

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2018 AND 2017**

**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, 2018 and 2017, 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, 2018 and 2017, 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  
October 8, 2018

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 407,714	\$ 337,299
Contributions and Grants Receivable	325,533	413,226
In-Kind Lease Receivable	44,910	20,433
Prepaid Expenses	14,088	11,384
Total Current Assets	792,245	782,342
<b>PROPERTY AND EQUIPMENT, NET</b>	2,108,849	1,992,843
<b>IN-KIND LEASE RECEIVABLE, LONG-TERM PORTION</b>	113,940	-
<b>CONTRIBUTIONS AND GRANTS RECEIVABLE, LONG-TERM PORTION</b>	75,000	100,000
Total Assets	\$ 3,090,034	\$ 2,875,185
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 74,008	\$ 11,742
Accrued Expenses	46,842	41,685
Current Portion of Long-Term Debt	39,525	54,711
Total Current Liabilities	160,375	108,138
<b>NOTES PAYABLE, NET OF CURRENT PORTION</b>		
Long-Term Debt	266,661	306,163
Total Liabilities	427,036	414,301
<b>NET ASSETS</b>		
Unrestricted:		
Undesignated	2,132,047	2,049,340
Board-Designated- Royal Theater	159,936	159,936
Temporarily Restricted	371,015	251,608
Total Net Assets	2,662,998	2,460,884
Total Liabilities and Net Assets	\$ 3,090,034	\$ 2,875,185

See accompanying Notes to Financial Statements.

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

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
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	<u>2,238,467</u>	<u>420,065</u>	<u>2,658,532</u>
Special Fundraising Events Gross	214,220	-	214,220
Less: Cost of Direct Benefit	(47,133)	-	(47,133)
Net Special Fundraising Events	<u>167,087</u>	<u>-</u>	<u>167,087</u>
Revenue:			
Membership Dues	17,746	-	17,746
Program Revenue	23,879	-	23,879
Other Revenue	7,770	-	7,770
Total Revenue	<u>49,395</u>	<u>-</u>	<u>49,395</u>
Net Assets Released from Restrictions	<u>300,658</u>	<u>(300,658)</u>	<u>-</u>
Total Support and Revenue	2,755,607	119,407	2,875,014
<b>EXPENSES</b>			
Program Services -Youth Development	2,340,237	-	2,340,237
Management and General	171,357	-	171,357
Fundraising	161,306	-	161,306
Total Expenses	<u>2,672,900</u>	<u>-</u>	<u>2,672,900</u>
<b>CHANGE IN NET ASSETS</b>	82,707	119,407	202,114
Net Assets - Beginning of Year	<u>2,209,276</u>	<u>251,608</u>	<u>2,460,884</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,291,983</u>	<u>\$ 371,015</u>	<u>\$ 2,662,998</u>

See accompanying Notes to Financial Statements.

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Support:			
Contributions	\$ 278,469	\$ 231,175	\$ 509,644
In-Kind Contributions	90,134	-	90,134
Fees and Grants	1,337,964	-	1,337,964
United Way	391,283	-	391,283
Total Support	2,097,850	231,175	2,329,025
Special Fundraising Events Gross	183,836	-	183,836
Less: Cost of Direct Benefit	(51,109)	-	(51,109)
Net Special Fundraising Events	132,727	-	132,727
Revenue:			
Membership Dues	10,062	-	10,062
Program Revenue	29,702	-	29,702
Other Revenue	533	-	533
Total Revenue	40,297	-	40,297
Net Assets Released from Restrictions	124,916	(124,916)	-
Total Support and Revenue	2,395,790	106,259	2,502,049
<b>EXPENSES</b>			
Program Services -Youth Development	2,213,156	-	2,213,156
Management and General	172,843	-	172,843
Fundraising	139,197	-	139,197
Total Expenses	2,525,196	-	2,525,196
<b>CHANGE IN NET ASSETS</b>	(129,406)	106,259	(23,147)
Net Assets - Beginning of Year	2,338,682	145,349	2,484,031
<b>NET ASSETS - END OF YEAR</b>	\$ 2,209,276	\$ 251,608	\$ 2,460,884

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	
<b>SALARIES AND RELATED EXPENSES</b>					
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>
<b>OTHER EXPENSES</b>					
Depreciation	172,481	29,077	1,732	30,809	203,290
Occupancy	147,797	1,767	2,100	3,867	151,664
Professional Fees and Contract Services	129,485	4,026	810	4,836	134,321
Youth Development	35,441	-	-	-	35,441
Insurance	82,558	7,576	861	8,437	90,995
Supplies (Including Food Program Supplies)	118,200	4,774	3,495	8,269	126,469
Equipment Expense	37,210	2,556	4,429	6,985	44,195
Vehicle Expenses	85,744	4,727	1,614	6,341	92,085
In-Kind Facilities, Materials, and Services	175,728	-	-	-	175,728
Travel and Training	26,966	108	488	596	27,562
Repairs and Maintenance	29,878	290	251	541	30,419
National and State Dues	19,580	-	592	592	20,172
Printing and Publications	11,828	2,605	981	3,586	15,414
Interest Expense	3,676	31	-	31	3,707
Membership Dues	898	-	-	-	898
Other Expenses	26,896	382	663	1,045	27,941
Special Events Expenses	-	-	47,133	47,133	47,133
Total Other Expenses	<u>1,104,366</u>	<u>57,919</u>	<u>65,149</u>	<u>123,068</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)
	-	-	(47,133)	(47,133)	(47,133)
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>\$ 332,663</u>	<u>\$ 2,672,900</u>

See accompanying Notes to Financial Statements.

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2017**

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Support Services	
<b>SALARIES AND RELATED EXPENSES</b>					
Salaries	\$ 897,785	\$ 82,405	\$ 104,091	\$ 186,496	\$ 1,084,281
Employee Benefits	80,501	7,389	9,334	16,723	97,224
Payroll Taxes	74,717	6,858	8,663	15,521	90,238
Total Salaries and Related Expenses	<u>1,053,003</u>	<u>96,652</u>	<u>122,088</u>	<u>218,740</u>	<u>1,271,743</u>
<b>OTHER EXPENSES</b>					
Depreciation	312,064	52,608	3,134	55,742	367,806
Occupancy	140,329	2,129	2,531	4,660	144,989
Professional Fees and Contract Services	160,777	4,999	1,006	6,005	166,782
Youth Development	85,085	-	-	-	85,085
Insurance	71,250	6,538	743	7,281	78,531
Supplies (Including Food Program Supplies)	34,685	1,401	1,026	2,427	37,112
Equipment Expense	39,510	2,714	4,702	7,416	46,926
Vehicle Expenses	64,164	3,537	1,208	4,745	68,909
In-Kind Facilities, Materials, and Services	90,134	-	-	-	90,134
Travel and Training	28,248	113	511	624	28,872
Repairs and Maintenance	24,685	240	208	448	25,133
National and State Dues	20,260	-	613	613	20,873
Printing and Publications	6,034	1,329	500	1,829	7,863
Interest Expense	5,738	48	-	48	5,786
Membership Dues	707	-	-	-	707
Other Expenses	37,639	535	927	1,462	39,101
Loss on Sale/Disposal of Asset	38,844	-	-	-	38,844
Special Events Expenses	-	-	51,109	51,109	51,109
Total Other Expenses	<u>1,160,153</u>	<u>76,191</u>	<u>68,218</u>	<u>144,409</u>	<u>1,304,562</u>
Less: Expenses Netted Against Revenues on the Statements of Activities:					
Special Event Expenses	-	-	(51,109)	(51,109)	(51,109)
	-	-	(51,109)	(51,109)	(51,109)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,213,156</u>	<u>\$ 172,843</u>	<u>\$ 139,197</u>	<u>\$ 312,040</u>	<u>\$ 2,525,196</u>

See accompanying Notes to Financial Statements.

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 202,114	\$ (23,147)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	203,290	367,806
Loss on Sale/Disposal of Asset	-	38,844
In-Kind Lease Receivable	(138,417)	44,916
Change in Operating Assets and Liabilities:		
Grants Receivable	87,693	(215,830)
Prepaid Expenses	(2,704)	25,130
Deposits	25,000	3,125
Accounts Payable	62,266	(32,592)
Accrued Expenses	5,157	(9,850)
Deferred Revenue	-	(3,479)
Net Cash Provided by Operating Activities	444,399	194,923
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(319,296)	(170,324)
Proceeds from Sale of Property and Equipment	-	(19,117)
Net Cash Used by Investing Activities	(319,296)	(189,441)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Long-Term Debt	(54,688)	(73,630)
Net Cash Used by Financing Activities	(54,688)	(73,630)
 <b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	70,415	(68,148)
Cash and Cash Equivalents - Beginning of Year	337,299	405,447
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 407,714	\$ 337,299
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash During the Year for:		
Interest	\$ 3,707	\$ 5,786

See accompanying Notes to Financial Statements.

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

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

Unrestricted – Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Temporarily Restricted – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the Organization to use all or part of the income earned on any related investment for general or specific purposes. The Organization has no permanently restricted net assets at June 30, 2018 or 2017.

**Contributions, Program Fees, and Grants, and Grants Receivable**

The Organization is required to measure contributions received and unconditional promises to give at their fair value and report them as increases in net assets immediately, even if the donor has restricted their use and the restriction will be met in future periods. Unconditional promises to give that are expected to be collected in more than one year are measured at net realizable value because that amount results in a reasonable estimate of fair value. 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. As a result, contributions are recorded immediately either as an increase in unrestricted net assets,

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)**

**Contributions, Program Fees, and Grants, and Grants Receivable (Continued)**

temporarily restricted net assets, or permanently restricted net assets, depending on the nature of the donor restrictions, if any.

Grants are recorded as support when performance occurs under the terms of the grant agreement, unless they are determined to be contributions or promises to give. An allowance for doubtful grants account 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 unrestricted support 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 unrestricted contributions 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 and changes in net assets as unrestricted support 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 statement 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.

**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. Gifts of long-lived assets are reported as unrestricted support. 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.

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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. Accordingly, certain costs have been allocated among the programs and supporting services benefited as shown in the statement of functional expenses for the years ended June 30, 2018 and 2017.

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 October 8, 2018, which is the date the financial statements were available to be issued.

**NOTE 2 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 (temporarily restricted) for the term of the leases when the leases were initiated. The balance on the in-kind lease receivables as of June 30, 2018 and 2017, is \$158,850 and \$20,433, respectively.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 44,910
2020	44,910
2021	34,605
2022	24,300
2023	10,125
	<u>\$ 158,850</u>

**NOTE 3 PROPERTY AND EQUIPMENT**

Property and equipment as of June 30, 2018 and 2017, consists of the following:

	<u>2018</u>	<u>2017</u>
Land	\$ 166,856	\$ 166,856
Buildings	2,331,865	2,187,188
Leasehold Improvements	40,569	40,569
Furniture and Equipment	332,084	232,609
Vehicles	340,636	340,636
Construction In Progress	75,145	-
Total	<u>3,287,155</u>	<u>2,967,858</u>
Less: Accumulated Depreciation	1,178,306	975,015
Net Property and Equipment	<u>\$ 2,108,849</u>	<u>\$ 1,992,843</u>

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 3 PROPERTY AND EQUIPMENT (CONTINUED)**

Depreciation expense for the years ended June 30, 2018 and 2017, was \$203,290 and \$367,806, respectively.

The balance of \$2,331,865 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, 2018 AND 2017**

**NOTE 4 LONG-TERM DEBT**

Long-term debt at June 30, 2018 and 2017 consists of the following:

<u>Description</u>	<u>2018</u>	<u>2017</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.	\$ 306,186	\$ 345,320
Vehicle Notes Repaid in 2018	-	15,554
Total Long-Term Debt	<u>306,186</u>	<u>360,874</u>
Less: Current Portion	<u>39,525</u>	<u>54,711</u>
Long-Term Debt, Excluding Current Portion	<u>\$ 266,661</u>	<u>\$ 306,163</u>

Maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 39,525
2020	40,350
2021	226,311
Total	<u>\$ 306,186</u>

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 5 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of June 30 are composed of the following:

	<u>2018</u>	<u>2017</u>
Royal Theater Renovations	\$ 71,165	\$ 86,175
Grants Receivable	100,000	125,000
In-Kind Leases Receivable	158,850	20,433
Scholarship	20,000	20,000
Road Traffic Education	21,000	-
Total	<u>\$ 371,015</u>	<u>\$ 251,608</u>

Release of temporarily restricted net assets consisted of the following for the years ended June 30:

	<u>2018</u>	<u>2017</u>
Royal Theater Renovations	\$ 120,010	\$ -
Grants Receivable	25,000	10,000
Gymnasium Floor Replacement	-	70,000
In-Kind Leases Receivable	41,173	44,916
Tarpon Springs Renovations	15,000	-
JWB Competitive Capital - Computer Equipment	99,475	-
Total	<u>\$ 300,658</u>	<u>\$ 124,916</u>

**NOTE 6 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:

	<u>2018</u>	<u>2017</u>
In-Kind Revenues:		
Donated Facilities	\$ 221,133	\$ 82,716
Donated Supplies, Materials, and Services	128,074	7,418
Total	<u>\$ 349,207</u>	<u>\$ 90,134</u>
	<u>2018</u>	<u>2017</u>
In-Kind Expenses:		
Donated Facilities	\$ 82,716	\$ 82,716
Donated Supplies, Materials, and Services	93,012	7,418
Total	<u>\$ 175,728</u>	<u>\$ 90,134</u>

**BOYS & GIRLS CLUB OF THE SUNCOAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE 7 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.

**NOTE 8 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, 2018 and 2017, the Organization made contributions of \$16,754 and \$12,040 respectively to the Plan.

**NOTE 9 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, 2018 and 2017, the line of credit balance is \$0.