

**BOYS AND GIRLS CLUBS
OF ACADIANA, INC.**

Financial Report

Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

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* A Professional Accounting Corporation

To the Board of Directors
Boys and Girls Clubs of Acadiana, Inc.
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Boys and Girls Clubs of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys and Girls Clubs of Acadiana, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, as a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that may negatively affect the financial position, changes in financial position, and cash flows of Boys and Girls Clubs of Acadiana, Inc. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2020, on our consideration of Boys and Girls Clubs of Acadiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boys and Girls Clubs of Acadiana, 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 Clubs of Acadiana, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
August 10, 2020

FINANCIAL STATEMENTS

BOYS AND GIRLS CLUBS OF ACADIANA, INC.
Lafayette, Louisiana

Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 351,307	\$ 287,979
Grants receivable	33,230	18,387
Other receivables	108,883	17,113
Prepaid expenses	11,949	51,222
Total current assets	505,369	374,701
Property and equipment, net	828,744	866,055
Other assets:		
Utility deposits	1,512	1,512
Total assets	\$ 1,335,625	\$ 1,242,268
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts and payroll withholdings payable	\$ 13,118	\$ 23,328
Scholarships	10,752	17,800
Line of credit	4,500	-
Deferred revenue	1,000	10,250
Total current liabilities	29,370	51,378
Net assets:		
Without donor restrictions	1,236,748	1,107,357
With donor restrictions	69,507	83,533
Total net assets	1,306,255	1,190,890
Total liabilities and net assets	\$ 1,335,625	\$ 1,242,268

The accompanying notes are an integral part of this statement.

BOYS AND GIRLS CLUBS OF ACADIANA, INC.
Lafayette, Louisiana

Statements of Activities
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support:			
Grants:			
Federal	\$ 27,000	\$ -	\$ 27,000
State	150,893	-	150,893
Local	95,799	-	95,799
Total grants	273,692	-	273,692
Contributions and other:			
One Campaign	581,458	-	581,458
Corporate/Foundations	70,991	111,672	182,663
Associated organization/Keystone	16,768	-	16,768
Donated facilities	103,820	-	103,820
Membership dues	84,673	-	84,673
Concessions	237	-	237
Meeting income	5,040	-	5,040
Other income	15,629	-	15,629
Total contributions and other	878,616	111,672	990,288
Fundraising:			
Great Futures Gala	300,185	-	300,185
Golf tournament	40,800	-	40,800
Duck race	115,917	-	115,917
Celebrity waiter	107,531	-	107,531
Ragin Cajun Kickoff Concert	1,870	-	1,870
Other events	35,560	-	35,560
Donated services	191,110	-	191,110
Donated materials	73,937	-	73,937
Total fundraising	866,910	-	866,910
	2,019,218	111,672	2,130,890
Net assets released from restrictions	125,698	(125,698)	-
Total revenue gains, and other support	2,144,916	(14,026)	2,130,890
Expenses -			
Program services:			
Education and recreation	1,206,256	-	1,206,256
Supporting services:			
Fundraising	638,836	-	638,836
Management and general	170,433	-	170,433
Total supporting services	809,269	-	809,269
Total expenses	2,015,525	-	2,015,525
Changes in net assets	129,391	(14,026)	115,365
Net assets, beginning	1,107,357	83,533	1,190,890
Net assets, ending	\$ 1,236,748	\$ 69,507	\$ 1,306,255

The accompanying notes are an integral part of this statement.

BOYS AND GIRLS CLUBS OF ACADIANA, INC.
Lafayette, Louisiana

Statements of Activities
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support:			
Grants:			
Federal	\$ 25,000	\$ -	\$ 25,000
State	372,153	-	372,153
Local	71,483	-	71,483
Total grants	468,636	-	468,636
Contributions and other:			
One Campaign	347,509	-	347,509
Corporate/Foundations	156,359	61,900	218,259
Associated organization/Keystone	16,980	-	16,980
Donated facilities	103,280	-	103,280
Membership dues	90,047	-	90,047
Concessions	175	-	175
Meeting income	7,100	-	7,100
Other income	27,729	-	27,729
Total contributions and other	749,179	61,900	811,079
Fundraising:			
Great Futures Gala	127,908	-	127,908
Golf tournament	37,962	-	37,962
Duck race	95,338	-	95,338
Celebrity waiter	89,871	-	89,871
Ragin Cajun Kickoff Concert	229,529	-	229,529
Other events	40,019	-	40,019
Donated services	193,490	-	193,490
Donated materials	85,303	-	85,303
Total fundraising	899,420	-	899,420
	2,117,235	61,900	2,179,135
Net assets released from restrictions	133,605	(133,605)	-
Total revenue gains, and other support	2,250,840	(71,705)	2,179,135
Expenses -			
Program services:			
Education and recreation	1,376,388	-	1,376,388
Supporting services:			
Fundraising	676,982	-	676,982
Management and general	160,786	-	160,786
Total supporting services	837,768	-	837,768
Total expenses	2,214,156	-	2,214,156
Changes in net assets	36,684	(71,705)	(35,021)
Net assets, beginning	1,070,673	155,238	1,225,911
Net assets, ending	\$ 1,107,357	\$ 83,533	\$ 1,190,890

The accompanying notes are an integral part of this statement.

BOYS AND GIRLS CLUBS OF ACADIANA, INC.
Lafayette, Louisiana

Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program Services	Supporting Services			Total Expenses
	Education and Recreation	Fundraising	Management and General	Total Supporting Services	
Salaries, benefits and payroll taxes	\$ 853,149	\$ 154,916	\$ 67,895	\$ 222,811	\$ 1,075,960
Accounting and auditing	8,435	-	4,931	4,931	13,366
Advertising (donated)	-	191,110	-	191,110	191,110
Auto and travel	3,442	-	4,115	4,115	7,557
Awards	170	-	380	380	550
Bus expense	11,005	-	-	-	11,005
Celebrity waiter	-	15,091	-	15,091	15,091
Contracted services	550	-	-	-	550
Materials (donated)	-	73,937	-	73,937	73,937
Drug testing and background	3,296	-	995	995	4,291
Duck race	-	41,653	-	41,653	41,653
Golf tournament	-	10,568	-	10,568	10,568
Facilities rent (donated)	62,000	-	41,820	41,820	103,820
Insurance	44,631	-	4,151	4,151	48,782
Interest expense	-	-	1,375	1,375	1,375
Keystone expense	11,834	-	-	-	11,834
Meeting expense	2,671	-	2,067	2,067	4,738
Membership dues	9,356	-	1,615	1,615	10,971
Miscellaneous	5,067	-	8,666	8,666	13,733
Postage and shipping	2,083	139	314	453	2,536
Printing	38	300	2,408	2,708	2,746
Ragin Cajun Kickoff Concert	-	4,699	-	4,699	4,699
Repairs and maintenance	53,527	-	1,506	1,506	55,033
Great Futures Gala	-	104,103	-	104,103	104,103
Supplies	26,491	33,312	4,841	38,153	64,644
Telephone	12,142	-	5,496	5,496	17,638
Training and conferences	6,418	5,747	12,499	18,246	24,664
Utilities and security	24,459	3,261	4,892	8,153	32,612
Total expenses before depreciation	<u>1,140,764</u>	<u>638,836</u>	<u>169,966</u>	<u>808,802</u>	<u>1,949,566</u>
Depreciation	<u>65,492</u>	<u>-</u>	<u>467</u>	<u>467</u>	<u>65,959</u>
Total	<u>\$ 1,206,256</u>	<u>\$ 638,836</u>	<u>\$ 170,433</u>	<u>\$ 809,269</u>	<u>\$ 2,015,525</u>

The accompanying notes are an integral part of this statement.

BOYS AND GIRLS CLUBS OF ACADIANA, INC.
Lafayette, Louisiana

Statement of Functional Expenses
For the Year Ended December 31, 2018

	Program Services	Supporting Services			Total Expenses
	Education and Recreation	Fundraising	Management and General	Total Supporting Services	
Salaries, benefits and payroll taxes	\$ 800,955	\$ 144,369	\$ 65,465	\$ 209,834	\$ 1,010,789
Accounting and auditing	5,725	-	1,145	1,145	6,870
Advertising (donated)	-	193,490	-	193,490	193,490
Auto and travel	5,523	-	4,620	4,620	10,143
Awards	7,273	-	940	940	8,213
Bus expense	11,438	-	-	-	11,438
Celebrity waiter	-	14,040	-	14,040	14,040
Contracted services	1,260	-	895	895	2,155
Materials (donated)	-	85,303	-	85,303	85,303
Drug testing and background	3,460	-	860	860	4,320
Duck race	-	37,980	-	37,980	37,980
Golf tournament	-	10,958	-	10,958	10,958
Facilities rent (donated)	62,000	-	41,280	41,280	103,280
Insurance	40,103	-	3,523	3,523	43,626
Keystone expense	8,315	-	-	-	8,315
Meeting expense	7,483	-	684	684	8,167
Membership dues	13,435	-	2,400	2,400	15,835
Miscellaneous	419	-	13,706	13,706	14,125
Summer feeding program	201,356	-	-	-	201,356
Postage and shipping	2,323	158	869	1,027	3,350
Printing	7,753	3,418	296	3,714	11,467
Ragin Cajun Kickoff Concert	-	79,331	-	79,331	79,331
Repairs and maintenance	53,627	930	1,336	2,266	55,893
Great Futures Gala	-	12,940	-	12,940	12,940
Supplies	35,747	90,490	3,432	93,922	129,669
Telephone	13,100	-	5,551	5,551	18,651
Training and conferences	7,897	513	9,021	9,534	17,431
Utilities and security	22,966	3,062	4,592	7,654	30,620
Total expenses before depreciation	<u>1,312,158</u>	<u>676,982</u>	<u>160,615</u>	<u>837,597</u>	<u>2,149,755</u>
Depreciation	64,230	-	122	122	64,352
Loss on disposal of assets	-	-	49	49	49
Total	<u>\$ 1,376,388</u>	<u>\$ 676,982</u>	<u>\$ 160,786</u>	<u>\$ 837,768</u>	<u>\$ 2,214,156</u>

The accompanying notes are an integral part of this statement.

BOYS AND GIRLS CLUBS OF ACADIANA, INC.
Lafayette, Louisiana

Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 115,365	\$ (35,021)
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	65,959	64,352
Changes in current assets and liabilities:		
Receivables	(106,613)	49,794
Prepaid expenses	39,273	(48,606)
Accounts and payroll withholdings payable	(10,210)	(4,811)
Scholarships	(7,048)	1,077
Deferred income	(9,250)	(250)
Net cash provided by operating activities	87,476	26,535
Cash flows from investing activities:		
Net purchase of property and equipment	(28,648)	(24,534)
Cash flows from financing activities:		
Net proceeds from (principal payment on) line of credit	4,500	-
Net increase in cash and cash equivalents	63,328	2,001
Cash and cash equivalents, beginning of year	287,979	285,978
Cash and cash equivalents, end of year	\$ 351,307	\$ 287,979
Supplemental information:		
Interest paid	\$ 1,375	\$ -

The accompanying notes are an integral part of this statement.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

I. Nature of Activities

The Boys and Girls Clubs of Acadiana, Inc. (Organization) is a non-profit corporation organized under the laws of the State of Louisiana. The Organization provides a quality developmental program that empowers Acadiana's youth, especially those from disadvantaged circumstances, to become productive adults.

B. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as net assets without donor restrictions or net assets with donor restrictions.

C. Cash and Cash Equivalents

The organization considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

D. Grants Receivable/Deferred Revenues

Grants receivable and deferred revenues from grants and other support are recognized only to the extent that related expenses have been incurred.

Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free discount rates applicable to the years in which the promises are to be received.

E. Prepaid Expenses

Payments made to vendors for services that will benefit period beyond December 31, 2019 are recorded as prepaid expenses.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

F. Property and Equipment

Property and equipment are valued at cost, if purchased. Donations of property and equipment are recorded as contributions at their estimated fair value. In the absence of donor stipulations regarding how long the contributed asset must be used, the Organization has adopted a policy of implying a time restriction on contributions of such assets that expire over the useful lives of the assets. Depreciation is computed by the straight-line method at rates based the following estimated useful lives:

Buildings and improvements	7 - 31 years
Furniture and equipment	5 - 7 years

G. Revenue and Expense Recognition

Contributions are recognized when the donor makes a commitment to give to the Organization. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increase that net asset class. Expenses are recognized in the period incurred in accordance with the accrual basis of accounting. When a restriction expires, that is when a stipulated time restriction ends or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

H. 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. Those costs include Salaries, benefits, and payroll taxes and Utilities and security. These costs are allocated based on estimates of time and effort.

I. Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. The Organization is subject to routine audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2016, 2017, and 2018 are subject to examination by the IRS, generally three years after they are filed.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

J. Compensated Absences

Vacation and sick leave are recorded as expenses of the period in which paid. Vacation and sick leave must be taken in the year accrued and cannot be carried over to future years. Annual sick leave is granted to employees based on the number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment.

K. Donated Facilities, Materials, and Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in program services during the year. These donated services are not reflected in the statement of activities because the criteria for recognition under professional standards have not been satisfied. Donations meeting the criteria are recorded at estimated fair value as follows:

	2019	2018
Program services:		
Facilities	\$ 62,000	\$ 62,000
Fundraising:		
Advertising	191,110	193,490
Materials	73,937	85,303
Management and general:		
Facilities	41,820	41,280
Total	\$ 368,867	\$ 382,073

L. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$191,110 and \$193,490 for the years ended December 31, 2019 and 2018, respectively.

M. Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

N. Reclassifications

Certain previously reported amounts for the year ended December 31, 2018 have been reclassified to conform to the December 31, 2019 classifications.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(2) Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2019, reduced by amounts not available for general use because of contractual restrictions or Board designations within one year of the statement of financial position date.

Financial assets at December 31, 2019:	\$ 493,420
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>(69,507)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 423,913</u>

As part of the Organization's liquidity management, the Organization maintains sufficient cash balances throughout the year through the receipt of grants from Federal, State, and local agencies to support the Organization's objective to provide a quality developmental program that empowers Acadiana's youth, especially those from disadvantaged circumstances, to become productive adults. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$150,000 which it could draw upon.

(3) Property and Equipment

Property and equipment consist of the following as of December 31, 2019 and 2018:

	2019	2018
Land	\$ 141,275	\$ 141,275
Buildings and improvements	1,494,399	1,485,862
Furniture and equipment	<u>494,324</u>	<u>474,213</u>
Total property and equipment	2,129,998	2,101,350
Less: Accumulated depreciation	<u>(1,301,254)</u>	<u>(1,235,295)</u>
Property and equipment, net	<u>\$ 828,744</u>	<u>\$ 866,055</u>

Total depreciation expense for the years ended December 31, 2019 and 2018 was \$65,959 and \$64,352, respectively.

(4) Deferred Revenue

Deferred revenue recorded for revenues received but not expended during the years ended December 31, 2019 and 2018 is as follows:

	2019	2018
Membership dues	<u>\$ 1,000</u>	<u>\$ 10,250</u>

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(5) Line of Credit

The Organization has a \$150,000 revolving line of credit with Gulf Coast Bank, secured by multiple indebtedness mortgages. The line of credit has an interest rate of 6% and matures on July 18, 2020. The following is a summary of short-term debt transactions for the year ended December 31, 2019:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Line of credit	\$ -	\$ 36,000	\$ 31,500	\$ 4,500

(6) Net Assets

Net assets as of December 31, 2019 and 2018 was comprised of the following:

	2019	2018
With donor restrictions:		
Purpose restricted	\$ 69,507	\$ 83,533
Without donor restrictions:		
Undesignated	1,236,748	1,107,357
Net assets	\$1,306,255	\$1,190,890

(7) Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following at December 31, 2019 and 2018:

	2019	2018
Unspent funds from the following:		
BNSF	\$ -	\$ 2,078
Capital One - GB Teez	1,997	3,370
Capital One - Jackie Café	1,510	9,000
CarMax Foundation	-	2,810
Danos Foundation	-	889
Pugh Family Foundation	20,000	-
Pugh Family Foundation - STEM Lab	-	8,642
Taco Bell Foundation	46,000	35,400
Walmart Foundation	-	21,344
	\$ 69,507	\$ 83,533

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(8) Net Assets Released from Restrictions

Detail of net assets released from restrictions for the years ended December 31, 2019 and 2018 follows:

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished:		
BGCA - Play Ball - Jackie	\$ -	\$ 3,837
BGCA - Summer Brain Gain	-	2,344
BSNF	2,078	2,922
Capital campaign	-	1,224
Capital One - GB Teez	1,373	2,883
Capital One - Jackie Café	7,490	-
CarMax Foundation	2,810	2,190
Chevron Teen Programs	-	10,528
Community Foundation - JK Court Cover	26,172	-
Cox Technology Grant	-	937
Danos Foundation	-	6,611
Graduate for Mas	889	-
Lowe's Club Refurbishment Program - Granberry Club	-	15,289
Lowe's Club Refurbishment Program - Iberia Club	-	1,728
Pugh Family Foundation - LYS	-	20,000
Pugh Family Foundation - Stem Lab	8,642	5,236
Taco Bell Foundation	54,900	-
Tap room	-	907
Walmart Foundation	21,344	55,302
Time restrictions expired:		
Expired portion of estimated useful life of contributed assets	<u>-</u>	<u>1,667</u>
	<u>\$ 125,698</u>	<u>\$ 133,605</u>

(9) Retirement Benefits

The Organization sponsors a defined contribution plan that covers full-time and eligible part-time employees. Contributions made by the organization are 5% of annual salaries. The Organization made contributions of \$25,373 and \$17,187 for the years ended December 31, 2019 and 2018, respectively.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(10) Government Grants

Government grants consist of the following for the years ended December 31:

	2019	2018
Federal grants:		
Bureau of Justice	\$ 27,000	\$ 25,000
State grants:		
AmeriCorp	134,469	121,211
Louisiana Children's Trust Fund	16,424	10,558
Summer Food Service Program	-	240,384
Total state grants	150,893	372,153
Local grants:		
City of Opelousas	13,750	15,000
Lafayette Consolidated Government	22,088	12,153
United Way	59,961	44,330
Total local grants	95,799	71,483
Total grants	\$ 273,692	\$ 468,636

(11) Concentration of Credit Risk

The Organization maintains cash balances at financial institutions, which at times may exceed federally insured limits. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2019, cash balances (bank balances) exceeded the federally insured limit by approximately \$122,112. At December 31, 2018, cash balances (bank balances) exceeded the federally insured limit by approximately \$107,960. The Organization has not experienced any loss on such deposits.

(12) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Boys and Girls Clubs of Acadiana, Inc. expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(13) Risk Management

The Boys and Girls Clubs of Acadiana, Inc. is exposed to risks of loss in the areas of health care, general liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. Insurance settlements have not exceeded insurance coverage the past three years.

(14) Compensation, Benefits, and Other Payments to Agency Head

The Organization's agency head did not receive any compensation, benefits, or other payments from public funds for the year ended December 31, 2019.

(15) Fair Value Measurements

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash and cash equivalents, grants receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

(16) Subsequent Event Review

The Organization's management has evaluated subsequent events through August 10, 2020, the date which the financial statements were available to be issued.

(17) Subsequent Events

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, changes in financial position, and cash flows of the Organization during fiscal year 2020. Additionally, a public health emergency was declared by the State of Louisiana on March 11, 2020 with a subsequent stay at home order in effect through May 15, 2020. The duration of these uncertainties and the ultimate financial effects on the Organization cannot be reasonably estimated at this time.

As a result of the unprecedented economic disruption experienced due to the Coronavirus (COVID-19) outbreak, the CARES Act was passed and signed into law on March 27, 2020. This law provides several coronavirus relief options available to small businesses and nonprofit organizations including the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan Program (EIDL). The PPP, administered by the Small Business Administration (SBA), is designed to provide a direct incentive for small businesses to keep their employees on the payroll. SBA will forgive these loans if all employee retention criteria are met and the funds are used for eligible expenses. In April 2020, the Organization received a PPP Loan in the amount of \$205,200 which is expected to be fully forgiven. Additionally, in May 2020, the Organization received \$10,000 from SBA and was awarded an EIDL loan totaling \$150,000 at an interest rate of 2.75% payable over thirty (30) years.

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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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 Clubs of Acadiana, Inc.
Lafayette, Louisiana

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 the Boys and Girls Clubs of Acadiana, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated August 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Boys and Girls Clubs of Acadiana, Inc.'s (Organization) internal control over financial reporting (internal control) to determine the 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 the Boys and Girls Clubs of Acadiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 may exist that may not have been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do 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 suited for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
August 10, 2020

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2019

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

There were no internal control findings.

B. Compliance

There were no compliance findings.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2018-001 Inadequate Segregation of duties

CONDITION: The Organization did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have a control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping; and (4) reconciliation.

CURRENT STATUS: Resolved.

B. Compliance

There were no compliance findings.