

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

## Table of Contents

Independent Auditors' Report	1-3
Financial Statements	
Statement of Financial Position	4-5
Statement of Activities and Changes in Net Assets	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-14
Supplementary Information	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	15
Schedule of Expenditures of Federal Awards	16-17
Notes to the Schedule of Expenditures of Federal Awards	18
Other Independent Auditors' Reports	
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 <i>Government Auditing Standards</i>	19-20
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	21-23
Schedule of Findings and Questioned Cost	24
Summary Schedule of Prior Year Findings	25
Other Information	
Independent Accountants' Report on Applying Statewide Agreed Upon Procedures	26-34



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Boys and Girls Club of Metro Louisiana, Inc.  
Baton Rouge, LA

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Boys and Girls Club of Metro Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 Club of Metro Louisiana, Inc. as of December 31, 2023, 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 Club of Metro Louisiana, 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 Club of Metro Louisiana, 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 Club of Metro Louisiana, 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 Club of Metro Louisiana, 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.

### ***Emphasis of Matter***

The financial statements for the year ended December 31, 2023 reflect certain prior period adjustments as described in Note 12 to the financial statements. Our opinion is not modified with respect to this matter.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

The accompanying Schedule of Compensation, Benefits, and Other Payments to the Agency Head, and the Statewide Agreed Upon Procedures are not a required part of the financial statements, but are supplementary information required by Louisiana State Law. 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. We have applied certain limited procedures, which are described in the Independent Accounts' Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2024, on our consideration of Boys and Girls Club of Metro Louisiana, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boys and Girls Club of Metro Louisiana, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boys and Girls Club of Metro Louisiana, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Daigrepoint & Brian APAC". The signature is written in a cursive, flowing style.

Daigrepoint & Brian, APAC  
Baton Rouge, LA

June 29, 2024

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

ASSETS

Current Assets

Cash	\$ 340,129
Grants receivable, net	841,523
Pledges receivable	35,000
Building lease receivable, current, net of discount	39,036
Prepaid expenses	31,010

Total Current Assets	1,286,698
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Property and Equipment

Land	132,330
Equipment	863,175
Buildings and improvements	2,110,327
Less: Accumulated depreciation	(2,495,190)

Net Property and Equipment	610,642
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Other Assets

Construction in progress	403,276
Building lease receivable, net of current, net of discount	1,053,972
Operating ROU asset	111,978
Investments	199,492
Deposits	5,918

Total Other Assets	1,774,636
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Total Assets	\$ 3,671,976
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See accompanying notes and independent auditors' report.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 262,168
Credit cards	34,542
Payroll liabilities	41,124
Accrued expenses	7,305
Operating lease liability, current portion	55,989
Regranting liability	<u>92,763</u>
Total Current Liabilities	493,891
Long Term Liabilities	
Operating lease liability, net of current portion	<u>55,989</u>
Total Long Term Liabilities	<u>55,989</u>
Total Liabilities	549,880
Net Assets	
Without donor restrictions	1,462,476
With donor restrictions	<u>1,659,620</u>
Total Net Assets	<u>3,122,096</u>
Total Liabilities and Net Assets	<u><u>\$ 3,671,976</u></u>

See accompanying notes and independent auditors' report.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Contributions & private grants	\$ 672,674	\$ 823,107	\$ 1,495,781
Federal grants	963,120	-	963,120
State grants	191,174	-	191,174
Program services	78,252	-	78,252
Events	273,368	-	273,368
Other income	28,297	-	28,297
Net assets released from restriction	918,509	(918,509)	-
Total Revenues	<u>3,125,394</u>	<u>(95,402)</u>	<u>3,029,992</u>
<b>EXPENSES</b>			
Program services	2,031,590	-	2,031,590
Fundraising	495,949	-	495,949
Management and general	601,506	-	601,506
Total Expenses	<u>3,129,045</u>	<u>-</u>	<u>3,129,045</u>
<b>CHANGE IN NET ASSETS</b>	(3,651)	(95,402)	(99,053)
Net Assets - Beginning of Year	<u>1,466,127</u>	<u>1,755,022</u>	<u>3,221,149</u>
Net Assets - End of Year	<u><u>\$ 1,462,476</u></u>	<u><u>\$ 1,659,620</u></u>	<u><u>3,122,096</u></u>

See accompanying notes and independent auditors' report.



**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services	Fundraising	Management & General	Total
Bad debt expense	\$ -	\$ 60,500	\$ -	\$ 60,500
Depreciation	95,909	87	2,158	98,154
Dues, fees, and licenses	10,694	10,380	10,652	31,726
Employee benefits	56,445	7,696	22,760	86,901
Events	12,041	89,781	-	101,822
Insurance	61,089	2,540	15,061	78,690
Office expense	36,887	12,746	19,265	68,898
Other	12,831	2,010	12,024	26,865
Payroll taxes	87,358	17,878	25,892	131,128
Professional services	14,765	6,501	60,287	81,553
Rent	75,636	33,300	33,300	142,236
Repairs and maintenance	26,045	333	1,880	28,258
Salaries	1,152,044	233,701	355,614	1,741,359
Supplies	76,991	-	-	76,991
Transportation	233,239	-	-	233,239
Travel	28,691	15,620	28,732	73,043
Utilities	50,925	2,876	13,881	67,682
	<u>\$ 2,031,590</u>	<u>\$ 495,949</u>	<u>\$ 601,506</u>	<u>\$ 3,129,045</u>

See accompanying notes and independent auditors' report.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$ (99,053)
Adjustments to reconcile net expenses over revenues to net cash used in operating activities:	
Net unrealized investment gain	(11,519)
Interest/dividends reinvested	(5,650)
Bad debt expense	60,500
Depreciation	98,154
Amortization of building lease receivable	39,036
Increase in grants receivable, net	(448,966)
Increase in pledges to give	(34,084)
Increase in prepaid expenses	(13,002)
Decrease in deposits	859
Increase in accounts payable	135,641
Increase in credit cards	20,704
Increase in payroll liabilities	7,014
Decrease in accrued expenses	(25,330)
Increase in regranting liability	77,513
	<hr/>
Net cash used in operating activities	(198,183)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Cash paid for acquisition of fixed assets	(73,852)
Cash paid for construction in progress	(155,450)
	<hr/>
Net cash used in investing activities	(229,302)

**DECREASE IN CASH** (427,485)

**CASH, BEGINNING OF YEAR** 

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767,614

**CASH, END OF THE YEAR** 

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\$ 340,129

See accompanying notes and independent auditors' report.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. Summary of Significant Accounting Policies**

**Organization**

Boys and Girls Club of Metro Louisiana, Inc. (The Club), f/k/a Boys and Girls Club of Greater Baton Rouge, Inc., was incorporated on March 5, 1991, with offices in Baton Rouge, Louisiana and New Orleans, Louisiana. The purpose of The Club is to promote the health, social, educational, vocational and character development of boys and girls in the Baton Rouge, New Orleans, and surrounding areas.

**Basis of Accounting**

The current year financial statements of The Club have been prepared on the accrual basis of accounting according to accounting principles generally accepted in the United States of America. Accordingly, all significant receivables, payables and other liabilities are reflected in the financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash**

Cash consists of deposits held with a bank.

**Net Assets**

The Club reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions are net assets that are not subject to donor-imposed restrictions and are available for use at the organization's discretion.

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions that may or will be met by either actions of the organization or the passage of time. Once the restrictions are met, they are reclassified to net assets without donor restrictions. During the year ended December 31, 2023, The Club received contributions and grants with donor restrictions of \$823,107 and spent \$918,509 for the various contributions and grants intended purposes. There are net assets with donor restrictions of \$1,659,620 at year end. The remaining restrictions will be satisfied as cost are incurred in fulfillment of the donors' stipulations.

The Club's board voted to set aside the investment funds as a board-designated quasi-endowment fund for the benefit of the continuity of The Club's operations. This investment is further discussed in the investment footnote below.

**Grants Receivable**

Grants receivable are stated at net realizable value. The Club maintains allowances for doubtful accounts for estimated losses resulting from the inability of its grantors to make required payments. Because collection is expected at 100%, an allowance for doubtful accounts has not been estimated. Grants receivable at December 31, 2022 were 425,592.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Pledges Receivable**

Pledges receivable are unconditional promises to pay certain amounts in the future. Management evaluates the collectability of its receivables and records an allowance for estimated uncollectible amounts. Because collection is expected at 100%, an allowance for doubtful accounts has not been estimated.

**Revenue Recognition**

The Club recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration The Club expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, The Club combines it with other performance obligations until a distinct bundle of goods or services exists. Performance obligations are satisfied over time and the related revenue is recognized as services are rendered. The Club's management expects that the period between when The Club transfers good and services to their customers and when the customers pay for those good and services will be one year or less. Therefore, The Club elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component. Invoices resulting from The Club's contracts with customers are generally due within 30 days of the invoice date.

*Government Grants*

Governmental grants are primarily passed through the state of Louisiana and are accounted for as conditional contributions due to rights of return/release and barriers to entitlement to funds. Revenue is recognized when qualified expenditures are incurred and conditions under the grant agreement are met.

*Fund-Raising Events*

The Club holds fund-raising events and reports the revenues generated, net of any direct operation costs, as revenue, gains, and other support in the accompanying statement of activities and changes in net assets. Fund-raising revenue is recognized at fair value on the earlier of the receipt of cash or of an unconditional promise to give. Collections made prior to The Club hosting the event are classified as deferred revenue until the event is held.

*Contributions and Private Grants*

The Club receives support from individuals, foundations, corporations, and other nonprofit organizations in support of The Club's mission. Contribution and private grant revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, The Club receives promises to give that have certain conditions such as meeting specific performance-related barriers or limiting The Club's discretion on use of the funds. Other contributions or private grants may have revocable features to the promises to give. Such conditional promises to give are recognized when the conditions are substantially met.

**Functional Expenses**

The Club allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expense classification. Other expenses are allocated between programs and fundraising services based on management's best estimate of time, percentage, or square footage used, among other factors.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Donated services**

The value of personal services provided to The Club have not been recorded in the accompanying financial statement as they do not meet the criteria for recognition, i.e. payments to individuals possessing a required specialized skill. These type of services are typically paid by The Club. Volunteers provide other needed services, but their time was not computed for reporting purposes.

**Income Taxes**

The Club accounts for income taxes in accordance with FASB ASC 740-10, Accounting for *Uncertainty in Income Taxes* . Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

The Club is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Club files Form 990 in the U.S. federal jurisdiction. The Organization is no longer subject to federal information return examinations by tax authorities beyond three years from the filing of those returns.

**Property and Equipment**

Property and equipment is presented in the financial statements at cost less allowances for depreciation. Depreciation is computed using the straight-line method and is provided over the estimated useful lives of assets, which ranges from three to forty years. Equipment with an original cost of \$2,500 or greater is generally capitalized.

**2. Retirement Plan**

The Club participates in an insured, non-contributory defined contribution plan sponsored by the Boys and Girls Club of America. The plan covers substantially all employees with over 1,000 hours of service. The amounts charged to retirement benefits for the year ended December 31, 2023 was \$39,600.

**3. Economic Dependency**

The Club derives the majority of its revenues from contributions & private grants and governmental sources as earned revenue or grants, the loss of which would have a material adverse effect on The Club. During the year ended December 31, 2023 revenue derived from these sources accounted for 49% and 38%, respectively, of total revenue.

**4. Concentrations**

Financial instruments which subject The Club to concentrations of credit risk consist of cash deposits held with local banks. Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. The Club maintains cash in local and regional financial institutions which often exceed the FDIC limits. Management does not believe that it is exposed to any significant credit risk on uninsured amounts.

Concentrations of revenues and receivables greater than or equal to 10% for the year ended December 31, 2023 are as follows:

	<u>Revenue</u>	<u>Receivable</u>
Federal Grants	32%	58%
Contributions & Private Grants	49%	38%

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**5. Related Party**

The Club is affiliated with the national organization - Boys and Girls Clubs of America (BGCA). BGCA acts as an agent for many of their member clubs to administer various grants. BGCA provided approximately \$112,500 in funding to The Club during the fiscal year ended December 31, 2023.

**6. Leases**

The Club entered into a lease agreement in September 2023 to lease office space for its New Orleans location. The agreement is valid for 28 months and expires at December 31, 2025. Payments were \$2,316 per month until December 2023. Starting January 2024 payments will be \$5,416 a month until maturity. The ROU asset for this operating lease totaled \$111,978 at December 31, 2023 as reflected in the Statement of Financial Position.

The future payments under this lease is as follows:

December 31, 2024	\$ 64,992
December 31, 2025	<u>64,992</u>
Total undiscounted cash flows	129,984
Less: Present value discount	<u>(18,006)</u>
Total lease liability	<u><u>\$ 111,978</u></u>

The weighted average remaining lease term is two years and the weighted average discount rate is 4.98% as of December 31, 2023.

The Club has elected to apply the short-term lease exception to all leases with a term of one year or less. The Club's short-term lease costs do not reflect the ongoing short-term lease commitments as the Club entered into several short-term lease commitments.. Short-term and other costs related to leases were approximately \$75,000 for the year ended December 31, 2023.

**7. Liquidity and Availability of Financial Assets**

The following reflects The Club's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of a contractual or donor imposed restriction within one year of the statement of financial position date.

Financial Assets at Year End:	
Cash	\$ 340,129
Grants receivable	841,523
Pledges receivable	35,000
Building lease receivable	1,093,008
Net assets restricted for future use	<u>(1,659,620)</u>
Financial Assets Available for General Expenditures	<u><u>\$ 650,040</u></u>

As part of The Club's liquidity management plan excess cash has been placed in various checking and savings accounts to meet unexpected liquidity needs or in the event of financial distress.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**8. Subsequent Event**

In preparing these financial statements, The Club has evaluated events and transactions for potential recognition or disclosure through June 29, 2024, which is the date the financial statements were available to be issued.

**9. Investments**

Cost and fair value of investments at December 31, 2023 are as follows:

	Cost	Unrealized Gain	Fair Value
Investments in pooled funds	<u>\$ 157,930</u>	<u>\$ 41,562</u>	<u>\$ 199,492</u>

Earnings/(losses) on investments for the year ended December 31, 2023 are as follows:

Interest and dividends	\$ 5,650
Investment expenses	(1,746)
Unrealized gains	<u>13,264</u>
	<u>\$ 17,168</u>

**10. Fair Value Measurements**

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Club uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, The Club measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 1 or 3 inputs were available to The Club.

Level 2 Fair Value Measurements – Inputs are based upon quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, and model-based, valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of assets or liabilities. Fair values of assets measured on a recurring basis at December 31, 2023 are as follows:

	Fair Value	Quoted Prices in Active Markets for Similar Assets (Level 2)
Investments in pooled funds	<u>\$ 199,492</u>	<u>\$ 199,492</u>

**11. Commitments and Contingencies**

The Club receives federal, state, and private grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the agency for expenditures disallowed under the terms of the grant. It is the opinion of management that The Club's compliance with the terms of grants will result in negligible, if any, disallowed costs.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**12. Prior Period Adjustment**

Errors resulting in the misstatement of financial statement categories as presented below in the December 31, 2022 financial statements were identified during the current year. The errors related to underreported federal grant revenue, building lease receivable, net assets with donor restrictions, and net assets without donor restrictions. The effects of the restatement on the financial statements as of and for the year ended December 31, 2022 are summarized below:

	As Previously Stated	Adjustment	Dec. 31, 2022 Restated
Grants receivables, net	\$ 425,592	\$ 22,965	\$ 448,557
Net assets without donor restrictions	\$ 1,443,162	\$ 22,965	\$ 1,466,127
Federal grants revenue	\$ 320,817	\$ 22,965	\$ 343,782
Building lease receivable, net	\$ -	\$ 1,132,044	\$ 1,132,044
Net assets with donor restrictions	\$ 622,978	\$ 1,132,044	\$ 1,755,022
Rent expense	\$ 111,750	\$ 39,036	\$ 150,786

**13. Building Lease Receivable**

In 2001, the Club entered a leasing agreement with City of Gretna for usage of a building for 50 years, which expires on September 30, 2051. The annual rent of \$40,000 is considered a donation to the Club. The rent expense is presented in the statement of functional expenses.

As of January 1, 2023, a contributed rent receivable equal to the present value of annual rental payments, assuming a discount rate of 2.74% , was recorded by the Club. The annual rent expense of \$40,000 was recorded, net of amortized discount, resulting in a net rental expense of \$39,036 for the year ended December 31, 2023.

Rent expense expected to be recorded in future years, in accordance with the lease agreement, is as follows:

	Lease Amount	Discount Amortization	Net Expense
December 31, 2024	\$ 40,000	\$ 964	\$ 39,036
December 31, 2025	40,000	964	39,036
December 31, 2026	40,000	964	39,036
December 31, 2027	40,000	964	39,036
December 31, 2028	40,000	964	39,036
Thereafter	920,000	22,172	897,828
	<u>\$ 1,120,000</u>	<u>\$ 26,992</u>	<u>\$ 1,093,008</u>



**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Agency Head:** Angel Nelson

*No compensation paid from public funds.*

See accompanying notes and independent auditors' report.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>Federal Grantor or Pass-Through Grantor Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Education</b>			
<b>Passed Through LA Department of Education</b>			
21st Century Community Learning Centers	84.287	WPHETGW86E69	\$ 605,089
<b>Total Passed Through LA Department of Education</b>			<u>605,089</u>
<b>Total U.S. Department of Education</b>			<u>605,089</u>
<b>United States Treasury</b>			
<b>Passed Through St. Tammany Parish</b>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	SQSNF2N6GRH3	212,169
<b>Total Passed Through St. Tammany Parish</b>			<u>212,169</u>
<b>Total United States Treasury</b>			<u>212,169</u>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Passed Through St. Tammany Parish</b>			
Community Development Block Grant	14.218	SQSNF2N6GRH3	29,905
<b>Total Passed Through St. Tammany Parish</b>			<u>29,905</u>
<b>Passed Through Jefferson Parish</b>			
Community Development Block Grant	14.218	TCNNKDFJWPQ9	16,865
Community Development Block Grant	14.218	TCNNKDFJWPQ10	27,026
			<u>43,891</u>
<b>Total Passed Through Jefferson Parish</b>			<u>43,891</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>73,796</u>

See accompanying notes to schedule of expenditures of federal awards.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>Federal Grantor or Pass-Through Grantor Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Justice</b>			
<b>Passed Through BGCA</b>			
Youth Gang Prevention	16.544	H33CHK1WKG57	12,000
Youth Gang Prevention	16.544	H33CHK1WKG58	12,000
Youth Gang Prevention	16.544	H33CHK1WKG59	12,000
Youth Gang Prevention	16.544	H33CHK1WKG60	9,168
Youth Gang Prevention	16.544	H33CHK1WKG61	10,500
			<u>55,668</u>
<b>Total Passed Through BGCA</b>			<u>55,668</u>
<b>Total U.S. Department of Justice</b>			<u>55,668</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 946,722</u></u>

See accompanying notes to schedule of expenditures of federal awards.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Boys and Girls Club of Metro Louisiana, Inc. (The Club) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Club, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Club.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

The Club is reimbursed for actual costs incurred and does not apply an indirect cost rate.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Boys and Girls Club of Metro Louisiana, Inc.  
Baton Rouge, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Boys and Girls Club of Metro Louisiana, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Boys and Girls Club of Metro Louisiana, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Club of Metro Louisiana, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Boys and Girls Club of Metro Louisiana, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Boys and Girls Club of Metro Louisiana, Inc.'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 financial statements. 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Daigrepoint & Brian APAC". The signature is written in a cursive, flowing style.

Daigrepoint & Brian, APAC  
Baton Rouge, LA

June 29, 2024



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

To the Board of Directors  
Boys and Girls Club of Metro Louisiana, Inc.  
Baton Rouge, LA

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Boys and Girls Club of Metro Louisiana, Inc.’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Boys and Girls Club of Metro Louisiana, Inc.’s major federal programs for the year ended December 31, 2023. Boys and Girls Club of Metro Louisiana, Inc.’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Boys and Girls Club of Metro Louisiana, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Boys and Girls Club of Metro Louisiana, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Boys and Girls Club of Metro Louisiana, Inc.’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of

laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Boys and Girls Club of Metro Louisiana, Inc.'s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Boys and Girls Club of Metro Louisiana, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Boys and Girls Club of Metro Louisiana, Inc.'s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Boys and Girls Club of Metro Louisiana, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Boys and Girls Club of Metro Louisiana, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Club of Metro Louisiana, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal



control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in blue ink that reads "Daigrepoint & Brian APAC". The signature is written in a cursive, flowing style.

Daigrepoint & Brian, APAC  
Baton Rouge, LA  
June 29, 2024

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2023**

We have audited the consolidated financial statements of Boys and Girls Club of Metro Louisiana, Inc. (The Club), as of December 31, 2023, and for the year then ended, and have issued our report thereon dated June 29, 2024. 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 and the provisions of the Uniform Guidance. Our audit of the financial statements as of December 31, 2023 resulted in an unmodified opinion.

**Identification of Major Programs**

Assistance Listing Number(s) - Federal Program or Cluster

84.287 - 21st Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Is the auditee a 'low risk' auditee as defined by the Uniform Guidance No

**Summary of Auditors' Reports**

*Independent Auditors' Report Opinion* Unmodified

***Report on Internal Control and Compliance Material to the Financial Statements***

Material Weaknesses Identified No

Significant Deficiencies Identified No

Non-Compliance with Provisions of Laws, Regulation, Contracts or Grant Agreements No

***Report on Each Major Federal Program and on Internal Control Over Compliance***

Material Weaknesses Identified No

Significant Deficiencies Identified No

Type of Opinion on Compliance for Each Major Program

84.287 - 21st Century Community Learning Centers Unmodified

Are there findings required to be reported in accordance with the Uniform Guidance No

**Findings - Financial Statement Audit**

There are no findings for the year ended December 31, 2023.

**Questioned Costs**

There are no questioned costs for the year ended December 31, 2023.

**BOYS & GIRLS CLUB OF METRO LOUISIANA, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Summary of Prior Audit Findings**

There were no findings for the year ended December 31, 2022.

**Questioned Costs**

There were no questioned cost for the year ended December 31, 2022.



**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
Boys and Girls Club of Metro Louisiana, Inc.  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. Boys and Girls Club of Metro Louisiana, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Boys and Girls Club of Metro Louisiana, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: There is no written policy and procedures regarding disaster recovery. No other exceptions were noted as a result of applying these procedures.

### ***Board or Finance Committee***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period

referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Exception: The board failed to meet on a monthly basis with a quorum. No other exceptions were noted as a result of applying these procedures.

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions noted as a result of applying this procedure.

### ***Collections (excluding electronic funds transfers)***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions noted as a result of applying this procedure.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
  - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (ETF), wire transfer, or some other electronic means.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Results: No exceptions noted as a result of applying this procedure.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

- 12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
- 14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exception: Finance charges were present on the selected credit card statement. No other exceptions were noted as a result of applying these procedures.

#### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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- 15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).



- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions noted as a result of applying this procedure.

### ***Contracts***

---

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions noted as a result of applying this procedure.

### ***Payroll and Personnel***

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17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions noted as a result of applying this procedure.

### ***Ethics***

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21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
  - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: Boys and Girls Club of Metro Louisiana, Inc. is a nonprofit organization so this procedure does not apply.

### ***Debt Service***

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23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Boys and Girls Club of Metro Louisiana, Inc. is a nonprofit organization so this procedure does not apply.

### ***Fraud Notice***

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25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

26. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions noted as a result of applying this procedure.

### ***Information Technology Disaster Recovery/Business Continuity***

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27. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees previously obtained. Observe evidence that the selected terminated employees have been removed or disabled from the network.

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- a) Hired before June 9, 2020 - completed the training; and
- b) Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: We performed the procedures and discussed the results with management.

### ***Sexual Harassment***

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30. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

31. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

Results: Boys and Girls Club of Metro Louisiana, Inc. is a nonprofit organization so this procedure does not apply.

Management's Response: We have reviewed the independent accountant's report on applying agreed-upon procedures and agree with the exceptions noted. We will review our policies and procedures and update accordingly to include the best practices suggested by the LLA.

We were engaged by Boys and Girls Club of Metro Louisiana, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Boys and Girls Club of Metro Louisiana, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Daigrepont & Brian, APAC  
Baton Rouge, LA

June 29, 2024