investment funds as a board-designated quasi-endowment fund for the benefit of the continuity of The Club's operations. This investment is further discussed in the investment footnote below.

Grants Receivable

Grants receivable are stated at net realizable value. The Club maintains allowances for doubtful accounts for estimated losses resulting from the inability of its grantors to make required payments. Because collection is expected at 100%, an allowance for doubtful accounts has not been estimated.

BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (Continued)

Pledges Receivable

Pledges receivable are unconditional promises to pay certain amounts in the future. Management evaluates the collectability of its receivables and records an allowance for estimated uncollectible amounts. An allowance of \$39,000 has been recorded for the year ended December 31, 2022.

Revenue Recognition

The Club recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration The Club expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, The Club combines it with other performance obligations until a distinct bundle of goods or services exists. Performance obligations are satisfied over time and the related revenue is recognized as services are rendered. The Club's management expects that the period between when The Club transfers good and services to their customers and when the customers pay for those good and services will be one year or less. Therefore, The Club elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component. Invoices resulting from The Club's contracts with customers are generally due within 30 days of the invoice date.

Government Grants

Governmental grants are primarily passed through the state of Louisiana and are accounted for as conditional contributions due to rights of return/release and barriers to entitlement to funds. Revenue is recognized when qualified expenditures are incurred and conditions under the grant agreement are met.

Fund-Raising Events

The Club holds fund-raising events and reports the revenues generated, net of any direct operation costs, as revenue, gains, and other support in the accompanying statement of activities and changes in net assets. Fund-raising revenue is recognized at fair value on the earlier of the receipt of cash or of an unconditional promise to give. Collections made prior to The Club hosting the event are classified as deferred revenue until the event is held.

Contributions and Private Grants

The Club receives support from individuals, foundations, corporations, and other nonprofit organizations in support of The Club's mission. Contribution and private grant revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, The Club receives promises to give that have certain conditions such as meeting specific performance-related barriers or limiting The Club's discretion on use of the funds. Other contributions or private grants may have revocable features to the promises to give. Such conditional promises to give are recognized when the conditions are substantially met.

Functional Expenses

The Club allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification. Other expenses are allocated between programs and fundraising services based on management's best estimate of time, percentage, or square footage used, among other factors.

BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (Continued)

Donated services

The value of personal services provided to The Club have not been recorded in the accompanying financial statement as they do not meet the criteria for recognition, i.e. payments to individuals possessing a required specialized skill. These type of services are typically paid by The Club. Volunteers provide other needed services, but their time was not computed for reporting purposes.

Income Taxes

The Club accounts for income taxes in accordance with FASB ASC 740-10, Accounting for *Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The Club is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Club files Form 990 in the U.S. federal jurisdiction. The Organization is no longer subject to federal information return examinations by tax authorities beyond three years from the filing of those returns.

Property and Equipment

Property and equipment is presented in the financial statements at cost less allowances for depreciation. Depreciation is computed using the straight-line method and is provided over the estimated useful lives of assets, which ranges from three to forty years. Equipment with an original cost of \$2,500 or greater is generally capitalized.

New Accounting Standard

In February 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (“Topic 842”), and all subsequent amendments. The ASU is intended to increase transparency and comparability of accounting for lease transactions. For all leases with terms greater than 12 months, the new guidance requires lessees to recognize right-of-use assets (ROU) and corresponding lease liabilities on the balance sheet and to disclose qualitative and quantitative information about lease transactions. The new standard maintains a distinction between finance and operating leases.

The Club elected to adopt these ASUs effective January 1, 2022 and utilized all of the available practical expedients. The adoption did not have a material impact on the Organization’s statement of financial position or on the statement of financial position or the statement of activities. The adoption of this standard did not result in a restatement of any opening balances.

2. Retirement Plan

The Club participates in an insured, non-contributory defined contribution plan sponsored by the Boys and Girls Club of America. The plan covers substantially all employees with over 1,000 hours of service. The amounts charged to retirement benefits for the year ended December 31, 2022 was \$33,159.

3. Economic Dependency

The Club derives the majority of its revenues from contributions & private grants and governmental sources as earned revenue or grants, the loss of which would have a material adverse effect on The Club. During the year ended December 31, 2022 revenue derived from these sources accounted for 51% and 30%, respectively, of total revenue.

BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

4. Related Party

The Club is affiliated with the national organization - Boys and Girls Clubs of America (BGCA). BGCA acts as an agent for many of their member clubs to administer various grants. BGCA provided approximately \$65,000 in funding to The Club during the fiscal year ended December 31, 2022. The Club pays BCGA for various employee benefit plans. For the year ended December 31, 2022, The Club paid approximately \$70,000 for employee non-pension benefits.

5. Concentrations

Financial instruments which subject The Club to concentrations of credit risk consist of cash deposits held with local banks. Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. The Club maintains cash in local and regional financial institutions which often exceed the FDIC limits. Management does not believe that it is exposed to any significant credit risk on uninsured amounts.

Concentrations of revenues and receivables greater than or equal to 10% for the year ended December 31, 2022 are as follows:

	<u>Revenue</u>	<u>Receivable</u>
Federal Grants	13%	64%
State Grants	17%	16%
Contributions & Private Grants	51%	13%
Events	13%	N/A

6. Leases

The Club leases office space in Baton Rouge, Louisiana which expired on March 31, 2023. Payments are \$5,191 per month and was extended for an additional 6 months at the same rate. The Club also rents office space in New Orleans, Louisiana for \$2,276 a month which expired on July 31, 2022. This agreement was extended by The Club until July 31, 2023 at a rate of \$2,506 per month.

On January 23, 2018 The Club entered into an operating lease to lease a copier for \$1,334 a month for 63 months. The lease expired on April 23, 2023. Total lease payments for the year ended December 31, 2022 was \$112,252.

7. Liquidity and Availability of Financial Assets

The following reflects The Club's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of a contractual or donor imposed restriction within one year of the statement of financial position date.

Financial Assets at Year End:	
Cash	\$ 767,614
Grants receivable	425,592
Pledges receivable, net	5,416
Net assets restricted for future use	<u>(622,978)</u>
Financial Assets Available for General Expenditures	<u>\$ 575,644</u>

As part of The Club's liquidity management plan excess cash has been placed in various checking and savings accounts to meet unexpected liquidity needs or in the event of financial distress.

BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

8. Fair Value Measurements

FASB ASC 820-10 establishes 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 consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Club uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, The Club measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 1 or 3 inputs were available to The Club.

Level 2 Fair Value Measurements – Inputs are based upon quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, and model-based, valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of assets or liabilities. Fair values of assets measured on a recurring basis at December 31, 2022 are as follows:

	Fair Value	Quoted Prices in Active Markets for Similar Assets (Level 2)
Investments in pooled funds	<u>\$ 182,323</u>	<u>\$ 182,323</u>

9. Investments

Cost and fair value of investments at December 31, 2022 are as follows:

	Cost	Unrealized Gain	Fair Value
Investments in pooled funds	<u>\$ 202,629</u>	<u>\$ (20,306)</u>	<u>\$ 182,323</u>

Earnings/(losses) on investments for the year ended December 31, 2022 are as follows:

Interest and dividends	\$ 2,008
Investment expenses	(1,730)
Unrealized losses	<u>(20,584)</u>
	<u>\$ (20,306)</u>

10. Commitments and Contingencies

The Club receives federal, state, and private grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the agency for expenditures disallowed under the terms of the grant. It is the opinion of management that The Club's compliance with the terms of grants will result in negligible, if any, disallowed costs.

11. Subsequent Event

In preparing these financial statements, The Club has evaluated events and transactions for potential recognition or disclosure through June 30, 2023, which is the date the financial statements were available to be issued.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022**

Agency Head: Angel Nelson

No compensation paid from public funds.

See accompanying notes and independent auditors' report.



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 Club of Metro Louisiana, Inc.
Baton Rouge, LA

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 Club of Metro Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boys and Girls Club of Metro Louisiana, 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 Club of Metro Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Boys and Girls Club of Metro Louisiana, 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 Club of Metro Louisiana, 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.

A handwritten signature in blue ink that reads "Daigrepont & Brian APAC". The signature is written in a cursive, flowing style.

Daigrepont & Brian, APAC
Baton Rouge, LA

June 30, 2023

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2022**

We have audited the financial statements of Boys & Girls Club of Metro Louisiana, Inc., as of December 31, 2022, and for the year then ended, and have issued our report thereon dated June 30, 2022. 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.

Summary of Auditors' Reports

Type of auditor's report issued	Unmodified	
Material weakness(es) identified?	Yes <u> </u>	No <u> X </u>
Significant deficiencies identified that are not considered to be a material weakness?	Yes <u> </u>	No <u> X </u>
Compliance		
Noncompliance material to the financial statements	Yes <u> </u>	No <u> X </u>

Findings

There are no findings for the year ended December 31, 2022.

Questioned Costs

There are no questioned costs for the year ended December 31, 2022.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Summary of Prior Audit Findings

2021-01 - Filing with the Louisiana Legislative Auditor

Status: This finding has been resolved.

2021-02 - Budget Adoption

Status: This finding has been resolved.

2021-03 - Internal Controls - Accounts Payable

Status: This finding has been resolved.

Summary of Prior Audit Questioned Costs

There were no prior year questioned costs.



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Boys and Girls Club of Metro Louisiana, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. Boys and Girls Club of Metro Louisiana, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Boys and Girls Club of Metro Louisiana, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: There is no written policy and procedures regarding disaster recovery. No other exceptions were noted as a result of applying these procedures.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period

referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions noted as a result of applying this procedure.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions noted as a result of applying this procedure.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions noted as a result of applying this procedure.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (ETF), wire transfer, or some other electronic means.

For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions noted as a result of applying this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

10. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
11. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
12. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions noted as a result of applying this procedure.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

13. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions noted as a result of applying this procedure.

Contracts

14. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions noted as a result of applying this procedure.

Payroll and Personnel

15. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
16. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - b) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - c) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
17. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
18. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions noted as a result of applying this procedure.

Ethics

19. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
 - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.
20. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: Boys and Girls Club of Metro Louisiana, Inc. is a nonprofit organization so this procedure does not apply.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Boys and Girls Club of Metro Louisiana, Inc. is a nonprofit organization so this procedure does not apply.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions noted as a result of applying this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”
 - a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and

- observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
26. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees previously obtained. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedures and discussed the results with management.

Sexual Harassment

27. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
28. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
29. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Results: Boys and Girls Club of Metro Louisiana, Inc. is a nonprofit organization so this procedure does not apply.

Management's Response: We have reviewed the independent accountant's report on applying agreed-upon procedures and agree with the exceptions noted. We will review our policies and procedures and update accordingly to include the best practices suggested by the LLA.

We were engaged by Boys and Girls Club of Metro Louisiana, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Boys and Girls Club of Metro Louisiana, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in blue ink that reads "Daigrepoint & Brian APAC". The signature is written in a cursive, flowing style.

Daigrepoint & Brian, APAC
Baton Rouge, LA

June 30, 2023