

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

Financial Report

Years Ended December 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

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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, 2018 and 2017, 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, 2018 and 2017, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, Boys and Girls Clubs of Acadiana, Inc. has adopted Accounting Standards Update (ASU) No. 2016-14 as of December 31, 2018. ASU No. 2016-14 improves the current net asset classification requirements and the information presented in the financial statements and notes about liquidity, financial performance, and cash flows. 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 May 31, 2019, 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 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
May 31, 2019

FINANCIAL STATEMENTS

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

Statements of Financial Position
December 31, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 287,979	\$ 285,978
Grants receivable	18,387	35,249
Other receivables	17,113	50,044
Prepaid expenses	51,222	2,615
Total current assets	374,701	373,887
Property and equipment, net	866,055	905,874
Other assets:		
Utility deposits	1,512	1,512
Total assets	\$ 1,242,268	\$ 1,281,273
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts and payroll withholdings payable	\$ 23,328	\$ 28,139
Scholarships	17,800	16,723
Deferred revenue	10,250	10,500
Total current liabilities	51,378	55,362
Net assets:		
Without donor restrictions	1,107,357	1,070,673
With donor restrictions	83,533	155,238
Total net assets	1,190,890	1,225,911
Total liabilities and net assets	\$ 1,242,268	\$ 1,281,273

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	\$ 15,000	\$ -	\$ 15,000
State	372,153	-	372,153
Local	69,330	-	69,330
Total grants	456,483	-	456,483
Contributions and other:			
One Campaign	347,509	-	347,509
Corporate/Foundations	168,512	61,900	230,412
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	761,332	61,900	823,232
Fundraising:			
Steak 'N Burger	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

Statements of Activities
For the Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support:			
Grants:			
Federal	\$ 17,000	\$ -	\$ 17,000
State	31,406	-	31,406
Local	99,247	-	99,247
Total grants	147,653	-	147,653
Contributions and other:			
One Campaign	304,212	-	304,212
Corporate/Foundations	111,030	153,000	264,030
Associated organization/Keystone	17,039	-	17,039
Donated facilities	103,280	-	103,280
Membership dues	82,289	-	82,289
Concessions	242	-	242
Meeting income	6,750	-	6,750
Other income	204,281	-	204,281
Total contributions and other	829,122	153,000	982,122
Fundraising:			
Steak 'N Burger	120,606	-	120,606
Golf tournament	55,600	-	55,600
Duck race	149,053	-	149,053
Celebrity waiter	95,374	-	95,374
Ragin Cajun Kickoff Concert	200,448	-	200,448
Other events	75,720	-	75,720
Donated services	307,600	-	307,600
Donated materials	89,857	-	89,857
Total fundraising	1,094,257	-	1,094,257
	2,071,033	153,000	2,224,033
Net assets released from restrictions	112,443	(112,443)	-
Total revenue gains, and other support	2,183,476	40,557	2,224,033
Expenses -			
Program services:			
Education and recreation	1,133,278	-	1,133,278
Supporting services:			
Fundraising	760,721	-	760,721
Management and general	184,987	-	184,987
Total supporting services	945,708	-	945,708
Total expenses	2,078,986	-	2,078,986
Changes in net assets	104,490	40,557	145,047
Net assets, beginning	966,183	114,681	1,080,864
Net assets, ending	\$ 1,070,673	\$ 155,238	\$ 1,225,911

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	Supporting Services			Total Expenses
	Services		Management	Total	
	Education		and	Supporting	
	and		General	Services	
	Recreation	Fundraising			
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
Steak 'N Burger	-	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	1,312,158	676,982	160,615	837,597	2,149,755
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

Statement of Functional Expenses
For the Year Ended December 31, 2017

	Program	Supporting Services			Total Expenses
	Services		Management	Total	
	Education		and	Supporting	
	and		General	Services	
	Recreation	Fundraising			
Salaries, benefits and payroll taxes	\$ 721,107	\$ 139,002	\$ 61,630	\$ 200,632	\$ 921,739
Accounting and auditing	5,475	-	1,095	1,095	6,570
Advertising (donated)	-	307,600	-	307,600	307,600
Auto and travel	6,896	-	6,451	6,451	13,347
Awards	7,563	-	1,731	1,731	9,294
Bus expense	11,491	-	-	-	11,491
Celebrity waiter	-	17,163	-	17,163	17,163
Contracted services	2,358	-	4,550	4,550	6,908
Materials (donated)	-	89,857	-	89,857	89,857
Drug testing and background	2,024	-	194	194	2,218
Duck race	-	44,707	-	44,707	44,707
Golf tournament	-	9,947	-	9,947	9,947
Facilities rent (donated)	62,000	-	41,280	41,280	103,280
Insurance	42,302	-	3,919	3,919	46,221
Keystone expense	10,598	-	-	-	10,598
Meeting expense	9,961	-	2,044	2,044	12,006
Membership dues	15,434	-	2,782	2,782	18,216
Miscellaneous	1,697	-	11,177	11,177	12,875
Postage and shipping	2,439	-	472	472	2,911
Printing	5,561	-	225	225	5,786
Professional fees	-	-	24,293	24,293	24,293
Ragin Cajun Kickoff Concert	-	119,317	-	119,317	119,317
Repairs and maintenance	66,900	-	2,110	2,110	69,009
Steak 'N Burger	-	10,835	-	10,835	10,835
Supplies	51,200	19,383	3,198	22,582	73,782
Telephone	14,876	-	5,985	5,985	20,861
Training and conferences	2,784	-	5,885	5,885	8,669
Utilities and security	21,828	2,910	4,366	7,276	29,104
Total expenses before depreciation	1,064,494	760,721	183,387	944,107	2,008,601
Depreciation	68,784	-	-	-	68,784
Loss on disposal of assets	-	-	1,600	1,600	1,600
Total	<u>\$ 1,133,278</u>	<u>\$ 760,721</u>	<u>\$ 184,987</u>	<u>\$ 945,708</u>	<u>\$ 2,078,986</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, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (35,021)	\$ 145,047
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	64,352	68,784
Changes in current assets and liabilities:		
Receivables	49,794	(59,165)
Prepaid expenses	(48,606)	333
Accounts and payroll withholdings payable	(4,811)	18,962
Scholarships	1,077	3,259
Deferred income	<u>(250)</u>	<u>(7,969)</u>
Net cash provided by operating activities	26,535	169,250
Cash flows from investing activities:		
Net purchase of property and equipment	<u>(24,534)</u>	<u>(27,402)</u>
Net increase in cash and cash equivalents	2,001	141,848
Cash and cash equivalents, beginning of year	<u>285,978</u>	<u>144,130</u>
Cash and cash equivalents, end of year	<u>\$ 287,979</u>	<u>\$ 285,978</u>

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

A. 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. 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

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

F. 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 temporarily restricted or permanently restricted support that increase those net asset classes. 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, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

G. 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.

H. 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 2015, 2016, and 2017 are subject to examination by the IRS, generally three years after they are filed.

I. 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. 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.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

J. 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:

	<u>2018</u>	<u>2017</u>
Program services:		
Facilities	\$ 62,000	\$ 62,000
Fundraising:		
Advertising	193,490	307,600
Materials	85,303	89,857
Management and general:		
Facilities	<u>41,280</u>	<u>41,280</u>
Total	<u>\$382,073</u>	<u>\$500,737</u>

K. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was \$193,490 and \$307,600 for the years ended December 31, 2018 and 2017, respectively.

L. 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.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(2) New Accounting Pronouncement

During the year ended December 31, 2018, the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). ASU 2016-14 addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added. See Note 3. These changes had no effect on previously reported net assets.

(3) Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2018, 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, 2018:	\$ 323,479
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>(83,533)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 239,946</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.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(4) Property and Equipment

Property and equipment consist of the following as of December 31, 2018 and 2017:

	2018	2017
Land	\$ 141,275	\$ 141,275
Buildings and improvements	1,485,862	1,485,862
Furniture and equipment	474,213	453,631
Total property and equipment	2,101,350	2,080,768
Less: Accumulated depreciation	(1,235,295)	(1,174,894)
Property and equipment, net	\$ 866,055	\$ 905,874

Total depreciation expense for the years ended December 31, 2018 and 2017 was \$64,352 and \$68,784, respectively.

(5) Deferred Revenue

Deferred revenue recorded for revenues received but not expended during the years ended December 31, 2018 and 2017 are as follows:

	2018	2017
Membership dues	\$ 10,250	\$ 10,500

(6) 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, 2019. At December 31, 2018, there were no outstanding borrowings.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(7) Net Assets

Net assets as of December 31, 2018 and 2017 was comprised of the following:

	2018	2017
With donor restrictions:		
Purpose restricted	\$ 83,533	\$ 153,571
Time-restricted only	-	1,667
	83,533	155,238
Without donor restrictions:		
Undesignated	1,107,357	1,070,673
Net assets	\$1,190,890	\$1,225,911

(8) Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following at December 31, 2018 and 2017:

	2018	2017
Unspent funds from the following:		
BGCA - Play Ball - Jackie	\$ -	\$ 3,837
BGCA - Summer Brain Gain	-	2,344
BNSF	2,078	-
Capital Campaign - Renovations and additions to existing facilities and completion of the new southside facility	-	1,224
Capital One - GB Teez	3,370	6,253
Capital One - Jackie Café	9,000	-
CarMax Foundation	2,810	-
Chevron Teen Programs	-	10,528
Cox Technology Grant	-	937
Danos Foundation	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	13,878
Taco Bell Foundation	35,400	-
Tap room	-	907
Walmart Foundation	21,344	76,646
Remaining estimated useful lives of contributed fixed assets	-	1,667
	\$ 83,533	\$ 155,238

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(9) Net Assets Released from Restrictions

Detail of net assets released from restrictions for the years ended December 31, 2018 and 2017 follows:

	<u>2018</u>	<u>2017</u>
Purpose restrictions accomplished:		
BGCA - Play Ball - Jackie	\$ 3,837	\$ 1,163
BGCA - Summer Brain Gain	2,344	656
BSNF	2,922	-
Capital campaign	1,224	5,595
Capital One - GB Teez	2,883	3,747
CarMax Foundation	2,190	-
Chevron Teen Programs	10,528	20,091
Cox Technology Grant	937	16,441
Danos Foundation	6,611	-
Graduate for Mas	-	875
Lowes' Club Refurbishment Program - Granberry Club	15,289	20,494
Lowes' Club Refurbishment Program - Iberia Club	1,728	6,176
Music studio - Jackie Club	-	7,500
Pugh Family Foundation - LYS	20,000	-
Pugh Family Foundation - Stem Lab	5,236	11,122
Superior - Stem Lab	-	2,912
Tap room	907	2,304
Triple Play Grant	-	3,532
Walmart Foundation	55,302	3,352
Woodruff Great Futures Grant	-	2,483
Time restrictions expired:		
Expired portion of estimated useful life of contributed assets	<u>1,667</u>	<u>4,000</u>
	<u>\$ 133,605</u>	<u>\$ 112,443</u>

(10) 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 \$17,187 and \$22,362 for the years ended December 31, 2018 and 2017, respectively.

BOYS AND GIRLS CLUBS OF ACADIANA, INC
Lafayette, Louisiana

Notes to Financial Statements (Continued)

(11) Government Grants

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

	2018	2017
Federal grants:		
Bureau of Justice	\$ 15,000	\$ 17,000
State grants:		
AmeriCorp	121,211	31,406
Louisiana Children's Trust Fund	10,558	-
Summer Food Service Program	240,384	-
Total state grants	372,153	31,406
Local grants:		
City of Opelousas	10,000	9,000
Iberia Parish Government	-	2,400
Opelousas Housing Authority	15,000	15,825
United Way	44,330	72,022
Total local grants	69,330	99,247
Total grants	\$456,483	\$ 147,653

(12) 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, 2018, cash balances (bank balances) exceeded the federally insured limit by approximately \$107,960. At December 31, 2017, cash balances (bank balances) exceeded the federally insured limit by approximately \$58,652. The Organization has not experienced any loss on such deposits.

(13) 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)

(14) 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.

(15) 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, 2018.

(16) 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.

(17) Subsequent Event Review

The Organization's management has evaluated subsequent events through May 31, 2019, the date which the financial statements were available to be issued.

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*

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* A Professional Accounting Corporation

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, 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 May 31, 2019.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2018-001, which we consider to be a material weakness.

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*.

Boys and Girls Clubs of Acadiana, Inc.'s Response to Findings

The Boys and Girls Clubs of Acadiana, Inc.'s response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Organization'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 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
May 31, 2019

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, 2018

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

A. Internal Control Over Financial Reporting

2018-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2016

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

CRITERIA: AU-C§315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the Organization does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

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 control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Organization has evaluated processes within the accounting system and has reassigned incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

B. Compliance

There were no compliance findings.

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, 2018

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2017-001 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: Unresolved. See item 2018-001.