

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAcconnect.com

**BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENTS OF ACTIVITIES	4
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	6
CONSOLIDATED STATEMENTS OF CASH FLOWS	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9
SUPPLEMENTAL INFORMATION	21
CONSOLIDATING STATEMENT OF FINANCIAL POSITION	21
CONSOLIDATING STATEMENT OF ACTIVITIES	23
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>	24
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	28
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	29
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	30



INDEPENDENT AUDITORS' REPORT

Board of Directors
Boys & Girls Club of the Suncoast, Inc. and Affiliate
Tampa, Florida

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Boys & Girls Clubs of the Suncoast, Inc. (the Club), and Boys & Girls Clubs of the Suncoast Foundation, Inc. (the Foundation or the Affiliate), (collectively, the Organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating statement of financial position and consolidating statement of activities and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 December 14, 2021, 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.



CliftonLarsonAllen LLP

Tampa, Florida
December 14, 2021

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 847,577	\$ 352,710
Contributions and Grants Receivable, Current Portion	557,323	254,414
In-Kind Lease Receivable	76,383	76,383
Prepaid Expenses	9,375	34,887
Custodial Funds Held for Others	11,361	-
Cash Restricted for Capital Improvements	41,000	75,087
Total Current Assets	1,543,019	793,481
PROPERTY AND EQUIPMENT, NET	1,974,231	2,051,259
IN-KIND LEASE RECEIVABLE, LONG-TERM PORTION	27,486	103,869
CONTRIBUTIONS AND GRANTS RECEIVABLE, LONG-TERM PORTION	-	17,651
Total Assets	\$ 3,544,736	\$ 2,966,260
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 172,857	\$ 85,293
Accrued Expenses	149,608	79,203
Custodial Accounts	11,361	-
Long-Term Debt, Current Portion	-	205,291
Capital Lease Obligation, Current Portion	4,559	4,402
Total Current Liabilities	338,385	374,189
PAYCHECK PROTECTION PROGRAM LOAN	-	209,000
CAPITAL LEASE OBLIGATION, NET OF CURRENT PORTION	13,390	17,948
Total Liabilities	351,775	601,137
NET ASSETS		
Without Donor Restrictions:		
Undesignated	2,794,136	1,929,848
Board-Designated- Royal Theater	159,936	159,936
With Donor Restrictions	238,889	275,339
Total Net Assets	3,192,961	2,365,123
Total Liabilities and Net Assets	\$ 3,544,736	\$ 2,966,260

See accompanying Notes to Consolidated Financial Statements.

**BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support:			
Contributions	\$ 786,505	\$ 405,707	\$ 1,192,212
In-Kind Contributions	480,509	45,000	525,509
Grants	1,767,471	1,585,945	3,353,416
United Way	201,634	192,533	394,167
Loan Forgiveness	-	209,000	209,000
Total Support	<u>3,236,119</u>	<u>2,438,185</u>	<u>5,674,304</u>
Special Fundraising Events Revenue	200,271	-	200,271
Less: Fundraising Events Expense	<u>(27,653)</u>	<u>-</u>	<u>(27,653)</u>
Net Special Fundraising Events	172,618	-	172,618
Revenue:			
Membership Dues	5,783	-	5,783
Program Revenue	22,094	-	22,094
Other Revenue	<u>20,936</u>	<u>-</u>	<u>20,936</u>
Total Revenue	48,813	-	48,813
Net Assets Released from Donor Restrictions	<u>2,474,635</u>	<u>(2,474,635)</u>	<u>-</u>
Total Support and Revenue	5,932,185	(36,450)	5,895,735
EXPENSES			
Program Services - Youth Development	4,250,936	-	4,250,936
Management and General	565,439	-	565,439
Fundraising	<u>251,522</u>	<u>-</u>	<u>251,522</u>
Total Expenses	<u>5,067,897</u>	<u>-</u>	<u>5,067,897</u>
CHANGE IN NET ASSETS	864,288	(36,450)	827,838
Net Assets - Beginning of Year	<u>2,089,784</u>	<u>275,339</u>	<u>2,365,123</u>
NET ASSETS - END OF YEAR	<u>\$ 2,954,072</u>	<u>\$ 238,889</u>	<u>\$ 3,192,961</u>

See accompanying Notes to Consolidated Financial Statements.

**BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Contributions	\$ 434,029	\$ 75,000	\$ 509,029
In-Kind Contributions	231,614	133,286	364,900
Grants	1,104,057	1,103,531	2,207,588
United Way	4,976	199,690	204,666
Total Support	1,774,676	1,511,507	3,286,183
Special Fundraising Events Revenue	313,105	-	313,105
Less: Fundraising Events Expense	(117,076)	-	(117,076)
Net Special Fundraising Events	196,029	-	196,029
Revenue:			
Membership Dues	8,995	-	8,995
Program Revenue	49,433	-	49,433
Other Revenue	9,388	-	9,388
Total Revenue	67,816	-	67,816
Net Assets Released from Restrictions	1,462,372	(1,462,372)	-
Total Support and Revenue	3,500,893	49,135	3,550,028
EXPENSES			
Program Services - Youth Development	2,825,154	-	2,825,154
Management and General	604,017	-	604,017
Fundraising	214,963	-	214,963
Total Expenses	3,644,134	-	3,644,134
CHANGE IN NET ASSETS	(143,241)	49,135	(94,106)
Net Assets - Beginning of Year	2,233,025	226,204	2,459,229
NET ASSETS - END OF YEAR	\$ 2,089,784	\$ 275,339	\$ 2,365,123

See accompanying Notes to Consolidated Financial Statements.

**BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021**

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Support Services	
Salaries and Related Expenses:					
Salaries	\$ 1,574,952	\$ 317,369	\$ 164,638	\$ 482,007	\$ 2,056,959
Employee Benefits	93,161	36,257	14,956	51,213	144,374
Payroll Taxes	114,336	24,238	12,310	36,548	150,884
Total Salaries and Related Expenses	<u>1,782,449</u>	<u>377,864</u>	<u>191,904</u>	<u>569,768</u>	<u>2,352,217</u>
Other Expenses:					
Contracted Transportation	147,893	-	-	-	147,893
Depreciation	204,230	4,893	-	4,893	209,123
Equipment Expense	87,956	18,646	9,470	28,116	116,072
Information Technology	8,214	1,741	884	2,625	10,839
In-Kind Materials and Services	571,413	30,579	-	30,579	601,992
Insurance	59,869	12,692	6,446	19,138	79,007
Interest Expense	349	2,304	-	2,304	2,653
Membership Dues	-	4,006	-	4,006	4,006
National and State Dues	15,737	3,336	1,694	5,030	20,767
Occupancy	184,801	39,176	19,896	59,072	243,873
Printing and Publications	19,155	4,061	2,062	6,123	25,278
Professional Fees and Contract Services	146,985	8,860	4,500	13,360	160,345
Repairs and Maintenance	92,604	-	-	-	92,604
Special Events Expenses	-	-	27,653	27,653	27,653
Supplies	709,926	28,403	-	28,403	738,329
Travel and Training	19,447	4,123	2,094	6,217	25,664
Vehicle Expenses	73,546	-	-	-	73,546
Youth Development	11,003	-	-	-	11,003
Other Expenses	115,359	24,755	12,572	37,327	152,686
Total Other Expenses	<u>2,468,487</u>	<u>187,575</u>	<u>87,271</u>	<u>274,846</u>	<u>2,743,333</u>
Less: Expenses Netted Against Revenues on the Statements of Activities:					
Fundraising Events Expense	<u>-</u>	<u>-</u>	<u>(27,653)</u>	<u>(27,653)</u>	<u>(27,653)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 4,250,936</u>	<u>\$ 565,439</u>	<u>\$ 251,522</u>	<u>\$ 816,961</u>	<u>\$ 5,067,897</u>

See accompanying Notes to Consolidated Financial Statements.

**BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Support Services	
Salaries and Related Expenses:					
Salaries	\$ 1,181,385	\$ 330,034	\$ 121,058	\$ 451,092	\$ 1,632,477
Employee Benefits	90,989	25,419	9,324	34,743	125,732
Payroll Taxes	92,659	25,885	9,495	35,380	128,039
Total Salaries and Related Expenses	<u>1,365,033</u>	<u>381,338</u>	<u>139,877</u>	<u>521,215</u>	<u>1,886,248</u>
Other Expenses:					
Depreciation	214,460	4,550	814	5,364	219,824
Equipment Expense	45,936	12,833	4,707	17,540	63,476
In-Kind Materials and Services	331,426	14,372	-	14,372	345,798
Insurance	58,557	16,359	6,000	22,359	80,916
Interest Expense	12,054	925	-	925	12,979
Membership Dues	-	345	-	345	345
National and State Dues	19,811	5,535	2,030	7,565	27,376
Occupancy	140,989	39,387	14,447	53,834	194,823
Printing and Publications	12,374	3,457	1,268	4,725	17,099
Professional Fees and Contract Services	71,480	19,969	7,325	27,294	98,774
Repairs and Maintenance	34,704	-	-	-	34,704
Special Events Expenses	-	-	117,076	117,076	117,076
Supplies	254,910	71,212	26,121	97,333	352,243
Travel and Training	21,817	6,095	2,236	8,331	30,148
Vehicle Expenses	109,037	-	-	-	109,037
Youth Development	33,413	-	-	-	33,413
Other Expenses	99,153	27,640	10,138	37,778	136,931
Total Other Expenses	<u>1,460,121</u>	<u>222,679</u>	<u>192,162</u>	<u>414,841</u>	<u>1,874,962</u>
Less: Expenses Netted Against Revenues					
on the Statements of Activities:					
Fundraising Events Expense	<u>-</u>	<u>-</u>	<u>(117,076)</u>	<u>(117,076)</u>	<u>(117,076)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,825,154</u>	<u>\$ 604,017</u>	<u>\$ 214,963</u>	<u>\$ 818,980</u>	<u>\$ 3,644,134</u>

See accompanying Notes to Consolidated Financial Statements.
(7)

**BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 827,838	\$ (94,106)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	209,123	219,824
Gain on Sale of Property and Equipment	(500)	-
In-Kind Lease Receivable	76,383	(19,102)
Grants Restricted for Capital Improvements	(131,746)	(184,772)
Forgiveness of Paycheck Protection Program Loan	(209,000)	-
Change in Operating Assets and Liabilities:		
Contributions and Grants Receivable	(285,258)	(90,414)
Prepaid Expenses	25,512	16,449
Accounts Payable	87,564	31,900
Accrued Expenses	70,405	26,794
Custodial Accounts	11,361	-
Net Cash Provided (Used) by Operating Activities	681,682	(93,427)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(132,095)	(236,175)
Proceeds on Sale of Property and Equipment	500	-
Net Cash Used by Investing Activities	(131,595)	(236,175)
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants Restricted for Capital Improvements	131,746	184,772
Proceeds from Paycheck Protection Program Loan	-	209,000
Repayment of Long-Term Debt	(209,692)	(63,179)
Net Cash Provided (Used) by Financing Activities	(77,946)	330,593
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	472,141	991
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	427,797	426,806
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 899,938	\$ 427,797
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Noncash Investing and Financing Activities:		
Purchase of Property and Equipment with Long-Term Debt	\$ -	\$ 24,533
Cash During the Year for:		
Interest	\$ 2,653	\$ 12,979

See accompanying Notes to Consolidated Financial Statements.

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Boys & Girls Clubs of the Suncoast, Inc. (the Club) is a nonprofit organization incorporated in the state of Florida on December 20, 1991. The Organization operated originally as The Boys Organizations and was incorporated in the state of Florida on May 20, 1970. The Club's mission is to help youth of all backgrounds, with special emphasis on helping those from disadvantaged circumstances, whether social, economic, educational, physical, or cultural, to develop the qualities needed to become responsible citizens and leaders. The Club's programs and activities are dedicated to promoting leadership, character, health, and career development, while emphasizing social, cultural, and educational growth. The Club is supported primarily through private donor contributions, grants, and contracts from government agencies.

The Club's controlled affiliate is the Boys & Girls Clubs of the Suncoast Foundation, Inc. (the Foundation) is a nonprofit organization incorporated in the state of Florida on April 1, 2005. The Foundation was created to support the mission of the Club.

Principles of Consolidation

The consolidated financial statements include the accounts of the Club and the Foundation (collectively, referred to hereinafter as the Organization). The Organizations have been consolidated due to the presence of common control and economic interest as required under U.S. GAAP. All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of Accounting

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

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of one year or less when purchased to be cash equivalents. The Organization places its cash with high quality financial institutions. At times, cash may be in excess of FDIC insurance limits. The Organization has not experienced any losses in such accounts.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows:

	2021	2020
Cash and Cash Equivalents	\$ 847,577	\$ 352,710
Custodial Funds Held for Others	11,361	-
Cash Restricted for Capital Improvements	41,000	75,087
Total Cash, Cash Equivalents, and Restricted		
Cash Shown in the Statements of Cash Flows	\$ 899,938	\$ 427,797

Contributions and Grants

Contributions and grants received are classified as with and without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions and grants receivable are recognized when an unconditional promise to give is received. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. The Organization has not recorded the present value discount for long-term contributions as they have determined it does not materially impact the consolidated financial statements. An allowance for doubtful contributions and grants receivable is considered unnecessary, as management considers all accounts to be collectible.

Conditional Contributions and Grants – that is, those with a measurable performance or other barrier and a right of return – are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Payments received before conditions are substantially met are recorded as deferred revenue in the accompanying consolidated statements of financial position.

There were a total of approximately \$3,210,000 in conditional contributions and grants awarded in the year ended June 30, 2021. Of the total conditional contributions and grants awarded, approximately \$2,987,000 depend on incurring qualified expenses and approximately \$223,000 depend on achieving a specified outcome.

There were a total of approximately \$2,092,000 in conditional contributions and grants awarded in the year ended June 30, 2020. Of the total conditional contributions and grants awarded, approximately \$2,035,000 depend on incurring qualified expenses and approximately \$57,000 depend on achieving a specified outcome.

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants (Continued)

Consequently, at June 30, 2021, conditional contributions and grants approximating \$650,000, have not been recognized in the accompanying consolidated statement of activities because the conditions on which they depend have not yet been met. Of the total conditional contributions not recognized, all depend on incurring qualified expenses.

Consequently, at June 30, 2020, conditional contributions and grants approximating \$507,000, have not been recognized in the accompanying consolidated statement of activities because the conditions on which they depend have not yet been met. Of the total conditional contributions not recognized, all depend on incurring qualified expenses.

In-Kind Contributions

Contributed property and equipment (if any) is recorded as support without restrictions at its fair value at the date of donation as determined by the Organization. If donors stipulate how long the asset is to be used, the contributions are recorded as restricted support.

Donated supplies, materials, publications, etc. are recorded as contributions without restrictions in the period received at fair value. Only such assets with determinable fair values are recorded.

Contributed use of facilities is recorded as support at its fair rental value during the period the contribution is received. Contributed services that require specialized skill (attorneys, accountants, counselors, etc.) are recorded in the consolidated statement of activities as support without restrictions at their fair value. A number of unpaid volunteers, including board members, have made significant contributions of their time to develop the Organization's programs and special events. The value of this contributed time is not reflected in the consolidated statements of activities since it is not susceptible to objective measurement or valuation.

Special Fundraising Events

Special fundraising events revenue comprise an exchange element based on the value of the benefits provided, and a contribution element for the difference between the total support and the exchange element. The exchange element includes the meals provided, which is recognized over time as the event occurs, and the auction items purchased at the events, which is recognized at the point in time when the auction ends. The performance obligation is met over time as the event occurs. Special fundraising event revenues consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Contribution Revenue	\$ 177,556	\$ 205,275
Exchange Revenue:		
Auction Items	22,715	78,130
Meals	-	29,700
Total Special Fundraising Event Revenue	<u>\$ 200,271</u>	<u>\$ 313,105</u>

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Fees

Program fees include membership dues, program service fees, summer camp fees, and rental income. Program fees and related receivables are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services to their program participants. Revenue is recognized as performance obligations are satisfied.

Membership dues include annual memberships. Annual membership dues are renewed each fiscal year starting July 1st. With membership dues, a member is guaranteed a spot within one of the clubs. Revenue is recognized at a point in time upon payment as the membership is nonrefundable and contains no material performance obligation.

Program revenues include program service fees and summer camp fees. Program service fees are weekly dues charged to members for access to the clubs, including STEM and other academic training, tutoring services, introduction to secondary education options, and online learning. Summer camp fees are weekly dues charged to members to provide summer camp and educational activities. Revenue is recognized over time as services are performed.

Other revenue includes rental income. Rental income represents fees charged to members for the use of the facility. Revenue is recognized over time as facility access provided.

Property and Equipment

Property and equipment are carried at cost, if purchased, or at estimated fair market value at date of receipt if acquired by gift. Expenditures in excess of \$2,000 with an estimated useful life greater than one year are capitalized. Property and equipment are depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are depreciated over the shorter of useful life of the asset or effective life of the lease. Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in other authorized programs; however, its disposition and the ownership of any proceeds is subject to government regulations. The estimated useful lives of the assets are as follows:

Buildings and Building Improvements	1.5 to 30 Years
Leasehold Improvements	10 Years
Furniture and Equipment	5 to 10 Years
Vehicles	5 Years

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Club qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

The IRC provides for taxation of unrelated business income under certain circumstances. The Club reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

The Foundation has filed for tax-exempt status. The application has not been processed as of December 14, 2021.

The Organization has implemented the accounting guidance for uncertainty in income taxes and management believes that there are no uncertain tax positions for which either recognition or disclosure is required in the consolidated financial statements.

Functional Allocation of Expenses

The following program and support services are included in the accompanying consolidated financial statements:

Youth Development – Provides behavioral prudence and promotes the health, social, educational, vocational, and character development of boys and girls as well as to develop in them a sense of belonging, competency, and usefulness and a sense of one's own power of self-control.

Management and General – Includes the functions necessary to maintain the Organization's programs and activities; provides coordination and articulation of the Organization's program strategy through the office of the president; secures the proper administrative functioning of the board of directors; and manages the financial and budgetary responsibilities of the Organization.

Fundraising – Provides the structure necessary to encourage and secure public and private financial support from individuals, foundations, governmental agencies, and corporations.

The costs of providing various programs and related supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated to one or more of the appropriate program and supporting services benefited. These expenses are allocated based on estimated time and effort of personnel.

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated 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.

Change in Accounting Estimate

During 2021, the Organization changed its functional method of allocating supplies from indirect allocation based on estimated time and effort of personnel to direct allocation. The Organization believes that the new method more accurately allocates its expenditures within the consolidated statement of functional expenses. The accounting change has not been applied retrospectively. There is no impact on the change in net assets as a result of this change in accounting estimate.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Organization has evaluated subsequent events through December 14, 2021, which is the date the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of June 30:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 847,577	\$ 352,710
Contributions and Grants Receivable, Current Portion	557,323	254,414
Total Financial Assets	1,404,900	607,124
Less: Donor-Imposed Purpose Restrictions	(135,020)	(75,087)
Total Financial Assets Available for General Expenditure Within One Year	<u>\$ 1,269,880</u>	<u>\$ 532,037</u>

There is an established board designated fund where the governing board has set funds aside for the Royal Theater project of \$159,936. The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents on hand to meet 30 days of normal operating expenses, which are, on average, approximately \$422,000. To help manage unanticipated liquidity needs, the Organization has committed a line of credit in the amount of \$250,000 which it could draw upon.

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3 IN-KIND LEASE RECEIVABLE

The Organization was given rent-free (or below market) leases on certain properties where the clubs are located. The Organization recorded the market value of the facilities as contributions revenue with donor restrictions for the term of the leases when the leases were initiated. The balance on the in-kind lease receivables as of June 30, 2021 and 2020 is reflected in the accompanying consolidated statements of financial position.

The recognition (usage) on the in-kind leases for the subsequent years are as follows:

Year Ending June 30:	Amount
2022	\$ 76,383
2023	27,486
Total	\$ 103,869

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	2021	2020
Land	\$ 166,856	\$ 166,856
Buildings and Building Improvements	2,729,748	2,614,413
Leasehold Improvements	40,569	40,569
Furniture and Equipment	471,865	454,812
Vehicles	353,651	378,585
Construction In Progress	14,357	14,650
Total	3,777,046	3,669,885
Less: Accumulated Depreciation	(1,802,815)	(1,618,626)
Net Property and Equipment	\$ 1,974,231	\$ 2,051,259

Depreciation expense for the years ended June 30, 2021 and 2020 was approximately \$209,000 and 220,000, respectively.

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4 PROPERTY AND EQUIPMENT (CONTINUED)

The Buildings category above includes approximately \$564,000 of capital improvement on the Royal Theater club that was funded by a U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) which was passed through the City of St. Petersburg. Among other CDBG requirements, the property is required to be used as an after school and summer activity center, providing health, social, educational, vocational, cultural arts, character, and leadership development principally to low and moderate income households, as defined by HUD through December 31, 2053. A lien in the form of a mortgage (originally \$564,000, reduced to \$535,338 based on partial satisfaction of mortgage) on the real property has been executed. No interest shall accrue as long as payment of the principal is deferred. If the Organization complies with the terms and conditions of the CDBG agreement, the lien established by the mortgage shall be forgiven on January 1, 2034. According to the City of St. Petersburg resolution 2016-405 forgiveness of this lien was accelerated to December 31, 2022. The outstanding balance at June 30, 2021 is \$535,338. The CDBG proceeds were recognized as income at the time of receipt since management believes the likelihood of repayment is remote.

The Buildings category also includes approximately \$567,000 of capital improvements on the Pinellas Park club that was funded by HUD CDBG passed through Pinellas County. Among other CDBG requirements, the property is required to be used as a center benefiting the youth and at least 51% of the persons benefitting from the activities be Pinellas residents whose household income does not exceed 80% of the area median income. Also, the Organization is prohibited from selling or altering the property without approval. These requirements are in effect for 20 years, through April 2030. There is no mortgage agreement with the County related to these HUD CDBG funds.

NOTE 5 LONG-TERM DEBT

Long-term debt consists of the following as of June 30:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Note payable to bank, refinanced November 2015 in the amount of \$407,056. Payable in monthly principal and interest payments of \$3,569 with interest of 1% and a balloon payment due November 2020 in the amount of \$212,260. Collateralized by real property in Pinellas Park.	\$ -	\$ 205,291
Less: Current Portion	<u>-</u>	<u>205,291</u>
Long-Term Debt, Excluding Current Portion	<u>\$ -</u>	<u>\$ -</u>

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are composed of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Purpose Restrictions:		
Capital Improvements	\$ 41,000	\$ 75,087
Club-Specific Expenses	50,300	-
Club-Specific Salaries	34,720	-
Food Program	9,000	-
Total Purpose Restrictions	<u>135,020</u>	<u>75,087</u>
Time Restrictions:		
In-Kind Leases Receivable	103,869	180,252
Grants Receivable	-	20,000
Total Time Restrictions	<u>103,869</u>	<u>200,252</u>
 Total	 <u>\$ 238,889</u>	 <u>\$ 275,339</u>

Release of net assets with donor restrictions consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Purpose Restrictions Released:		
Capital Improvements	\$ 165,833	\$ 164,239
Summer Care	117,533	88,800
Out of School Care	-	80,890
At Risk Mentoring	208,145	166,074
Food Program	580,133	366,921
Substance Abuse Program	177,792	178,560
School Readiness Program	63,327	57,333
Literacy Program	292,007	224,871
Payroll Protection	209,000	-
Behavioral Health Program	321,088	-
Junior Staff Program	30,000	-
Swimming Program	6,885	-
Club-Specific Expenses	80,000	-
Club-Specific Salaries	34,230	-
Sanitation Supplies	47,279	-
Total Purpose Restrictions Released	<u>2,333,252</u>	<u>1,327,688</u>
Time Restrictions Released:		
Road Traffic Education	-	10,500
Junior Staff Program	20,000	10,000
In-Kind Leases Receivable	121,383	114,184
Total Time Restrictions Released	<u>141,383</u>	<u>134,684</u>
 Total	 <u>\$ 2,474,635</u>	 <u>\$ 1,462,372</u>

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 7 IN-KIND REVENUE AND EXPENSES

Included in support and expenses in the accompanying consolidated statements of activities are the following in-kind contributions as of June 30:

	2021	2020
In-Kind Revenues:		
Donated Facilities	\$ 45,000	\$ 133,286
Donated Supplies, Materials, and Services	480,509	231,614
Total	\$ 525,509	\$ 364,900
	2021	2020
In-Kind Expenses:		
Donated Facilities	\$ 121,383	\$ 114,184
Donated Supplies, Materials, and Services	480,609	231,614
Total	\$ 601,992	\$ 345,798

NOTE 8 CONCENTRATIONS OF RISK

The Organization's operations are concentrated in Pinellas County, Florida and relate primarily to youth services. In addition, amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Organization. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

The Organization's operations are substantially dependent on the receipt of funding from governmental (federal, state, and local entities such as Juvenile Welfare Board) and corporate sources (such as the United Way). Loss of these funds and/or large decreases in this type of funding may have a material effect on the Organization and a negative impact on overall operations.

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 9 RETIREMENT PLAN

The Organization operates the Boys & Girls Clubs of the Suncoast, Inc. 401(k) Plan (the Plan). Specifics of the Plan are as follows:

- The Plan year is a calendar year.
- To qualify as a participant under the Plan, participants must be eligible employees, be at least age 21, work for the Organization at least three consecutive months, and complete at least one hour of service during that time period.
- Employees are allowed to make pre-tax salary deferral contributions to the Plan. These deferral contributions are always 100% vested.
- The Plan includes a provision for a 100% (dollar-for-dollar) matching contribution of salary deferrals up to 3% of compensation plus a 50% matching on any salary deferrals above 3% up to 5% of compensation.
- In addition, the Organization may also elect to make other discretionary contributions to the plan.
- In order to receive an employer contribution, the participant must have one year of service with the Organization, be employed on the last day of the Plan year, and have completed 1,000 hours of service.
- Participants become vested in matching and employer contributions after three years of service.

For the years ended June 30, 2021 and 2020 the Organization made contributions to the Plan of approximately \$14,000, and \$19,000, respectively.

NOTE 10 LINE OF CREDIT

In May 2018, the Organization opened a line of credit with a financial institution. The available line is \$250,000 with an outstanding balance bearing interest at the institution's prime rate of 3.5% interest rate and a maturity date of May 15, 2022. For the years ended June 30, 2021 and 2020 the line of credit balance is \$-0-.

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 11 LOAN FORGIVENESS

On April 11, 2020, the Organization received a loan from a financial institution in the amount of \$209,000 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period from 4/13/2020 – 6/5/2020 is the time that the Organization has to spend their PPP Loan funds.

The PPP Loan was forgiven in full by the financial institution on December 21, 2020 and was recorded as Loan Forgiveness in the accompanying consolidated statement of activities as of June 30, 2021. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	<u>Club</u>	<u>Foundation</u>	<u>Eliminating Entries</u>	<u>Total</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 589,278	\$ 258,299	\$ -	\$ 847,577
Contributions and Grants Receivable, Current Portion	557,323	-	-	557,323
In-Kind Lease Receivable	76,383	-	-	76,383
Prepaid Expenses	9,375	-	-	9,375
Custodial Funds Held for Others	11,361	-	-	11,361
Cash Restricted for Capital Improvements	41,000	-	-	41,000
Total Current Assets	<u>1,284,720</u>	<u>258,299</u>	<u>-</u>	<u>1,543,019</u>
PROPERTY AND EQUIPMENT, NET	1,974,231	-	-	1,974,231
IN-KIND LEASE RECEIVABLE, LONG-TERM PORTION	27,486	-	-	27,486
RELATED PARTY LOAN RECEIVABLE	<u>256,805</u>	<u>-</u>	<u>(256,805)</u>	<u>-</u>
Total Assets	<u><u>\$ 3,543,242</u></u>	<u><u>\$ 258,299</u></u>	<u><u>\$ (256,805)</u></u>	<u><u>\$ 3,544,736</u></u>

**BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

LIABILITIES AND NET ASSETS	<u>Club</u>	<u>Foundation</u>	<u>Eliminating Entries</u>	<u>Total</u>
CURRENT LIABILITIES				
Accounts Payable	\$ 172,857	\$ -	\$ -	\$ 172,857
Accrued Expenses	149,608	-	-	149,608
Custodial Accounts	11,361	-	-	11,361
Capital Lease Obligation, Current Portion	4,559	-	-	4,559
Total Current Liabilities	<u>338,385</u>	<u>-</u>	<u>-</u>	<u>338,385</u>
CAPITAL LEASE OBLIGATION, NET OF CURRENT PORTION	13,390	-	-	13,390
RELATED PARTY LOAN PAYABLE	<u>-</u>	<u>256,805</u>	<u>(256,805)</u>	<u>-</u>
Total Liabilities	351,775	256,805	(256,805)	351,775
NET ASSETS				
Without Donor Restrictions:				
Undesignated	2,792,642	1,494	-	2,794,136
Board-Designated- Royal Theater	159,936	-	-	159,936
With Donor Restrictions	238,889	-	-	238,889
Total Net Assets	<u>3,191,467</u>	<u>1,494</u>	<u>-</u>	<u>3,192,961</u>
Total Liabilities and Net Assets	<u>\$ 3,543,242</u>	<u>\$ 258,299</u>	<u>\$ (256,805)</u>	<u>\$ 3,544,736</u>

BOYS & GIRLS CLUB OF THE SUNCOAST, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Club</u>	<u>Foundation</u>	<u>Eliminating Entries</u>	<u>Total</u>
SUPPORT AND REVENUE				
Support:				
Contributions	\$ 1,192,128	\$ 84	\$ -	\$ 1,192,212
In-Kind Contributions	525,509	-	-	525,509
Grants	3,353,416	-	-	3,353,416
United Way	394,167	-	-	394,167
Loan Forgiveness	209,000	-	-	209,000
Total Support	<u>5,674,220</u>	<u>84</u>	<u>-</u>	<u>5,674,304</u>
Special Fundraising Events Revenue	200,271	-	-	200,271
Less: Fundraising Events Expense	<u>(27,653)</u>	<u>-</u>	<u>-</u>	<u>(27,653)</u>
Net Special Fundraising Events	172,618	-	-	172,618
Revenue:				
Membership Dues	5,783	-	-	5,783
Program Revenue	22,094	-	-	22,094
Other Revenue	<u>20,936</u>	<u>-</u>	<u>-</u>	<u>20,936</u>
Total Revenue	<u>48,813</u>	<u>-</u>	<u>-</u>	<u>48,813</u>
Total Support and Revenue	5,895,651	84	-	5,895,735
EXPENSES				
Program Services - Youth Development	4,250,936	-	-	4,250,936
Management and General	565,439	-	-	565,439
Fundraising	<u>251,522</u>	<u>-</u>	<u>-</u>	<u>251,522</u>
Total Expenses	<u>5,067,897</u>	<u>-</u>	<u>-</u>	<u>5,067,897</u>
CHANGE IN NET ASSETS	827,754	84	-	827,838
Net Assets - Beginning of Year	<u>2,363,713</u>	<u>1,410</u>	<u>-</u>	<u>2,365,123</u>
NET ASSETS - END OF YEAR	<u>\$ 3,191,467</u>	<u>\$ 1,494</u>	<u>\$ -</u>	<u>\$ 3,192,961</u>



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 the Suncoast, Inc., and Affiliate
Tampa, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Boys & Girls Clubs of the Suncoast, Inc. (the Club), and Boys & Girls Clubs of the Suncoast Foundation, Inc. (the Foundation), (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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



CliftonLarsonAllen LLP

Tampa, Florida
December 14, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Boys & Girls Clubs of the Suncoast, Inc., and Affiliate
Tampa, Florida

Report on Compliance for Each Major Federal Program

We have audited Boys & Girls Clubs of the Suncoast, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Boys & Girls Clubs of the Suncoast, Inc.'s major federal programs for the year ended June 30, 2021. Boys & Girls Clubs of the Suncoast, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Boys & Girls Clubs of the Suncoast, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Boys & Girls Clubs of the Suncoast, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination Boys & Girls Clubs of the Suncoast, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Boys & Girls Clubs of the Suncoast, 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 for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Boys & Girls Clubs of the Suncoast, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Boys & Girls Clubs of the Suncoast, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Boys & Girls Clubs of the Suncoast, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



CliftonLarsonAllen LLP

Tampa, Florida
December 14, 2021

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Agriculture				
Direct Program:				
Child Nutrition Cluster				
Summer Food Service Program for Children	10.599		\$ -	\$ 181,784
<i>Passed through Florida Department of Health:</i>				
Child and Adult Care Food Program	10.558	A-5542	-	192,942
Total Department of Agriculture			-	374,726
Department of Housing and Urban Development				
<i>Passed through the City of St. Petersburg:</i>				
Community Development Block Grants - Entitlement Grants	14.218	B-01-MC-12-0017	-	535,338
<i>Passed through Pinellas County:</i>				
COVID-19-Community Development Block Grants - Entitlement Grants	14.218	55200216	-	47,279
Total Department of Housing and Urban Development			-	582,617
Department of Justice				
Direct Program:				
Juvenile Mentoring Program	16.726		-	65,643
Department of Treasury				
Direct Program:				
COVID-19-Coronavirus Relief Fund	21.019		-	321,088
<i>Passed through Pinellas County:</i>				
COVID-19-Coronavirus Relief Fund	21.019	55200216	-	92,000
Total Department of Treasury			-	413,088
Department of Health and Human Services				
<i>Passed through Early Learning Coalition of Pinellas County:</i>				
Child Care and Development Block Grant	93.575	607131633	-	84,950
Total Expenditures of Federal Awards			\$ -	\$ 1,521,024

See accompanying Notes to Schedule of Expenditures of Federal Awards.

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards of Boys & Girls Clubs of the Suncoast, Inc. for the year ended June 30, 2021. 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). The Schedule presents only a selected portion of the operations of Boys & Girls Clubs of the Suncoast, Inc., therefore, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of Boys & Girls Clubs of the Suncoast, Inc.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 COMMUNITY DEVELOPMENT BLOCK GRANT

The Boys & Girls Clubs of the Suncoast, Inc. is a subrecipient of a grant to the City of St. Petersburg, Florida funded through HUD to rehabilitate the multipurpose facility at 1011 22nd Street South, St. Petersburg, FL 33712 (the Property). The rehabilitation was performed for the purposes of operating the Property as an after school and summer activity center, providing health, social, educational, vocational, cultural arts, character, and leadership development opportunities to 450 boys and girls ages 6-17. On April 23, 2002, the Club executed a mortgage with the City of St. Petersburg for \$535,338 for the renovation of the Property. The principal balance was to be forgiven on January 1, 2034, if the property is dedicated to low and moderate income households. According to the City of St. Petersburg resolution 2016-405 forgiveness of this lien was accelerated to December 31, 2022. The outstanding balance at June 30, 2021 is \$535,338.

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency identified? _____ yes _____ x _____ none reported
3. Noncompliance material to financial statements noted? _____ yes _____ x _____ no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes _____ x _____ no
 - Significant deficiency identified? _____ yes _____ x _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required To be reported in accordance with 2 CFR 200.516(a)? _____ yes _____ x _____ no

Identification of Major Federal Programs

CFDA Numbers

14.218

21.019

Name of Federal Program or Cluster

CDBG-Entitlement Grants Cluster: Community Development Block Grants

COVID-19-Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes _____ x _____ no

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2021**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).