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MANAGEMENT LETTER

To Management and
The Board of Directors
Boys & Girls Club of Poplar Bluff
Poplar Bluff, Missouri 63901

In planning and performing our audit of the financial statements of the Boys & Girls Club of Poplar Bluff for the year ended December 31, 2023, we considered the Organization's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated July 10, 2024, on the financial statements of the Boys & Girls Club of Poplar Bluff.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with Organization personnel, and we will be pleased to discuss them in further detail at your convenience. Our comments are summarized as follows:

Segregation of Duties-Membership Dues

There is an inadequate segregation of duties with regards to the cash collection of membership dues. The same person is responsible for collecting dues and making cash deposits. We recommend that to the extent possible, the duties of billing and receivables, collecting and making cash deposits be divided in order to segregate duties.

Payroll Documentation

We noted during our audit of payroll, the payroll time cards were not signed by the employees and their supervisors. We recommend that all time cards be signed by the employees and their supervisors so that authorization is documented for the hours reported and paid.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Smith & Davis CPAs

Certified Public Accountants

July 10, 2024

BOYS AND GIRLS CLUB OF POPLAR BLUFF

AUDIT REPORT

DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Boys and Girls Club of Poplar Bluff

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Boys and Girls Club of Poplar Bluff (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 Poplar Bluff 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 the Boys and Girls Club of Poplar Bluff 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 the Boys and Girls Club of Poplar Bluff'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 the Boys and Girls Club of Poplar Bluff'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 the Boys and Girls Club of Poplar Bluff's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2024, on our consideration of the Boys and Girls Club of Poplar Bluff'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 the Boys and Girls Club of Poplar Bluff'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 the Boys and Girls Club of Poplar Bluff's internal control over financial reporting and compliance.

Smith & Davis CPAs

July 10, 2024

BOYS & GIRLS CLUB OF POPLAR BLUFF
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

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ASSETS

Current Assets:

Cash and cash equivalents	\$	30,860
Investments		116,399
Membership dues receivable (net)		61,568
Government funding receivable		159,363
Special events receivable		895
Other receivables		298

Total current assets		<u>369,383</u>
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Capital Assets:

Property and equipment (net)		346,952
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Other Assets:

CFO Endowment-Blue Door		<u>41,104</u>
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TOTAL ASSETS	\$	<u><u>757,439</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	147,971
Credit cards payable		3,250
Prepaid membership dues		25,079
Accrued expenses		15,974
Notes payable		10,141

Total current liabilities		<u>202,415</u>
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Long-term Liabilities:

Notes payable		<u>19,646</u>
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Net Assets:

Without donor restrictions		
Undesignated		494,274
Board designated-endowment		<u>41,104</u>

Total net assets		<u>535,378</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>757,439</u></u>
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The accompanying notes are an integral part of these financial statements.

BOYS & GIRLS CLUB OF POPLAR BLUFF
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

4

Operating Support and Revenue:	
Support:	
Government funding	\$ 1,179,538
Contributions of cash and other financial assets	148,796
Special events	123,767
Total support	<u>1,452,101</u>
Revenue:	
Membership dues	158,692
Miscellaneous	111,695
Total revenue	<u>270,387</u>
Total Operating Support and Revenue	<u>1,722,488</u>
Operating Expenses:	
Program services	1,422,564
Management and general	216,778
Fundraising	193,107
Total Operating Expenses	<u>1,832,449</u>
Change in operating net assets	(109,961)
Net assets, beginning of year	<u>645,339</u>
Net assets, end of year	<u>\$ 535,378</u>

The accompanying notes are an integral part of these financial statements.

BOYS & GIRLS CLUB OF POPLAR BLUFF
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

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	<u>Program Services</u>		<u>Support Services</u>	
	<u>Program Boys and Girls Club</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries & Wages	\$ 858,742	\$ 59,912	\$ 79,883	\$ 998,537
Employee benefits	97,315	6,789	9,054	113,158
AmeriCorps	50,465			50,465
Building & facilities expense	30,287			30,287
Capital Campaign			87,479	87,479
Equipment	2,396			2,396
Depreciation	23,768	2,252		26,020
Food program	176,373			176,373
Special events expense			16,691	16,691
Purchased services	53,512			53,512
Program expenses	103,778			103,778
Administrative expenses		72,109		72,109
Auto expense	23,708			23,708
Telephone/communications	2,220			2,220
Professional development		16,754		16,754
Bad debts		46,478		46,478
Miscellaneous		12,484		12,484
Total	\$ <u>1,422,564</u>	\$ <u>216,778</u>	\$ <u>193,107</u>	\$ <u>1,832,449</u>

The accompanying notes are an integral part of these financial statements.

BOYS & GIRLS CLUB OF POPLAR BLUFF
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

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Cash flows from operating activities:

Change in operating net assets	\$ (109,961)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	26,020
(Increase) decrease in accounts receivable	1,324
Increase (decrease) in prepaid dues	1,289
Increase (decrease) in accounts payable and accrued expenses	<u>63,318</u>
Net cash provided (used) by operating activities	<u>(18,010)</u>

Cash flows from investing activities:

Cash payments for property and equipment	(27,622)
Investment activity-CFO Endowment	(6,065)
Investment activity-Southern Bancorp	45,405
Investment activity-Ozark	<u>(35,232)</u>
Net cash provided (used) by investing activities	<u>(23,514)</u>

Cash flows from financing activities:

Proceeds from the issuance of debt	0
Principal payments on notes payable	<u>(9,629)</u>
Net cash provided (used) by investing activities	<u>(9,629)</u>

Net increase (decrease) in cash and cash equivalents (51,153)

Cash and cash equivalents--December 31, 2022 82,013

Cash and cash equivalents--December 31, 2023 \$ 30,860

Supplemental data:

Interest paid	\$ 1,533
Taxes	\$ 0

The accompanying notes are an integral part of these financial statements.

**BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities:

Boys & Girls Club of Poplar Bluff (the Organization) is a Missouri nonprofit corporation organized October 28, 1998, that promotes the health, social, educational, vocational, and character development of boys and girls. The Organization is funded by grants from Boys & Girls Clubs of America, Poplar Bluff Public Schools, and other contributors.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash Equivalents:

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Accounts Receivable:

Government funding receivable is stated at the amount management expects to collect from outstanding balances. Uncollectible balances are considered immaterial.

Membership dues receivable is shown net of an allowance for uncollectibles. There were no changes to this allowance in 2023.

Promises to Give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets without donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Property and Equipment:

The Organization capitalizes property and equipment with a cost greater than \$1,000 and a useful life of one year or more, and all costs associated with a new construction or renovation project. Property, plant and equipment are stated at cost. Depreciation has been provided for over the estimated useful lives of the respective assets on the straight-line method ranging from 3 to 40 years.

Estimates:

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

BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

8

Income Taxes:

The organization is exempt from federal incomes taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for the year ended December 31, 2023.

Revenue Recognition and Contributed Support:

The Club follows the provisions of FASB ASU 2014-09, *Revenue Recognition from Contracts with Customers* (Topic 606) effective July 1, 2020.

The primary source of revenue is derived from government funding which is recognized as reimbursement is requested. Membership dues are recognized over the period the activity is provided.

The Club also followed the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Contributions, including unconditional promises to give, are classified as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Cost Allocation:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, benefits and depreciation.

NOTE 2. RECEIVABLES:

Government funding receivable is deemed to be fully collectible by management and is composed of the following amounts due at December 31, 2023:

Government funding receivable	
21st Century	\$ 36,891
CACFP	37,419
SAC Grant	5,867
Missouri Alliance-Meth Smart	1,500
Missouri Alliance-Smart Moves	3,699
Missouri Alliance-Smart Girls	9,486
Missouri Alliance-Passport to Manhood	9,486
State Opioid Grant	5,896
Temp Assistance to Needy Families (TANF)	18,869
Missouri Kids Grant Award	16,031
ESSER (Elementary & Secondary School Emergency Relief)	14,219
Total government funding receivable	\$ <u>159,363</u>

BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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Membership dues receivable is composed of the following amounts due at December 31, 2023:

Membership dues receivable	\$	76,568
Less allowance for doubtful accounts		(15,000)
Net membership dues receivable	\$	<u>61,568</u>

NOTE 3. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at December 31, 2023:

	Balance at Jan. 1, 2023	Additions	Disposals	Balance at Dec. 31, 2023
Club equipment	\$ 114,523	\$	\$	\$ 114,523
Office Equipment	53,801	2,122		55,923
Building	3,390			3,390
Land	290,000			290,000
Vehicle	148,933	25,500		174,433
Totals at historical cost	610,647	27,622	0	638,269
Less: accumulated depreciation	(265,297)	(26,020)		(291,317)
Property and equipment (net)	\$ <u>345,350</u>	\$ <u>1,602</u>	\$ <u>0</u>	\$ <u>346,952</u>

NOTE 4. GIFTS-IN-KIND:

The Organization records in-kind contributions of tangible property when received. These contributions are recognized at fair value at the date of the donation. During 2023, no gifts in-kind were received.

NOTE 5. PENSION PLAN:

The Organization contributes to a Simple IRA plan for employees who have met the service requirement of \$5,000 in earnings in the current and preceding year. Eligible employees may make a salary reduction election, and the Organization contributes a matching amount up to 3% of the employee's compensation for the year.

NOTE 6. INVESTMENTS:

The fair value of investments at December 31, 2023 is as follows:

Community Foundation of the Ozarks	\$	<u>116,399</u>
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NOTE 7. NET ASSETS:

The Blue Door Endowment was created to serve as an additional revenue stream that may be used at the Board of Director's discretion. Only 4% of the interest may be withdrawn per year but will only be drawn if there is a compelling need.

Community Foundation of the Ozarks-CFO Endowment	\$	<u>41,104</u>
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BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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NOTE 8. NOTES PAYABLE:

At December 31, 2023, notes payable consisted of the following:

Notes payable original amount of \$50,112; dated 10/05/21;
 Payable to First Midwest Bank: 4.5% interest rate
 Maturity date 10/05/26; financed two buses \$ 29,787

Changes in Notes Payable

	Balance 2022	Additions	Deductions	Balance 2023
Notes Payable	\$ <u>39,416</u>	\$ <u>0</u>	\$ <u>9,629</u>	\$ <u>29,787</u>

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2023, are as follows:

Year ending	Principal	Interest
2024	\$ 10,141	\$ 1,087
2025	10,607	621
2026	9,039	145
	<u>\$ 29,787</u>	<u>\$ 1,853</u>

NOTE 9. CONCENTRATION OF CREDIT RISK:

At December 31, 2023, the Organization has investments with the Community Foundation of the Ozarks \$116,399 which was unsecured. All other bank accounts are fully insured by the FDIC.

NOTE 10. COMMITMENT:

The Organization started a capital campaign in 2022 to build a new 40,000-square-foot Workforce Development Regional Teen Center. This project will be funded with contributions and state grants. A \$250,000 NAP grant was awarded December 28, 2023 to help with this project.

NOTE 11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets of December 31, 2023, reduced by amounts not available for general use because of either contractual or donor-imposed restrictions within one year of the balance sheet date. See Note 7 for information on the board designated endowment.

BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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NOTE 11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS: Continued

Financial assets	\$ 410,487
Less those unavailable for general expenditures within one year due to:	
Board Designated Endowment	<u>(41,104)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>369,383</u></u>

NOTE 12. DATE OF MANAGEMENT REVIEW:

Subsequent events have been evaluated through July 10, 2024, which is the date the financial statements were available to be issued.

FEDERAL COMPLIANCE SECTION

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

To the Board of Directors of
Boys and Girls Club of Poplar Bluff

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 Poplar Bluff (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 July 10, 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 Poplar Bluff'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 Poplar Bluff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Boys and Girls Club of Poplar Bluff'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 Poplar Bluff'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.

Smith & Dawd CPAs

July 10, 2024

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**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 of
Boys and Girls Club of Poplar Bluff

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boys and Girls Club of Poplar Bluff'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 Poplar Bluff's major federal programs for the year ended December 31, 2023. Boys and Girls Club of Poplar Bluff'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 Poplar Bluff 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 Poplar Bluff 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 Poplar Bluff'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 Poplar Bluff'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 Poplar Bluff'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 Poplar Bluff'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 Poplar Bluff'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 Poplar Bluff'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 Poplar Bluff'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.

Smith & Davis CPAs

July 10, 2024

BOYS & GIRLS CLUB OF POPLAR BLUFF
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

<u>Federal Grantor/Pass-Through Agency Program Titles</u>	<u>Assistance Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Education</u>			
Passed-through Missouri Department of Elementary and Secondary Education 21st Century Community Learning Centers Program	84.287c		\$ 696,505
<u>United States Department of Agriculture</u>			
Passed-through Missouri Department of Health and Senior Services Child and Adult Care Food Program	10.558		150,961
<u>United States Department of Health & Human Services</u>			
Passed-through Missouri Department of Elementary and Secondary Education Child Care and Development Block Grant	93.575		63,652
Passed-through Missouri Alliance of Boys and Girls Clubs			
Temporary Assistance for Needy Families	93.558		94,344
FY2024 Missouri's Kids Grant Award	93.558		16,031
Total Department of Health & Human Services			<u>174,027</u>
<u>United States Department of the Interior</u>			
Passed-through Boys & Girls Clubs of America Conservation Activities by Youth Service Organization	15.931	P21AC10070-00	<u>2,374</u>
Total Federal Financial Assistance			<u>\$ 1,023,867</u>

See Independent Auditor's Report

The accompanying "Notes to the Schedule of Expenditures of Federal Awards" are an integral part of this schedule.

BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

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NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes federal grant activity of the Boys and Girls Club of Poplar Bluff 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 Office of Management and Budget's (OMB's) *Uniform Administrative Requirements, Cost Principles, and Audits Requirements for Federal Awards (Uniform Guidance)* located in 2 CFR part 200. Because the schedule presents only a selected portion of the operations of the Boys & Girls Club of Poplar Bluff, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Boys & Girls Club of Poplar Bluff.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the organization's financial statements. The organization uses the accrual basis of accounting. Expenditures represent only federally funded portions of the program.

NOTE 3—INDIRECT COST RATE

The Boys & Girls Club of Poplar Bluff has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

BOYS & GIRLS CLUB OF POPLAR BLUFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

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SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Boys and Girls Club Poplar Bluff.
2. No deficiencies were reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Boys and Girls Club of Poplar Bluff, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award program.
5. The auditor's report on compliance for the major federal award program for the Boys and Girls Club of Poplar Bluff, expresses an unmodified opinion on all major programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) reported in this Schedule.
7. The program tested as major program: U. S. Department of Education, 21st Century Community Learning Centers Program, Assistance Listing No. 84.287c.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The Boys and Girls Club of Poplar Bluff did not qualify to be a low-risk auditee.

FINDINGS-FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

**BOYS & GIRLS CLUB OF POPLAR BLUFF
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023**

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None.