

**BOYS & GIRLS CLUBS  
OF ST. LUCIE COUNTY, INC.**

**Financial Statements  
and  
Single Audit Act Compliance and  
State Reports**

September 30, 2024  
(With Comparative Totals for 2023)

**Table of Contents**

	<b>Page</b>
<b>Independent Auditors' Report</b> .....	2 - 3
<b>Financial Statements (With Comparative Totals for 2023):</b>	
Statements of Financial Position .....	4
Statement of Activities and Changes in Net Assets.....	5
Statement of Functional Expenses.....	6
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8 – 17
<b>Single Audit Act Compliance and State Reports:</b>	
Schedule of Expenditures of Federal Awards and State Financial Assistance .....	19 – 20
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	21
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> .....	22 – 23
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 .....	24 – 25
Schedule of Findings and Questioned Costs.....	26 – 29
Summary Schedule of Prior Audit Findings.....	30
<b>Management Letter</b> .....	31

## Independent Auditors' Report

June 30, 2025

To the Board of Directors  
Boys & Girls Clubs of St. Lucie County, Inc.  
Fort Pierce, Florida

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

#### **Opinion**

We have audited the accompanying financial statements of Boys & Girls Clubs of St. Lucie County, Inc. (the “Club”), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Boys & Girls Clubs of St. Lucie County, Inc. as of September 30, 2024, and the changes in 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 Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boys & Girls Clubs of St. Lucie County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Change in Accounting Principle**

As described in Note 17 to the financial statements, effective October 1, 2023, the Club adopted Accounting Standards Codification Topic 326, Measurement of Credit Losses on Financial Instruments. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management 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.

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 St. Lucie County, 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’ Responsibility 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 St. Lucie County, 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 St. Lucie County, 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, 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 by the 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. The additional information on pages 21 and 22 is presented for the purposes of additional analysis and are 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 subject 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 *Governmental Auditing Standards*, we have also issued our report dated June 30, 2025 on our consideration of Boys & Girls Clubs of St. Lucie County, 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 effectiveness of Boys & Girls Clubs of St. Lucie County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boys & Girls Clubs of St. Lucie County, Inc.'s internal control over financial reporting and compliance.

### **Report on Summarized Comparative Information**

The previously audited financial statements of Boys & Girls Clubs of St. Lucie County, Inc. as of and for the year ended September 30, 2023 were audited by Kmetz, Elwell, Graham and Associates, PLLC ("KEGA"), who combined with Rehmann Robson LLC effective June 1, 2025. KEGA's report dated April 30, 2024, expressed an unmodified opinion on the 2023 financial statements. In our opinion, the summarized comparative information presented herein as of and for year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



**Boys & Girls Club of St. Lucie County, Inc.**  
 Statements of Financial Position  
 September 30, 2024  
 (With comparative totals for 2023)

	2024	2023
	Total	Total
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 349,556	\$ 990,430
Accounts receivable	18,800	1,325
Grants receivable	885,047	903,897
Pledges receivable	32,000	-
Prepaid expenses	120,885	130,187
<b>Total Current Assets</b>	<b>1,406,288</b>	<b>2,025,839</b>
<b>Other Assets</b>		
Beneficial interest in assets held by Community Foundation	996,053	1,194,793
Property and equipment, net	1,134,720	1,276,221
Right-of-use assets - operating	830,864	256,491
<b>Total Other Assets</b>	<b>2,961,637</b>	<b>2,727,505</b>
<b>Total Current Assets</b>	<b>\$ 4,367,925</b>	<b>\$ 4,753,344</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 44,960	\$ 139,319
Accrued payroll expenses	504,141	258,004
Accrued compensated absences	68,189	92,973
Deferred revenue	80,802	276,055
Refundable advances on conditional contributions	92,925	-
Lease obligations - operating, current portion	357,087	175,548
<b>Total Current Liabilities</b>	<b>1,148,104</b>	<b>941,899</b>
<b>Long-term Liabilities</b>		
Lease obligations - operating (less current portion)	473,777	80,943
<b>Total Long-term Liabilities</b>	<b>473,777</b>	<b>80,943</b>
<b>Net Assets</b>		
Without donor restrictions	2,359,019	2,898,374
With donor restrictions	387,025	832,128
<b>Total Net Assets</b>	<b>2,746,044</b>	<b>3,730,502</b>
	<b>\$ 4,367,925</b>	<b>\$ 4,753,344</b>

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

**Boys & Girls Club of St. Lucie County, Inc.**  
Statement of Activities and Changes in Net Assets  
Year ended September 30, 2024  
(With comparative totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues, support and gains</b>				
Federal, State and Local funding	\$ 4,299,434	\$ -	\$ 4,299,434	\$ 3,430,807
Program services	3,406,452	-	3,406,452	6,528,421
Contributions	1,308,478	154,793	1,463,271	498,994
Contributions of nonfinancial assets	1,788,628	-	1,788,628	1,745,217
Fundraising events, net	591,432	32,000	623,432	194,974
Memberships	96,770	-	96,770	96,949
Investment change in beneficial interest in assets held by Community Foundation	101,260	-	101,260	61,603
Net assets released from restrictions through satisfaction of purpose	631,896	(631,896)	-	-
Gain on sale of property & equipment	29,049	-	29,049	-
Other revenue	141,014	-	141,014	136,358
<b>Total revenues, support and gains</b>	<b>12,394,413</b>	<b>(445,103)</b>	<b>11,949,310</b>	<b>12,693,323</b>
<b>Expenses</b>				
Program services	11,434,912	-	11,434,912	10,082,860
Support services:				
Management and general	1,021,652	-	1,021,652	831,089
Fundraising	502,602	-	502,602	388,136
<b>Total expenses</b>	<b>12,959,166</b>	<b>-</b>	<b>12,959,166</b>	<b>11,302,085</b>
<b>Increase (decrease) in net assets before other non-operating items</b>	<b>(564,753)</b>	<b>(445,103)</b>	<b>(1,009,856)</b>	<b>1,391,238</b>
<b>Other non-operating items</b>				
Other non-operating revenue	25,398	-	25,398	21,532
<b>Total other non-operating items</b>	<b>25,398</b>	<b>-</b>	<b>25,398</b>	<b>21,532</b>
<b>Increase (decrease) in net assets</b>	<b>(539,355)</b>	<b>(445,103)</b>	<b>(984,458)</b>	<b>1,412,770</b>
<b>Net assets, beginning of year</b>	<b>2,898,374</b>	<b>832,128</b>	<b>3,730,502</b>	<b>2,317,732</b>
<b>Net assets, end of year</b>	<b>\$ 2,359,019</b>	<b>\$ 387,025</b>	<b>\$ 2,746,044</b>	<b>\$ 3,730,502</b>

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

**Boys & Girls Club of St. Lucie County, Inc.**

Statement of Functional Expenses

Year ended September 30, 2024

(With comparative totals for 2023)

	2024				2023
	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total	
Salaries and wages	\$ 5,258,057	\$ 478,005	\$ 239,003	\$ 5,975,065	\$ 5,047,823
Staff benefits and payroll taxes	969,265	195,439	88,175	1,252,879	976,338
<b>Total payroll</b>	<b>6,227,322</b>	<b>673,444</b>	<b>327,178</b>	<b>7,227,944</b>	<b>6,024,161</b>
Rent	1,932,906	136,564	31,515	2,100,985	2,014,428
Advertising	37,311	4,664	243,727	285,702	135,611
Food	450,985	6,015	4,010	461,010	472,807
Program supplies	515,430	-	28,349	543,779	349,426
Field trips	223,570	-	-	223,570	194,581
Insurance	194,341	16,195	8,098	218,634	204,646
Travel	96,603	65,009	38,587	200,199	145,730
Utilities	79,497	6,625	3,312	89,434	137,361
Building and grounds maintenance	156,090	13,007	6,504	175,601	99,001
Interest	-	-	-	-	4,313
Professional services	295,743	24,645	12,323	332,711	334,762
Telephone	67,448	5,621	2,810	75,879	69,340
Office supplies	48,291	9,234	7,963	65,488	55,633
Conferences and conventions	24,597	4,612	1,537	30,746	126,679
Computer repair maintenance	152,542	12,712	6,356	171,610	227,340
Stipends	176,105	-	-	176,105	172,168
Bank fees	128,831	12,742	-	141,573	117,786
Credit losses	11,475	-	-	11,475	800
Membership dues	80,912	6,743	3,371	91,026	57,976
Equipment rental and repairs	35,020	2,008	1,003	38,031	35,386
Staff development	126,555	8,852	8,238	143,645	9,617
Awards and grants	175,544	-	-	175,544	189,656
Taxes and licenses	1,099	-	-	1,099	9,309
Postage and shipping	13	133	2,508	2,654	351
<b>Total expenses before depreciation</b>	<b>11,238,230</b>	<b>1,008,825</b>	<b>737,389</b>	<b>12,984,444</b>	<b>11,188,868</b>
Depreciation	196,682	12,827	4,276	213,785	210,768
<b>Total expenses</b>	<b>11,434,912</b>	<b>1,021,652</b>	<b>741,665</b>	<b>13,198,229</b>	<b>11,399,636</b>
Less special event expenses included with revenue, support and gains on the statement of activities	-	-	(239,063)	(239,063)	(97,551)
<b>Total expenses included in the expenses section of the statement of activities</b>	<b>\$ 11,434,912</b>	<b>\$ 1,021,652</b>	<b>\$ 502,602</b>	<b>\$ 12,959,166</b>	<b>\$ 11,302,085</b>

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

**Boys & Girls Club of St. Lucie County, Inc.**  
 Statements of Cash Flows  
 Year ended September 30, 2024

	2024	2023
	Total	Total
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	\$ (984,458)	\$ 1,412,770
Adjustments to reconcile increase (decrease) in net assets to net change in cash from operating activities:		
Depreciation	213,785	210,768
Realized/unrealized gain on investments	(101,260)	(61,603)
Changes in assets and liabilities:		
Grants receivable	18,850	(463,921)
Accounts receivable	(17,475)	13,084
Pledges receivable	(32,000)	-
Prepaid expenses	9,302	(36,378)
Right-of-use assets - operating	(574,373)	(256,491)
Accounts payable	(94,359)	58,011
Accrued payroll expenses	246,137	68,629
Accrued compensated absences	(24,784)	9,079
Deferred revenue	(195,253)	28,584
Refundable advances on conditional contributions	92,925	-
Lease obligations - operating	574,373	256,491
Net change in cash from operating activities	(868,590)	1,239,023
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(72,284)	(22,675)
Net change in investment in beneficial interest in assets held by Community Association	300,000	(50,033)
Net change in cash from investing activities	227,716	(72,708)
<b>Cash flows from financing activities:</b>		
Principal payments on notes payable	-	(374,255)
Net change in cash from financing activities	-	(374,255)
<b>Net change in cash and cash equivalents</b>	<b>(640,874)</b>	<b>792,060</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>990,430</b>	<b>198,370</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 349,556</b>	<b>\$ 990,430</b>
Supplemental disclosure:		
Cash paid for interest expense	\$ -	\$ 4,313

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

**Note 1 – Nature of Organization**

Boys & Girls Clubs of St. Lucie County, Inc. (the “Club”) was formed August 5, 1994, to give local youth a safe place to grow, learn and develop the qualities needed to become responsible citizens and leaders in the community. The Club grew from humble beginnings in an elementary school classroom to become the largest youth development organization on the Treasure Coast. The new Westside Club which opened in 2021, is the largest physical Club site in the state. The Club served an estimated 16,000 children K-12 during the fiscal year through Club programs and community outreach. It operates at 23 locations within St. Lucie County. The Club welcomes children of all backgrounds, with special emphasis placed on those from disadvantaged circumstances.

The Club locations are open from 7 a.m. until school starts, after school until 6 p.m. and 7:30 a.m. to 6 p.m. during summer and school breaks. Scholarships are provided for children in foster care, children known to be homeless, and any child who is unable to pay the attendance fee. When children walk through the doors of the Club, they enter a safe, positive environment with caring youth development professionals and world-class programs. Key initiatives offered by the Club include homework help and tutoring, technology programs, athletics, field trips, and preparation for college and careers through the Character and Leadership Development program. As the demand and need for the Boys & Girls Clubs increases with the growing population in St. Lucie County, the Club continues to diversify its revenue streams, drawing support from individual donors, corporations, and various agency grants.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Club have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The Club presents its financial statements in accordance with ASC 958 - *Financial Statements of Not-for-profit Entities*. Contributions, including certain grants, are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in donor restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Net assets without donor restriction are available for use in general operations and not subject to donor restrictions.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash and deposit accounts that are readily convertible into cash and have original maturities of three months or less. The Club maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Club has not experienced any credit losses and does not believe it is exposed to any significant credit loss on such accounts.

**Beneficial Interest in Assets Held by Community Foundation**

Investments include a beneficial interest in assets held by The Community Foundation Martin – St. Lucie (the “Community Foundation”) for the benefit of the Club. The fair value of the beneficial interest is determined by the Community Foundation. The unrealized appreciation (depreciation) in fair value is reflected on the statement of activities as change in value of beneficial interest in assets held by Community Foundation.

**Boys & Girls Clubs of St. Lucie County, Inc.**

Notes to the Financial Statements (continued)

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Receivables**

The accounts receivable represents charges for services rendered and billed either under contractual terms or to the family or other responsible part of the children attending the Club. The Club considered all grants receivable to be collectable. Accounts receivable related to program service fees are considered on a case by case basis, as families unable to pay will be qualified for scholarships and receivable amounts will be written off, once the scholarship has been approved.

Management estimates an allowance for expected credit losses based on the amount it expects to collect from grantors or donors, based on the length of time the receivables have been outstanding, historical collection experience, current market conditions and forecasted economic and business environments. Amounts are deemed to be uncollectible are written off against the allowance for credit losses. At September 30, 2024, the allowance related to these receivables was not material.

**Property and Equipment**

Property and equipment acquisitions greater than \$1,000 are capitalized and stated at cost. Donated property and equipment are recorded at the fair market value at the date of the gift. Depreciation is provided on a straight-line basis over the estimated useful life of the asset.

Estimated useful lives of property and equipment range as follows:

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Vehicles	3-5 years
Furniture, Fixtures & Computers	3-10 years
Equipment	5-10 years
Leasehold Improvements	5-10 years
Building and Improvements	5-40 years

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**Leases**

In accordance with ASU 2016-02 and amendments, the Club records right of use assets (“ROU”) and corresponding lease obligations. The discount rate used is a risk-free discount rate when a lessor’s implicit rate is not provided. Additionally, the Club has made the accounting policy election not to recognize right-of-use assets and lease liabilities for leases of 12 months or less, and therefore, these leases are expensed on a straight-line basis. Lease and non-lease components are accounted for together as a single lease component for operating leases associated with office space and equipment leases. Variable rent payments are expensed as incurred, if any.

The Club determines whether to account for its leases as operating or financing leases depending on the underlying terms of the lease agreement(s). This determination of classification is complex and requires significant judgement about the Club’s cost of funds, minimum lease payments and other lease terms.

Management reviews these ROU assets for impairment whenever events or circumstances indicate that their carrying values may not be fully recoverable.

**Revenue and Support Recognition**

The Club recognizes revenue in accordance with Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The core principle of the guidance is that entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. No contract liabilities were recorded for the fiscal year.

**Boys & Girls Clubs of St. Lucie County, Inc.**

Notes to the Financial Statements (continued)

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Revenue and Support Recognition** (continued)

Conditional contributions, those with a measurable performance or other barrier and a right of return, are not recognized as support until the conditions on which they depend have been met. The Club’s grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As of September 30, 2024, there were conditional contributions of \$93,925 that have not yet been recognized as support because conditions had not yet been met and are reported as refundable advances on conditional contributions on the statements of financial position.

The Club holds special events and reports the support generated, net of any direct operating costs, as support in the accompanying statement of activities. Event support is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. The exchange portions of the transactions for the direct cost of donor benefits was not significant.

Program service revenue consists primarily of afterschool and summer camp revenue and is earned when the performance obligation is satisfied, which is generally as the services are rendered. Payment for program service revenues are due at the beginning of each week in which the child attends.

Membership fees, which are not significant to the financial statements, are recorded as revenue upon satisfaction of the related performance obligation.

**Contributed Services**

The Club receives donated services from unpaid volunteers who assist in fund-raising, administration and program services. The estimated hours for the year ended September 30, 2024 received for such services cannot easily be estimated. However, these services have not been recognized in the accompanying financial statements because the criteria for recognition of such volunteer effort have not been satisfied.

**Functional Allocation of Expenses**

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited using specific identification or time & effort analysis as appropriate to the underlying natural expense categories.

The significant expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and Effort
Occupancy	Location or Program
Program activities	Location or Program
Depreciation	Location

**Advertising Costs**

Advertising costs are generally expensed when incurred. Advertising cost consists primarily of public service announcements and media spots used to notify the public of services provided.

**Compensated Absences**

Compensated absences are calculated based on the pay rates in effect at year end and is included in accrued expenses.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **Boys & Girls Clubs of St. Lucie County, Inc.**

Notes to the Financial Statements (continued)

### **Note 2 – Summary of Significant Accounting Policies (continued)**

#### **Income Taxes**

The Club is a nonprofit organization as described in Sec. 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. In addition, the Club has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

The Club has evaluated fiscal years 2021 through 2024, the year which remain subject to examination by major tax jurisdictions as of September 30, 2024, for uncertain tax positions. The Club concluded that there are no significant uncertain tax positions requiring recognition in the Club's financial statements. The Club does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Club does not have any amounts accrued for interest and penalties related to UTBs at September 30, 2024, and it is not aware of any claims for such amounts by federal and state income tax authorities.

#### **Summarized Comparative Information for the Year Ended September 30, 2023**

The financial information presented for comparative purposes for the year ended September 30, 2023 is not intended to be a complete financial statement presentation in accordance with GAAP. Accordingly, such information should be read in conjunction with the Club's 2023 financial statements, from which the summarized information was derived.

### **Note 3 – Uninsured Cash/Investment Balances and Credit Risk**

Financial instruments which potentially subject the Club to a concentration of credit risk include cash and investments held at financial institutions, which at times exceed FDIC/SIPC insurance limits or are subject to risks associated within the underlying securities. The Club has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its cash and investment balances.

### **Note 4 – Pledge Receivable**

As of September 30, 2024, the Club had one pledge receivable outstanding in the amount of \$32,000. This pledge is expected to be collected in full during the next fiscal year and therefore no allowance has been deemed necessary by the Club.

### **Note 5 – Fair Value Measurements**

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement. The Club recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the year ended September 30, 2024.

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

**Boys & Girls Clubs of St. Lucie County, Inc.**

Notes to the Financial Statements (continued)

**Note 5 – Fair Value Measurements (continued)**

The following methods and assumptions were used by the Club in estimating its fair value disclosures for financial instruments:

- The beneficial interest in funds held by Community Foundation are further described in Note 6. The Club has allocated its portion of the total fair values of the underlying securities held by the Community Foundation. The underlying securities held by the Community Foundation are classified as Level 3.

Fair Value Measurements at Reporting Date Using						
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Beneficial interest in assets held by the Community Foundation	\$ 996,053	\$ -	\$ -	\$ 996,053		
	\$ 996,053	\$ -	\$ -	\$ 996,053		

**Note 6 – Beneficial Interest in Assets held by Community Foundation**

During 2020, the Club established the Boys & Girls Clubs of St. Lucie County Agency Fund (the “Fund”) with the Community Foundation Martin – St. Lucie (the “Foundation”) and named the Club as beneficiary. The Fund is perpetual in nature and all money and property transferred to the Fund is an irrevocable gift to the Foundation. Variance power was granted to the Foundation, which allows the Foundation to modify any restriction or condition on the use or distribution of the income and principal of the Fund if, in the sole judgement of the Foundation’s Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

The Fund is held and invested by the Foundation for the benefit of the Club and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

The beneficial interests in assets held by the community foundation are valued using Level 1 and Level 3 measurements and represent a percentage of pooled investments of the Foundation consisting of cash equivalents, fixed income, and equity pools managed under a moderate risk-based investment mix.

The composition of investments held by the Community Foundation at September 30, 2024 is as follows:

Cash Equivalents Pool	\$ 542,143
Charles Schwab Actively Managed Pool	453,910
	\$ 996,053

**Boys & Girls Clubs of St. Lucie County, Inc.**

Notes to the Financial Statements (continued)

**Note 7 – Property and Equipment**

Net property and equipment consists of the following amounts at September 30, 2024:

Land	\$ 395,623
Building	479,894
Building Improvements	289,338
Leasehold Improvements	537,681
Equipment	156,912
Furniture, Fixtures & Computers	120,164
Vehicles	398,345
<b>Total</b>	<b>2,377,957</b>
Less: Accumulated depreciation	(1,243,237)
<b>Net property and equipment</b>	<b>\$ 1,134,720</b>

Depreciation expense for the year ended September 30, 2024, was \$213,785.

**Note 8 – Leases**

The Club leases office spaces and clubhouses under non-cancelable operating lease agreements expiring at various times through February 2027. The leases contains no significant restrictions.

The following table summarizes the composition of net lease cost during the year ended September 30, 2024:

Operating lease cost	\$ 400,277
In-kind lease cost	1,700,708
<b>Total lease cost</b>	<b>\$ 2,100,985</b>

The following is a schedule by year of minimum future payments on the operating leases and the amortization of the net present value (NPV) of the lease liability as of September 30, 2024:

Operating lease obligations - future minimum payments:

	Minimum annual lease payments	Amortization of NPV of lease liability
2024	\$ 380,831	\$ 357,087
2025	359,888	349,549
2026	125,000	124,228
	<b>865,719</b>	<b>830,864</b>
Less current portion		(357,087)
<b>Long-term lease obligations</b>		<b>\$ 473,777</b>

**Boys & Girls Clubs of St. Lucie County, Inc.**

Notes to the Financial Statements (continued)

**Note 8 – Leases (continued)**

Accumulated right-of-use assets	\$	1,425,948
Less - accumulated amortization		(595,084)
	\$	830,864

The following table summarizes other information related to the Club's leases during the year ended September 30, 2024:

Cash paid for amounts included in the measurement of lease obligations	
Operating cash flows from operating leases	\$400,277
Weighted average remaining lease term – operating leases (in years)	2.3 years
Weighted average discount rate – operating leases	3.73%

The Club does not have any significant financing leases that require recognition on the statement of financial position. In addition, the Club does not have any significant variable lease costs or sublease income requiring disclosure in the financial statements.

**Note 9 – Unemployment Compensation Fund**

The Federal Unemployment Tax Act of 1972 (FUTA) requires employers to pay an unemployment tax based on payroll to the federal government. The FUTA also requires that approved state unemployment compensation arrangements allow a 501(c)(3) organization such as the Club, to elect whether to contribute to a state program in accordance with state law or to pay annually into the state program an amount equal to actual unemployment benefits paid out by the state on the account of employment services previously provided to the organization.

During 2010, the Board of Directors discontinued contributions to the state unemployment program and instead elected to pay the actual unemployment benefits paid out by the state. The Club entered into an agreement with the 501(c) Agencies Trust (the "Trust") to establish a fund for unemployment claims and to facilitate the payment of unemployment claims to the state. Under this agreement, the Club pays assessments to the Trust based on an estimate of future claims and its history of actual claims an unemployment fund from which to pay claims is established. The funding of the unemployment fund is recorded as an asset of the Club. Payments for unemployment claims and related fund expenses by the Trust from the Club's unemployment fund are recorded as an expense to the Club. As of September 30, 2024, the Trust determined the dollar amount needed to adequately maintain the Club's unemployment fund for the 2024 calendar year to be \$12,869. The balance of the fund at September 30, 2024 was \$71,425 and is included as an asset in the accompanying financial statements.

**Boys & Girls Clubs of St. Lucie County, Inc.**  
Notes to the Financial Statements (continued)

**Note 10 – Employee Benefit Plan**

The Club currently participates in the Boys & Girls Clubs of St. Lucie County 401(k) Plan, a defined contribution 401(k) plan. Each employee is eligible to participate when they reach 21 years of age and have completed 90 days of service to the Club. Under the plan, the Club may elect to make matching or discretionary contributions to each eligible employee’s account. This is determined annually by the Board of Directors. Employees are vested under a graded schedule with 100% vested after 6 years of continuous service. Plan expenses incurred for the year ended September 30, 2024 were \$81,375.

The Club believes that it may have additional liability for profit sharing payments into its employee 401(k) plan. An appropriate liability of \$261,000 is recorded as a contingent liability in the statement of financial position under accrued payroll expenses. This amount represents a contingent liability for the plan years 2021 to 2024.

**Note 11 –Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of the following as of September 30, 2024:

Purpose restricted:	
Capital campaign	\$ 200,232
Scholarships	65,505
Literacy program	50,000
Club renovations and improvements	39,288
Time restricted:	
Pledges	32,000
	<b>\$ 387,025</b>

Net assets released from donor restrictions during the fiscal year ended September 30, 2024 are as follows:

Net assets released:	
Capital projects	\$ 526,230
Food pantry	26,243
Workforce development	50,000
Youth services	29,423
	<b>\$ 631,896</b>

**Note 12 – Net Assets Without Donor Restriction – Board Designated**

As of September 30, 2024, the Board of Directors has designated \$20,417 of net assets without donor restrictions for future capital expansion and club growth. This balance can only be expended with a 2/3 majority approval vote by the Board of Directors.

**Boys & Girls Clubs of St. Lucie County, Inc.**  
Notes to the Financial Statements (continued)

**Note 13 – Federal, State and Local Revenues**

The following schedule provides the breakdown of federal, state and local grant revenues for the fiscal year ended September 30, 2024:

Federal Grants	\$ 1,651,299
State grants	1,050,964
Local grants	1,597,171
	<b>\$ 4,299,434</b>

**Note 14 – Contributions of Nonfinancial Assets**

The Club receives various donated rental spaces and professional services. It is the policy of the Club to use contributed nonfinancial assets for programmatic or other purposes unless the assets have no utility consistent with the Club’s mission. In those instances, the assets will monetized. During the year the Club received contributions of nonfinancial assets as outlined below:

	2024	Usage in Programs	Donor Restrictions	Valuation Technique
Partial contribution of space for various locations in St. Lucie County, Florida	\$ 1,700,708	Administrative space, school and club sites for aftercare and summer camp	Must be used for programs	Estimated fair rental value less actual rent paid
Computer and network IT services	87,920	Services are used across the organization in all programs	None	Vendor bills reduced hourly rate and difference is recorded as contribution
	<b>\$ 1,788,628</b>			

**Boys & Girls Clubs of St. Lucie County, Inc.**

Notes to the Financial Statements (continued)

**Note 15 – Fundraising Events**

The following is a summary of fundraising events conducted during the year ending September 30, 2024:

	Income	Direct Expenses	Income
Gala	\$ 447,477	\$ 166,447	\$ 281,030
Chili Cookoff	271,271	24,439	246,832
Chuck Hill Golf Classic	107,881	11,742	96,139
Youth of the Year	35,337	35,337	-
Other events	529	1,098	(569)
	<u>\$ 862,495</u>	<u>\$ 239,063</u>	<u>\$ 623,432</u>

**Note 16 – Liquidity and Availability of Financial Assets**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of September 30, 2024 are:

Cash and cash equivalents	\$ 349,556
Cash - held by the Community Foundation	542,143
Grants receivable	885,047
Less:	
Amounts with donor restrictions	(387,025)
Board designated amounts	(20,417)
Total financial assets available for general expenditure	<u>\$ 1,369,304</u>

**Note 17 – New Accounting Pronouncement**

The Financial Accounting Standards Board (FASB) issued a new Accounting Standards Update (ASU), ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* on June 16, 2016. The standard introduced an impairment model (the Current Expected Credit Losses(CECL) model) that is based on expected losses rather than incurred losses. The new standard is effective for years beginning after December 15, 2022. The Club adopted the new standard prospectively as of October 1, 2023. The adoption of the standard had no material effect on the financial statements.

**Note 18 – Disclosure of Subsequent Events**

Management has evaluated subsequent events through June 30, 2025, the date the financial statements were available to be issued. After consideration of the above, management is not aware of any events subsequent to the statement of financial position date which would require additional adjustments to, or disclosure in, the accompanying financial statement.

**SINGLE AUDIT ACT COMPLIANCE  
AND STATE REPORTS**

**Boys & Girls Club of St. Lucie County, Inc.**

Schedule of Expenditures of Federal Awards and State Financial Assistance

For the year ended September 30, 2024

Federal/State Grantor Pass Through Grantor Federal Program/State Project Title	Assistance Listing Number/ CSFA No.	Grant Contract Number	Total Expenditures	Passed Through to Subrecipients
<b>U.S. Dept of Education/Pass-through-</b>				
<b>Florida Department of Education</b>				
21st Century Community Learning Centers	84.287	56A-2444B-4P004	\$ 157,905	\$ -
21st Century Community Learning Centers	84.287	56A-2445C-5P004	11,647	-
21st Century Community Learning Centers	84.287	56A-2444B-4P001	295,324	-
21st Century Community Learning Centers	84.287	56A-2445C-5P001	32,093	-
21st Century Community Learning Centers	84.287	56A-2444B-4P002	203,241	-
21st Century Community Learning Centers	84.287	56A-2445C-5P002	19,010	-
21st Century Community Learning Centers	84.287	56A-2444B-4PR02	26,769	-
21st Century Community Learning Centers	84.287	56A-2444B-4P003	174,828	-
21st Century Community Learning Centers	84.287	56A-2445C-5P003	18,725	-
21st Century Community Learning Centers	84.287	56A-2444B-4PR03	25,491	-
Total US Dept. of Education/Pass-through Fla. Dept. of Education			965,033	-
<b>U.S. Department of Agriculture/Pass-through-</b>				
<b>Florida Department of Agriculture</b>				
Summer Food Service Program for Children	10.559	SF24-00287	\$ 104,505	\$ -
Summer Food Service Program for Children	10.559	SF24-00366	95,518	-
Total US Dept. of Agriculture/Pass-through Fla. Dept. of Agriculture			200,023	-
<b>U.S. Department of Agriculture/Pass-through-</b>				
<b>Florida Department of Health</b>				
Child and Adult Care Food Program	10.558	A-6171	390,356	-
<b>U.S. Department of Housing/Pass-through -</b>				
<b>City of Port St. Lucie</b>				
Community Development Block Grants/ Entitlement Grants	14.218	169440	58,372	-
<b>U. S. Dept of Justice</b>				
<b>Office of Justice/Pass-through -</b>				
<b>Boys &amp; Girls Clubs of America</b>				
Juvenile Mentoring Program	16.726	OJJD2022-51085	5,158	-
Juvenile Mentoring Program	16.726	OJJD2022-51086	9,186	-
Juvenile Mentoring Program	16.726	OJJD2022-51087	10,048	-
Juvenile Mentoring Program	16.726	OJJD2023-52520	3,357	-
Juvenile Mentoring Program	16.726	OJJD2023-52521	4,281	-
Juvenile Mentoring Program	16.726	OJJD2023-52522	5,251	-
Juvenile Mentoring Program	16.726	OJJD2023-52523	234	-
Total US Dept. of Education/Pass-through Boys & Girls Clubs of America			37,515	-
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,651,299</b>	<b>\$ -</b>

**Boys & Girls Club of St. Lucie County, Inc.**

Schedule of Expenditures of Federal Awards and State Financial Assistance

For the year ended September 30, 2024

Federal/State Grantor Pass Through Grantor Federal Program/State Project Title	Assistance Listing Number/ CSFA No.	Grant Contract Number	Total Expenditures	Passed Through to Subrecipients
<b>Florida Department of Children and Families</b>				
Mentoring Program for At-Risk Boys	60.220	LJ236	\$ 94,575	\$ -
<b>Florida Department of Children and Families/Pass-through-</b>				
<b>Florida Alliance of Boys &amp; Girls Clubs</b>				
Substance Abuse and Mental Health - Community Services	60.153	N/A	263,697	-
<b>Florida Department of Juvenile Justice/Pass-through-</b>				
<b>Florida Alliance of Boys &amp; Girls Clubs</b>				
Delinquency Prevention	80.029	N/A	282,658	-
<b>Florida Department of Education/Pass-through-</b>				
<b>Florida Alliance of Boys &amp; Girls Clubs</b>				
Mentoring/Student Assistance Initiatives	48.068	N/A	144,943	-
Mentoring/Student Assistance Initiatives	48.068	N/A	57,684	-
Mentoring/Student Assistance Initiatives	48.068	N/A	49,837	-
Total Mentoring/Student Assistance Initiative			<u>252,464</u>	<u>-</u>
School and Instructional Enhancement Program	48.040	N/A	103,006	-
School and Instructional Enhancement Program	48.040	N/A	54,564	-
Total School and Instructional Enhancement Program			<u>157,570</u>	<u>-</u>
Total Fla. Dept. of Education/Pass-through Fla. Alliance of Boys & Girls Clubs			410,034	-
<b>Total Expenditures of Florida State Financial Assistance Programs</b>			<b>\$ 1,050,964</b>	<b>\$ -</b>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

**Boys & Girls Clubs of St. Lucie County, Inc.**

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance  
For the year ended September 30, 2024

**Note A – Summary of Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards and state financial assistance (the “SEFA”) includes the federal and state award activity of Boys & Girls Clubs of St. Lucie County, Inc. (the “Club”) under programs of the federal and state governments for the year ended September 30, 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General* of the State of Florida. Because the SEFA presents only a selected portion of the operations of the Club, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Club.

Expenditures reported in the SEFA are reported on the accrual basis of accounting, which is described in Note 2 to the Club’s financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* of the State of Florida, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note B – De Minimis Indirect Cost Rate**

For purposes of charging indirect costs to federal awards, the Club has not elected to use the 10 percent de minimis cost rate as permitted by 200.414 of the Uniform Guidance.

**Note C – Contingency**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Club for the return of those funds.

**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***

**June 30, 2025**

To the Board of Directors  
Boys & Girls Clubs of St. Lucie County, 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 St. Lucie County, Inc. (the "Club"), which comprise the statements of financial position as of September 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2025.

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

In planning and performing our audit of the financial statements, we considered the Club'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 Club's internal control. Accordingly, we do not express an opinion on the effectiveness of the Club's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Club's financial statements are free of 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 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*.



To the Board of Directors  
Boys & Girls Clubs of St. Lucie County, Inc.

**Boys & Girls Clubs of St. Lucie County, Inc.'s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Club's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Club's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.

## **Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General**

**June 30, 2025**

To the Board of Directors  
Boys & Girls Clubs of St. Lucie County, 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 St. Lucie County Inc.'s (the "Club") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the requirements described in the State of Florida's *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Club's major federal programs and state projects for the year ended September 30, 2024. The Club'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 St. Lucie County, 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 September 30, 2024.

#### ***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 Chapter 10.650, *Rules of the Auditor General* of the State of Florida. 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 the Club 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 the Club'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 the Club'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 the Club'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.



To the Board of Directors  
Boys & Girls Clubs of St. Lucie County, Inc.

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 the Club's compliance with the requirements of each major federal program and state 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 the Club'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 the Club'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 the Club'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 and state project 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 and state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and 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 Auditors' 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.

#### **Purpose of this Report**

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.



**Boys & Girls Clubs of St. Lucie County, Inc.  
Schedule of Findings and Questioned Costs  
Federal Programs and State Projects  
Year Ended September 30, 2024**

**A. Summary of Audit Results**

**Financial statements**

Type of audit report issued Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes

Noncompliance which is material to the financial statements noted? No

**Federal awards**

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

Noncompliance material to federal awards No

Type of auditors' report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

**Identification of major programs**

Federal Program	Assistance Listing No.
U.S. Department of Agriculture/Pass-through Florida Department of Health	
Child Care Food Program	10.558
Dollar threshold used to distinguish between Type A and B programs	\$750,000
Auditee qualifies as a low-risk auditee:	Yes

**Boys & Girls Clubs of St. Lucie County, Inc.  
 Schedule of Findings and Questioned Costs (continued)  
 Federal Programs and State Projects  
 Year Ended September 30, 2024**

**State projects**

Internal control over major projects:

- Material weaknesses identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

Noncompliance material to state projects No

Type of auditors' report issued on compliance for major projects? Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650? No

**Identification of major state projects**

<u>State Project</u>	<u>CSFA Number</u>
State of Florida Department of Children and Families Substance abuse and opioid awareness	60.153
State of Florida Department of Juvenile Justice SMART Program	80.029
Dollar threshold used to distinguish between Type A and B programs	\$300,000

**Boys & Girls Clubs of St. Lucie County, Inc.**  
**Schedule of Findings and Questioned Costs (continued)**  
**Federal Programs and State Projects**  
**Year Ended September 30, 2024**

**B. Findings - Financial Statements Audit**

**2024-001**

Finding: Inadequate Internal Control over preparation of the Schedule of Expenditures of Federal Awards and State Assistance

Type of Finding: Significant Deficiency

**Criteria:**

2 CFR §200.510 requires that the auditee prepare a Schedule of Expenditures of Federal Awards and State Assistance (the "SEFA") for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502. The Boys & Girls Clubs of St. Lucie County, Inc.'s (the "Club") management is responsible for establishing and maintaining internal controls to ensure the SEFA is properly prepared.

**Condition:**

The Club originally provided an inaccurate SEFA that omitted Federal expenditures in the amount of \$58,557 for the Community Development Block Grant, Assistance Listing 14.218. Additionally, the Club originally did not accurately allocate Federal expenditures to this Federal award.

**Cause:**

The Club did not have to proper controls in place to accurately record all Federal awards. No periodic reconciliation of the Federal awards to the accounting records was performed during the year, thereby not detecting omissions from the SEFA.

**Effect:**

The Club did not originally prepare an accurate SEFA in compliance with 2 CFR §200.510 of the Uniform Guidance. This could have caused the Club not to comply with the audit requirements of 2 CFR §200.508.

**Recommendation:**

We recommend that the Club implement adequate internal controls over the tracking of grants and develop a clear line of responsibility and authority for the individual overseeing the preparation of the SEFA. This should include periodic review and reconciliation of the general ledger to the underlying grant documents and billings.

**Management Views and Corrective Action Plan:**

Management agrees with this finding. Accurate and timely preparation of the SEFA is critical for compliance and effective financial oversight. Management recognizes the importance of establishing clear responsibility and implementing stronger reconciliation processes to support the accuracy of the SEFA. The finance department will assign a designated staff to oversee the preparation of the SEFA. Additionally, the finance department will complete quarterly reconciliations between the general ledge and supporting grant documents, including billing records and grant agreements. Before the submission of the SEFA, a secondary review will be comptroller or CFO to verify completeness and accuracy.

**Boys & Girls Clubs of St. Lucie County, Inc.**  
**Schedule of Findings and Questioned Costs (continued)**  
**Federal Programs and State Projects**  
**Year Ended September 30, 2024**

**B. Findings – Financial Statements Audit**

**2024-002**

Finding: Inadequate Internal Control Over Financial Reporting

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

**Criteria:**

Management is responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of financial reporting. The Club should have adequate internal controls in place to allow for accurate financial reporting following the Club's year end and without auditor adjustment.

**Condition:**

Our audit identified deficiencies in the design and operation of internal controls over financial reporting that adversely affected the Club's ability to produce reliable financial statements. As a result, numerous audit adjustments totaling \$3,232,206 were proposed, resulting in significant changes to the financial statement amounts. These adjustments included changes to accounts receivable, fixed assets, accrued expenses, local grant revenues and investment change in beneficial interest in assets held by Community Foundation.

**Cause:**

Due to staff turnover, inadequate staffing, inexperienced staff, and lack of proper internal controls, a complete year-end review of the Club's accounting records was not performed, resulting in inadequate controls and lack of adherence to performing internal control activities resulted in incomplete and erroneous financial reporting.

**Effect:**

Accurate and timely financial reports were not provided to those charged with governance, and material audit adjustments were required to correct the financial statements.

**Recommendation:**

We recommend that the Club establish internal controls to ensure that amounts are recorded in accordance with Generally Accepted Accounting Principles (GAAP) and the accrual basis of accounting. Management should require periodic detailed review of financial reports and reconciliations of Federal award revenue and expenditures to the underlying documentation. These reviews and reconciliations should be performed, reviewed, approved, and documented under the supervision of a member of management and/or the Board of Directors

**Management Views and Corrective Action Plan:**

Management is in agreement with this finding. Ensuring that our financial reporting aligns with Generally Accepted Accounting Principles (GAAP) and the accrual basis of accounting is a top priority. Strengthening internal controls and oversight processes will improve accuracy, accountability, and compliance. The finance department will develop and implement formal internal control procedures addressing accrual-based accounting practices. These procedures will require steps for accurate revenue and expenditure recognition, documentation standards, and timeliness. Additionally, The Finance Department will conduct quarterly reviews of financial statements and federal grant activity to ensure accuracy and GAAP compliance. These reviews will include reconciliations of the general ledger, billing records and supporting documentation. All reconciliations and financial reviews will be documented, signed, and dated by the preparer and then reviewed and approved by a designated member of management (e.g., Comptroller, CFO, CEO).

**Boys & Girls Clubs of St. Lucie County, Inc.  
Summary Schedule of Prior Audit Findings  
Year ended September 30, 2023**

There were no instances of findings or questioned costs for major federal award programs or state projects in prior year.

## Management Letter

June 30, 2025

To the Board of Directors and  
Senior Management  
Boys & Girls Clubs of St. Lucie County, Inc.

In planning and performing our audit of the financial statements of Boys & Girls Clubs of St. Lucie County, Inc. (the “Club”) as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Club’s internal control over financial reporting (internal control) as a basis for designing auditing 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 Club’s internal control.

We have completed our audit of the financial statements of the Club for the year ended September 30, 2024, and issued our report thereon dated June 30, 2025.

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 *Governmental 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 Chapter 10.650, *Rules of the Auditor General* of the State of Florida. We have issued our 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, Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated June 30, 2025, should be considered in conjunction with this management letter.

### CURRENT YEAR FINDINGS AND RECOMMENDATIONS

#### 2024-001

Lack of internal control over Schedule of Expenditures of Federal Awards and State Financial Assistance (the “SEFA”). Our recommendation is that the Club establish adequate internal controls to ensure the proper tracking of Federal grants to ensure the accurate preparation of the SEFA.

#### 2024-002

Lack of internal control over financial reporting. Our recommendation is that the Club establish controls over financial reporting so that amounts are posted accurately and in accordance with Generally Accepted Accounting Principles.

### STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None.

This management letter is intended solely for the information of the Board of Directors, management, federal and state awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Rehmann Loborn LLC*

