

**FLORIDA ALLIANCE OF BOYS & GIRLS CLUBS, INC.**

Financial Statements  
for the year ended December 31, 2014

and

Independent Auditors' Report

## TABLE OF CONTENTS

Independent Auditors' Report .....	1-2
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### FINANCIAL STATEMENTS

Statement of Financial Position .....	3
Statement of Activities.....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to the Financial Statements .....	7-11

### SINGLE AUDIT COMPLIANCE

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	12-13
Independent Auditors' Report on Compliance with requirements that could have a Direct and Material effect on each State Project and on Internal Control Over Compliance in accordance with Chapter 10.650, <i>Rules of the Auditor General of the State of Florida</i> .....	14-15
Schedule of Expenditures of State Financial Assistance .....	16
Notes to Schedule of Expenditures of State Financial Assistance .....	16
Schedule of Findings and Questioned Costs relating to State Financial Assistance.....	17

### OTHER REPORTS

Management Letter.....	18-19
Management Letter Response.....	20



**SUPLEE SHEA CRAMER & ROCKLEIN PA**  
CERTIFIED PUBLIC ACCOUNTANTS

T. RAYMOND SUPLEE CPA  
NORMAN J. SHEA III CPA  
THOMAS R. CRAMER CPA  
JOSEPH E. ROCKLEIN III CPA

INDEPENDENT AUDITORS' REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Florida Alliance of Boys & Girls Clubs, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida Alliance of Boys & Girls Clubs, Inc. as of December 31, 2014, 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 accompanying schedule of expenditures of state financial assistance as required by Chapter 10.650, Rules of the Auditor General of the 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 June 12, 2015, on our consideration of Florida Alliance of Boys & Girls Clubs, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Florida Alliance of Boys & Girls Clubs, Inc.'s internal control over financial reporting and compliance.



Suplee Shea Cramer & Rocklein, P.A.  
Sarasota, Florida  
June 12, 2015

**Florida Alliance of Boys & Girls Clubs, Inc.**

**Statement of Financial Position**

**December 31, 2014**

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	<u>2014</u>
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and cash equivalents	\$ 1,235,975
Accounts receivable	23,652
Grant receivables	1,981,875
Total Current Assets	<u>3,241,502</u>
 Furniture and equipment, net of accumulated depreciation	 <u>4,959</u>
 Other Assets:	
Deposits	<u>1,100</u>
 <b>TOTAL ASSETS</b>	 <b><u>\$ 3,247,561</u></b>

**LIABILITIES AND NET ASSETS**

Current Liabilities:	
Accounts payable	\$ 136,959
Accrued expenses	18,307
Due to clubs	2,932,183
Deferred revenue	5,101
Total Current Liabilities	<u>3,092,550</u>
 <u>Net Assets</u>	
Unrestricted net assets	16,097
Temporarily restricted net assets	<u>138,914</u>
 Total Net Assets	 <u>155,011</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$ 3,247,561</u></b>

Florida Alliance of Boys & Girls Clubs, Inc.

Statement of Activities

For the Year Ended December 31, 2014

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	2014		
	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenues</b>			
Member fees and dues	\$ 288,226	\$ -	\$ 288,226
State grants	482,605	9,180,578	9,663,183
Contributions, other	-	35,700	35,700
In-kind contributions	11,000	-	11,000
Net assets released from restrictions	9,227,573	(9,227,573)	-
<b>Total revenues, gains and other support</b>	<b>10,009,404</b>	<b>(11,295)</b>	<b>9,998,109</b>
<b>Expenses:</b>			
Program services	9,699,690	-	9,699,690
General and administrative	246,923	-	246,923
<b>Total expenses</b>	<b>9,946,613</b>	<b>-</b>	<b>9,946,613</b>
<b>Decrease in net assets</b>	<b>62,791</b>	<b>(11,295)</b>	<b>51,496</b>
<b>Net Assets at beginning of year</b>	<b>(46,694)</b>	<b>150,209</b>	<b>103,515</b>
<b>Net Assets at end of year</b>	<b>\$ 16,097</b>	<b>\$ 138,914</b>	<b>\$ 155,011</b>

**Florida Alliance of Boys & Girls Clubs, Inc.**

**Statement of Functional Expenses**

**For the Year Ended December 31, 2014**

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	<b>2014</b>		
	<b>Program Services</b>	<b>General and Administrative</b>	<b>Total</b>
Awards to clubs	\$ 21,250	\$ -	\$ 21,250
Contract labor - wages and benefits	496,519	-	496,519
Depreciation	649	-	649
Dues and subscriptions	-	10,170	10,170
Grant expenses	9,147,716	-	9,147,716
Leased equipment	-	5,916	5,916
Miscellaneous	-	4,392	4,392
Occupancy and other rent expense	16,087	-	16,087
Office supplies	-	12,561	12,561
Professional fees	-	183,855	183,855
Tax study program	-	15,000	15,000
Telephone	7,153	-	7,153
Training and conferences	10,316	-	10,316
Travel	-	15,029	15,029
Total Expenses	<u>\$ 9,699,690</u>	<u>\$ 246,923</u>	<u>\$ 9,946,613</u>

**Florida Alliance of Boys & Girls Clubs, Inc.**

**Statement of Cash Flows**

**For the Year Ended December 31, 2014**

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	<u>2014</u>
<b>Cash Flows From Operating Activities:</b>	
Decrease in net assets	<u>\$ 51,496</u>
Adjustments to reconcile decrease in net assets to cash used by operating activities:	
Depreciation	649
Loss on disposal of assets	427
(Increase) Decrease in:	
Accounts receivable	8,530
Grant receivables	792,482
Deposits	(1,100)
Increase (Decrease) in:	
Accounts payable	101,044
Accrued expenses	18,307
Due to clubs	(489,221)
Deferred Revenue	(22,864)
Total Adjustments	<u>408,254</u>
<b>Net cash provided by operating activities</b>	<u>459,750</u>
<b>Cash Flows From Investing Activities:</b>	
Purchases of furniture and equipment	<u>(3,847)</u>
<b>Net cash used in investing activities</b>	<u>(3,847)</u>
<b>Net increase in cash and cash equivalents</b>	<b>455,903</b>
<b>Cash and cash equivalents, beginning of year</b>	<u>780,072</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 1,235,975</u></u>

FLORIDA ALLIANCE OF BOYS & GIRLS CLUBS, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Florida Alliance of Boys & Girls Clubs, Inc. (the "Alliance") is a nonprofit Florida corporation organized in October 1998. The Alliance is an affiliate of the Boys and Girls Clubs of America, Inc. The Alliance was established to provide a mechanism for joint decisions, communications and exchange of ideas, and cooperative action among Clubs in Florida to develop and expand quality youth development throughout the state by promoting public awareness of youth development and the problems youth face throughout the state, promoting and strengthening Boys and Girls Clubs' relations with public agencies throughout the state, deriving the majority of its support from dues by members clubs and distributing raised funds solely to members of the corporation.

Basis of Accounting

The Alliance prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles, and accordingly, reflects all significant receivables, payables and other liabilities.

Basis of Presentation

The Alliance is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets consist of net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets represent net assets with a donor-imposed restriction that is satisfied either by the passage of time or by actions of the organization.

Permanently restricted net assets result primarily from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. No permanently restricted assets were held at December 31, 2014.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions and grants received with donor and grantor stipulations as to time and/or purpose are treated as temporarily restricted net assets. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Alliance considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

FLORIDA ALLIANCE OF BOYS & GIRLS CLUBS, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable are stated at billed amounts for membership fees. The Alliance accounts for uncollected receivables on the allowance method which estimates based on past experience, the amount of receivables to be provided for at year end. Management estimates that all of the receivables are collectible and therefore has not included an allowance for doubtful accounts.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the fair market value on the date of donation. The Alliance capitalizes any depreciable asset greater than \$500. Depreciation on furniture and equipment is provided using the straight-line method over estimated useful lived from five to seven year. Repairs and maintenance are expensed as incurred.

Deferred Revenue

Revenue received prior to year end are deferred and recognized in the period to which the revenue is earned.

Income Taxes

The Alliance has been determined to be an organization exempt from income tax under Section 501(c)(4) of the Internal Revenue Code. The Boys and Girls Clubs of America, Inc. files Form 990 as a consolidated return for all member alliances.

ASC Topic 740 requires the Company recognize in the financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on technical merits of the positions. The Alliance has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2014. The tax years 2011 to 2013 remain subject to examination by the Internal Revenue Service.

Accounting for Uncertain Tax Positions

Management evaluates the Alliance's tax positions and has concluded that the Alliance has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Donated Materials and Services

Donated materials are recorded as contributions at their estimated fair value at the date of receipt. The Foundation has adopted a policy which recognizes donated services provided by individuals possessing specialized skills which would typically need to be purchased if not provided by donation. Nevertheless, members of the Board of Directors and many volunteers have donated their time to Foundation program services and administrative functions performing tasks that do not require specialized skills. The financial statements do not reflect the value of these donated services because an objective basis of measurement is unavailable.

FLORIDA ALLIANCE OF BOYS & GIRLS CLUBS, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Allocated Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates.

Note 2 -Property & Equipment:

The classifications of property and equipment as of December 31, 2014 are summarized as follows:

Furniture and Fixtures	\$ 6,009
Less accumulated depreciation	<u>(1,050)</u>
Net property and equipment	<u>\$ 4,959</u>

Note 3- Net Assets Released from Restrictions:

Net assets were released from donor restrictions by the accomplishment of donor imposed purpose and/or time restrictions for the year ending December 31, 2014 as follows:

Expenditures for delinquency prevention and mentoring programs	\$ 9,180,578
Expenditures for well care programs	<u>35,700</u>
	<u>\$ 9,227,573</u>

Note 4 - Restricted Net Assets:

The balance of temporarily restricted net assets at December 31, 2014 is restricted as follows:

Support for delinquency prevention and mentoring programs.	\$103,217
Other programs	<u>35,700</u>
	<u>\$ 138,914</u>

FLORIDA ALLIANCE OF BOYS & GIRLS CLUBS, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Note 5 – Donated Services and Gifts in Kind

The Alliance has adopted FASB Accounting Standards Codification 958-605, *Accounting for Contributions Received and Contributions Made* ("FASB ASC 958-605", formerly SFAS No. 116). Donated professional services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. No donated professional services have been recognized for the year ended December 31, 2014.

The Alliance did receive contributions of goods and materials valued at \$11,000 for its activities for the year ended December 31, 2014.

Donated services and gifts in kind that meet the criteria of FASB ASC 958-605 are recognized as in-kind contributions on the statement of activities.

Note 6 – Related parties

Payroll and certain other office accounting functions are performed by the Boys and Girls Clubs of Sarasota County, Inc. on behalf of the Alliance. The Boys and Girls Clubs of Sarasota County, Inc. is receiving a monthly fee of \$3,750 for performing such services.

Note 7- Concentrations

The Alliance received approximately 97% of its support and revenue from the state of Florida for the year ended December 31, 2014.

Note 8 – Leases

The Alliance leases certain equipment under a non-cancelable operating lease beginning in November of 2013 and expiring November 2016. Total operating lease expense for the year ended December 31, 2014 was \$3,005.

Rent expense for the years ended December 31, 2014 was \$16,087.

At December 31, 2014 future minimum lease payments for operating leases are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 3,005
2016	\$ 2,504

Note 8 - Concentration of Credit Risk

The Alliance maintains its cash accounts at commercial banks. Such amounts on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At December 31, 2014, Alliance had \$988,950 of cash deposits with banks in excess of the federally insured limit.

FLORIDA ALLIANCE OF BOYS & GIRLS CLUBS, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Note 9- Subsequent Events

Subsequent events have been evaluated through June 12, 2015, the date the financial statements were available to be issued.

# **SINGLE AUDIT COMPLIANCE**



# SUPLEE SHEA CRAMER & ROCKLEIN PA

CERTIFIED PUBLIC ACCOUNTANTS

T. RAYMOND SUPLEE CPA  
NORMAN J. SHEA III CPA  
THOMAS R. CRAMER CPA  
JOSEPH E. ROCKLEIN III CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Florida Alliance of Boys & Girls Clubs, Inc., ( a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 12, 2015.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Florida Alliance of Boys & Girls Clubs, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Florida Alliance of Boys & Girls Clubs, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Florida Alliance of Boys & Girls Clubs, Inc.'s internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Florida Alliance of Boys & Girls Clubs, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 intended solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Suplee Shea Cramer & Rocklein PA". The signature is written in a cursive, flowing style.

Suplee Shea Cramer & Rocklein, P.A.  
Sarasota, FL  
June 12, 2015



# SUPLEE SHEA CRAMER & ROCKLEIN PA

CERTIFIED PUBLIC ACCOUNTANTS

T. RAYMOND SUPLEE CPA  
NORMAN J. SHEA III CPA  
THOMAS R. CRAMER CPA  
JOSEPH E. ROCKLEIN III CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH STATE PROJECT AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.650,  
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

## Report on Compliance for Each Major State Project

We have audited the Florida Alliance of Boys & Girls Clubs, Inc.'s compliance with the types of compliance requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Florida Alliance of Boys & Girls Clubs, Inc.'s major state projects for the year ended December 31, 2014. The Florida Alliance of Boys & Girls Clubs, Inc.'s major state projects are identified in the summary of auditors' 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 state projects.

## Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Florida Alliance of Boys & Girls Clubs, Inc.'s 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 and Chapter 10.650, Rules of the Auditor General of the State of Florida for Nonprofit and For-profit Organization Audits. Those standards and Chapter 10.650, Rules of the Auditor General of the 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 state project occurred. An audit includes examining, on a test basis, evidence about the Florida Alliance of Boys & Girls Clubs, Inc.'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 state project. However, our audit does not provide a legal determination of the Florida Alliance of Boys & Girls Clubs, Inc.'s compliance.

## Opinion on Each Major State Project

In our opinion, the Florida Alliance of Boys & Girls Clubs, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended December 31, 2014.

## Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Chapter 10.560.

## Report on Internal Control over Compliance

Management of the Florida Alliance of Boys & Girls Clubs, Inc. 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 Florida Alliance of Boys & Girls Clubs, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on each 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 state project, and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida, 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 Florida Alliance of Boys & Girls Clubs, Inc.'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 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 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 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 intended solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General of the State of Florida. Accordingly, this report is not suitable for any other purpose.



Suplee Shea Cramer & Rocklein, P.A.

Sarasota, Florida

June 12, 2015

FLORIDA ALLIANCE OF BOYS & GIRLS CLUBS, INC.

SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2014

<u>State Agency/ Project Title</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
Florida Department of Education	48.068	37P-96449-4Q01	\$ 1,836,854
Florida Department of Education	48.068	37P-96449-5Q02	<u>\$ 2,409,997</u>
Total expenditures of state financial assistance			<u>\$ 4,246,851</u>

NOTES TO SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of State Financial Assistance includes the state financial assistance activity of the Florida Alliance of Boys & Girls Clubs, Inc., and are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General of the State of Florida. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General of the State of Florida.

FLORIDA ALLIANCE OF BOYS & GIRLS CLUBS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
RELATING TO STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2014

Summary of Audit Results

1. The auditors' report expresses an unmodified opinion on the Florida Alliance of Boys & Girls Clubs, Inc.'s basic financial statements.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Florida Alliance of Boys & Girls Clubs, Inc. were disclosed during the audit.
4. No significant deficiencies in internal control over the major state projects are reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major State Project and on Internal Control over Compliance as required by Chapter 10.650, Rules of the Auditor General of the State of Florida.
5. The auditors' report on compliance with requirements that could have a direct or material effect on each major state project for the Florida Alliance of Boys & Girls Clubs, Inc. expresses an unmodified opinion.
6. Our audit disclosed no findings related to state projects required to be disclosed by Chapter 10.650, Rules of the Auditor General of the State of Florida.
7. The projects tested as major programs included:

<u>CFSA Nos.</u>	<u>Project Title</u>	<u>Year</u>
48.068	Mentoring/Student Assistant Initiative – Project Learn	2014

7. The threshold for distinguishing Types A and B programs was \$300,000 for major state projects.
8. Rules of the Auditor General 10.654(1)(i) – There were no prior audit findings to be reported.

Findings - Financial Statements Audit

None

Findings and Questioned Costs - Major State Projects

None

Questioned  
Costs  
None

## **OTHER REPORTS**



# SUPLEE SHEA CRAMER & ROCKLEIN PA

CERTIFIED PUBLIC ACCOUNTANTS

T. RAYMOND SUPLEE CPA  
NORMAN J. SHEA III CPA  
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## MANAGEMENT LETTER

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

### **Report on the Financial Statements**

We have audited the financial statements of the Florida Alliance of Boys & Girls Clubs, Inc. as of and for the fiscal year ended December 31, 2014, and have issued our report thereon dated June 12, 2015.

### **Auditors' Responsibility**

We conducted our audit 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 Chapter 10.650, Rules of the Auditor General of the State of Florida.

### **Other Reports and Schedule**

We have issued our Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material effect on each State Project and on Internal Control over Compliance in accordance with Chapter 10.650, Rules of the Auditor General of the State of Florida, and Schedule of Findings and Questioned Costs. Disclosure in that report and schedule, which is dated December 31, 2014, should be considered in conjunction with the management letter.

### **Other Matters**

Section 10.654(1)(e), Rules of the Auditor General of the State of Florida, requires that we address noncompliance with provisions of contracts or grant agreement, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or state project amounts that is less than material but which warrants the attention of those charged with governance, or material control deficiencies that are not material weaknesses or significant deficiencies. In connection with our audit, we have the following recommendations.

#### *Segregation of Duties*

The size of the accounting and administrative staff precluded certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties, particularly in the areas of check disbursements and bank reconciliations. Although no irregularities were noted during the audit process and certain mitigating controls had been implemented, the following additional recommendations for improving internal control in this area were made:

- Checks are mailed by an individual independent of the check preparation process.
- Distribution and review of monthly bank statements and bank reconciliations to a qualified board member or another individual independent of the accounting department.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, member of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the board of directors, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Suplee Shea Cramer & Rocklein PA". The signature is written in a cursive, flowing style.

Suplee Shea Cramer & Rocklein, P.A.  
Sarasota, Florida  
June 12, 2015



**BOYS & GIRLS CLUBS  
FLORIDA ALLIANCE**

**Finding:**

*Segregation of Duties*

The size of the accounting and administrative staff precluded certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties, particularly in the areas of check disbursements and bank reconciliations. Although no irregularities were noted during the audit process and certain mitigating controls had been implemented, the following additional recommendations for improving internal control in this area were made:

***Officers:***

Tim Knowles  
*(President)*

Tom Moseley  
*(Vice President)*

Alex Rodriguez-  
Roig  
*(Secretary Treasurer)*

Eric Thorm  
*(Past President)*

***Members:***

Peter Fleishmann

Erika Alba

Lucky Harris

Duane Hinshaw

Ron Nowvskie

Jeremy Miller

Brian Manderfield

Bob Sokolowski

Glenn Permuy

M.V. Prasad

Greg Kimbrough

**Recommendation:**

Checks are mailed by an individual independent of the check preparation process

**Management Response:**

The same individual who prepares the check send the checks by mail, BGCSC(The fiduciary agent) has asked an independent person to start to stuff and mail the checks each check processing.

**Recommendation:**

Distribution and review of monthly bank statements and bank reconciliations to a qualified board member or another individual independent of the accounting department

**Management Response:**

BGCSC will ask an independent person on the outside Finance committee to review the bank reconciliation and statements monthly and sign off that they have reviewed the statements.

Roy McBean  
*(Chairman Emeritus)*

Bill Sadlo  
*(CPO – Lead Agency)*

Daniel Lyons  
*(Executive Director)*

Daniel Lyons  
Executive Director