

**BOYS AND GIRLS VILLAGES FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinion*

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Boys and Girls Villages Foundation, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boys and Girls Villages Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys and Girls Villages Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Villages Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys and Girls Villages Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed on the table of contents 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, 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 November 21, 2022, on our consideration of Boys and Girls Villages Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boys and Girls Villages Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boys and Girls Villages Foundation, Inc.'s internal control over financial reporting and compliance.

*Broussard and Company*

Lake Charles, Louisiana

November 21, 2022

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION  
As of June 30, 2022

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**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 385,381
Investments	3,005,860
Accounts receivable, less allowance for doubtful accounts of \$-0-	127,546
Prepaid insurance	34,850
Total Current Assets	<u>3,553,637</u>
Property and Equipment, at cost (net of accumulated depreciation of \$3,778,856)	<u>2,231,014</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,784,651</u></b>

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 26,267
Accrued liabilities	49,812
Total Current Liabilities	<u>76,079</u>

**Net Assets**

Without donor restrictions	5,708,572
With donor restrictions	-
Total Net Assets	<u>5,708,572</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 5,784,651</u></b>

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS</b>			
Contributions	\$ 243,391	\$ -	\$ 243,391
Special events	24,324	-	24,324
United Way	-	915	915
Office of Juvenile Justice	1,245,322	-	1,245,322
Net assets released from restrictions:			
Expiration of time restrictions	915	(915)	-
<b>TOTAL PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS</b>	<b>1,513,952</b>	<b>-</b>	<b>1,513,952</b>
<b>OTHER INCOME</b>			
Investment income/(loss)	(517,904)	-	(517,904)
<b>TOTAL OTHER INCOME</b>	<b>(517,904)</b>	<b>-</b>	<b>(517,904)</b>
<b>TOTAL PUBLIC SUPPORT, REVENUES, RECLASSIFICATIONS AND OTHER INCOME</b>	<b>996,048</b>	<b>-</b>	<b>996,048</b>
<b>EXPENSES</b>			
Program Services:			
Therapeutic and medical	787,276	-	787,276
Dietary	171,620	-	171,620
Personal client needs	13,042	-	13,042
Total Program Services	971,938	-	971,938
Supporting Services:			
General and administrative	486,080	-	486,080
Plant operation & maintenance	211,848	-	211,848
Fund raising	13,661	-	13,661
Total Support Services	711,589	-	711,589
<b>TOTAL EXPENSES</b>	<b>1,683,527</b>	<b>-</b>	<b>1,683,527</b>
Increase (decrease) in Net Assets	(687,479)	-	(687,479)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>6,396,051</b>	<b>-</b>	<b>6,396,051</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 5,708,572</b>	<b>\$ -</b>	<b>\$ 5,708,572</b>

Boys and Girls Villages Foundation, Inc.  
 Schedule of Functional Expenses  
 For the Year Ended June 30, 2022

	Therapeutic and Medical	Personal Dietary	Total Client Needs	Total Program Services	General and Administrative	Plant Operation and Maintenance	Fund Raising	Total Support Services	Total
Salaries	\$ 660,005	\$ 70,723	\$ -	\$ 730,728	\$ 231,514	\$ -	\$ -	\$ 231,514	\$ 962,242
Seminars	-	-	-	-	4,878	-	-	4,878	4,878
Staff Training	-	-	-	-	7,934	-	-	7,934	7,934
Payroll taxes	52,173	3,927	-	56,100	21,742	-	-	21,742	77,842
Employee benefits	75,098	5,652	-	80,750	31,295	-	-	31,295	112,045
Professional services	-	-	-	-	8,000	-	-	8,000	8,000
Insurance	-	-	-	-	67,281	-	-	67,281	67,281
Licenses and accreditations	-	-	-	-	1,210	-	-	1,210	1,210
Office supplies	-	-	-	-	13,556	-	-	13,556	13,556
Bank Charges	-	-	-	-	1,147	-	-	1,147	1,147
Postage	-	-	-	-	2,128	-	-	2,128	2,128
Property tax	-	-	-	-	377	-	-	377	377
Telephone	-	-	-	-	8,979	-	-	8,979	8,979
Vehicle expense	-	-	-	-	60,577	-	-	60,577	60,577
Food costs	-	77,406	-	77,406	-	-	-	-	77,406
Kitchen supplies	-	13,912	-	13,912	-	-	-	-	13,912
Household supplies	-	-	-	-	18,820	-	-	18,820	18,820
Personal client needs	-	-	13,042	13,042	-	-	-	-	13,042
Repairs and maintenance	-	-	-	-	-	127,714	-	127,714	127,714
Utilities	-	-	-	-	-	48,676	-	48,676	48,676
Depreciation	-	-	-	-	-	35,458	-	35,458	35,458
Fund raising	-	-	-	-	-	-	13,661	13,661	13,661
Miscellaneous	-	-	-	-	6,642	-	-	6,642	6,642
<b>Total functional expenses</b>	<b>\$ 787,276</b>	<b>\$ 171,620</b>	<b>\$ 13,042</b>	<b>\$ 971,938</b>	<b>\$ 486,080</b>	<b>\$ 211,848</b>	<b>\$ 13,661</b>	<b>\$ 711,589</b>	<b>\$ 1,683,527</b>

See accompanying notes to financial statements.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ (687,479)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	35,458
Unrealized (gain)/loss on investments	643,757
(Increase) Decrease in current assets:	
Accounts receivable	72,579
Prepaid expenses	(1,212)
Increase (Decrease) in liabilities:	
Accounts payable	1,488
Accrued liabilities	(37,202)
Net Cash Provided by (Used in) Operating Activities	<u>27,389</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net Investment sales (purchases)	(125,682)
Net purchase of property and equipment	(939,539)
Net Cash Provided by (Used in) Investing Activities	<u>(1,065,221)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on note payable	-
Net Cash Provided by (Used in ) Financing Activities	<u>-</u>

NET INCREASE (DECREASE) IN CASH EQUIVALENTS

CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,423,213</u>
CASH EQUIVALENTS AT END OF YEAR	<u>\$ 385,381</u>

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

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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.

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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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 net assets without donor restrictions 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 net assets with donor restrictions 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 restricted by the donor, if any. Investment earnings available for distribution are recorded in net assets without donor restrictions.

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, 2022

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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, 2022 of \$127,546 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, 2022, the Foundation's uninsured cash balances were below the limit covered by FDIC insurance.

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 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 contributions without donor restrictions 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 \$38,079 at June 30, 2022.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

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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, 2019 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, 2022.

Subsequent Events

The Foundation evaluated its June 30, 2022 financial statements for subsequent events through November 21, 2022, the date of which the financial statements were available to be issued. The recent coronavirus pandemic could have a detrimental impact on the Foundation's operations and funding. The impact is unknown at the time the financial statements were available to be issued. In addition, Hurricane Laura and Hurricane Delta did extensive damage to the Foundation's facility. Repairs are ongoing as of November 21, 2022. Management believes insurance coverage will keep the Foundation's losses down to a minimum.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued an accounting update to clarify the principles of recognizing revenue by removing inconsistencies and weaknesses in existing revenue recognition standards. This guidance is effective for annual reporting periods beginning after December 15, 2019. The Foundation adopted this guidance for the fiscal year beginning July of 2020.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

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NOTE B – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2022, along with their estimated useful life:

	Cost	Useful Life
Land	\$ 604,917	-
Construction in progress	1,467,803	-
Buildings and Improvements	3,145,099	10-20 years
Transportation equipment	132,709	5 years
Furniture and fixtures	359,398	3-10 years
Equipment	<u>299,944</u>	5-7 years
	6,009,870	
Less: Accumulated depreciation	<u>3,778,856</u>	
Total	<u>\$2,231,014</u>	

Depreciation expense for the year ended June 30, 2022 was \$35,458.

NOTE C – COMMITMENTS AND CONTINGENCIES

The Foundation receives a substantial amount of its support from state agencies. 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, 2022

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NOTE F – INVESTMENTS

Investments in equity securities with readily determinable fair values are carried at fair value. At the end of June 2022, the Foundation has invested a portion of the bequest proceeds in mutual funds as follows:

	Level 1	Level 2	Level 3	Fair Value
	\$	4	\$	4
Money market	\$ -	\$ 4	\$ -	\$ 4
Mutual Funds:				
Domestic Fixed	549,489	-	-	549,489
Domestic Growth	2,024,897	-	-	2,024,897
Foreign Growth	431,470	-	-	431,470
Total Mutual Funds	3,005,856	-	-	3,005,856
Total	\$ 3,005,856	\$ 4	\$ -	\$ 3,005,860

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, 2022 were \$32,118.

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, 2022:

Time restrictions:	
United Way Allocation	<u>\$ 915</u>

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

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NOTE J – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Village's financial assets as of the balance sheet date, reduced by amounts available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. The Village has \$3,518,787 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$385,381, accounts receivable of \$127,546 and investments of \$3,005,860. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Village has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Village also invests its cash in excess of its daily needs in short-term investments.

Financial assets, at year-end	\$ 3,518,787
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	_____ -
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,518,787</u>

NOTE K – REVENUE RECOGNITION

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Foundation adopted the new standard effective July 1, 2020, the first day of the Foundation’s fiscal year, using the full retrospective method.

As part of the adoption of the ASU, the Foundation elected to use the following transition practical expedients: (i) completed contracts that begin and end in the same annual reporting period have not been restated; (ii) the Foundation used the known transaction price for completed contracts; (iii) to exclude disclosures of transaction prices allocated to remaining performance obligations when the Foundation expects to recognize such revenue for all periods prior to the date of initial application of the ASU; and (iv) the Foundation has reflected the aggregate of all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2022

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NOTE K – REVENUErecognition (CONTINUED)

The majority of the Foundation's revenue is recognized over time based on services provided to governmental agencies as well as public contributions, fundraising and investment income. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the majority of the Foundation's revenue streams do not contain variable consideration and contract modifications are generally minimal. For these reasons, there is not a significant impact as a result of electing these transition practical expedients.

The adoption of this ASU did not have a significant impact on the Foundation's financial statements. Based on the Foundation's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

NOTE L – DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Foundation reports revenues based on the following categories: Governmental Revenues and Other Miscellaneous Revenue. The Foundation has determined that these categories can be used to meet the objective of the disaggregation disclosure requirements, which is to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The following table disaggregates the Foundation's revenue based on type and on the timing of satisfaction of performance obligations for the year ended June 30, 2021:

	<u>Governmental Revenues</u>	<u>Other Revenue</u>	<u>Total</u>
Performance obligations satisfied at a point in time	\$ -	\$ -	\$ -
Performance obligations satisfied over time	1,245,322	(249,274)	996,048
	<u>\$ 1,245,322</u>	<u>\$ (249,274)</u>	<u>\$ 996,048</u>

NOTE M – CONTRACT BALANCES

Contract assets include unbilled amounts resulting from sales under contracts when the percentage-of-completion cost-to-cost method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer. Contract liabilities include billings in excess of revenue recognized. Contract assets and contract liabilities were as follows for the year ended June 30, 2022:

	<u>2022</u>
Contract assets	\$ -
Contract liabilities	-

**SUPPLEMENTAL INFORMATION**

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

SCHEDULE OF EXPENSES  
For the Year Ended June 30, 2022

Bank Charges	\$ 1,147
Client Needs	13,042
Depreciation	35,458
Employee Benefits	112,045
Food Supplies	77,406
Fund Raising	13,661
Household Supplies	18,820
Insurance	67,281
Kitchen Supplies	13,912
Licenses and Accreditations	1,210
Miscellaneous	6,642
Office Supplies	13,556
Postage	2,128
Professional Services	8,000
Repairs & Maintenance	127,714
Salaries	962,242
Seminars	4,878
Staff Training	7,934
Taxes - Payroll	77,842
Taxes - Property	377
Telephone	8,979
Utilities	48,676
Vehicle Expense	60,577
	<hr/>
	\$ 1,683,527

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

SCHEDULE OF AVERAGE COST PER CHILD CARE DAY  
For the Year Ended June 30, 2022

Child care expenses - year ended June 30, 2022	\$	1,683,527
Total child care days - year ended June 30, 2022		8,377
Average cost per child care day	\$	201

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

**Boys and Girls Villages Foundation, Inc.**  
**June 30, 2022**

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

**Year Ended:** June 30, 2022

**Agency Head:** Max Mathieu, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	107,939
Benefits-insurance	3,289
Benefits-retirement	5,006
Benefits (other--list here)	-
Car allowance	11,700
Reimbursements (meals)	-
Travel (mileage, parking, tolls, taxi, etc)	-
Registration fees	45
Conference travel (air fare)	-
Housing / Hotel	-
<b>FY TOTAL:</b>	<b>127,979</b>

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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, 2022, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated November 21, 2022.

### Report on 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.

### Report on 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  
November 21, 2022

**BOYS AND GIRLS VILLAGES FOUNDATION, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**A. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

Type of auditor's report issued: unmodified

**Internal control over financial reporting:**

- |   |           |            |
|---|-----------|------------|
| • Material weakness identified?   | _____ yes | _____ X no |
| • Significant deficiencies identified that are<br>not material weaknesses | _____ yes | _____ X no |
| • Noncompliance material to financial<br>statements noted?                | _____ yes | _____ X no |