CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC. AND AFFILIATE

June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

Opinion

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, 2024, and the related consolidated statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization, as of June 30, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Consolidated Financial Statements

The consolidated financial statements of Boys & Girls Clubs of the Suncoast, Inc. and Affiliate as of and for the year ended June 30, 2023 were audited by other auditors whose report dated December 19, 2023 expressed an unmodified opinion on those statements.

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Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time

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

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the consolidated financial statements as a whole. The consolidating statement of financial position, consolidating statement of activities and changes in net assets and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The 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 GAAS. In our opinion, the consolidating statement of financial position, consolidating statement of activities and changes in net assets and the accompanying schedule of expenditures of federal awards are 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 10, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Bueno, Gordimer & Company, P.A.

Tampa, Florida
December 10, 2024

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,544,390	$ 545,504
Accounts and grants receivable	1,091,757	838,344
In-kind lease receivable, current portion	405,091	286,770
Prepaid expenses	93,557	66,182
Custodial funds held for others	2,968	2,968
Cash restricted for capital improvements	-	6,223
Total current assets	3,137,763	1,745,991
Property and equipment, net	2,255,132	1,949,695
In-kind lease receivable, long-term portion	185,988	304,938
Operating right of use assets, net	38,894	82,336
Financing right of use assets, net	2,441	7,348
Total noncurrent assets	2,482,455	2,344,317
TOTAL ASSETS	$ 5,620,218	$ 4,090,308
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 77,866	$ 190,505
Accrued expenses	447,041	295,739
Employee retention credit reserve	87,912	120,886
Operating lease liability, current portion	41,094	42,834
Financing lease liability, current portion	3,970	4,889
Custodial accounts	2,968	2,968
Total current liabilities	660,851	657,821
Operating lease liability, long-term portion	-	41,094
Financing lease liability, long-term portion	-	4,578
TOTAL LIABILITIES	660,851	703,493
Net Assets		
Without donor restrictions:		
Undesignated	3,228,273	2,041,434
Board designated - Royal Theater	105,993	105,993
Total net assets without donor restrictions	3,334,266	2,147,427
With donor restrictions	1,625,101	1,239,388
Total Net Assets	4,959,367	3,386,815
TOTAL LIABILITIES AND NET ASSETS	$ 5,620,218	$ 4,090,308

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

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support			
Contributions	$ 556,035	$ 1,194,882	$ 1,750,917
Contributions of non-financial assets	108,603	910,063	1,018,666
Grants	7,658,132	61,232	7,719,364
United Way	153,929	105,000	258,929
Total support	8,476,699	2,271,177	10,747,876
Special fundraising events revenue	507,074	-	507,074
Less fundraising events expense	(273,664)	-	(273,664)
Special fundraising events, net	233,410	-	233,410
Revenue:			
Membership dues	15,816	-	15,816
Program revenue	157,227	-	157,227
Other revenue	150,473	-	150,473
Total revenue	323,516	-	323,516
Net assets released from restriction	1,885,464	(1,885,464)	-
Total support and revenue	10,919,089	385,713	11,304,802
EXPENSES			
Program services			
Youth development	7,785,481	-	7,785,481
Support services			
Management and general	1,408,146	-	1,408,146
Fundraising	538,623	-	538,623
Total support services	1,946,769	-	1,946,769
Total expenses	9,732,250	-	9,732,250
Change in net assets	1,186,839	385,713	1,572,552
Net assets, beginning of year	2,147,427	1,239,388	3,386,815
Net assets, end of year	$ 3,334,266	$ 1,625,101	$ 4,959,367

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

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support			
Contributions	$ 590,243	$ 91,061	$ 681,304
Contributions of non-financial assets	300,640	1,178,515	1,479,155
Grants	4,438,785	2,122,191	6,560,976
United Way	200,787	105,000	305,787
Total support	5,530,455	3,496,767	9,027,222
Special fundraising events revenue	346,702	-	346,702
Less fundraising events expense	(110,829)	-	(110,829)
Special fundraising events, net	235,873	-	235,873
Revenue:			
Membership dues	17,725	-	17,725
Program revenue	103,109	-	103,109
Other revenue	29,615	-	29,615
Total revenue	150,449	-	150,449
Net assets released from restriction	2,538,368	(2,538,368)	-
Total support and revenue	8,455,145	958,399	9,413,544
EXPENSES			
Program services			
Youth development	7,187,134	-	7,187,134
Support services			
Management and general	1,454,812	-	1,454,812
Fundraising	525,161	-	525,161
Total support services	1,979,973	-	1,979,973
Total expenses	9,167,107	-	9,167,107
Change in net assets	(711,962)	958,399	246,437
Net assets, beginning of year	2,859,389	280,989	3,140,378
Net assets, end of year	$ 2,147,427	$ 1,239,388	$ 3,386,815

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

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2024

	Program Services	Support Services				
	Youth Development	Management and General	Fundraising	Cost of Donor Benefit	Total Support Services	Total Expenses
Salaries	$ 3,606,374	$ 685,698	$ 373,195	$ -	$ 1,058,893	$ 4,665,267
Employee benefits	272,965	83,126	46,008	-	129,134	402,099
Payroll taxes	278,222	45,921	28,121	-	74,042	352,264
Total salaries and related expenses	4,157,561	814,745	447,324	-	1,262,069	5,419,630
Contracted transportation	308,742	-	-	-	-	308,742
Depreciation and amortization	301,692	9,375	-	-	9,375	311,067
Information technology	293,071	48,246	8,561	-	56,807	349,878
In-kind expenses	866,402	152,893	-	-	152,893	1,019,295
Insurance	94,014	10,428	165	-	10,593	104,607
Interest expense	-	225	-	-	225	225
Membership dues	24,788	-	-	-	-	24,788
National and state dues	15,759	-	-	-	-	15,759
Occupancy	309,433	44,220	407	-	44,627	354,060
Other expenses	55,965	73,962	53,664	-	127,626	183,591
Printing and publications	9,055	2,030	3,571	-	5,601	14,656
Professional fees	138,602	144,873	3,930	-	148,803	287,405
Special events	-	-	-	273,664	273,664	273,664
Supplies	846,564	7,270	8,651	-	15,921	862,485
Travel and training	96,305	95,734	11,033	-	106,767	203,072
Vehicle expenses	193,165	4,145	1,317	-	5,462	198,627
Youth development	74,363	-	-	-	-	74,363
Total other expenses	3,627,920	593,401	91,299	273,664	958,364	4,586,284
Less expenses netted against revenues on the statement of activities						
Fundraising events expense	-	-	-	(273,664)	(273,664)	(273,664)
Total expenses	$ 7,785,481	$ 1,408,146	$ 538,623	$ -	$ 1,946,769	$ 9,732,250

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

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	Program Services	Support Services				
	Youth Development	Management and General	Fundraising	Cost of Donor Benefit	Total Support Services	Total Expenses
Salaries	$ 3,023,711	$ 901,977	$ 401,041	$ -	$ 1,303,018	$ 4,326,729
Employee benefits	271,145	80,883	35,962	-	116,845	387,990
Payroll taxes	250,233	74,645	33,189	-	107,834	358,067
Total salaries and related expenses	3,545,089	1,057,505	470,192	-	1,527,697	5,072,786
Contracted transportation	445,016	-	-	-	-	445,016
Depreciation and amortization	255,163	5,999	-	-	5,999	261,162
Information technology	83,610	24,941	11,089	-	36,030	119,640
In-kind expenses	914,933	-	-	-	-	914,933
Insurance	80,698	24,072	10,703	-	34,775	115,473
Interest expense	-	339	-	-	339	339
Membership dues	11,775	-	-	-	-	11,775
National and state dues	4,278	1,276	567	-	1,843	6,121
Occupancy	307,858	7,247	-	-	7,247	315,105
Other expenses	94,440	148,489	5,135	-	153,624	248,064
Printing and publications	10,409	3,105	1,381	-	4,486	14,895
Professional fees	142,341	68,711	7,489	-	76,200	218,541
Special events	-	-	-	110,829	110,829	110,829
Supplies	817,659	71,284	-	-	71,284	888,943
Travel and training	140,276	41,844	18,605	-	60,449	200,725
Vehicle expenses	171,733	-	-	-	-	171,733
Youth development	161,856	-	-	-	-	161,856
Total other expenses	3,642,045	397,307	54,969	110,829	563,105	4,205,150
Less expenses netted against revenues on the statement of activities						
Fundraising events expense	-	-	-	(110,829)	(110,829)	(110,829)
Total expenses	$ 7,187,134	$ 1,454,812	$ 525,161	$ -	$ 1,979,973	$ 9,167,107

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

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30,

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 1,572,552	$ 246,437
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization of finance right of use assets	4,907	4,899
Depreciation	306,160	256,263
Gain on sale of property and equipment	(52,719)	-
In-kind lease receivable	629	(564,222)
Grants restricted for capital imrpovements	(6,223)	(49,662)
Noncash lease expense	608	1,592
Changes in operating assets and liabilities:		
Accounts and grants receivable	(253,413)	171,196
Prepaid expenses	(27,375)	14,475
Accounts payable	(112,639)	89,039
Accrued expenses	151,302	3,935
Employee retention credit reserve	(32,974)	120,886
Net cash provided by operating activities	1,550,815	294,838
Cash flows from investing activities		
Purchase of property and equipment	(641,734)	(252,076)
Proceeds from sale of property and equipment	82,856	-
Net cash used in investing activities	(558,878)	(252,076)
Cash flows from financing activities		
Grants restricted for capital improvements	6,223	49,662
Payments on finance lease liability	(5,497)	(3,923)
Net cash provided by financing activities	726	45,739
Net increase in cash, cash equivalents, and restricted cash	992,663	88,501
Cash, cash equivalents, and restricted cash - beginning of year	554,695	466,194
Cash, cash equivalents, and restricted cash - end of year	$ 1,547,358	$ 554,695
Supplemental disclosures of cash flow information		
Income tax paid	$ -	$ -
Interest paid	$ 225	$ 339

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

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

1. Description of the Organization

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.

2. 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.

3. 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.

4. Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or granter-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.

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

- Net Assets With Donor Restrictions - Net assets subject to donor or 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 those 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.

5. 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.

6. 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 Federal Deposit Insurance Corporation (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:

	2024	2023
Cash and cash equivalents	$ 1,544,390	$ 545,504
Custodial funds held for others	2,968	2,968
Cash restricted for capital improvements	-	6,223
Total cash, cash equivalents, and restricted cash	$ 1,547,358	$ 554,695

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

7. 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.

Effective October 18, 2023, Earn to Learn FL, Inc., a nonprofit organization, transferred operating assets, clear of liabilities, liens, and encumbrances, to the Boys and Girls Clubs of the Suncoast, Inc. as a result of the dissolution of Earn to Learn Florida, Inc. This transaction is reflected as a contribution with donor restriction in the amount of $945,059 in the Consolidated Statement of Activities and Changes in Net Assets.

8. Contributions of Non-Financial Assets

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 and materials are recorded as contributions without restrictions in the period received at fair value. Only such assets with determinable fair values are recorded.

The Organization receives the use of donated facilities for its program operations and supporting services. Contributed use of facilities is recorded as support at its fair rental value during the period the contribution is received. Fair value is estimated using the average price per square foot on rental listings in the Organization's service area. A donor-imposed time restriction exists for the donated use of facilities over the term of the lease agreement.

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

Contributed services that require specialized skill (attorneys, accountants, counselors, etc.) are recorded in the consolidated statement of activities and changes in net assets 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 and changes in net assets since it is not susceptible to objective measurement or valuation.

9. 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. Special fundraising event revenues consisted of the following for the years ended June 30,:

	2024	2023
Contribution revenue	$ 305,928	$ 269,806
Exchange revenue		
Auction items	78,280	44,896
Meals	122,866	32,000
Total special fundraising event revenue	$ 507,074	$ 346,702

10. Program Fees

Program fees include membership dues, program service fees, summer camp fees, rental income, and workforce development administrative revenues. 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.

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

Program revenues include program service fees, summer camp fees and workforce development administrative revenues. 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. Workforce development administrative revenue represents fees for coordinating employment of workforce development between program participants and funding agency. 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. Revenue is recognized over time as services performed.

11. 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	2.75 to 30 Years
Leasehold Improvements	10 Years
Furniture and Equipment	5 to 10 Years
Vehicles	5 Years

12. Income Taxes

The Club and Foundation qualify as tax-exempt organizations 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 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.

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

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.

13. Leases

The Organization leases office space and office equipment under operating and financing leases. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease obligation on the consolidated statement of financial position. Finance leases are included in finance lease right-of-use (ROU) assets and finance lease obligation on the consolidated statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease obligation represent the Organization's obligation to make lease payments arising from the lease. ROU assets and obligations are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease obligation or right of use assets on the consolidated statement of financial position.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, the Organization's incremental borrowing rate. The Organization used the incremental borrowing rate for the Office lease and the implicit rate for the equipment lease.

The Organization has elected not to separate non-lease components from lease components and instead accounts for each separate lease component and the non-lease component as a single lease component.

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

14. 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 and changes in net assets. 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 programs and supporting services benefited. These expenses are allocated based on estimates of use by function and estimated time and effort of personnel.

15. Reclassifications

Certain amounts previously reported in the financial statements for the prior year have been reclassified in order for them to be in conformity with the current year presentation.

16. Adoption of New Accounting Standards

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected.

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

On July 1, 2023, the Organization adopted the new accounting standard and all of the related amendments using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no significant impact on the Organization’s financial statements.

In February 2016, the Financial Accounting Standards Board (FASS) issued Accounting Standards Update 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

NOTE B - LIQUIDITY AND AVAILABLITY

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:

	2024	2023
Cash and cash equivalents	$ 1,544,390	$ 545,504
Accounts and grants receivable	1,091,757	838,344
Total financial assets	2,636,147	1,383,848
Less donor imposed purpose restrictions	(1,034,022)	(647,680)
Total financial assets available for general expenditure within one year	$ 1,602,125	$ 736,168

There is an established board-designated fund where the governing board has set funds aside for the Royal Theater project of $105,993. 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 $811,000. To help manage unanticipated liquidity needs, the Organization has committed a line of credit in the amount of $750,000 which it could draw upon.

NOTE C - 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, 2024 and 2023 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
2025	$ 405,091
2026	101,838
2027	59,400
2028	24,750
Total	$ 591,079

NOTE D - LEASES

The following table provides quantitative information concerning the Organization's leases.

Lease cost	2024	2023
Finance Lease Cost:		
Amortization of right of use assets	$ 4,907	$ 4,899
Interest on lease obligation	225	339
Operating lease cost	43,441	43,364
Total lease cost	$ 48,573	$ 48,602
Other information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 225	$ 339
Operating cash flows from operating leases	$ 43,442	$ 41,772
Financing cash flows from finance leases	$ 5,497	$ 3,923
Right of use assets obtained in exchange for new operating lease liabilities	$ -	$ 124,674
Weighted-average remaining financing lease term	0.8 years	1.8 years
Weighted-average remaining operating lease term	0.9 years	1.9 years
Weighted-average discount rate - finance leases	3.50%	3.50%
Weighted-average discount rate - operating leases	1.00%	1.00%

NOTE D - LEASES - Continued

Future minimum lease payments are as follows:

Year ending June 30,	Operating	Financing
2025	$ 41,266	$ 4,025
Total minimum lease payments	41,266	4,025
Less amount representing interest	(172)	(55)
Present value of lease obligation	$ 41,094	$ 3,970

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30,:

	2024	2023
Land	$ 166,856	$ 166,856
Buildings and building improvements	2,984,095	2,931,014
Leasehold improvements	40,570	40,569
Furniture and equipment	552,132	578,989
Vehicles	468,130	513,690
	4,211,783	4,231,118
Less accumulated depreciation	(2,344,413)	(2,281,423)
	1,867,370	1,949,695
Construction in progress	387,762	-
Total property and equipment, net	$ 2,255,132	$ 1,949,695

Depreciation expense for the years ended June 30, 2024 and 2023 was approximately $306,000 and $256,000, respectively.

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.

NOTE E - PROPERTY AND EQUIPMENT - Continued

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 mortgage was satisfied effective January 3, 2023. The outstanding balance at June 30, 2024 and 2023 is $-0-. 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 F - NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Purpose restrictions		
Behavioral health program	$ 7,000	$ 39,370
Capital improvements	-	6,223
Club-specific expenses	58,662	108,254
Club-specific salaries	-	325,030
Financial literacy program	-	9,921
Food program	-	36,057
Other restrictions	-	33,588
Scholarships	950,425	25,000
Technology	-	23,916
Workforce development program	17,935	40,321
Total purpose restrictions	1,034,022	647,680
Time restrictions		
In-kind leases receivable	591,079	591,708
Total net assets with donor restrictions	$ 1,625,101	$ 1,239,388

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Purpose restrictions		
Behavioral health program	$ 39,370	$ 9,014
Capital improvements	6,223	49,662
Club-specific expenses	101,171	368,937
Club-specific salaries	386,262	425,758
Financial literacy program	19,921	-
Food program	40,307	709,825
Gun and gang prevention program	-	28,134
Literacy program	1,056	105,000
Other restrictions	77,000	31,188
Substance abuse program	-	91,377
Scholarships	19,635	
Technology	23,916	1,669
Workforce development program	259,911	103,511
Total purpose restrictions released	974,772	1,924,075
Time restrictions released		
In-kind leases receivable	910,692	614,293
Total net assets released from donor restrictions	$ 1,885,464	$ 2,538,368

NOTE G - IN-KIND CONTRUBUTIONS AND EXPENSES

Included in support and expenses in the accompanying consolidated statements of activities and changes in net assets are the following in-kind activity for the years ended June 30:

	2024	2023
In-kind contributions		
Donated facilities	$ 910,063	$ 1,178,515
Donated supplies and materials	108,603	300,640
Total	$ 1,018,666	$ 1,479,155

NOTE G - IN-KIND CONTRUBUTIONS AND EXPENSES - Continued

	2024	2023
In-kind expenses		
Donated facilities	$ 910,692	$ 614,293
Donated supplies and materials	108,603	300,640
Total	$ 1,019,295	$ 914,933

NOTE H - 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 granter agencies are subject to audit and adjustment by granter 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 granter 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 I - RETIREMENT PLAN

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

- The Retirement Plan year is a calendar year.
- To qualify as a participant under the Retirement 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 Retirement Plan. These deferral contributions are always 100% vested.
- The Retirement 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 Retirement Plan.

NOTE I - RETIREMENT PLAN - Continued

- 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 Retirement 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, 2024 and 2023 the Organization made contributions to the Retirement Plan of approximately $90,000, and $73,000, respectively.

Starting in 2022, the Organization also operates the Boys & Girls Clubs of the Suncoast, Inc. 457(b) Plan (the Deferred Compensation Plan). Specifics of the Deferred Compensation Plan are as follows:

- The Deferred Compensation Plan year is a calendar year.
- Participants of the Deferred Compensation Plan are at the discretion of the Board of Directors.
- The Deferred Compensation Plan includes a provision for a 100% (dollar-for-dollar) matching contribution of participants' elective contributions up to $15,000.

For the year ended June 30, 2024 and 2023 the Organization made contributions to the Deferred Compensation Plan of approximately $6,000 and $11,000, respectively.

NOTE J - LINE OF CREDIT

In May 2018, the Organization opened a line of credit with a financial institution. The available line is $750,000 with an outstanding balance bearing interest at the institution's prime rate of 7.75% interest rate and a maturity date of May 15, 2025. For the years ended June 30, 2024 and 2023 the line of credit balance is $-0-.

NOTE K - EMPLOYEE RETENTION CREDIT RESERVE

The Organization filed for approximately $136,000 in Employee Retention Credit (ERC) in February 2023. The Organization received approximately $121,000 in funds from the Internal Revenue Service (IRS) relating to the ERC in July 2023 which is recorded as grants receivable within the consolidated statement of financial position as of June 30, 2023. After review of technical guidance released by the IRS regarding eligibility, the Organization assessed that they are eligible for the credits applied and received. However, due to the complexity and uncertainty regarding the ERC eligibility criteria, the Organization filed under the voluntary disclosure program. In November 2024, the Organization paid back 80% of the ERC funds. As a result, approximately $88,000 is recorded as employee retention credit reserve within the consolidated statement of financial position and approximately $33,000 is recorded in other revenue in the consolidated statement of activities and changes in net assets as of and for the year eneded June 30, 2024.

NOTE L - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 10, 2024, which is the date the consolidated financial statements were available to be issued.

In November 2024, the Board of Directors voted and unanimously approved the merger of Boys & Girls Clubs of the Suncoast, Inc. and Boys and Girls Clubs of Tampa Bay, Inc. The merger is expected to be complete by June 30, 2025.

SUPPLEMENTARY INFORMATION

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2024

	Club	Foundation	Eliminating Entries	Total
ASSETS				
Current Assets				
Cash and cash equivalents	$ 1,340,088	$ 204,302	$ -	$ 1,544,390
Accounts and grants receivable	1,091,739	18	-	1,091,757
In-kind lease receivable	405,091	-	-	405,091
Prepaid expenses	93,557	-	-	93,557
Custodial funds held for others	2,968	-	-	2,968
Cash restricted for capital improvements	-	-	-	-
Total current assets	2,933,443	204,320	-	3,137,763
Property and equipment, net	2,255,132	-	-	2,255,132
In-kind lease receivable, long-term portion	185,988	-	-	185,988
Operating right of use assets, net	38,894	-	-	38,894
Financing right of use assets, net	2,441	-	-	2,441
Total noncurrent assets	2,482,455	-	-	2,482,455
TOTAL ASSETS	$ 5,415,898	$ 204,320	$ -	$ 5,620,218
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	$ 77,866	$ -	$ -	$ 77,866
Accrued expenses	447,041	-	-	447,041
Employee retention credit reserve	87,912	-	-	87,912
Operating lease liability - operating, current portion	41,094	-	-	41,094
Financing lease liability - financing, current portion	3,970	-	-	3,970
Custodial accounts	2,968	-	-	2,968
Total current liabilities	660,851	-	-	660,851
TOTAL LIABILITIES	660,851	-	-	660,851
Net Assets				
Without donor restrictions:				
Undesignated	3,023,953	204,320	-	3,228,273
Board designated - Royal Theater	105,993	-	-	105,993
Total net assets without donor restrictions	3,129,946	204,320	-	3,334,266
With donor restrictions	1,625,101	-	-	1,625,101
Total Net Assets	4,755,047	204,320	-	4,959,367
TOTAL LIABILITIES AND NET ASSETS	$ 5,415,898	$ 204,320	$ -	$ 5,620,218

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2024

	Club	Foundation	Eliminating Entries	Total
SUPPORT AND REVENUE				
Support:				
Contributions	$ 1,750,917	$ -	$ -	$ 1,750,917
Contributions of non-financial assets	1,018,666	-	-	1,018,666
Grants	7,719,364	-	-	7,719,364
United Way	258,929	-	-	258,929
Total support	10,747,876	-	-	10,747,876
Special fundraising events, net	507,074	-	-	507,074
Less fundraising events expense	(273,664)	-	-	(273,664)
Special fundraising events, net	233,410	-	-	233,410
Revenue:				
Membership dues	15,816	-	-	15,816
Program revenue	157,227	-	-	157,227
Other revenue	150,473	-	-	150,473
Total revenue	323,516	-	-	323,516
Total support and revenue	11,304,802	-	-	11,304,802
EXPENSES				
Program services				
Youth development	7,785,481	-	-	7,785,481
Support services				
General and administrative	1,408,110	36	-	1,408,146
Fundraising	538,623	-	-	538,623
Total support services	1,946,733	36	-	1,946,769
Total expenses	9,732,214	36	-	9,732,250
Change in net assets	1,572,588	(36)	-	1,572,552
Net assets, beginning of year	3,182,459	204,356	-	3,386,815
Net assets, end of year	$ 4,755,047	$ 204,320	$ -	$ 4,959,367

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*

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC., AND AFFILIATE

June 30, 2024

RIVERO, GORDIMER & COMPANY, P.A.
CPAS AND ADVISORS

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Herman V. Lazzara
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Jonathan E. Stein
Stephen G. Douglas
Marc D. Sasser, of Counsel
Cesar J. Rivero, in Memoriam (1942-2017)
Michael E. Helton
James K. O'Connor
David M. Bohnsack
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INDEPENDENT AUDITORS' RERPORT 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

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, 2024, and the related consolidated statements of activities and changes in net assets, 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 10, 2024.

Report on 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 entity'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.

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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 or significant deficiencies may exist that were not identified.

Report on 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 consolidated 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
December 10, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROLOVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

BOYS & GIRLS CLUBS OF THE SUNCOAST, INC., AND AFFILIATE

June 30, 2024

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boys & Girls Clubs of the Suncoast, Inc.'s (the Club), and Boys & Girls Clubs of the Suncoast Foundation , Inc. (the Foundation or the Affiliate), (collectively, the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
December 10, 2024

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2024

Federal Grantor / Pass-through Granter / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
Federal Programs:				
Department of Agriculture				
Passed-through Florida Department of Agriculture and Consumer Services				
Summer Food Service Program for Children	10.559	1288	$ -	$ 177,764
Passed-through Florida Department of Health				
Child and Adult Care Food Program	10.558	A-5542	-	394,995
Total Department of Agriculture			-	572,759
Department of the Treasury				
Passed-through Pinellas Community Foundation				
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP4653	-	504,134
Total Department of the Treasury			-	504,134
Department of Health and Human Services				
Passed-through Early Learning Coalition of Pinellas County				
Child Care and Development Block Grant	93.575	607131633	-	61,232
Total Department of Health and Human Services			-	61,232
Department of Justice				
Direct Program				
Juvenile Mentoring Program	16.726	15PJDP-22-GG-03737	-	162,986
Passed-through Boys & Girls Clubs of America, Inc.				
Juvenile Mentoring Program	16.726	15PJDP-23-GG-00847	-	191,118
Total Department of Agriculture			-	354,104
Total Expenditures of Federal Awards			$ -	$ 1,492,229

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards of the Organization for the year ended June 30, 2024. 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 the Organization; therefore, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of the Organization.

NOTE B - 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, wherein 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 C - INDIRECT COST RATE

The Organization did not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified?	____ Yes __X__ None reported
Noncompliance material to financial statements noted	____ Yes __X__ No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified	____ Yes __X__ None reported
Type of auditor's report on compliance for major federal programs:	Unmodified
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

Assistance Listing Number	Name of Federal Program or Cluster
16.276	Juvenile Mentoring Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B Federal programs	$ 750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

Section II - Financial Statement Findings

No matters were reported for the year ended June 30, 2024.

Section III - Major Federal Programs Findings and Questioned Costs

No matters were reported for the year ended June 30, 2024.

Boys & Girls Clubs of the Suncoast, Inc. and Affiliate

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2024

Prior Year Audit Findings:

Finding 2023 - 001: Material Weakness in Internal Control over Financial Reporting

Finding: The Organization had material adjustments relating to its financial closing process. These adjustments related to not recording a receivable balance for an in-kind lease agreement, not identifying donor restrictions on certain grants, and improperly excluding or classifying certain balances from the schedule of expenditures of federal awards (SEFA). A system of internal controls should be in place to ensure all account balances are properly recorded, classified and in accordance with generally accepted accounting principles (GAAP). Additionally, completeness and classification procedures should be performed over the preparation of the SEFA.

Status: Recommendations were implemented.