

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2020

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-12
SUPPLEMENTAL INFORMATION	
SCHEDULE OF EXPENSES	13
SCHEDULE OF AVERAGE COST PER CHILD CARE DAY	14
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD	15
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	16
SCHEDULE OF FINDINGS AND QUESTIONED COST	17



Broussard & Company
Certified Public Accountants

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, 2020, 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, 2020, 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 February 25, 2021, 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
February 25, 2021

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
As of June 30, 2020

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 158,834
Investments	2,743,495
Accounts receivable, less allowance for doubtful accounts of \$-0-	265,559
Prepaid insurance	30,131
Total Current Assets	<u>3,198,019</u>
Property and Equipment, at cost (net of accumulated depreciation of \$3,732,956)	<u>733,875</u>
TOTAL ASSETS	<u>\$ 3,931,894</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 14,138
Accrued liabilities	69,326
Total Current Liabilities	<u>83,464</u>
Net Assets	
Without donor restrictions	3,848,430
With donor restrictions	-
Total Net Assets	<u>3,848,430</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,931,894</u>

See accompanying notes to financial statements.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS			
Contributions	\$ 204,655	\$ -	\$ 204,655
Special events	15,655	-	15,655
United Way	-	11,749	11,749
Office of Juvenile Justice	1,519,227	-	1,519,227
Department of Children and Family Services	-	-	-
Investment income/(loss)	66,497	-	66,497
Net assets released from restrictions:			
Expiration of time restrictions	11,749	(11,749)	-
	<u>1,817,783</u>	<u>-</u>	<u>1,817,783</u>
TOTAL PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS	1,817,783	-	1,817,783
EXPENSES			
Program Services:			
Therapeutic and medical	1,067,878	-	1,067,878
Dietary	157,913	-	157,913
Personal client needs	6,149	-	6,149
Total Program Services	<u>1,231,940</u>	<u>-</u>	<u>1,231,940</u>
Supporting Services:			
General and administrative	457,765	-	457,765
Plant operation & maintenance	170,286	-	170,286
Fund raising	17,920	-	17,920
Total Support Services	<u>645,971</u>	<u>-</u>	<u>645,971</u>
TOTAL EXPENSES	<u>1,877,911</u>	<u>-</u>	<u>1,877,911</u>
Increase (decrease) in Net Assets	(60,128)	-	(60,128)
NET ASSETS - BEGINNING OF YEAR	<u>3,908,558</u>	<u>-</u>	<u>3,908,558</u>
NET ASSETS - END OF YEAR	<u>\$ 3,848,430</u>	<u>\$ -</u>	<u>\$ 3,848,430</u>

See accompanying notes to financial statements.

Boys and Girls Villages Foundation, Inc.
Schedule of Functional Expenses
For the Year Ended June 30, 2020

	Therapeutic and Medical	Dietary	Personal Client Needs	Total Program Services	General and Administrative	Plant Operation and Maintenance	Fund Raising	Total Support Services	Total
Salaries	\$ 912,348	\$ 39,809	\$ -	\$ 952,157	\$ 219,200	\$ -	\$ -	\$ 219,200	\$ 1,171,357
Seminars	-	-	-	-	6,588	-	-	6,588	6,588
Staff Training	-	-	-	-	3,779	-	-	3,779	3,779
Payroll taxes	60,858	4,581	-	65,439	25,361	-	-	25,361	90,800
Employee benefits	94,672	6,619	-	101,291	39,254	-	-	39,254	140,545
Professional services	-	-	-	-	8,000	-	-	8,000	8,000
Insurance	-	-	-	-	51,967	-	-	51,967	51,967
Licenses and accreditations	-	-	-	-	5,558	-	-	5,558	5,558
Office supplies	-	-	-	-	18,528	-	-	18,528	18,528
Bank Charges	-	-	-	-	1,336	-	-	1,336	1,336
Postage	-	-	-	-	2,542	-	-	2,542	2,542
Property tax	-	-	-	-	292	-	-	292	292
Telephone	-	-	-	-	7,276	-	-	7,276	7,276
Vehicle expense	-	-	-	-	49,322	-	-	49,322	49,322
Food costs	-	96,536	-	96,536	-	-	-	-	96,536
Kitchen supplies	-	10,368	-	10,368	-	-	-	-	10,368
Household supplies	-	-	-	-	16,028	-	-	16,028	16,028
Personal client needs	-	-	6,149	6,149	-	-	-	-	6,149
Repairs and maintenance	-	-	-	-	-	85,650	-	85,650	85,650
Utilities	-	-	-	-	-	52,048	-	52,048	52,048
Depreciation	-	-	-	-	-	32,588	-	32,588	32,588
Fund raising	-	-	-	-	-	-	17,920	17,920	17,920
Miscellaneous	-	-	-	-	2,734	-	-	2,734	2,734
Total functional expenses	\$ 1,067,878	\$ 157,913	\$ 6,149	\$ 1,231,940	\$ 457,765	\$ 170,286	\$ 17,920	\$ 645,971	\$ 1,877,911

See accompanying notes to financial statements.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ (60,128)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	32,588
Unrealized (gain)/loss on investments	11,364
(Increase) Decrease in current assets:	
Accounts receivable	(24,374)
Prepaid expenses	(7,122)
Increase (Decrease) in liabilities:	
Accounts payable	(16,435)
Accrued liabilities	(336)
Net Cash Provided by Operating Activities	<u>(64,443)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Investment sales(purchases)	(101,274)
Net purchase of property and equipment	<u>(6,720)</u>
Net Cash Used by Investing Activities	<u>(107,994)</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	(172,437)
CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>331,271</u>
CASH EQUIVALENTS AT END OF YEAR	<u>\$ 158,834</u>

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

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, 2020

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, 2020 of \$265,559 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, 2020, the Foundation's uninsured cash balances amounted to \$77,698.

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 \$54,690 at June 30, 2020.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

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, 2016 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, 2020.

Subsequent Events

The Foundation evaluated its June 30, 2020 financial statements for subsequent events through February 25, 2021, 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 February 25, 2021. 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 will adopt this guidance for the fiscal year beginning July of 2020.

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE B – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2020, along with their estimated useful life:

	<u>Cost</u>	<u>Useful Life</u>
Land	\$ 604,917	-
Buildings and Improvements	3,071,582	10-20 years
Transportation equipment	148,695	5 years
Furniture and fixtures	348,677	3-10 years
Equipment	<u>292,960</u>	5-7 years
	4,466,831	
Less: Accumulated depreciation	<u>3,732,956</u>	
Total	<u>\$ 733,875</u>	

Depreciation expense for the year ended June 30, 2020 was \$32,588.

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, 2020

NOTE F – INVESTMENTS

Investments in equity securities with readily determinable fair values are carried at fair value. At the end of June 2020, 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	\$ -	\$ 4	\$ -	\$ 4
Mutual Funds:				
Domestic Fixed	397,667	-	-	397,667
Domestic Growth	1,688,501	-	-	1,688,501
Foreign Growth	657,323	-	-	657,323
Total Mutual Funds	2,743,491	-	-	2,743,491
Total	<u>\$ 2,743,491</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 2,743,495</u>

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, 2020 were \$34,006.

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, 2020:

Time restrictions:	
United Way Allocation	<u>\$ 11,749</u>

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2020

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 \$3,167,888 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$158,834, accounts receivable of \$265,559 and investments of \$2,743,495. 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 as sets, at year-end	\$ 3,167,888
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>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,167,888</u>

SUPPLEMENTAL INFORMATION

BOYS AND GIRLS VILLAGES FOUNDATION, INC.

SCHEDULE OF EXPENSES
For the Year Ended June 30, 2020

Bank Charges	\$	1,336
Client Needs		6,149
Depreciation		32,588
Employee Benefits		140,545
Food Supplies		96,536
Fund Raising		17,920
Household Supplies		16,028
Insurance		51,967
Kitchen Supplies		10,368
Licenses and Accreditations		5,558
Miscellaneous		2,734
Office Supplies		18,528
Postage		2,542
Professional Services		8,000
Repairs & Maintenance		85,650
Salaries		1,171,357
Seminars		6,588
Staff Training		3,779
Taxes - Payroll		90,800
Taxes - Property		292
Telephone		7,276
Utilities		52,048
Vehicle Expense		49,322
		<hr/>
	\$	<u>1,877,911</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, 2020

Child care expenses - year ended June 30, 2020	\$	1,877,911
Total child care days - year ended June 30, 2020		10,142
Average cost per child care day	\$	185

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

Boys and Girls Villages Foundation, Inc.
June 30, 2020

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

Year Ended: June 30, 2020

Agency Head: Max Mathieu, Executive Director

Purpose	Amount
Salary	78,728
Benefits-insurance	1,704
Benefits-retirement	4,724
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	-
FY TOTAL:	96,901

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**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, 2020, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated February 25, 2021.

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
February 25, 2021

**BOYS AND GIRLS VILLAGES FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

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
not material weaknesses _____ yes X no
- Noncompliance material to financial
statements noted? _____ yes X no