

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Boys & Girls Clubs of Metro Louisiana, Inc.  
8281 Goodwood Boulevard, Suite A  
Baton Rouge, LA 70806

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Boys & Girls Clubs of Metro Louisiana, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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. 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 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***

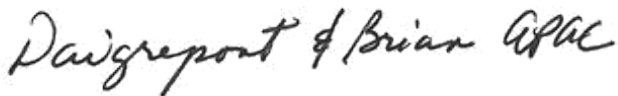
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of Metro Louisiana, Inc. as of December 31, 2020, and the changes in its net assets, functional expense, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2021, on our consideration of Boys & Girls Clubs 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 the results of that testing, and not to provide an opinion on the effectiveness of Boys & 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 & Girls Clubs of Metro Louisiana, Inc.'s internal control over financial reporting and compliance.

***Report on Supplementary Information***

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



Daigrepont & Brian, APAC  
Baton Rouge, LA

September 22, 2021

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

ASSETS

Current Assets	
Cash	\$ 334,009
Grants receivable	158,461
Pledges receivable, current portion net of allowance of \$37,500 and discount of \$8,856	<u>168,269</u>
Total Current Assets	660,739
Property and Equipment	
Equipment	191,065
Less: Accumulated depreciation	<u>(191,065)</u>
Net Property and Equipment	-
Other Assets	
Construction in progress	247,826
Investments	171,180
Other	3,730
Pledges receivable, net of current portion and discount of \$1,248	<u>23,710</u>
Total Other Assets	<u>446,446</u>
Total Assets	<u><u>\$ 1,107,185</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 700
Deferred revenue	97,669
PPP loan, current portion	126,860
Other	<u>5,305</u>
Total Current Liabilities	230,534
Long Term Liabilities	
PPP loan, net of current	<u>51,040</u>
Total Long Term Liabilities	<u>51,040</u>
Total Liabilities	281,574
Net Assets	
Without donor restrictions	308,545
With donor restrictions	<u>517,066</u>
Total Net Assets	<u>825,611</u>
Total Liabilities and Net Assets	<u><u>\$ 1,107,185</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, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Contributions & private grants	\$ 377,466	\$ 95,984	\$ 473,450
Federal grants	83,719	-	83,719
State grants	350,895	-	350,895
Program services	115,031	-	115,031
Events	86,651	-	86,651
Regranting forgiveness	17,908	-	17,908
Other income	22,135	-	22,135
Net assets released from restriction	253,690	(253,690)	-
	<u>1,307,495</u>	<u>(157,706)</u>	<u>1,149,789</u>
<b>EXPENSES</b>			
Program services	\$ 891,312	\$ -	891,312
Fundraising	158,942	-	158,942
Management and general	96,592	-	96,592
	<u>1,146,846</u>	<u>-</u>	<u>1,146,846</u>
<b>CHANGE IN NET ASSETS</b>	160,649	(157,706)	2,943
Net Assets - Beginning of Year	<u>147,896</u>	<u>674,772</u>	<u>822,668</u>
Net Assets - End of Year	<u>\$ 308,545</u>	<u>\$ 517,066</u>	<u>825,611</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, 2020**

	Program Services	Fundraising	Management & General	Total
Bank fees	\$ 2,282	\$ 2,282	\$ 4,562	\$ 9,126
Conferences	2,566	2,566	5,132	10,264
Employee benefits	86,430	10,168	5,084	101,682
Equipment	9,566	1,196	1,196	11,958
Fundraising	-	35,568	-	35,568
Insurance	9,645	4,822	4,822	19,289
Occupancy	37,744	18,872	18,872	75,488
Office expense	77,010	9,626	9,626	96,262
Other	8,789	8,891	4,050	21,730
Payroll taxes	36,270	4,267	2,134	42,671
Professional services	41,380	5,173	5,173	51,726
Program expenses	30,298	-	-	30,298
Salaries	471,841	55,511	27,755	555,107
Supplies	77,491	-	8,186	85,677
	<u>\$ 891,312</u>	<u>\$ 158,942</u>	<u>\$ 96,592</u>	<u>\$ 1,146,846</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, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$ 2,943
Adjustments to reconcile net revenues over expenses to net cash provided by operating activities:	
Net unrealized investment gain	(13,250)
Change in discount on pledges receivable	(22,984)
Regranting forgiveness	(17,908)
Decrease in grants receivable	35,020
Decrease in pledges receivable	275,000
Decrease in other assets	10,403
Decrease in accounts payable	(69,676)
Increase in deferred revenue	32,857
Decrease in other liabilities	<u>(159)</u>
Net cash provided by operating activities	232,246

**CASH FLOWS FROM INVESTING ACTIVITIES**

Payments for building design	(92,540)
Proceeds from receipt of PPP loan	<u>177,900</u>
Net cash provided by financing activities	<u>85,360</u>

**INCREASE IN CASH** 317,606

**CASH, BEGINNING OF YEAR** 16,403

**CASH, END OF YEAR** \$ 334,009

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, 2020**

**1. Summary of Significant Accounting Policies**

**Organization**

Boys and Girls Club of Metro Louisiana, Inc. (The Club) was incorporated on March 5, 1991, with offices in Baton Rouge, 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 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 June 30, 2020 The Club received contributions and grant with donor restrictions of \$95,984 and spent \$253,690 for the various contributions and grants intended purposes. There are net assets with donor restrictions of \$517,066 at year end. The remaining restrictions will be satisfied as cost are incurred to complete the construction in progress.

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, 2020**

**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 \$37,500 has been recorded for the year ended December 31, 2020. Pledges due beyond one year have been discounted at an annual rate of 5%.

**Advertising**

The Club expenses all advertising costs as incurred.

**Promises to Give**

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts are included in contribution revenue. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

**Revenue Recognition**

Revenue from donations and grants are recorded as revenue when received or when an unconditional promise to give is made. Donations and grants received are available for unrestricted use unless there is a donor imposed restriction.

**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.

**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's open audit periods are 2018 through 2020.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2020**

**1. Summary of Significant Accounting Policies (Continued)**

**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. Equipment with an original cost of \$2,000 or greater is generally capitalized.

**Deferred Revenue**

Income for the various events hosted by The Club is collected in advance to be hosted in the subsequent fiscal year. The revenue will be recognized in the period for which the revenue relates.

**Recently Issued Accounting Standards**

In May 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updates, (ASU) No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement. The ASU added new disclosure requirements related to Level 3 fair value measurements, eliminated disclosure requirements related to transfers between Level 1 and Level 2 fair value measurements, eliminated disclosure requirements for changes in unrealized gains and losses included in earnings for recurring Level 3 fair value measurements, and modified certain other disclosures, among other requirements. The Club adopted the new standard effective January 1, 2020.

**2. 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, 2020 are as follows:

	<u>Revenue</u>	<u>Grant Receivable</u>	<u>Pledges Receivable</u>
United Way	16%	52%	N/A
21st Century Grant	28%	26%	N/A
Donor 1	N/A	N/A	52%
Donor 2	N/A	N/A	26%

**3. 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.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**3. Fair Value Measurements (Continued)**

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, 2020 are as follows:

	Fair Value	Quoted Prices in Active Markets for Similar Assets (Level 2)
Investments in pooled funds	<u>\$ 171,180</u>	<u>\$ 171,180</u>

**4. Investments**

Cost and fair value of investments at December 31, 2020 are as follows:

	Cost	Unrealized Gain	Fair Value
Investments in pooled funds	<u>\$ 157,930</u>	<u>\$ 13,250</u>	<u>\$ 171,180</u>

Earnings/(losses) on investments for the year ended December 31, 2020 are as follows:

Interest and dividends	\$ 4,111
Investment expenses	(1,447)
Unrealized gains	<u>10,586</u>
	<u>\$ 13,250</u>

**5. 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	\$ 334,009
Grants receivable	158,461
Pledges receivable, current portion, net	168,269
Net assets restricted for future use	<u>(517,066)</u>
Financial Assets Available for General Expenditures	<u>\$ 143,673</u>

As part of The Club's liquidity management plan excess cash has been placed in checking 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, 2020**

**6. Debt**

**Line of Credit**

The Club had an available line of credit with a bank in the amount of \$50,000. In January 2021 the line of credit was suspended.

**PPP Loan**

The Club received additional federal funding in the form of a forgivable SBA loan for the purpose of maintaining The Club's staffing during the COVID-19 Pandemic of 2020. This funding was issued as a loan with the stipulation that the loan would be forgivable up to the full amount of the loan if the funds were used for particular expenditures. No interest or principal payments are required until March 2021, at which point interest of 1% per year will be assessed on the outstanding balance. No portion of this loan has been forgiven as of December 31, 2020. The balance due as of December 31, 2020 is \$177,900.

Future maturities for this note are as follows:

Fiscal Year 2021	\$ 126,860
Fiscal Year 2022	51,040
	<u>\$ 177,900</u>

**7. 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, 2020 was \$29,731.

**8. Risk and Uncertainties**

**Grants**

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.

**COVID-19**

On January 30, 2020 the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on The Club's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the responses to curb its spread, The Club is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for 2021.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**9. Related Party**

The Club is affiliated with the national organization - Boys and Girls Clubs of America (BGCA). Miscellaneous expenses paid to (BGCA) for the year ended December 31, 2020 was \$3,042.

BGCA acts as an agent for many of their member clubs to administer various grants. The Club owed \$17,908 in nongovernment grant revenue from prior years which had not been paid out due to the affiliates' failure to complete the necessary steps to earn the grant monies. As of December 31, 2020 these steps were not met and The Club is no longer liable to payout these amounts. Therefore, The Club has recorded \$17,908 in regranting forgiveness income for the year ended December 31, 2020.

The Club pays BCGA for various employee benefit plans. For the year ended December 31, 2020, The Club paid \$71,951 for employee non-pension benefits.

**10. Subsequent Event**

In preparing these financial statements, The Club has evaluated events and transactions for potential recognition or disclosure through September 22, 2021, which is the date the financial statements were available to be issued.

On April 8, 2021 The Club merged with the Boys and Girls Club of Southeast Louisiana, effectively doubling the operating activity of the organization. As part of this merger The Club changed its name from Boys and Girls Club of Greater Baton Rouge, Inc. to Boys and Girls Club of Metro Louisiana, Inc..

**11. Leases**

The Club leases office space under an agreement classified as an operating lease and expired on March 31, 2020. The lease was renewed for three additional years on April 1, 2020 and will expire on March 31, 2023. Payments for the previous agreement were \$4,891 per month and \$5,191 per month under the new agreement.

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 expires on April 23, 2023.

Future lease payments are as follows:

	Office Space	Copier	Total
Fiscal Year 2021	\$ 62,292	\$ 16,008	\$ 78,300
Fiscal Year 2022	62,292	16,008	78,300
Fiscal Year 2023	15,573	5,336	20,909
	<u>\$ 140,157</u>	<u>\$ 37,352</u>	<u>\$ 177,509</u>

Total lease payments for the year ended December 31, 2020 is \$91,023.

**12. 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, 2020 revenue derived from these sources accounted for 41% and 38%, respectively, of total revenue.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Agency Head:** Pat R. Van Burkleo

*No compensation paid from public funds.*

See accompanying notes and independent auditors' report.

INDEPENDENT AUDITORS' 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 & Girls Clubs of Metro Louisiana, Inc.  
8281 Goodwood Boulevard, Suite A  
Baton Rouge, LA 70806

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 & Girls Club of Metro Louisiana, Inc. (a non-profit organization) which comprise the statement of financial position as of December 31, 2020 and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Boys & Girls Club of Metro Louisiana, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boys & Girls Club of Metro Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Boys & 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 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 the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-01 that we consider to be a material weakness.



### **Compliance and Other Matters**

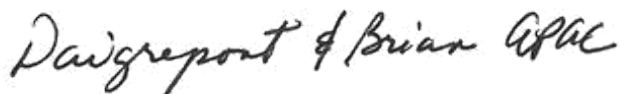
As part of obtaining reasonable assurance about whether Boys & Girls Club of Metro Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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 audits, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2020-01.

### **Boys & Girls Club of Metro Louisiana, Inc.'s Response to the Finding**

Boys & Girls Club of Metro Louisiana, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Boys & Girls Club of Metro Louisiana, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.



Daigrepoint & Brian, APAC  
Baton Rouge, Louisiana

September 22, 2021

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

We have audited the financial statements of Boys & Girls Club of Metro Louisiana, Inc., as of December 31, 2020, and for the year then ended, and have issued our report thereon dated September 22, 2021. 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>  X  </u>	No <u>        </u>
Significant deficiencies identified that are not considered to be a material weakness?	Yes	<u>        </u>	No <u>        </u> <u>  X  </u>
Compliance			
Noncompliance material to the financial statements	Yes	<u>        </u>	No <u>        </u> <u>  X  </u>

**Findings**

Finding 2020-01 - Capital Campaign Pledges

**Condition:**

Long term pledges recorded in prior years are being collected and recorded as current year contributions.

**Cause:**

Pledges are not being reconciled on a regular basis. In addition, there is no communication between responsible parties to coordinate proper classification upon receipt of funds.

**Effect:**

Overstatement of contribution revenue and pledges receivable.

**Criteria:**

Internal controls over Capital Campaign pledges, receipts, and receivables should be monitored to prevent, detect, and correct material misstatements in a timely manner.

**Recommendations:**

We recommend the Executive Director reconcile all pledge receipts with the in-house accountant, so they are properly recorded and classified.

**Management's Response:**

Management agrees with the recommendation above and is working to develop a timeline for this reconciliation to occur at least quarterly.

**Questioned Costs**

There are no questioned costs for the year ended December 31, 2020

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Summary of Prior Audit Findings**

2019-001 - Capital Campaign Pledges

Status: The finding related to internal control over Capital Campaign pledges has not been resolved and has been indicated as finding 2020-01 in the accompanying schedule of findings and questioned cost for the year ended December 31, 2020.

**Summary of Prior Audit Questioned Costs**

There were no prior year questioned costs.