



BOYS & GIRLS CLUBS OF TAMPA BAY, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

(WITH COMPARATIVE TOTALS FOR 2012)

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Boys & Girls Clubs of Tampa Bay, Inc.
Tampa, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Boys & Girls Clubs of Tampa Bay, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Organization's 2012 financial statements and, in our report dated May 23, 2014, we expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boys & Girls Clubs of Tampa Bay, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards and state projects as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations, and Chapter 10.650 Rules of the Auditor General, State of Florida* 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2014 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Certified Public Accountants
May 23, 2014

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			2012	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Totals
ASSETS					
Current assets					
Cash and cash equivalents	\$ 2,042,794	\$ 783,456	\$ 30,583	\$ 2,856,833	\$ 1,379,710
Investments	413,356	287,708	662,684	1,363,748	2,066,527
Accounts and grants receivable	448,756	-	-	448,756	259,449
Pledge receivable - current, net of allowance for uncollectibles	101,097	43,981	-	145,078	137,611
Due from foundation	411,825	-	-	411,825	695,588
Prepaid expenses	62,150	-	-	62,150	74,130
Total current assets	3,479,978	1,115,145	693,267	5,288,390	4,613,015
Construction in progress	359,065	-	-	359,065	-
Property and equipment, less accumulated depreciation of \$4,288,713 and \$4,901,651, respectively	6,926,173	-	-	6,926,173	7,798,433
Prepaid expenses - non-current	52,500	-	-	52,500	60,000
Pledges receivable - non-current, net of allowance for uncollectibles	-	113,375	-	113,375	78,130
Cash value life insurance	-	85,456	-	85,456	80,994
Other assets	2,610	-	-	2,610	5,032
TOTAL ASSETS	\$ 10,820,326	\$ 1,313,976	\$ 693,267	\$ 12,827,569	\$ 12,635,604
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable	\$ 231,518	\$ -	\$ -	\$ 231,518	\$ 84,068
Accrued expenses	217,118	-	-	217,118	221,872
Due to foundation	-	31,579	-	31,579	-
Deferred lease revenue	48,000	-	-	48,000	48,000
Deferred revenue	432,807	-	-	432,807	375,185
Total current liabilities	929,443	31,579	-	961,022	729,125
Long term deferred lease revenue	156,000	-	-	156,000	204,000
TOTAL LIABILITIES	1,085,443	31,579	-	1,117,022	933,125
Net assets					
Unrestricted-from operations	2,449,645	-	-	2,449,645	1,966,772
Unrestricted-property and equipment	7,285,238	-	-	7,285,238	7,798,433
Temporarily restricted	-	1,282,397	-	1,282,397	1,272,476
Permanently restricted	-	-	693,267	693,267	664,798
Total net assets	9,734,883	1,282,397	693,267	11,710,547	11,702,479
TOTAL LIABILITIES AND NET ASSETS	\$ 10,820,326	\$ 1,313,976	\$ 693,267	\$ 12,827,569	\$ 12,635,604

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			2012	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Totals
REVENUES					
Special Events	\$ 600,143	\$ -	\$ -	\$ 600,143	\$ 592,600
Less direct cost of Special Events	(89,993)	-	-	(89,993)	(86,736)
	510,150	-	-	510,150	505,864
Federal grants	641,777	-	-	641,777	866,172
State grants	507,918	-	-	507,918	161,110
Other grants and contracts	870,122	-	-	870,122	906,013
United Way	842,758	-	-	842,758	852,754
Contributions	955,778	594,769	-	1,550,547	1,324,672
In-kind contributions	597,543	-	-	597,543	609,836
Program revenue	363,113	-	-	363,113	411,363
Rental income	72,877	-	-	72,877	72,139
Investment return	5,517	-	68,045	73,562	85,165
Gain (loss) on the disposal of property and equipment	(100,890)	-	-	(100,890)	-
Other income	59	-	-	59	461
	<u>5,266,722</u>	<u>594,769</u>	<u>68,045</u>	<u>5,929,536</u>	<u>5,795,549</u>
Net assets released from restriction	<u>624,424</u>	<u>(584,848)</u>	<u>(39,576)</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>5,891,146</u>	<u>9,921</u>	<u>28,469</u>	<u>5,929,536</u>	<u>5,795,549</u>
Expenses					
<i>Program Services</i>					
Youth Development	5,006,573	-	-	5,006,573	5,192,872
<i>Support Services</i>					
General and Administrative	475,495	-	-	475,495	404,408
Fundraising	439,400	-	-	439,400	467,318
Total support services	<u>914,895</u>	<u>-</u>	<u>-</u>	<u>914,895</u>	<u>871,726</u>
Total Expenses	<u>5,921,468</u>	<u>-</u>	<u>-</u>	<u>5,921,468</u>	<u>6,064,598</u>
Change in Net Assets	(30,322)	9,921	28,469	8,068	(269,049)
Net Assets, beginning of year	<u>9,765,205</u>	<u>1,272,476</u>	<u>664,798</u>	<u>11,702,479</u>	<u>11,971,528</u>
Net Assets, end of year	<u>\$ 9,734,883</u>	<u>\$ 1,282,397</u>	<u>\$ 693,267</u>	<u>\$ 11,710,547</u>	<u>\$ 11,702,479</u>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	<u>Program Services</u>	<u>Support Services</u>		<u>Total Support Services</u>	<u>Total Expenses</u>	<u>2012 Comparative Totals</u>
	<u>Youth Development</u>	<u>General and Administrative</u>	<u>Fundraising</u>			
Salaries	\$ 2,114,404	\$ 222,048	\$ 244,335	\$ 466,383	\$ 2,580,787	\$ 2,557,151
Employee benefits	173,308	46,964	44,698	91,662	264,970	246,647
Payroll taxes	161,950	16,812	19,953	36,765	198,715	199,907
Other personnel costs	20,097	1,694	665	2,359	22,456	21,610
Total salaries and related expenses	2,469,759	287,518	309,651	597,169	3,066,928	3,025,315
Direct youth assistance	208,973	-	-	-	208,973	221,157
Professional fees	44,374	59,333	424	59,757	104,131	127,767
Contract services	53,391	-	16,450	16,450	69,841	44,323
Summer job stipends	92,000	-	-	-	92,000	118,505
Supplies	241,877	6,521	10,263	16,784	258,661	292,945
Information technology	55,137	16,610	10,396	27,006	82,143	85,137
Printing, postage and subscriptions	3,200	1,874	12,482	14,356	17,556	(3,966)
In-kind rent expense	566,600	-	-	-	566,600	579,996
Property and liability insurance	157,656	2,724	2,843	5,567	163,223	172,686
Other occupancy costs	441,538	27,506	523	28,029	469,567	477,667
Equipment rental and maintenance	31,341	8,757	1,150	9,907	41,248	36,934
Vehicle and transportation expenses	169,335	1,262	5,253	6,515	175,850	218,887
Training, travel and meetings	31,907	2,277	21,863	24,140	56,047	50,439
Miscellaneous expense	4,730	1,217	6,601	7,818	12,548	13,222
In-kind materials	7,193	-	-	-	7,193	19,439
Bad debt	-	-	12,500	12,500	12,500	29,130
Bank and merchant services fees	-	8,054	8,668	16,722	16,722	11,361
Contributions to the Foundation	-	-	-	-	-	20,000
National and state dues	26,534	2,692	1,182	3,874	30,408	27,573
Total expenses before depreciation	4,605,545	426,345	420,249	846,594	5,452,139	5,568,517
Depreciation	401,028	49,150	19,151	68,301	469,329	496,081
Total expenses	\$ 5,006,573	\$ 475,495	\$ 439,400	\$ 914,895	\$ 5,921,468	\$ 6,064,598

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

NOTE A - DESCRIPTION OF ORGANIZATION

The Boys & Girls Clubs of Tampa Bay, Inc. (the Organization) was incorporated in August 1945 and operates as a Florida non-profit corporation. The mission of the Organization is to enable all young people, especially those who need us the most, to realize their full potential as productive, caring, responsible citizens. The Organization believes every child has the potential to be great. In support of this strong conviction, Clubs strive to build driven and independent adults. The Organization's family – a community of staff, volunteers, parents, youth and supporters – work together to create a positive place, full of hope and opportunity, for every child. The Organization is supported primarily through private donor contributions, grants and contracts from government agencies and the United Way Suncoast.

From early literacy to community involvement, the Organization's programs tackle the inequalities Tampa Bay's youth encounter. Grouped into three areas, the Organization's outcomes driven programs use best-practices, innovative solutions and highly-trained staff to ensure that our kids become responsible, caring adults. Carefully designed for impact, our outcomes focus on: improving educational skills and academic achievement; strengthening decision making and resiliency skills leading to healthier lifestyles; and increasing civic engagement to build character and leadership. Through consistent interactions with caring adults in a structured environment with rich, age-appropriate developmental opportunities and positive social norms, the Organization impacts the lives of young people by helping them to develop the values, skills, attitudes, character and behavior that enable them to succeed in life. By focusing on academic achievement, healthy lifestyles and civic engagement, the Organization's programs ensure that when youth leave the Club at eighteen, they are equipped with the knowledge and ability to make positive choices to live as self-sufficient, productive, caring citizens.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Read Report of Independent Certified Public Accountants

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

The contracts and grants are excluded from the definition of contributions in the accounting standards because they carry attributes of exchange transactions, and are therefore recorded as unrestricted net assets in the financial statements.

Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are defined as restricted and unrestricted cash on hand, amounts in depository and money market accounts at the bank.

Accounts Receivable

Accounts receivable result from services which have been provided pursuant to various State and Federal grants and contracts, but for which reimbursement has not yet been received at December 31, 2013. The Organization does not maintain an allowance for estimated uncollectible accounts as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance. No material amounts were subsequently disallowed with respect to the amounts recorded at December 31, 2013.

Grant and Contract Revenues and Refundable Advances

Revenues from Federal and State grants and contracts are recorded based upon terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. For the years ended December 31, 2013 and 2012 deferred revenue in the amount of \$432,807 and \$375,185, respectively, are reflected in the statement of financial position. For the years ended December 31, 2013 and 2012, 20% and 19% of the Organization's unrestricted grant revenues are from one funding agency, respectively.

Property and Equipment

Property and equipment are stated at historical cost, or if acquired by gift, at the estimated fair value at the date received, and depreciated using the straight line method over the estimated useful lives of each asset ranging from 3-50 years. Acquisitions of property and equipment in excess of \$2,500 are capitalized.

In accordance with professional standards the Organization assesses the need to record impairment losses on property and equipment on finite lives when events or changes in circumstances indicate that the carrying amount of property and equipment may not be recoverable. An impairment loss would be recognized when future estimated undiscounted cash flows expected to result from use of the property and equipment is less than the carrying value, with loss measured at fair value based discounted expected cash flows. No impairment was noted on property and equipment for the year ended December 31, 2013.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Materials and Services

Donated materials and equipment when received are reflected as contributions in the financial statements at their estimated fair market values at the date of receipt.

Contributions of services are recognized if the services received (a) create or enhance capital assets, or (b) are provided by entities that normally provide those services for compensation and are substantially the same services normally purchased by the Organization. A substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain the Organization's programs and fundraising campaigns. No amounts have been reported in the financial statements for voluntary donation of services because no objective basis is available to measure the value of such donations.

During the years ended December 31, 2013 and 2012, the Organization received for use in youth development programs the following in-kind donations:

	<u>2013</u>	<u>2012</u>
Facilities	\$566,600	\$579,996
Supplies and materials	13,182	19,439
Legal services	5,826	2,295
Other services	4,435	301
Property and equipment	7,500	4,835
Gift cards	-	2,970
	<u>\$597,543</u>	<u>\$609,836</u>

Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and Cash Equivalents - the carrying amount approximates fair value due to the short-term maturity of these instruments.

Investments - the fair value is based on quoted market value with unrealized gains and losses included in the Statement of Activities and Changes in Net Assets.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents; and pledges receivable. The Organization places its cash with creditworthy, high quality financial institutions. Accounts are maintained at institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has not experienced any losses from its deposits. The amount in excess of the FDIC limit totaled \$2,319,539 and \$1,073,025 for the years ended December 31, 2013 and 2012, respectively.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk (continued)

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of accounts receivable from State of Florida agencies. At December 31, 2013 approximately 70% of accounts receivable were from two agencies (41% and 29% respectively). At December 31, 2012 approximately 69% of accounts receivable were from two agencies (53% and 16%).

Concentration of credit risk with respect to accounts receivable is minimized due to the amounts being backed by the government. The Organization has not experienced any material losses with respect to its accounts receivables.

Income Tax Status

Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a public supported organization, and not as a private foundation. Management is not aware of any activities that would jeopardize the Organization's tax-exempt status.

The Organization accounts for uncertain tax positions, if any, in accordance with ASC Section 740. In accordance with these professional standards, the Organization recognizes tax positions only to the extent that Management believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the years ended December 31, 2013 and 2012.

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2013 and 2012.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to December 31, 2010.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative Data

The amounts shown for the year ended December 31, 2012 in the accompanying financial statements are included to provide a basis for comparison with 2013 and present summarized totals only. Accordingly, the 2012 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2012, from which the summarized information was derived.

Reclassification

Certain 2012 amounts have been reclassified to conform to the 2013 presentation.

NOTE C – PLEDGES RECEIVABLE

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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a donor-imposed restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization's unconditional promises to give at December 31:

	2013	2012
Collectible in one year	\$169,088	\$162,111
Less allowance for doubtful accounts	(24,010)	(24,500)
	145,078	137,611
Collectible in two to five years	151,990	104,245
Less discount for present value of collectible amounts	(14,115)	(14,115)
Less allowance for doubtful accounts	(24,500)	(12,000)
	113,375	78,130
	\$258,453	\$215,741

Discounts to present value of amounts collectible in two years and beyond is \$0 and \$14,115 for the years ended December 31, 2013 and 2012, respectively. The discount rate for the years ended December 31, 2013 and 2012 is 5%.

The Organization has provided an allowance for doubtful accounts of \$48,510 and \$36,500 for the years ended December 31, 2013 and 2012, respectively.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

NOTE D – INVESTMENTS

Fair value, cost, and unrealized gains and losses of investments as of December 31, 2013 are as follows:

	Cost	Fair Value	Accumulated Unrealized Gain (Loss)
Certificates of deposit	\$690,000	\$690,000	\$ -
Stock mutual funds	245,860	356,767	110,907
Stock equities	11,064	11,064	-
Real estate funds	23,210	26,306	3,096
Commodities funds	34,681	33,555	(1,126)
Government & corporate bond funds	209,112	219,342	10,230
Other bond funds	27,227	26,714	(513)
Cash value life insurance	85,456	85,456	-
Total investments	\$1,326,610	\$1,449,204	\$122,594

Fair value, cost, and unrealized gains and losses of investments as of December 31, 2012 are as follows:

	Cost	Fair Value	Accumulated Unrealized Gain (Loss)
Certificates of deposit	\$1,420,000	\$1,420,000	\$ -
Stock mutual funds	226,672	310,093	83,421
Real estate funds	28,517	35,022	6,505
Commodities funds	41,028	51,155	10,127
Government & corporate bond funds	219,688	237,681	17,993
Other bond funds	12,163	12,576	413
Cash value life insurance	80,994	80,994	-
Total investments	\$2,029,062	\$2,147,521	\$ 118,459

The following schedule reconciles investment return as reported in the statement of changes in net assets with investment earnings:

	2013	2012
Investment Income	\$21,546	\$23,454
Net realized gains (losses)	47,879	12,733
Net unrealized gains (losses)	4,137	48,978
Total Investment Revenue	\$73,562	\$ 85,165

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

NOTE D – INVESTMENTS (continued)

At December 31, 2013 and 2012 the Organization had no investment or group of investments which represented a significant concentration of market risk.

Cash surrender value of life insurance has been reported at the amount that could be realized under the insurance contract at December 31, 2013 in accordance with FASB ASC 325-30 Investments in Insurance Contracts. The face amount of those donated life insurance policies is \$331,740 at December 31, 2013 and \$331,553 at December 31, 2012.

The Organization invests in a variety of investment funds and equities. Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

NOTE E – FAIR VALUE MEASUREMENTS

In accordance with Professional Standards, *Fair Value Measurements* establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under Professional Standards are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable input and minimize the use of unobservable inputs.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

NOTE E – FAIR VALUE MEASUREMENTS (continued)

Pledge receivable, non-current- fair value is based on observable inputs and the discount of estimated cash inflows to their present value, net of allowance for uncollectibles.

Cash value life insurance- fair value is based on inputs other than quoted prices that are observable for the asset.

Investments in certificates of deposit- fair value is based on the principle balance of the certificate of deposit, taking into account the applicable interest rate.

Investments in stock mutual funds, commodities, stock equity funds and real estate funds- fair value is the closing price reported on the active market which the individual securities are traded.

Investments in bond funds- fair value is the closing price reported on the active market which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

All assets have been valued using a market approach. There have been no changes in valuation techniques and related inputs.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at December 31, 2013:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Pledges Receivable, non-current	\$ 113,375	\$ -	\$ -	\$ 113,375
Cash value life insurance	85,456	-	85,456	-
Investments:				
Mutual funds:				
Large cap	127,656	127,656	-	-
Mid cap	22,252	22,252	-	-
Small cap	13,621	13,621	-	-
International developed	134,002	134,002	-	-
International emerging	59,237	59,237	-	-
Stock equities	11,064	11,064	-	-
Certificates of deposit	690,000	-	690,000	-
Commodities	33,555	33,555	-	-
Real estate funds	26,305	26,305	-	-
Government & corporate bond funds	219,342	219,342	-	-
Other bond funds	26,714	26,714	-	-
Total	\$ 1,562,579	\$ 673,748	\$ 775,456	\$ 113,375

Read Report of Independent Certified Public Accountants

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
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(WITH COMPARATIVE TOTALS FOR 2012)

NOTE E – FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value at December 31, 2012:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Pledges Receivable, non-current	\$ 78,130	\$ -	\$ -	\$ 78,130
Cash value life insurance	80,994	-	80,994	-
Investments:				
Mutual funds:				
Large cap	148,954	148,954	-	-
Mid cap	16,108	16,108	-	-
Small cap	16,617	16,617	-	-
International developed	66,951	66,951	-	-
International emerging	61,463	61,463	-	-
Certificates of deposit	1,420,000	-	1,420,000	-
Commodities	51,155	51,155	-	-
Real estate funds	35,022	35,022	-	-
Government & corporate bond funds	237,681	237,681	-	-
Other bond funds	12,576	12,576	-	-
Total	\$ 2,225,651	\$ 646,527	\$ 1,500,994	\$ 78,130

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Long Term Pledges
January 1, 2012	\$ 15,445
Present value discount	(14,115)
Contributions and settlements	76,800
Transfers in and/or out of Level 3	-
December 31, 2012	78,130
Contributions and settlements	35,245
Transfers in and/or out of Level 3	-
December 31, 2013	<u>\$ 113,375</u>

NOTE F – PREPAID EXPENSES

The Organization has entered into one long term land lease. The Organization records a long-term prepaid expense for the lease when paid and expenses a proportion of the lease each year over the life of the lease.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

NOTE F – PREPAID EXPENSES(continued)

During the year ended December 31, 2002 the Organization entered into a lease for land to erect a building for operations. The Organization paid \$150,000 in the year ended December 31, 2002 for the lease that expires during the year ended December 31, 2021. During the years ended December 31, 2013 and 2012, the Organization expensed \$7,500 as occupancy expense on the Statement of Functional Expenses. As of December 31, 2013, \$52,500 is included in prepaid expense – non-current and \$7,500 is included in current prepaid expense on the Statement of Financial Position (\$60,000 and \$7,500, respectively, for the year ended December 31, 2012.)

NOTE G – PROPERTY AND EQUIPMENT

	2013	2012
Land	\$ 131,395	\$ 557,620
Buildings	9,299,604	10,345,970
Furniture and equipment	922,361	942,468
Vehicles	861,526	854,026
 Total property	 11,214,886	 12,700,084
 Less accumulated depreciation	 (4,288,713)	 (4,901,651)
	 \$ 6,926,173	 \$ 7,798,433

NOTE H – DEFERRED LEASE REVENUE

During the year ended December 31, 2012 the Organization rented one of its facilities to another nonprofit organization. The terms of the lease include the tenant renovating the property as well as a base rent of \$4,000 per month for 72 months. Pursuant to the lease, the tenant is entitled to offset its monthly base rent obligation against the cost of the renovations up to a maximum amount of \$300,000.

As of December 31, 2012 completed renovations have met the maximum rent offset of \$300,000. Rental income for the years ended December 31, 2013 and 2012 totaled \$48,000. Deferred lease revenue for the unearned rents totaled \$204,000 and \$252,000 for the years ended December 31, 2013 and 2012, respectively. Future expected annual revenues pursuant to this lease are:

Year ended December 31,	
2014	\$48,000
2015	48,000
2016	48,000
2017	48,000
2018	12,000

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
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(WITH COMPARATIVE TOTALS FOR 2012)

NOTE I – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets of the Organization are comprised of cash, short term investments, and pledge receivables available for the following purposes at December 31,:

	<u>2013</u>	<u>2012</u>
Purpose Restricted-Capital Projects	\$ 699,211	\$ 813,802
Purpose Restricted- Programs	421,730	73,050
Time Restricted	<u>161,456</u>	<u>385,624</u>
Total	<u>\$1,282,397</u>	<u>\$1,272,476</u>

Temporarily restricted net assets of \$584,848 and \$393,631 were released in satisfaction of program restrictions during the years ended December 31, 2013 and 2012, respectively.

NOTE J - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets of the Organization are an endowment fund trust (the Trust) established in 1950 operated solely for the benefit of, and in connection with, the Organization.

In accordance with professional standards, the Organization provides the composition of the endowment by net asset class and the endowment related activities for the year ended December 31, 2013 and 2012. No change in the net asset classification of the endowment fund is required.

Endowment Net Asset Composition by Type of Fund as of December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Boys and Girls Clubs of Tampa Bay Endowment Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 693,267</u>	<u>\$ 693,267</u>

Endowment Net Asset Composition by Type of Fund as of December 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Boys and Girls Clubs of Tampa Bay Endowment Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 664,798</u>	<u>\$ 664,798</u>

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
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(WITH COMPARATIVE TOTALS FOR 2012)

NOTE J - PERMANENTLY RESTRICTED NET ASSETS (continued)

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ -	\$ -	\$ 664,798	\$ 664,798
Contributions	-	-	-	-
Investment Income	-	-	16,030	16,030
Net appreciation (realized and unrealized)	-	-	52,015	52,015
Amounts appropriated for expenditure	-	-	(39,576)	(39,576)
Endowment net assets, end of year	\$ -	\$ -	\$ 693,267	\$ 693,267

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ -	\$ -	\$ 623,135	\$ 623,135
Contributions	-	-	-	-
Investment Income	-	-	29,994	29,994
Net depreciation (realized and unrealized)	-	-	48,978	48,978
Amounts appropriated for expenditure	-	-	(37,309)	(37,309)
Endowment net assets, end of year	\$ -	\$ -	\$ 664,798	\$ 664,798

Interpretation of Relevant Law

The Board of Directors has interpreted the law as requiring donor restricted net assets in an endowment fund to remain restricted until appropriated for expenditure by the Organization for the donor's intended purpose. In accordance with the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE J - PERMANENTLY RESTRICTED NET ASSETS (continued)

- 1) The purposes of the Organization and the donor-restricted endowment fund
- 2) General economic conditions
- 3) The possible effect of inflation and deflation
- 4) The expected total return from income and the appreciation of investments
- 5) Other resources of the Organization
- 6) The investment policies of the Organization.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for the endowment assets that attempt to provide funding for the future programs and activities. Under this policy, as approved by the Board of Directors, the Trust assets are invested in a manner to achieve the long-term rate-of-return objectives, fixed income and cash, minimize risk and maximize return within acceptable guidelines and achieve a competent rate of return.

Spending Policy

The Trust is operated, supervised and controlled by the Organization together with the authorized trustee and fund manager and, accordingly, the operations of the Trust are presented as an integral part of the basic financial statements of the Organization. The net earnings from the Trust are reserved for use by the Organization in support of the Organization's programs and activities. During the years ended December 31, 2013 and 2012, the trust net investment income was \$68,045 and \$78,972, respectively. During the years ended December 31, 2013 and 2012, the trust released \$39,576 and \$37,309, respectively, to the Organization for programs and fees.

NOTE K- EMPLOYEE BENEFIT PLAN

The Organization participates in a cost sharing multi-employer non-contributory defined money purchase pension plan (the Plan) administrated by the Boys and Girls Clubs of America Pension Trust. The Plan covers employees who are 21 years or older, with one year of service, and have worked at least 1,000 hours during the year. Participants are fully vested after three years of service. The Organization makes a 5% contribution to the Plan each year in accordance with the Plan's customized adoption agreement. Forfeitures are used to reduce the Organization's future contributions to the Plan. The Organization contributed \$94,991 and \$81,673 to the plan during the years ended December 31, 2013 and 2012, respectively.

The Organization also offers its employees the opportunity to invest in various tax deferred annuity plans (the Annuity) under Section 403(b) of the Internal Revenue Code as amended. The law stipulates that all assets and income of the Annuity must be held in trust for the exclusive benefit of the Annuity's participants and their beneficiaries. These Annuities are administrated by various broker dealers and insurance companies and provide participants with the option to invest in several different registered investment funds. The Organization is not Trustee and has no administrative involvement with these Annuities. Accordingly, the assets of such Annuities are not included in the accompanying financial statements.

NOTE L- MATCHING REQUIREMENTS OF FEDERAL AND STATE GRANTS

The Organization has complied with all matching requirements provided for by its Federal and State grants. Accordingly, no match liability exists at December 31, 2013 and 2012.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

NOTE M – BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.

The Boys & Girls Clubs of Tampa Bay Foundation, Inc. (the Foundation) is a separate not-for-profit corporation (exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions) created in 1990 for the purpose of obtaining, holding, and managing funds which are used for the continuing financial support of the Organization. The Foundation is managed by a Board of Trustees which is independent of the Organization's Board of Directors.

Amounts due to/from the Foundation at December 31:

	2013	2012
Due from the Foundation	\$411,825	\$695,588
Due to the Foundation	(31,579)	-
	\$ 380,246	\$ 695,588

NOTE N- RELATED PARTY TRANSACTIONS

During the years ended December 31, 2013 and 2012 the Organization had a Board Member whose law firm provided legal services for the Organization at no charge.

During the years ended December 31, 2013 and 2012 the Organization had a Board Member who is the CEO of a granting agency. The Organization received \$80,418 and \$46,520 in revenue from the Board Members agency during the year ended December 31, 2013 and 2012, respectively.

NOTE O- COMMITMENTS AND CONTINGENCIES

The Organization is the recipient of grants and other third party reimbursement funds that are subject to special compliance audits by the granting agency and other third party agencies that provide these reimbursements. The results of these audits may result in disallowed expense amounts. Disallowed amounts, if any, would constitute a contingent liability of the Organization. Accordingly, such liabilities are not reflected in the financial statements. The Organization does not believe any contingent liabilities, if any to be material.

Lines of credit

The Organization has unsecured lines of credit totaling \$50,000 at December 31, 2013 and 2012 with annual interest rates at 14.99%. Total borrowings were \$1,728 and \$5,565 at December 31, 2013 and 2012, respectively.

Construction Contracts

The Organization entered into a contract with community partners for a community center in Pasco County. The Organization's share of the contract is \$459,312. At December 31, 2013 \$319,375 had been expended leaving a commitment of \$139,937.

The Organization also is in the process of renovating a club in Hillsborough County. The contract price is \$309,492 of which \$39,689 was expended at December 31, 2013. Outstanding commitments on this contract at December 31, 2013 total \$269,803.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO FINANCIAL STATEMENTS
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(WITH COMPARATIVE TOTALS FOR 2012)

NOTE P – SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2013 the Organization purchased two buses for a total of \$100,453.

Management has evaluated subsequent events through May 23, 2014, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION AND OTHER REPORTS

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
YEAR ENDED DECEMBER 31, 2013

Description	Federal CFDA #and State CFSA #	Contract #	Federal Expenditures
GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE			
FEDERAL ASSISTANCE:			
U.S. Department of Housing and Urban Development:			
<i>Community Development Block Grant</i>			
<i>Passed Through City of Plant City Comprehensive Youth Development</i>	14.218		\$ 18,579
Total U.S. Department of Housing and Urban Development			18,579
U.S. Department of Justice:			
<i>Passed Through Boys & Girls Clubs of America, Inc.</i>			
<i>Juvenile Mentoring Program</i>			
<i>National Youth Mentoring Program</i>	16.726	2011-MU-MU-0009	2,663
<i>National Youth Mentoring Program</i>	16.726	2012-JU-FX-0006	75,029
Total U.S. Department of Justice			77,692
U.S. Department of Education:			
<i>21st Century Community Learning</i>			
<i>Passed Through Children's Board of Hillsborough County</i>	84.287	C01-63002-402-000-01250	211,939
<i>Passed Through Florida Department of Education</i>	84.287	2444A	183,320
Total U.S. Department of Education			395,259
U.S. Department of Health and Human Services			
<i>Community Services Block Grant</i>			
<i>Passed Through Hillsborough County Health and Social Services Department Countywide Youth Annual Membership Grant</i>	93.569	12SB-8G-08-39-01-010	71,600
Total U.S. Department of Health and Human Services			71,600
U.S. Department of Agriculture:			
<i>Passed Through Florida Department of Health Bureau of Child Nutrition</i>			
<i>Afterschool Snack Program</i>	10.558	A-1081 2012-2013	56,418
<i>Afterschool Snack Program</i>	10.558	A-1081 2013-2014	22,229
Total U.S. Department of Agriculture			78,647
Total Federal Programs			\$ 641,777

Read Report of Independent Certified Public Accountants.
See accompanying notes to Schedule of Expenditures of Federal Awards and State Projects.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
YEAR ENDED DECEMBER 31, 2013

Description	Federal CFDA #/and State CFSA #	Contract #	<u>State Expenditures</u>
GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE			
STATE ASSISTANCE:			
State of Florida Department of Juvenile Justice:			
<i>Passed Though Florida Alliance of Boys and Girls Clubs Delinquency Prevention</i>	80.029	V2039	\$ 258,441
<i>Passed Though University Area Community Development Corporation Prodigy Cultural Arts Program</i>	80.029	X1573	<u>78,857</u>
Total State of Florida Department of Juvenile Justice			<u>337,298</u>
State of Florida Department of Education:			
<i>Passed Though Florida Alliance of Boys and Girls Clubs Mentoring/Student Assistance Initiatives</i>	48.068	37P-96449-4Q001	<u>170,620</u>
Total State of Florida Department of Education			<u>170,620</u>
Total State Projects			<u><u>\$ 507,918</u></u>

Read Report of Independent Certified Public Accountants.
See accompanying notes to Schedule of Expenditures of Federal Awards and State Projects.

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
YEAR ENDED DECEMBER 31, 2013

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state projects includes the federal and state grant activity of Boys & Girls Clubs of Tampa Bay, Inc. (the Organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Pursuant to OMB Circular A-133 section 310(b) (2) the Organization, as a sub-recipient of federal awards and state contracts, has provided the name of the pass-through entity and the identifying description and number assigned by the pass-through entity when available from the pass-through entity. Pursuant to OMB Circular A-133 section 310(b) (3) the Organization has provided the total federal awards and state projects expended for each individual program and the CFDA or CFSA number or other identifying information when the CFDA or CFSA information is not available. OMB Circular A-133 does not require the Organization to provide this information, nor a breakdown of amounts awarded by CFDA or CFSA number if that information is not available from the awarding agency.


REEDER & ASSOCIATES, PA
Certified Public Accountants

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
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 Boys & Girls Clubs of Tampa Bay, Inc.
Tampa, Florida

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 & Girls Club of Tampa Bay, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and change in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 23, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Reeder + Associates, PA

Certified Public Accountants
May 23, 2014


REEDER & ASSOCIATES, PA
Certified Public Accountants

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To Boys & Girls Clubs of Tampa Bay, Inc.
Tampa, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Boys & Girls Clubs of Tampa Bay, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the *Department of Financial Services' State Project's Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and major state projects for the year ended December 31, 2013. The Organization's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and major state projects based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650 Rules of the Auditor General, State of Florida. Those standards, OMB Circular A-133, and Chapter 10.650 Rules of the Auditor General, State of Florida, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or a major state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and Major State Project

In our opinion, the Organization 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 and major state projects for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 or a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 or state project 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 or a state project 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Projects Required by OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, State of Florida

We have audited the financial statements of the Organization as of and for the year ended December 31, 2013, and have issued our report thereon dated May 23, 2014, which contained an unmodified opinion on those financial statements. 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 and state projects is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, State of Florida 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 expenditure of federal awards and state projects is fairly stated in all material respects in relation to the financial statements as a whole.

Reed & Associates, PA

Certified Public Accountants
May 23, 2014

**BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Boys & Girls Clubs of Tampa Bay, Inc. (the Organization).
2. There were no significant deficiencies disclosed during the audit of the basic financial statements.
3. No instances of noncompliance material to the basic financial statements of the Organization were disclosed during the audit of the basic financial statements.
4. There were no significant deficiencies disclosed during the audit of the major federal award program or major state project.
5. The auditor's report on compliance for the major federal award program and major state project for the Organization expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award program or major state project of the Organization.
7. The programs tested as major programs/projects included:

Federal:

US Department of Education

84.287 21st Century Community Learning

State:

Florida Department of Juvenile Justice

80.029 Delinquency Prevention

The threshold for distinguishing Type A and Type B programs/projects was \$300,000 for federal award programs and state projects.

8. The Organization was determined to be a low-risk auditee pursuant to OMB Circular A-133.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT
NONE**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT
NONE**

**D. FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS AUDIT
NONE**

**E. OTHER ISSUES
NONE**

**F. PRIOR YEAR FINDINGS
NONE**

**G. MANAGEMENT LETTER(Chapter 10.650, Rules of the Auditor General, State of Florida)
NO ITEMS REQUIRED TO BE REPORTED**

**BOYS & GIRLS CLUBS OF TAMPA BAY, INC.
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2013**

Boys & Girls Clubs of Tampa Bay, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2013.

Contact person responsible for corrective action:

Mr. Bradley Baumgardner
President
Boys & Girls Clubs of Tampa Bay, Inc.
1307 N. MacDill Ave.
Tampa, FL 33607

The findings from the December 31, 2013 Schedule of Findings and Questioned Costs are discussed below. The findings are lettered consistently with the letter assigned in the Schedule of Findings and Questioned Costs.

A. SUMMARY OF AUDIT RESULTS

This section does not include any findings and is therefore not addressed.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT
NONE**

**C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT
NONE**

**D. FINDINGS – MAJOR STATE PROJECTS AUDIT
NONE**

**E. OTHER ISSUES
NONE**

**F. PRIOR YEAR FINDINGS
NONE**

**G. MANAGEMENT LETTER - CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, STATE OF FLORIDA
NO ITEMS REQUIRED TO BE REPORTED**