

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Boys and Girls Villages Foundation, Inc. (the Foundation) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, 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.

Auditor's 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 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 Villages Foundation, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 13 through 15 are presented for purposes of additional analysis and is 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2018, on our consideration of the Foundation'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 the Foundation's internal control over financial reporting and compliance.

Broussard and Company

Lake Charles, Louisiana
December 12, 2018

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
As of June 30, 2018

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 351,649
Investments	2,510,064
Accounts receivable, less allowance for doubtful accounts of \$-0-	141,575
Prepaid insurance	21,484
Total Current Assets	<u>3,024,772</u>
Property and Equipment, at cost (net of accumulated depreciation of \$3,663,937)	<u>744,892</u>
TOTAL ASSETS	<u><u>\$ 3,769,664</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 21,817
Accrued liabilities	75,084
Total Current Liabilities	<u>96,901</u>
Net Assets	
Unrestricted:	
Appropriated - property and equipment	744,892
Unappropriated	2,927,871
Total Net Assets	<u>3,672,763</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,769,664</u></u>

See accompanying notes to financial statements.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS			
Contributions	\$ 100,651	\$ -	\$ 100,651
Special events	26,961	-	26,961
United Way	-	124,250	124,250
Office of Juvenile Justice	1,290,172	-	1,290,172
Department of Children and Family Services	57,309	-	57,309
Investment income/(loss)	210,558	-	210,558
Net assets released from restrictions:			
Expiration of time restrictions	124,250	(124,250)	-
	<u>1,809,901</u>	<u>-</u>	<u>1,809,901</u>
TOTAL PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS	1,809,901	-	1,809,901
EXPENSES			
Program Services:			
Therapeutic and medical	757,030	-	757,030
Dietary	130,171	-	130,171
Personal client needs	11,145	-	11,145
Total Program Services	<u>898,346</u>	<u>-</u>	<u>898,346</u>
Supporting Services:			
General and administrative	461,475	-	461,475
Plant operation & maintenance	164,771	-	164,771
Fund raising	14,588	-	14,588
Total Support Services	<u>640,834</u>	<u>-</u>	<u>640,834</u>
TOTAL EXPENSES	<u>1,539,180</u>	<u>-</u>	<u>1,539,180</u>
Increase (decrease) in Net Assets	270,721	-	270,721
NET ASSETS - BEGINNING OF YEAR	<u>3,402,042</u>	<u>-</u>	<u>3,402,042</u>
NET ASSETS - END OF YEAR	<u>\$ 3,672,763</u>	<u>\$ -</u>	<u>\$ 3,672,763</u>

See accompanying notes to financial statements.

Boys and Girls Villages Foundation, Inc.
Schedule of Functional Expenses
For the Year Ended June 30, 2018

	Therapeutic and		Personal	Total	General	Plant	Fund	Total	
	Medical	Dietary	Client	Program	and	Operation and	Raising	Support	Total
			Needs	Services	Administrative	Maintenance		Services	
Salaries	\$ 653,334	\$ 45,683	\$ -	\$ 699,017	\$ 270,897	\$ -	\$ -	\$ 270,897	\$ 969,914
Seminars	-	-	-	\$ -	6,742	-	-	6,742	6,742
Staff Training	-	-	-	\$ -	1,862	-	-	1,862	1,862
Payroll taxes	49,563	3,466	-	\$ 53,029	20,551	-	-	20,551	73,580
Employee benefits	54,133	3,785	-	\$ 57,918	22,445	-	-	22,445	80,363
Professional services	-	-	-	\$ -	7,500	-	-	7,500	7,500
Insurance	-	-	-	\$ -	64,000	-	-	64,000	64,000
Licenses and accreditations	-	-	-	\$ -	1,113	-	-	1,113	1,113
Office supplies	-	-	-	\$ -	12,915	-	-	12,915	12,915
Bank Charges	-	-	-	\$ -	1,040	-	-	1,040	1,040
Postage	-	-	-	\$ -	2,978	-	-	2,978	2,978
Property tax	-	-	-	\$ -	298	-	-	298	298
Telephone	-	-	-	\$ -	10,393	-	-	10,393	10,393
Vehicle expense	-	-	-	\$ -	14,560	-	-	14,560	14,560
Food costs	-	72,766	-	\$ 72,766	-	-	-	-	72,766
Kitchen supplies	-	4,471	-	\$ 4,471	-	-	-	-	4,471
Household supplies	-	-	-	\$ -	18,973	-	-	18,973	18,973
Personal client needs	-	-	11,145	\$ 11,145	-	-	-	-	11,145
Repairs and maintenance	-	-	-	\$ -	-	65,341	-	65,341	65,341
Utilities	-	-	-	\$ -	-	51,597	-	51,597	51,597
Depreciation	-	-	-	\$ -	-	47,833	-	47,833	47,833
Fund raising	-	-	-	\$ -	-	-	14,588	14,588	14,588
Miscellaneous	-	-	-	\$ -	5,208	-	-	5,208	5,208
Total functional expenses	\$ 757,030	\$ 130,171	\$ 11,145	\$ 898,346	\$ 461,475	\$ 164,771	\$ 14,588	\$ 640,834	\$ 1,539,180

See accompanying notes to financial statements.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 270,721
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	47,833
Unrealized gain on investments	(136,324)
(Increase) Decrease in current assets:	
Accounts receivable	(52,378)
Prepaid expenses	2,691
Increase (Decrease) in liabilities:	
Accounts payable	15,173
Accrued liabilities	18,779
Net Cash Provided by Operating Activities	<u>166,495</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Investment sales(purchases)	(73,962)
Net purchase of property and equipment	<u>(47,823)</u>
Net Cash Used by Investing Activities	<u>(121,785)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on note payable	<u>-</u>
Net Cash Used by Financing Activities	<u>-</u>
NET INCREASE (DECREASE) IN CASH EQUIVALENTS	44,710
CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>306,939</u>
CASH EQUIVALENTS AT END OF YEAR	<u>\$ 351,649</u>

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

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

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*. Under ASC No. 958, Boys and Girls Villages Foundation, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net asset.

Method of Accounting

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

Public Support and Revenues

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

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, restricted net assets are reclassified to unrestricted net assets.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets.

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

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

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

Estimates

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

Accounts Receivable

Accounts receivable at June 30, 2018 of \$141,575 represents receivables from state agencies for services provided.

Cash

The Foundation considers all liquid investments with an original maturity of three months or less to be cash equivalents. At various times during the fiscal year, the Foundation's cash in bank balances may exceed the insured limits of the Federal Deposit Insurance Corporation (FDIC). At June 30, 2018, the Foundation's uninsured cash balances amounted to \$115,890.

Investments

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

Property and Equipment

The Foundation Way capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful life of the asset. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Vacation and Sick Leave Policies

The Foundation's vacation policy permits 5 days after one year of service, 10 days after two years of service, 15 days after five years of service, 20 days after ten years of service and 30 days after twenty years of service. Accrued vacation must be taken within one year. Employees are paid for unused vacation days upon termination of employment. Accrued vacation payable is recorded at \$61,719 at June 30, 2018.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vacation and Sick Leave Policies (continued)

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

Income Taxes

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

The Foundation is required to file the applicable Form 990, *Return of Organization Exempt from Income Tax*. The applicable form is based on the Foundation's gross receipts. The Foundation is in compliance with the filing requirements of the Internal Revenue Service (IRS). Returns are subject to examination by the IRS, generally for three years after they are filed. Returns filed before June 30, 2014 are not subject to review.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2018.

Subsequent Events

The Foundation evaluated its June 30, 2018 financial statements for subsequent events through December 12, 2018, the date of which the financial statements were available to be issued. The Foundation is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

Recently Issued Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Statement No. 2016-14, *Not-for-Profit Entities (Topic 958)*. This statement is effective for financial statements for fiscal years beginning after December 15, 2017. The primary objective of this statement is to change the presentation of the Statement of Financial Position from three classes of net assets to two. It will also require enhanced disclosures of net assets. The Foundation will adopt this guidance for the fiscal year beginning July of 2018.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE B – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2018, along with their estimated useful life:

	<u>Cost</u>	<u>Useful Life</u>
Land	\$ 604,917	-
Buildings and Improvements	3,068,000	10-20 years
Transportation equipment	148,695	5 years
Furniture and fixtures	342,851	3-10 years
Equipment	<u>244,366</u>	5-7 years
	4,408,829	
Less: Accumulated depreciation	<u>3,663,937</u>	
Total	<u>\$ 744,892</u>	

Depreciation expense for the year ended June 30, 2018 was \$47,833.

NOTE C – COMMITMENTS AND CONTINGENCIES

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

NOTE D – FUNCTIONAL ALLOCATION OF EXPENSES

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

NOTE E – FAIR VALUE MEASUREMENTS

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

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2018

NOTE F – INVESTMENTS

Investments in equity securities with readily determinable fair values are carried at fair value. At the end of June 2018, the Foundation has invested a portion of the bequest proceeds in mutual funds as follows:

	Level 1	Level 2	Level 3	Fair Value
Money market	\$ -	\$ 9	\$ -	\$ 9
Mutual Funds:				
Domestic Fixed	514,650	-	-	514,650
Domestic Growth	1,147,457	-	-	1,147,457
Foreign Growth	847,948	-	-	847,948
Total Mutual Funds	2,510,055	-	-	2,510,055
Total	\$ 2,510,055	\$ 9	\$ -	\$ 2,510,064

NOTE G – BOARD COMPENSATION

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

NOTE H – RETIREMENT BENEFITS

The Foundation sponsors an IRA/SEP plan that covers all eligible employees. Eligible employees include persons with three years of continuous service with a minimum age of 21 years. Employer contributions for the plan shall be 6% of the participant’s compensation for the plan year. Employees do not contribute to the plan. Total costs and employer contributions for the year ended June 30, 2018 were \$30,345.

NOTE I – NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the year ended June 30, 2018:

Time restrictions:	
United Way Allocation	<u>\$ 124,250</u>

SUPPLEMENTAL INFORMATION

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

SCHEDULE OF EXPENSES
For the Year Ended June 30, 2018

Bank Charges	\$	1,040
Client Supplies		8,430
Client Travel		2,715
Depreciation		47,833
Employee Benefits		80,363
Food Supplies		72,766
Fund Raising		14,588
Household Supplies		18,973
Insurance		64,000
Kitchen Supplies		4,471
Licenses and Accreditations		1,113
Miscellaneous		5,208
Office Supplies		12,915
Postage		2,978
Professional Services		7,500
Repairs & Maintenance		65,341
Salaries		969,914
Seminars		6,742
Staff Training		1,862
Taxes - Payroll		73,580
Taxes - Property		298
Telephone		10,393
Utilities		51,597
Vehicle Expense		14,560
		<hr/>
	\$	<u>1,539,180</u>

See accompanying notes to financial statements.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

SCHEDULE OF AVERAGE COST PER CHILD CARE DAY
For the Year Ended June 30, 2018

Child care expenses - year ended June 30, 2017	\$	1,539,180
Total child care days - year ended June 30, 2017		9,386
Average cost per child care day	\$	164

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

Boys and Girls Villages Foundation, Inc.
June 30, 2018

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

Year Ended: June 30, 2018

Agency Head: Max Mathieu, Executive Director

Purpose	Amount
Salary	72,734
Benefits-insurance	1,704
Benefits-retirement	4,364
Benefits (other--list here)	-
Car allowance	11,702
Reimbursements (meals)	-
Travel (mileage, parking, tolls, taxi, etc)	-
Registration fees	45
Conference travel (air fare)	-
Housing / Hotel	-
FY TOTAL:	90,549

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Broussard & Company
Certified Public Accountants

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

Board of Directors
Boys and Girls Villages Foundation, Inc. Lake Charles, 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 Villages Foundation, Inc., Inc. (the Foundation), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated December 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Broussard and Company

Lake Charles, Louisiana
December 12, 2018

