

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018



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**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Boys & Girls Club of the Suncoast, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Board of Directors
Boys & Girls Club of the Suncoast, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization, as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended are in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Tampa, Florida
September 5, 2019

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 343,041	\$ 336,549
Contributions and Grants Receivable	295,062	325,533
In-Kind Lease Receivable	76,383	44,910
Prepaid Expenses	51,336	14,088
Cash Restricted for Capital Improvements	83,765	71,165
Total Current Assets	849,587	792,245
PROPERTY AND EQUIPMENT, NET	2,010,375	2,108,849
IN-KIND LEASE RECEIVABLE, LONG-TERM PORTION	84,767	113,940
CONTRIBUTIONS AND GRANTS RECEIVABLE, LONG-TERM PORTION	50,000	75,000
Total Assets	\$ 2,994,729	\$ 3,090,034
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 53,393	\$ 74,008
Accrued Expenses	52,409	46,842
Current Portion of Long-Term Debt	40,350	39,525
Total Current Liabilities	146,152	160,375
NOTES PAYABLE, NET OF CURRENT PORTION		
Long-Term Debt	225,937	266,661
Total Liabilities	372,089	427,036
NET ASSETS		
Without Donor Restrictions		
Undesignated	2,072,877	2,132,047
Board-Designated- Royal Theater	159,936	159,936
With Donor Restrictions	389,827	371,015
Total Net Assets	2,622,640	2,662,998
Total Liabilities and Net Assets	\$ 2,994,729	\$ 3,090,034

See accompanying Notes to Financial Statements.

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support:			
Contributions	\$ 192,475	\$ 78,403	\$ 270,878
In-Kind Contributions	139,721	95,501	235,222
Grants	2,050,396	-	2,050,396
United Way	240,452	88,800	329,252
Total Support	<u>2,623,044</u>	<u>262,704</u>	<u>2,885,748</u>
Special Fundraising Events	333,297	-	333,297
Less: Cost of Direct Benefit	<u>(104,195)</u>	<u>-</u>	<u>(104,195)</u>
Net Special Fundraising Events	229,102	-	229,102
Revenue:			
Membership Dues	13,364	-	13,364
Program Revenue	32,386	-	32,386
Other Revenue	<u>9,700</u>	<u>-</u>	<u>9,700</u>
Total Revenue	55,450	-	55,450
Net Assets Released from Donor Restrictions	<u>243,892</u>	<u>(243,892)</u>	<u>-</u>
Total Support and Revenue	3,151,488	18,812	3,170,300
EXPENSES			
Program Services -Youth Development	2,545,092	-	2,545,092
Management and General	476,931	-	476,931
Fundraising	<u>188,635</u>	<u>-</u>	<u>188,635</u>
Total Expenses	<u>3,210,658</u>	<u>-</u>	<u>3,210,658</u>
CHANGE IN NET ASSETS	(59,170)	18,812	(40,358)
Net Assets - Beginning of Year	<u>2,291,983</u>	<u>371,015</u>	<u>2,662,998</u>
NET ASSETS - END OF YEAR	<u>\$ 2,232,813</u>	<u>\$ 389,827</u>	<u>\$ 2,622,640</u>

See accompanying Notes to Financial Statements.

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Contributions	\$ 34,391	\$ 240,475	\$ 274,866
In-Kind Contributions	169,617	179,590	349,207
Grants	1,668,409	-	1,668,409
United Way	366,050	-	366,050
Total Support	2,238,467	420,065	2,658,532
Special Fundraising Events	214,220	-	214,220
Less: Cost of Direct Benefit	(47,133)	-	(47,133)
Net Special Fundraising Events	167,087	-	167,087
Revenue:			
Membership Dues	17,746	-	17,746
Program Revenue	23,879	-	23,879
Other Revenue	7,770	-	7,770
Total Revenue	49,395	-	49,395
Net Assets Released from Restrictions	300,658	(300,658)	-
Total Support and Revenue	2,755,607	119,407	2,875,014
EXPENSES			
Program Services -Youth Development	2,340,237	-	2,340,237
Management and General	171,357	-	171,357
Fundraising	161,306	-	161,306
Total Expenses	2,672,900	-	2,672,900
CHANGE IN NET ASSETS	82,707	119,407	202,114
Net Assets - Beginning of Year	2,209,276	251,608	2,460,884
NET ASSETS - END OF YEAR	\$ 2,291,983	\$ 371,015	\$ 2,662,998

See accompanying Notes to Financial Statements.

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Support Services	
SALARIES AND RELATED EXPENSES					
Salaries	\$ 987,975	\$ 278,128	\$ 117,616	\$ 395,744	\$ 1,383,719
Employee Benefits	81,906	23,058	9,751	32,809	114,715
Payroll Taxes	81,045	22,815	9,648	32,463	113,508
Total Salaries and Related Expenses	<u>1,150,926</u>	<u>324,001</u>	<u>137,015</u>	<u>461,016</u>	<u>1,611,942</u>
OTHER EXPENSES					
Depreciation	215,116	4,564	816	5,380	220,496
Equipment Expense	29,190	8,217	3,475	11,692	40,882
In-Kind Materials and Services	213,996	17,876	-	17,876	231,872
Insurance	83,988	15,921	6,732	22,653	106,641
Interest Expense	2,923	7,776	-	7,776	10,699
Membership Dues	-	100	-	100	100
National and State Dues	15,547	4,377	1,851	6,228	21,775
Occupancy	141,030	13,522	5,669	19,191	160,221
Printing and Publications	8,518	2,398	1,014	3,412	11,930
Professional Fees and Contract Services	169,570	47,736	20,187	67,923	237,493
Repairs and Maintenance	24,751	-	-	-	24,751
Special Events Expenses	-	-	104,195	104,195	104,195
Supplies	254,789	9,810	3,151	12,961	267,750
Travel and Training	34,241	9,639	4,076	13,715	47,956
Vehicle Expenses	137,328	-	-	-	137,328
Youth Development	24,124	-	-	-	24,124
Other Expenses	39,055	10,994	4,649	15,643	54,698
Total Other Expenses	<u>1,394,166</u>	<u>152,930</u>	<u>155,815</u>	<u>308,745</u>	<u>1,702,911</u>
Less: Expenses Netted Against Revenues on the Statements of Activities:					
Special Event Expenses	-	-	(104,195)	(104,195)	(104,195)
	<u>-</u>	<u>-</u>	<u>(104,195)</u>	<u>(104,195)</u>	<u>(104,195)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,545,092</u>	<u>\$ 476,931</u>	<u>\$ 188,635</u>	<u>\$ 665,566</u>	<u>\$ 3,210,658</u>

See accompanying Notes to Financial Statements.

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Support Services	
SALARIES AND RELATED EXPENSES					
Salaries	\$ 1,055,993	\$ 96,927	\$ 122,434	\$ 219,361	\$ 1,275,354
Employee Benefits	71,628	6,575	8,305	14,880	86,508
Payroll Taxes	108,250	9,936	12,551	22,487	130,737
Total Salaries and Related Expenses	<u>1,235,871</u>	<u>113,438</u>	<u>143,290</u>	<u>256,728</u>	<u>1,492,599</u>
OTHER EXPENSES					
Depreciation	172,481	29,077	1,732	30,809	203,290
Equipment Expense	37,210	2,556	4,429	6,985	44,195
In-Kind Facilities, Materials, and Services	175,728	-	-	-	175,728
Insurance	82,558	7,576	861	8,437	90,995
Interest Expense	3,676	31	-	31	3,707
Membership Dues	898	-	-	-	898
National and State Dues	19,580	-	592	592	20,172
Occupancy	147,797	1,767	2,100	3,867	151,664
Other Expenses	26,896	382	663	1,045	27,941
Printing and Publications	11,828	2,605	981	3,586	15,414
Professional Fees and Contract Services	129,485	4,026	810	4,836	134,321
Repairs and Maintenance	29,878	290	251	541	30,419
Special Events Expenses	-	-	47,133	47,133	47,133
Supplies (Including Food Program Supplies)	118,200	4,774	3,495	8,269	126,469
Travel and Training	26,966	108	488	596	27,562
Vehicle Expenses	85,744	4,727	1,614	92,085	92,085
Youth Development	35,441	-	-	-	35,441
Total Other Expenses	<u>1,104,366</u>	<u>57,919</u>	<u>65,149</u>	<u>208,812</u>	<u>1,227,434</u>
Less: Expenses Netted Against Revenues on the Statements of Activities:					
Special Event Expenses	-	-	(47,133)	(47,133)	(47,133)
	<u>-</u>	<u>-</u>	<u>(47,133)</u>	<u>(47,133)</u>	<u>(47,133)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,340,237</u>	<u>\$ 171,357</u>	<u>\$ 161,306</u>	<u>\$ 418,407</u>	<u>\$ 2,672,900</u>

See accompanying Notes to Financial Statements.

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (40,358)	\$ 202,114
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	220,496	203,290
In-Kind Lease Receivable	(2,300)	(138,417)
Grants Restricted for Capital Improvements	(78,403)	(219,475)
Change in Operating Assets and Liabilities:		
Contributions and Grants Receivable	55,471	87,693
Prepaid Expenses	(37,248)	22,296
Accounts Payable	(20,615)	62,266
Accrued Expenses	5,567	5,157
Net Cash Provided by Operating Activities	102,610	224,924
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(122,022)	(319,296)
Net Cash Used by Investing Activities	(122,022)	(319,296)
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants Restricted for Capital Improvements	78,403	219,475
Repayment of Long-Term Debt	(39,899)	(54,688)
Net Cash Used by Financing Activities	38,504	164,787
NET CHANGES IN CASH AND CASH EQUIVALENTS	19,092	70,415
Cash and Cash Equivalents and Restricted Cash - Beginning of Year	407,714	337,299
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ 426,806	\$ 407,714
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash During the Year for:		
Interest	\$ 10,699	\$ 3,707

See accompanying Notes to Financial Statements.

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Boys & Girls Club of the Suncoast, Inc. (the Organization) 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 Organization'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. Organization programs and activities are dedicated to promoting leadership, character, health, and career development, while emphasizing social, cultural, and educational growth. The Organization is supported primarily through private donor contributions, grants, and contracts from government agencies.

Basis of Accounting

The accompanying 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.

The Organization reports donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions. 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 CLUB OF THE SUNCOAST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

Contributions, Program Revenue, and Grants, and Grants Receivable

Contributions receivable are recognized upon notification of a donor's unconditional promise to give to the Organization. Unconditional promises to give that are expected to be collected in more than one year are evaluated at net realizable value because that amount results in a reasonable estimate of fair value. To date, the Organization has not recorded the present value discount for long-term pledges as they have determined it does not materially impact the financial statements.

Grants are recorded as support when performance occurs under the terms of the grant agreement, unless they are determined to be contributions receivable or promises to give. An allowance for doubtful contributions and grants receivable is considered unnecessary, as management considers all accounts to be collectible.

Program fees are recognized as revenue in the period in which the costs are incurred and the service is provided.

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 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 Statements of Activities since it is not susceptible to objective measurement or valuation.

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.

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (continued)

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

	2019	2018
Cash and Cash Equivalents	\$ 343,041	\$ 336,549
Cash Restricted for Capital Improvements	83,765	71,165
Total Cash and Cash Equivalents, and Restricted cash Shown in the Statements of Cash Flows	<u>\$ 426,806</u>	<u>\$ 407,714</u>

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 (5 to 30 years) using the straight-line method. Leasehold improvements are depreciated over the 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.

Income Taxes

The Organization 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 financial statements.

The IRC provides for taxation of unrelated business income under certain circumstances. The Organization 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 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 financial statements.

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The following program and support services are included in the accompanying 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 the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Most categories of expenses are attributed to both program and supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The basis of allocation for salary and payroll related expenses is a time study of staff effort and evaluated every few years. Distribution of all other expenses is based on management's estimates of usage applicable to the program and supporting services benefited.

Use of Estimates

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

Subsequent Events

The Organization has evaluated subsequent events through September 5, 2019, which is the date the financial statements were available to be issued.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented and did not require any net asset reclassification, except for the liquidity and availability note.

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle (continued)

On November 2016, FASB issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) – Restricted Cash*. The update addresses that beginning and ending cash as shown on the statement of cash flows must also include restricted cash and cash equivalents. The Organization has implemented ASU 2016-18 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

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 statement of financial position date, comprise the following as of June 30, 2019:

Cash and Cash Equivalents	\$ 343,041
Contributions and Grants Receivable	<u>295,062</u>
Total	<u><u>\$ 638,103</u></u>

The Organization has \$638,103 of financial assets available within one year of the statement of financial position date, consisting of cash and cash equivalents and contributions and grants receivable. None of these assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. 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 \$270,000.

NOTE 3 IN-KIND LEASE RECEIVABLE

The Organization was given rent-free (or below market) leases on certain properties where 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, 2019 and 2018, is \$161,150 and \$158,850 respectively.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 76,383
2021	50,342
2022	24,300
2023	<u>10,125</u>
Total	<u><u>\$ 161,150</u></u>

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 4 PROPERTY AND EQUIPMENT

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

	<u>2019</u>	<u>2018</u>
Land	\$ 166,856	\$ 166,856
Buildings	2,448,781	2,331,865
Leasehold Improvements	40,569	40,569
Furniture and Equipment	412,335	332,084
Vehicles	340,636	340,636
Construction In Progress	-	75,145
Total	<u>3,409,177</u>	<u>3,287,155</u>
Less: Accumulated Depreciation	<u>1,398,802</u>	<u>1,178,306</u>
Net Property and Equipment	<u>\$ 2,010,375</u>	<u>\$ 2,108,849</u>

Depreciation expense for the years ended June 30, 2019 and 2018, was \$220,496 and \$203,290, respectively.

The balance of \$2,448,781 in the building category above, includes \$650,970 for the Royal Theater. This project was funded by a U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) which is 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, 2054. The CDBG proceeds were recognized as income at the time of receipt since management believes the likelihood of repayment is remote.

Buildings also include the cost (approximately \$618,000) of designing, consulting, and various other costs for the remodeling of the Pinellas Park Club. The project was mostly funded by a CDBG grant passed through Pinellas County. Among other requirements, the Organization is required to operate the Pinellas Park Club as a youth center benefiting youth and that at least 51% of the persons benefitting from the activities be 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.

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 5 LONG-TERM DEBT

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

<u>Description</u>	<u>2019</u>	<u>2018</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.		
Total Long-Term Debt	\$ 266,287	\$ 306,186
	<u>266,287</u>	<u>306,186</u>
Less: Current Portion	40,350	39,525
	<u>40,350</u>	<u>39,525</u>
Long-Term Debt, Excluding Current Portion	\$ 225,937	\$ 266,661
	<u>225,937</u>	<u>266,661</u>

Maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 40,350
2021	<u>225,937</u>
Total	<u>\$ 266,287</u>

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2019</u>	<u>2018</u>
Purpose Restrictions:		
Royal Theater Renovations	\$ 59,550	\$ 71,165
Northside Capital Improvements	24,215	-
United Way Summer Care Funding	59,200	-
Scholarship	-	20,000
Total Purpose Restrictions:	<u>142,965</u>	<u>91,165</u>
Time Restrictions:		
Road Traffic Education	10,500	21,000
In-Kind Leases Receivable	161,150	158,850
Grants Receivable	75,212	100,000
Total Time Restrictions:	<u>246,862</u>	<u>279,850</u>
 Total	 <u><u>\$ 389,827</u></u>	 <u><u>\$ 371,015</u></u>

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

	<u>2019</u>	<u>2018</u>
Purpose Restrictions Released:		
Royal Theater Renovations	\$ 11,615	\$ 120,010
Northside Capital Improvements	32,185	-
United Way Summer Care Funding	29,600	-
Scholarship	20,000	-
Tarpon Springs Renovations	-	15,000
JWB Competitive Capital - Computer Equipment	-	99,475
Pinellas Park Capital Improvements	22,003	-
Total Purpose Restrictions Released	<u>115,403</u>	<u>234,485</u>
Time Restrictions Released:		
Road Traffic Education	10,500	-
In-Kind Leases Receivable	93,201	41,173
Grants Receivable	24,788	25,000
Total Time Restrictions Released	<u>128,489</u>	<u>66,173</u>
 Total	 <u><u>\$ 243,892</u></u>	 <u><u>\$ 300,658</u></u>

BOYS & GIRLS CLUB OF THE SUNCOAST, INC.
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NOTE 7 IN-KIND REVENUE AND EXPENSES

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

	2019	2018
In-Kind Revenues:		
Donated Facilities	\$ 95,501	\$ 221,133
Donated Supplies, Materials, and Services	139,721	128,074
Total	\$ 235,222	\$ 349,207
	2019	2018
In-Kind Expenses:		
Donated Facilities	\$ 93,201	\$ 82,716
Donated Supplies, Materials, and Services	138,671	93,012
Total	\$ 231,872	\$ 175,728

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.

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NOTE 9 RETIREMENT PLAN

The Organization operates the Boys & Girls Club 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, 2019 and 2018, the Organization made contributions of \$11,447 and \$16,754 respectively to the Plan.

NOTE 10 LINE OF CREDIT

In May 2018, the Organization opened a line of credit with a bank. The available line is \$250,000 with an outstanding balance bearing interest at the bank's prime rate of 6% interest rate. For the years ended June 30, 2019 and 2018, the line of credit balance is \$-0-.