

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

BOYS & GIRLS CLUBS OF TAMPA BAY, INC.

December 31, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2023, and the related statements of activities and change in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Boys & Girls Clubs of Tampa Bay, Inc., as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boys & Girls Clubs of Tampa Bay, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Boys & Girls Clubs of Tampa, Inc. as of and for the year ended December 31, 2022 were audited by other auditors whose report dated June 6, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys & Girls Clubs of Tampa Bay, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boys & Girls Clubs of Tampa Bay, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys & Girls Clubs of Tampa Bay, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and State of Florida Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance 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, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Tampa, Florida
May 23, 2024

A handwritten signature in cursive script that reads "Buico, Jordanier & Company, P.A." The signature is written in black ink and is positioned to the right of the typed text.

Boys & Girls Clubs of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2023

(With summarized comparative totals for December 31, 2022)

| | 2023 | | 2022 | |
|---|----------------------------|-------------------------|----------------------|----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Totals |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 3,939,469 | \$ 740,922 | \$ 4,680,391 | \$ 5,278,827 |
| Accounts and grants receivable | 1,034,699 | - | 1,034,699 | 944,833 |
| Pledges receivable - net | 265,750 | - | 265,750 | 462,700 |
| Prepaid expenses | 106,322 | - | 106,322 | 97,914 |
| Total current Assets | <u>5,346,240</u> | <u>740,922</u> | <u>6,087,162</u> | <u>6,784,274</u> |
| Investments | - | 691,475 | 691,475 | 614,357 |
| Investments held at foundation | 135,074 | 3,494,187 | 3,629,261 | 3,227,280 |
| Construction in progress | 3,000 | - | 3,000 | 97,915 |
| Property and equipment, net | 7,266,387 | - | 7,266,387 | 7,221,182 |
| Cash surrender value of life insurance | - | 76,007 | 76,007 | 75,139 |
| TOTAL ASSETS | <u>\$ 12,750,701</u> | <u>\$ 5,002,591</u> | <u>\$ 17,753,292</u> | <u>\$ 18,020,147</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current Liabilities | | | | |
| Accounts payable | \$ 31,858 | \$ - | \$ 31,858 | \$ 148,715 |
| Accrued expenses | 323,635 | - | 323,635 | 236,673 |
| Due to foundation | 46,420 | - | 46,420 | 113,710 |
| Deferred revenue | 143,467 | - | 143,467 | 1,607,148 |
| TOTAL LIABILITIES | <u>545,380</u> | <u>-</u> | <u>545,380</u> | <u>2,106,246</u> |
| Net Assets | | | | |
| Without donor restrictions: | | | | |
| Undesignated | 4,935,934 | - | 4,935,934 | 4,127,489 |
| Invested in property and equipment | 7,269,387 | - | 7,269,387 | 7,319,097 |
| Total net assets without donor restrictions | <u>12,205,321</u> | <u>-</u> | <u>12,205,321</u> | <u>11,446,586</u> |
| With donor restrictions: | | | | |
| Purpose and time restrictions | - | 4,304,918 | 4,304,918 | 3,847,449 |
| Restricted in perpetuity - endowment | - | 697,673 | 697,673 | 619,866 |
| Total net assets with donor restrictions | <u>-</u> | <u>5,002,591</u> | <u>5,002,591</u> | <u>4,467,315</u> |
| Total Net Assets | <u>12,205,321</u> | <u>5,002,591</u> | <u>17,207,912</u> | <u>15,913,901</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 12,750,701</u> | <u>\$ 5,002,591</u> | <u>\$ 17,753,292</u> | <u>\$ 18,020,147</u> |

The accompanying notes are an integral part of this financial statement.

Boys & Girls Clubs of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2022

| ASSETS | Without Donor Restrictions | With Donor Restrictions | Total |
|--|----------------------------------|-------------------------------|----------------------|
| Current Assets | | | |
| Cash and cash equivalents | \$ 4,593,215 | \$ 685,612 | \$ 5,278,827 |
| Accounts and grants receivable | 944,833 | - | 944,833 |
| Pledges receivable - net | 462,700 | - | 462,700 |
| Prepaid expenses | 97,914 | - | 97,914 |
| Total Current Assets | 6,098,662 | 685,612 | 6,784,274 |
| Investments | - | 614,356 | 614,356 |
| Investments held at foundation | 135,073 | 3,092,208 | 3,227,281 |
| Construction in progress | 97,915 | - | 97,915 |
| Property and equipment, net | 7,221,182 | - | 7,221,182 |
| Cash surrender value of life insurance | - | 75,139 | 75,139 |
| TOTAL ASSETS | \$ 13,552,832 | \$ 4,467,315 | \$ 18,020,147 |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 148,715 | \$ - | \$ 148,715 |
| Accrued expenses | 236,673 | - | 236,673 |
| Due to foundation | 113,710 | - | 113,710 |
| Deferred revenue | 1,607,148 | - | 1,607,148 |
| TOTAL LIABILITIES | 2,106,246 | - | 2,106,246 |
| Net Assets | | | |
| Without donor restrictions: | | | |
| Undesignated | 4,127,489 | - | 4,127,489 |
| Invested in property and equipment | 7,319,097 | - | 7,319,097 |
| Total net assets without donor restrictions | 11,446,586 | - | 11,446,586 |
| With donor restrictions: | | | |
| Purpose and time restrictions | - | 3,847,449 | 3,847,449 |
| Restricted in perpetuity - endowment | - | 619,866 | 619,866 |
| Total net assets with donor restrictions | - | 4,467,315 | 4,467,315 |
| Total Net Assets | 11,446,586 | 4,467,315 | 15,913,901 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 13,552,832 | \$ 4,467,315 | \$ 18,020,147 |

The accompanying notes are an integral part of this financial statement.

Boys & Girls Clubs of Tampa Bay, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2023
(With summarized comparative totals for the year ended December 31, 2022)

| | 2023 | | 2022 | |
|---|----------------------------|-------------------------|---------------|---------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Totals |
| REVENUES | | | | |
| Special events | \$ 1,249,295 | \$ - | \$ 1,249,295 | \$ 910,583 |
| Less direct cost of special events | (181,034) | - | (181,034) | (179,990) |
| | 1,068,261 | - | 1,068,261 | 730,593 |
| Federal grants | 3,398,386 | - | 3,398,386 | 1,840,276 |
| State grants | 864,568 | - | 864,568 | 649,256 |
| Other grants and contracts | 1,403,909 | - | 1,403,909 | 1,460,057 |
| United Way | 145,405 | - | 145,405 | 234,518 |
| Contributions | 2,391,089 | 535,916 | 2,927,005 | 2,397,508 |
| Contributions of non-financial assets | 1,914,101 | - | 1,914,101 | 1,816,373 |
| Program revenue | 329,890 | - | 329,890 | 331,926 |
| Rental income | 62,012 | - | 62,012 | 68,719 |
| | 11,577,621 | 535,916 | 12,113,537 | 9,529,226 |
| Net assets released from restriction | 519,170 | (519,170) | - | - |
| Total Revenue | 12,096,791 | 16,746 | 12,113,537 | 9,529,226 |
| EXPENSES | | | | |
| Program services | | | | |
| Youth development | 9,439,253 | - | 9,439,253 | 7,980,979 |
| Support services | | | | |
| General and administrative | 1,280,570 | - | 1,280,570 | 797,783 |
| Fundraising | 753,461 | - | 753,461 | 956,893 |
| Total support services | 2,034,031 | - | 2,034,031 | 1,754,676 |
| Total expenses | 11,473,284 | - | 11,473,284 | 9,735,655 |
| Change in net assets before other income (loss) | 623,507 | 16,746 | 640,253 | (206,429) |
| Other income (loss) | | | | |
| Investment return | 135,228 | 518,530 | 653,758 | (766,292) |
| Change in net assets | 758,735 | 535,276 | 1,294,011 | (972,721) |
| Net assets, beginning of year | 11,446,586 | 4,467,315 | 15,913,901 | 16,886,622 |
| Net assets, end of year | \$ 12,205,321 | \$ 5,002,591 | \$ 17,207,912 | \$ 15,913,901 |

The accompanying notes are an integral part of this financial statement.

Boys & Girls Clubs of Tampa Bay, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2022

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|----------------------------------|-------------------------------|----------------------|
| REVENUES | | | |
| Special events | \$ 910,583 | \$ - | \$ 910,583 |
| Less direct cost of special events | (179,990) | - | (179,990) |
| | 730,593 | - | 730,593 |
| Federal grants | 1,840,276 | - | 1,840,276 |
| State grants | 649,256 | - | 649,256 |
| Other grants and contracts | 1,460,057 | - | 1,460,057 |
| United Way | 234,518 | - | 234,518 |
| Contributions | 1,918,421 | 479,087 | 2,397,508 |
| Contributions of non-financial assets | 1,816,373 | - | 1,816,373 |
| Program revenue | 331,926 | - | 331,926 |
| Rental income | 68,719 | - | 68,719 |
| | <u>9,050,139</u> | <u>479,087</u> | <u>9,529,226</u> |
| Net assets released from restriction | <u>403,618</u> | <u>(403,618)</u> | <u>-</u> |
| Total Revenue | <u>9,453,757</u> | <u>75,469</u> | <u>9,529,226</u> |
| EXPENSES | | | |
| Program services | | | |
| Youth development | <u>7,980,979</u> | <u>-</u> | <u>7,980,979</u> |
| Support services | | | |
| General and administrative | 797,783 | - | 797,783 |
| Fundraising | <u>956,893</u> | <u>-</u> | <u>956,893</u> |
| Total support services | <u>1,754,676</u> | <u>-</u> | <u>1,754,676</u> |
| Total expenses | <u>9,735,655</u> | <u>-</u> | <u>9,735,655</u> |
| Change in net assets before other loss | (281,898) | 75,469 | (206,429) |
| Other loss | | | |
| Investment return | <u>(23,996)</u> | <u>(742,296)</u> | <u>(766,292)</u> |
| Change in net assets | <u>(305,894)</u> | <u>(666,827)</u> | <u>(972,721)</u> |
| Net assets, beginning of year | <u>11,752,480</u> | <u>5,134,142</u> | <u>16,886,622</u> |
| Net assets, end of year | <u>\$ 11,446,586</u> | <u>\$ 4,467,315</u> | <u>\$ 15,913,901</u> |

The accompanying notes are an integral part of this financial statement.

Boys & Girls Clubs of Tampa Bay, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2023
(With summarized comparative totals for the year ended December 31, 2022)

| | Program Services | Support Services | | Total Support Services | Total Expenses | 2022 Comparative Totals |
|--|---------------------|----------------------------|-------------------|------------------------|----------------------|-------------------------|
| | Youth Development | General and Administrative | Fundraising | | | |
| Salaries | \$ 4,359,411 | \$ 759,779 | \$ 422,710 | \$ 1,182,489 | \$ 5,541,900 | \$ 4,471,557 |
| Employee benefits | 367,179 | 87,692 | 81,454 | 169,146 | 536,325 | 457,006 |
| Payroll taxes | 320,772 | 57,212 | 30,069 | 87,281 | 408,053 | 341,990 |
| Other personnel costs | 32,956 | 10,415 | 1,582 | 11,997 | 44,953 | 46,901 |
| Total salaries and related expenses | 5,080,318 | 915,098 | 535,815 | 1,450,913 | 6,531,231 | 5,317,454 |
| Direct youth services | 251,259 | - | - | - | 251,259 | 207,441 |
| Professional fees | 103,332 | 97,460 | 3,246 | 100,706 | 204,038 | 175,492 |
| Contract services | 47,616 | 68,622 | 36,606 | 105,228 | 152,844 | 144,255 |
| Supplies | 421,364 | 2,739 | 14,155 | 16,894 | 438,258 | 350,844 |
| In-kind supplies | 916,144 | - | - | - | 916,144 | 872,594 |
| Information technology | 216,447 | 48,505 | 30,812 | 79,317 | 295,764 | 278,378 |
| Printing, postage and subscriptions | 3,626 | 1,298 | 33,519 | 34,817 | 38,443 | 41,627 |
| In-kind rent expense | 997,957 | - | - | - | 997,957 | 915,947 |
| Property and liability insurance | 158,350 | 16,029 | 4,712 | 20,741 | 179,091 | 177,230 |
| Other occupancy costs | 384,044 | 38,875 | 11,431 | 50,306 | 434,350 | 396,871 |
| Equipment rental and maintenance | 29,803 | 8,616 | 1,747 | 10,363 | 40,166 | 45,627 |
| Vehicle and transportation expenses | 282,984 | 1,198 | 5,531 | 6,729 | 289,713 | 217,640 |
| Training, travel and meetings | 66,538 | 8,729 | 21,927 | 30,656 | 97,194 | 60,522 |
| Miscellaneous expense | 2,431 | 8,686 | 13,045 | 21,731 | 24,162 | 9,798 |
| Bank and merchant services fees | - | - | 30,892 | 30,892 | 30,892 | 16,607 |
| National and state dues | 26,017 | 24,624 | - | 24,624 | 50,641 | 34,721 |
| Total expenses before depreciation | 8,988,230 | 1,240,479 | 743,438 | 1,983,917 | 10,972,147 | 9,263,048 |
| Depreciation | 451,023 | 40,091 | 10,023 | 50,114 | 501,137 | 472,607 |
| Total expenses | \$ 9,439,253 | \$ 1,280,570 | \$ 753,461 | \$ 2,034,031 | \$ 11,473,284 | \$ 9,735,655 |

The accompanying notes are an integral part of this financial statement.

Boys & Girls Clubs of Tampa Bay, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2022

| | Program Services | Support Services | | Total Support Services | Total Expenses |
|-------------------------------------|----------------------|-------------------------------|-------------|------------------------------|-------------------|
| | Youth Development | General and Administrative | Fundraising | | |
| Salaries | \$ 3,411,951 | \$ 462,637 | \$ 596,969 | \$ 1,059,606 | \$ 4,471,557 |
| Employee benefits | 302,018 | 89,189 | 65,799 | 154,988 | 457,006 |
| Payroll taxes | 273,938 | 25,522 | 42,530 | 68,052 | 341,990 |
| Other personnel costs | 33,790 | 11,448 | 1,663 | 13,111 | 46,901 |
| Total salaries and related expenses | 4,021,697 | 588,796 | 706,961 | 1,295,757 | 5,317,454 |
| Direct youth services | 207,441 | - | - | - | 207,441 |
| Professional fees | 113,925 | 51,785 | 9,782 | 61,567 | 175,492 |
| Contract services | 63,255 | - | 81,000 | 81,000 | 144,255 |
| Supplies | 318,839 | 8,475 | 23,531 | 32,006 | 350,845 |
| In-kind supplies | 872,594 | - | - | - | 872,594 |
| Information technology | 208,595 | 42,178 | 27,605 | 69,783 | 278,378 |
| Printing, postage and subscriptions | 4,053 | 3,299 | 34,274 | 37,573 | 41,626 |
| In-kind rent expense | 915,947 | - | - | - | 915,947 |
| Property and liability insurance | 162,408 | 14,822 | - | 14,822 | 177,230 |
| Other occupancy costs | 367,356 | 17,699 | 11,816 | 29,515 | 396,871 |
| Equipment rental and maintenance | 39,359 | 3,157 | 3,111 | 6,268 | 45,627 |
| Vehicle and transportation expenses | 210,835 | 1,234 | 5,571 | 6,805 | 217,640 |
| Training, travel and meetings | 30,060 | 8,612 | 21,850 | 30,462 | 60,522 |
| Miscellaneous expense | 2,247 | 695 | 6,856 | 7,551 | 9,798 |
| Bank and merchant services fees | 1,523 | - | 15,084 | 15,084 | 16,607 |
| National and state dues | 15,499 | 19,222 | - | 19,222 | 34,721 |
| Total expenses before depreciation | 7,555,633 | 759,974 | 947,441 | 1,707,415 | 9,263,048 |
| Depreciation | 425,346 | 37,809 | 9,452 | 47,261 | 472,607 |
| Total expenses | \$ 7,980,979 | \$ 797,783 | \$ 956,893 | \$ 1,754,676 | \$ 9,735,655 |

The accompanying notes are an integral part of this financial statement.

Boys & Girls Clubs of Tampa Bay, Inc.

STATEMENTS OF CASH FLOWS

For the year ended December 31,

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 1,294,011 | \$ (972,721) |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 501,137 | 472,607 |
| Unrealized (gain) loss on investments | (504,558) | 780,926 |
| Donated property and equipment | - | (27,300) |
| Increase in cash surrender value of life insurance | (868) | (2,401) |
| Increase in accounts and grants receivable | (89,866) | (447,164) |
| Increase in prepaid expenses | (8,408) | (2,463) |
| Decrease (increase) in pledges receivable | 196,950 | (236,471) |
| (Decrease) increase in accounts payable | (116,857) | 38,592 |
| Increase (decrease) in accrued expenses | 86,962 | (12,493) |
| Decrease in due to/from Foundation | (67,290) | (157,118) |
| Decrease (increase) in deferred revenue | (1,463,681) | 1,375,294 |
| Net cash (used) provided by operating activities | <u>(172,468)</u> | <u>809,288</u> |
| Cash flows from investing activities | | |
| Cash payments for the purchase of property and equipment | (448,427) | (137,028) |
| Cash payments for construction in process | (3,000) | (97,915) |
| Cash proceeds from sale of investments | 25,459 | 37,133 |
| Net cash used in investing activities | <u>(425,968)</u> | <u>(197,810)</u> |
| Net (decrease) increase in cash and cash equivalents | (598,436) | 611,478 |
| Cash and cash equivalents, beginning of year | <u>5,278,827</u> | <u>4,667,349</u> |
| Cash and cash equivalents, end of year | <u>\$ 4,680,391</u> | <u>\$ 5,278,827</u> |
| Supplemental disclosures of cash flow information | | |
| Income tax paid | <u>\$ -</u> | <u>\$ -</u> |
| Interest paid | <u>\$ -</u> | <u>\$ -</u> |

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

Boys & Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the Boys & Girls Clubs of Tampa Bay, Inc. (the "Organization") and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Description of the Organization

The Boys & Girls Clubs of Tampa Bay, Inc., 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 club member. The Organization is supported primarily through private donor contributions and grants and contracts from government agencies.

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 club members 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 age-appropriate developmental opportunities and positive social norms, the Organization impacts the lives of its club members 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, they are equipped with the knowledge and ability to make positive choices to live as self-sufficient, productive, caring citizens.

2. 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.

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

- *Net Assets Without Donor Restrictions* - Net assets that are not subject to donor- or grantor- imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and/or board of trustees.
- *Net Assets With Donor Restrictions* - Net assets subject to restrictions imposed by donors or grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by actions of the Organization or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. If a restriction is satisfied in the same period in which the contribution is received, it is reported as support without donor restrictions.

3. Use of Estimates

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

4. Cash and Cash Equivalents

The Organization classifies amounts on hand and amounts in depository and money market accounts at the bank.

5. Accounts and Grants Receivable

Accounts and grants 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, 2023. 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, 2023.

6. Investments

Investments in marketable securities and readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets.

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Property and Equipment

Property and equipment are stated at cost if purchased or at estimated market value at the date of receipt if acquired by gift, less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the respective assets.

All acquisitions of property and equipment in excess of \$5,000 are capitalized. Repairs and maintenance of property and equipment are charged to operations and major improvements are capitalized. Upon retirement, sale, or other disposition of property and equipment, costs and accumulated depreciation and amortization are eliminated from the accounts and any resulting gain or loss is included in operations.

8. Deferred Revenue

Revenues from 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, 2023 and 2022 deferred grant revenue in the amount of \$0 and \$1,436,420, respectively, are reflected in the statement of financial position for amounts received but not earned. For the years ended December 31, 2023 and 2022, deferred revenue also includes \$122,188 and \$139,083, respectively, related to special events yet to be held and \$21,279 and \$31,645, respectively, related to membership dues for amounts received but not earned.

9. Contributions and Unconditional Promises to Give

The Organization reports contributions as pledges receivable when there is an unconditional promise to give, supported by evidence of the amount, timing, and nature of the contributions. Gifts of cash and other assets are reported as restricted support if they are received with donor-imposed time or purpose restrictions. When a donor restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

10. Program Revenue

Membership dues and other program revenue are recognized as revenue when the related services, which represents the Organization's performance obligations, are provided.

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Donated Services, Materials and Facilities

Donations of services are recorded as support at their estimated fair value if the services received create or enhance nonfinancial assets, or the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of goods and property are recognized at fair value when received. Facilities are recognized at fair value of rent per square foot. The amounts reflected in the accompanying financial statements as contributions of non-financial assets are offset by like amounts included in expenses or additions to property.

In addition, a number of other volunteers have donated significant amounts of their time to develop and maintain the Organization's programs. No amounts have been reported in the financial statements for the voluntary donation of services because no objective basis is available to measure the value of such donations.

12. Functional Expense Allocations

Expenses are shown by natural expense classification and function in the accompanying statement of functional expenses for each year presented. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management's estimate of the benefit derived by each activity. Management's estimates may be based on factors such as time and effort, square footage, clients served, or any other reasonable basis. The expenses that are allocated on the basis of estimates of time and effort are salaries, employee benefits and payroll taxes. Occupancy, maintenance, insurance and depreciation are allocated on a square footage basis. Client assistance and program supplies are allocated on the basis of clients served.

13. Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Income earned in furtherance of the Organization's tax-exempt purpose is exempt from federal and state income taxes. The Internal Revenue Service (IRS) has determined the Organization not to be a private foundation and contributions to it qualify as charitable contribution deductions. There was no unrelated business income for the years ended December 31, 2023 and 2022.

The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after 2019 remain subject to examination by federal and state taxing authorities.

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

14. New Accounting Standards

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. On January 1, 2023, the Organization adopted the new accounting standard and all of the related amendments using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no significant impact on the Organization's financial statements.

NOTE B - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available to meet general expenditures over the next 12 months at December 31:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Financial assets: | | |
| Cash and cash equivalents | \$ 4,680,391 | \$ 5,278,827 |
| Accounts and grants receivable | 1,034,699 | 944,833 |
| Pledges receivable, net | 265,750 | 462,700 |
| Investments | 691,475 | 614,357 |
| Investments held at foundation | 3,629,261 | 3,227,280 |
| Cash surrender value of life insurance | 76,007 | 75,139 |
| | <u>10,377,583</u> | <u>10,603,136</u> |
| Less those unavailable for general expenditures within 12 months due to: | | |
| Purpose and time restrictions | (4,304,918) | (3,847,449) |
| Donor restricted for endowment | (697,673) | (619,866) |
| | <u>(5,002,591)</u> | <u>(4,467,315)</u> |
| Financial assets available to meet expenditures over the next 12 months | <u>\$ 5,374,992</u> | <u>\$ 6,135,821</u> |

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE B - AVAILABILITY AND LIQUIDITY - Continued

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due and strives to operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. Financial assets in excess of daily cash requirements may be invested in certificates of deposit, money market funds or other short-term investments.

NOTE C - PLEDGES RECEIVABLE

The Organization's pledges receivable are as follows at December 31,:

| | <u>2023</u> | <u>2022</u> |
|--------------------------------------|-------------------|-------------------|
| Collectible in one year | \$ 265,750 | \$ 462,700 |
| Less allowance for doubtful accounts | <u>-</u> | <u>-</u> |
| | <u>\$ 265,750</u> | <u>\$ 462,700</u> |

NOTE D - 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 \$4,288,070 and \$4,817,781 for the years ended December 31, 2023 and 2022, respectively.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of grants receivable from Federal, State, and Local agencies. Concentration of credit risk with respect to grants receivable is minimized due to the amounts being backed by the government. The Organization has not experienced any material losses with respect to its grants receivables. At December 31, 2023, 88% of accounts and grants receivable were from three grantors (33%, 43% and 12%). At December 31, 2022, 69% of accounts and grants receivable were from two grantors (37% and 32%).

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE E - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31,:

| | <u>2023</u> | <u>2022</u> |
|-------------------------------|---------------------|---------------------|
| Buildings and improvements | \$ 10,130,852 | \$ 9,893,538 |
| Furniture and equipment | 1,049,619 | 1,017,052 |
| Vehicles | <u>528,843</u> | <u>252,382</u> |
| Total property and equipment | 11,709,314 | 11,162,972 |
| Less accumulated depreciation | <u>(4,442,927)</u> | <u>(3,941,790)</u> |
| | <u>\$ 7,266,387</u> | <u>\$ 7,221,182</u> |

Depreciation and amortization expense was \$501,137 and \$472,607 for the years ended December 31, 2023 and 2022, respectfully.

NOTE F - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization follows accounting guidance which defines fair value, expands disclosure requirements, and specifies a hierarchy of valuation techniques. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable.

In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs. The Organization measures investments at fair value on a recurring basis.

The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

- Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Organization.
- Level 2 - Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.
- Level 3 - Unobservable inputs based on the Organization's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE F - INVESTMENTS FAIR VALUE MEASUREMENTS - Continued

The following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2023 and 2022:

Mutual funds: measured at fair value based on quoted market prices on an active market. These are classified as Level 1 in the fair value hierarchy.

Life insurance contract: classified as Level 2 as the value is derived from the cash surrender value provided by the insurance company holding the contract which approximates fair value.

Investments held at foundation: classified as Level 2 as the value is determined by reference to the markets on which the underlying investments are traded and are held by a related party foundation.

The methods described above may produce a fair value calculation that may not be indicative of the 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.

The Organization evaluates the various types of financial assets and liabilities to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs.

The Organization employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE F - INVESTMENTS FAIR VALUE MEASUREMENTS - Continued

The following table sets forth by level, within the fair value hierarchy, the Organization's significant assets measured at fair value on a recurring basis at December 31,:

| 2023 | Fair Value | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs |
|--|---------------------|-------------------|---------------------|-------------------|
| Cash surrender value of life insurance | \$ 76,007 | \$ - | \$ 76,007 | \$ - |
| Investments | | | | |
| Investments held at foundation | 3,629,261 | - | 3,629,261 | - |
| Mutual funds | | | | |
| Large cap | 346,181 | 346,181 | - | - |
| Mid cap | 50,250 | 50,250 | - | - |
| Small cap | 48,660 | 48,660 | - | - |
| International | 98,358 | 98,358 | - | - |
| Fixed Income | 148,026 | 148,026 | - | - |
| | <u>\$ 4,396,743</u> | <u>\$ 691,475</u> | <u>\$ 3,705,268</u> | <u>\$ -</u> |
| 2022 | Fair Value | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs |
| Cash surrender value of life insurance | \$ 75,139 | \$ - | \$ 75,139 | \$ - |
| Investments | | | | |
| Investments held at foundation | 3,227,280 | - | 3,227,280 | - |
| Mutual funds | | | | |
| Large cap | 288,555 | 288,555 | - | - |
| Mid cap | 44,023 | 44,023 | - | - |
| Small cap | 42,222 | 42,222 | - | - |
| International | 87,769 | 87,769 | - | - |
| Fixed Income | 151,788 | 151,788 | - | - |
| | <u>\$ 3,916,776</u> | <u>\$ 614,357</u> | <u>\$ 3,302,419</u> | <u>\$ -</u> |

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

| | 2023 | 2022 |
|-------------------------------|-------------------|---------------------|
| Investment income | \$ 149,200 | \$ 14,634 |
| Net unrealized gains (losses) | 504,558 | (780,926) |
| | <u>\$ 653,758</u> | <u>\$ (766,292)</u> |

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE F - INVESTMENTS FAIR VALUE MEASUREMENTS - Continued

At December 31, 2023 and 2022, 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, 2023 in accordance with FASB ASC 325-30 Investments in Insurance Contracts. The face amount of those donated life insurance policies is \$200,000 at December 31, 2023 and 2022.

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 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 G - INVESTMENT IN ENDOWMENT - RESTRICTED IN PERPETUITY

The Organization's investment in endowment consists of endowment fund trust (the "Trust") established in 1950 operated solely for the benefit of, and in connection with, the Organization.

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition consisted of the following at December 31, 2023:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|------------|
| Boys and Girls Clubs of Tampa Bay Endowment Fund | \$ - | \$ 697,673 | \$ 697,673 |

Endowment net asset composition consisted of the following at December 31, 2022:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|------------|
| Boys and Girls Clubs of Tampa Bay Endowment Fund | \$ - | \$ 619,866 | \$ 619,866 |

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE G - INVESTMENT IN ENDOWMENT - RESTRICTED IN PERPETUITY - Continued

The Organization has a spending policy of appropriating for distribution each year 5% of its endowment fund's fair value at the close of the previous fiscal year. In establishing this policy, the Organization considered the long-term expected investment return on its endowment. The board has the authority to adjust the distribution policy based upon needs of the Organization each year.

Rate of Return

Endowment assets, as well as other investments, are invested in a well-diversified asset mix, which includes equity and debt securities. That is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make the annual distributions, while growing the fund, if possible.

Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return that exceeds inflation (consumer price index) by at least 3% per annum over a rolling 3-year period. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of total endowment funds; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

It is the donors' intent to keep the endowment corpus intact; however, from time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. Therefore, the agreements allow the Organization to distribute from the corpus of the funds, if necessary, and these reductions are reported as a decrease in net assets with donor restrictions. There were no deficiencies as of December 31, 2023 and 2022.

Changes in endowment fund net assets are as follows for the years ended December 31,:

| 2023 | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|-------------------|
| Endowment net assets, beginning of year | \$ - | \$ 619,866 | \$ 619,866 |
| Appropriated for expenditure | - | (30,993) | (30,993) |
| Additional designation | - | - | - |
| Investment income, net of fees | - | 13,192 | 13,192 |
| Net appreciation | - | 95,608 | 95,608 |
| Endowment net assets, end of year | <u>\$ -</u> | <u>\$ 697,673</u> | <u>\$ 697,673</u> |

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE G - INVESTMENT IN ENDOWMENT - RESTRICTED IN PERPETUITY - Continued

| 2022 | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|-------------------|
| Endowment net assets, beginning of year | \$ - | \$ 809,590 | \$ 809,590 |
| Appropriated for expenditure | - | (48,463) | (48,463) |
| Additional designation | - | - | - |
| Investment income, net of fees | - | 12,376 | 12,376 |
| Net depreciation | - | (153,637) | (153,637) |
| Endowment net assets, end of year | <u>\$ -</u> | <u>\$ 619,866</u> | <u>\$ 619,866</u> |

NOTE H - NET ASSETS

Net assets with donor restrictions were as follows as of December 31,:

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Endowment funds to benefit specific clubs: | | |
| Winston Park | \$ 1,097,163 | \$ 969,984 |
| Town N Country Park | 1,106,742 | 979,330 |
| | <u>2,203,905</u> | <u>1,949,314</u> |
| Subject to expenditure for specific purpose | | |
| Programs | 1,346,260 | 1,287,437 |
| Operating reserves | 111,704 | 111,704 |
| Capital projects | 173,905 | 58,904 |
| Time restricted | 469,144 | 440,090 |
| Restricted in perpetuity - endowment | 697,673 | 619,866 |
| | <u>2,798,686</u> | <u>2,518,001</u> |
| | <u>\$ 5,002,591</u> | <u>\$ 4,467,315</u> |

Net assets with donor restrictions of \$519,170 and \$403,618 were released in satisfaction of restrictions during the years ended December 31, 2023 and 2022, respectively.

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE I - CONTRIBUTED SERVICES, MATERIALS AND FACILITIES

During the years ended December 31, 2023 and 2022, the Organization received the below contributions of non-financial assets for use in youth development programs:

| | <u>2023</u> | <u>2022</u> |
|--------------------------------------|---------------------|---------------------|
| Facilities | \$ 997,957 | \$ 915,947 |
| Afterschool snack and supper program | 916,144 | 873,126 |
| Property and equipment | <u>-</u> | <u>27,300</u> |
| | <u>\$ 1,914,101</u> | <u>\$ 1,816,373</u> |

NOTE J - EMPLOYEE BENEFIT PLAN

The Organization sponsors a 401(k) Profit-Sharing Plan (the "Plan"). Employees who are 21 years of age or older with at least six months of service are eligible to make salary reduction contributions and receive the Organization's match. To qualify for the Organization's base contribution, employees must complete at least one year of service. Matching contributions are made on behalf of eligible employees equal to 100% of the salary reduction amount contributed up to 3% of compensation. Each Plan year, the Organization also makes a base contribution equal to 3% of compensation on behalf of eligible employees. Participants are fully vested after three years of service. Forfeitures are used to pay Plan expenses and to reduce the Organization's future contributions to the Plan. The Organization's contribution for the years ended December 31, 2023 and 2022 was \$139,005 and \$103,720, respectively.

NOTE K - 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, 2023 and 2022.

NOTE L - 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. The Organization and Foundation engage in joint fundraising activities for which a portion of all fundraising revenue is allocated to the Foundation pursuant to a revenue sharing agreement. The Organization also provides management, accounting, fundraising and administrative services to the Foundation. The in-kind value of these services totaled \$122,701 and \$109,853 for the years ended December 31, 2023 and 2022, respectively.

Boys and Girls Clubs of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023 and 2022

NOTE L - BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC. - Continued

Pursuant to the Foundation's investment and spending policies, up to 5% of the 3-year average of prior fiscal year-end market values may be withdrawn for the benefit of the Organization upon request. During the years ended December 31, 2023 and 2022, the Organization received \$356,375 and \$344,913, respectively, which are reflected as contributions in the financial statements. Amounts due to foundation were \$46,420 and \$113,710 for the years ended December 31, 2023 and 2022, respectively.

NOTE M - RELATED PARTY

During the years ended December 31, 2023 and 2022, the Organization had a Board Member that is on the Board of an agency that provided in-kind meals valued at \$916,144 and \$873,126, respectively, for one of its programs.

NOTE N - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to December 31, 2023 as of May 23, 2024, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION AND OTHER REPORTS

Boys & Girls Clubs of Tampa Bay, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the year ended December 31, 2023

| <u>Federal Grantor / Pass-through Granter / Program or Cluster Title</u> | <u>Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Passed-Through to Subrecipients</u> | <u>Federal Expenditures</u> |
|--|----------------------------------|---|--|-----------------------------|
| Federal Programs: | | | | |
| U.S. Department of Education | | | | |
| <i>Passed-through Florida Department of Education</i> | | | | |
| 21st Century Community Learning Centers | 84.287 | 92B-2442B/92B-2443B/92B-2444B | \$ - | \$ 1,126,674 |
| Total U.S. Department of Education | | | - | 1,126,674 |
| U.S. Department of Housing and Urban Development | | | | |
| <i>Passed-through City of Plant City Florida</i> | | | | |
| Community Development Block Grant | 14.218 | | - | 20,455 |
| Total U.S. Department of Housing and Urban Development | | | - | 20,455 |
| U.S. Department of Justice Pass-Through Programs From: | | | | |
| <i>Passed-through Boys & Girls Clubs of America, Inc.</i> | | | | |
| Juvenile Mentoring Program | 16.726 | OJJDP 2022 | - | 63,300 |
| Total U.S. Department of Agriculture | | | - | 63,300 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 1,210,429 |

Boys & Girls Clubs of Tampa Bay, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE - CONTINUED

For the year ended December 31, 2023

| <u>State Grantor / Pass-through Grantor / Project or Cluster Title</u> | <u>CFSA</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Passed-Through to Subrecipients</u> | <u>State Expenditures</u> |
|--|-------------|---|--|-------------------------------|
| State Projects: | | | | |
| State of Florida Department of Juvenile Justice | | | | |
| <i>Passed-through Florida Alliance of Boys and Girls Clubs</i> Delinquency Prevention | 80.029 | | \$ - | \$ 252,672 |
| <i>Passed-through Prodigy Cultural Arts Program</i> Delinquency Prevention | 80.029 | | - | 171,160 |
| Total State of Florida Department of Juvenile Justice | | | - | 423,832 |
| State of Florida Department of Education | | | | |
| <i>Passed-through Florida Alliance of Boys and Girls Clubs</i> Mentoring/Student Assistance Initiatives | 48.068 | | - | 232,797 |
| <i>Passed-through Florida Alliance of Boys and Girls Clubs</i> School and Instructional Enhancement Programs | 48.040 | | - | 73,539 |
| Total State of Florida Department of Education | | | - | 306,336 |
| State of Florida Department of Children and Families | | | | |
| <i>Passed-through Florida Alliance of Boys and Girls Clubs</i> Substance Abuse and Mental Health-Community Services | 60.153 | | - | 134,400 |
| Total State of Florida Department of Children and Families | | | - | 134,400 |
| Total Expenditures of State Financial Assistance | | | \$ - | \$ 864,568 |

Boys & Girls Clubs of Tampa Bay, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

For the year ended December 31, 2023

NOTE A - BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the State of Florida Chapter 10.650, *Rules of the Auditor General*. Because the schedule presents only a selected portion of the operation of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flow of the Organization.

Some amounts presented in the schedule may differ from amounts presented or used in the preparation of the financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and cost principles established by the State of Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE B - INDIRECT COST RATE

The Organization has elected to utilize the 10-percent de minimis indirect cost rate under the Uniform Guidance.

NOTE C - CONTINGENCIES

These federal programs and state projects are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Organization's continued participation in specific programs. The amount of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

Boys & Girls Clubs of Tampa Bay, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED

For the year ended December 31, 2023

NOTE D - RECONCILIATION OF FEDERAL EXPENDITURES TO FEDERAL GRANT
REVENUE ON STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

| | |
|---|----------------------------|
| Total Expenditures per Schedule of Expenditures of Federal Awards | \$ 1,210,429 |
| Child Care Stabilization Subgrants | <u>2,187,957</u> |
| Total Federal Grant Revenue | <u><u>\$ 3,398,386</u></u> |

Child care stabilization funds included in the American Rescue Plan Act are for the benefit of qualified child care providers and are considered payments made to beneficiaries of a federal program. Qualified providers receiving these funds are therefore not categorized as "sub-recipients" but instead as beneficiaries. The Single Audit Act requirements at 45 CFR Subpart F do not apply to beneficiaries.



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

Board of Directors
Boys & Girls Clubs of Tampa Bay, 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 Boys & Girls Clubs of Tampa Bay, Inc., (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 23, 2024.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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




Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tampa, Florida
May 23, 2024

A handwritten signature in cursive script that reads "Benicio, Gordinier & Company, P.A." The signature is written in black ink and is positioned to the right of the date and location text.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Boys & Girls Clubs of Tampa Bay, Inc. (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and State of Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended December 31, 2023. The Organization's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Florida *Chapter 10.560, Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Boys & Girls Clubs of Tampa Bay, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of Boys & Girls Clubs of Tampa Bay, Inc.'s compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Boys & Girls Clubs of Tampa Bay, Inc.'s federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Boys & Girls Clubs of Tampa Bay, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Boys & Girls Clubs of Tampa Bay, Inc.'s compliance with the requirements of each major federal program and state financial assistance project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Boys & Girls Clubs of Tampa Bay, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Boys & Girls Clubs of Tampa Bay, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of Boys & Girls Clubs of Tampa Bay, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance


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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Tampa, Florida
May 23, 2024

Handwritten signature in cursive script that reads "Buco, Gardner & Company, P.A."

Boys & Girls Clubs of Tampa Bay, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? Yes X No
 Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted Yes X No

Federal Awards and State Projects

Internal control over major programs and state projects:
 Material weakness(es) identified? Yes X No
 Significant deficiency(ies) identified Yes X None reported

Type of auditor's report on compliance for major programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.656 *Rules of the Auditor General* Yes X No

Identification of Major Federal Programs and State Projects

Federal Programs

| <u>Assistance Listing Number</u> | <u>Name of Federal Program or Cluster</u> |
|----------------------------------|---|
| 84.287 | 21st Century Community Learning Centers |

State Projects

| <u>CFSA Number</u> | <u>Name of State Project</u> |
|--------------------|--|
| 48.068 | Mentoring/Student Assistance Initiatives |
| 80.029 | Delinquency Prevention |

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

Dollar threshold used to distinguish between type A and type B State projects \$ 300,000

Auditee qualified as low-risk auditee? X Yes No

Boys & Girls Clubs of Tampa Bay, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended December 31, 2023

Section II - Financial Statement Findings

No matters were reported for the year ended December 31, 2023.

Section III - Federal Award and State Financial Assistance Findings and Questioned Costs

No matters were reported for the year ended December 31, 2023.

Other Issues

a) A management letter is not required because there were no finding required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).