

**BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.**

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2013**

**R.E. Janosko & Associates, LLC  
11215 Spring Hill Dr.  
Spring Hill, FL 34609**

# **R. E. JANOSKO & ASSOCIATES, LLC**

**Certified Public Accountants**

- Tax Work
- Financial Management
- Accounting

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the Boys and Girls Club of Hernando County, Inc.

We have audited the accompanying statement of financial position of The Boys and Girls Club of Hernando County, Inc. (a nonprofit organization) as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Boys and Girls Club of Hernando County, Inc. as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



R.E. Janosko & Associates, LLC

Spring Hill, Florida  
November 21, 2013

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**BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
AS OF JUNE 30, 2013

	<u>2012</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash - Unrestricted	\$ 186,092
Cash - Restricted	-
Accounts Receivable	48,871
Other Current Assets	<u>21,652</u>
	256,614
<b>TOTAL CURRENT ASSETS</b>	
<b>FIXED ASSETS</b>	
Buildings	32,071
Furniture, Fixtures & Equipment	<u>61,367</u>
Total Fixed Assets	93,438
Depreciation, Accumulated	<u>(45,392)</u>
	48,046
<b>NET FIXED ASSETS</b>	
<b>OTHER ASSETS</b>	
Prepaid Insurance	2,038
Prepaid Expenses	<u>2,243</u>
	4,282
<b>TOTAL OTHER ASSETS</b>	
<b>TOTAL ASSETS</b>	<u><u>\$ 308,942</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	\$ -
Accrued Payroll	30,909
Accrued Payroll Tax Liabilities	1,313
Accrued Simple 401K Deductions	615
Grants Paid In Advance	<u>32,692</u>
	65,529
<b>TOTAL CURRENT LIABILITIES</b>	
<b>NET ASSETS</b>	
Unrestricted	243,413
Restricted	<u>-</u>
	243,413
<b>TOTAL NET ASSETS</b>	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 308,942</u></u>

(See Accompanying Notes)



# BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013

	<u>2013</u>
<b>UNRESTRICTED NET ASSETS INCOME</b>	
<b>SUPPORT</b>	
Revenue From Indirect Contributions	\$ 64
United Way of Tampa	<u>64</u>
Total Revenue From Indirect Contributions	
Governmental Grants	43,809
Contributions - Corporate & Business	10,475
Restricted Contributions - Corporate & Business Darden	1,000
Individual Contributions	2,356
Contributions - Staff	765
Contributions - Board	<u>1,780</u>
<b>Total Support</b>	<b>60,248</b>
<b>Registration Fees</b>	
Before & After School Care	259,239
Preschool/Daycare	161,654
Summer Program	72,912
Spring and Winter Break	10,840
ELC Program Fees	301,381
KCI program funding	71,140
Professional Days	3,428
Scholarship	<u>50</u>
<b>Total Registration Fees</b>	<b>880,643</b>
<b>Foundation</b>	
Boys & Girls Clubs of America:Sustainability Grant	<u>25,000</u>
<b>Total Foundation Revenue</b>	<b>25,000</b>
<b>Revenue From Other Sources</b>	
Fundraising	9,442
Concession Stand/Vending Machine	<u>6,421</u>
<b>Total Revenue From Other Sources</b>	<b>15,862</b>
Revenue From Investments	
Interest Earnings	<u>220</u>
<b>Total Revenue From Investments</b>	<b>220</b>

(See Accompanying Notes)

# BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013

Total Revenue	<u>921,725</u>
TOTAL UNRESTRICTED NET ASSETS INCOME	981,973
EXPENDITURES	
Program Services	
Youth Health, Education and Recreation	700,981
Support Services	
Management and General	165,982
Fundraising	<u>8,514</u>
TOTAL EXPENDITURES	875,478
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	106,495
TEMPORARILY RESTRICTED NET ASSETS	-
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	106,495
NET ASSETS, BEGINNING OF YEAR	<u>136,918</u>
NET ASSETS, END OF YEAR	<u><u>\$ 243,413</u></u>

(See Accompanying Notes)

**BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES FOR THE PROGRAM AND SUPPORT SERVICES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Program Services		Support Services	
	Youth Health, Education, Recreation	Management & General	Fundraising	Total
<b>EXPENDITURES</b>				
Accounting Fees	-	3,840		3,840
Advertising	1,561			1,561
Auto	5,446	4,587		10,033
Background Fingerprint Checks	2,806	1,098		3,904
Bank Service Charges	-	901		901
Conferences and Meetings	28	4,199		4,227
Dues & Subscriptions	60	2,223		2,283
Employee Insurance	5,227	7,305		12,532
Finance Charges/ Late Fees/Penalties	-	3,771		3,771
Fundraising Direct Expenses	-		5,486	5,486
Gifts	-		3,028	3,028
Insurance	8,382			8,382
Marketing & Publishing	-	120		120
Meals & Entertainment	741	3,223		3,964
Office Supplies	4,648	8,516		13,164
Officer Compensation	8,004	43,844		51,848
Other Salaries	481,658	57,576		539,233
Organizational Expenses	-	575		575
Payroll Taxes	40,452	8,077		48,529
Postage and Shipping	11	276		288
Printing and Reproduction	6,567	361		6,928
Program Expenses: Arts & Crafts	36,749			36,749
Program Expenses: Field Trips	709			709
Program Expenses: Food & Beverage	7,959			7,959
Program Expenses: Games, Movies, etc.	3,588			3,588
Program Expenses: School Attendance	11,135			11,135
Reimbursement				
Program Expense: Professional Days	35,048			35,048
Program Expense: Bus Fuel	3,460			3,460
Repairs and Maintenance	15,726	2,180		17,906
Retirement Benefits	2,845	2,534		5,379
Staff Training/Schooling	1,847	957		2,804
Sponsorships	300	500		800
Telephone and Telecommunication	1,944	1344.2		3,288
Travel and Lodging	-	68		68
Uniforms	1,135	2,031		3,166
Workers' Compensation	5,489	4,457		9,945
Rent, parking, other occupancy	179	1,418		1,597
<b>TOTAL EXPENDITURES BEFORE DEPRECIATION</b>	<b>693,701</b>	<b>165,982</b>	<b>8,514</b>	<b>868,198</b>
Depreciation	7,280			7,280
<b>TOTAL EXPENDITURES</b>	<b>700,981</b>	<b>165,982</b>	<b>8,514</b>	<b>\$ 875,478</b>
<b>PERCENTAGE OF TOTAL EXPENDITURES</b>	<b>80.1%</b>	<b>19.0%</b>	<b>1.0%</b>	<b>100.00%</b>

**BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	106,495
Provided by Operating Activities	
Depreciation	7,280
(Increase) Decrease in Accounts Receivable	27,856
Increase (Decrease) in Accounts Payable	(4,242)
(Increase) Decrease in Other Current Assets	118
Increase (Decrease) in Other Current Liabilities	(9,370)
(Increase) Decrease in Other Assets	(2,142)
(Increase) Decrease in Fixed Assets	<u>(35,347)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	(15,847)
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	-
NET INCREASE IN CASH	90,648
CASH AT BEGINNING OF YEAR	<u>95,444</u>
CASH AT END OF YEAR	<u><u>186,092</u></u>



## NOTES TO THE FINANCIAL STATEMENTS



## BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

### Notes to the Financial Statements For the Year Ended June 30, 2013

#### NOTE A – Nature of operations and summary of significant accounting policies

The following is a summary of significant accounting policies followed in the preparation of these financial statements. The policies conform to generally accepted accounting principles applicable to voluntary health and welfare organizations and have been consistently applied.

##### **Nature of operations**

The Boys and Girls Club of Hernando County, Inc. is a not-for-profit corporation organized to provide behavioral guidance and to promote the health, social, educational, vocational and character development of boys and girls in Hernando County, Florida.

##### **Summary of significant accounting policies**

A description follows of significant accounting policies of the organization.

Basis of accounting: The financial statements are prepared on the accrual basis.

Basis of presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (SFAS) No 117, *Financial Statements of Not-for-Profit Organizations*. Under those provisions, net assets and revenues, gains and losses are classified based on the existence of absence of donor-imposed restrictions as follows:

*Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

*Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses: The costs of providing the various programs have been summarized on a functional basis in the statements of activities and the statement of functional expenses. Certain management and general costs have been allocated among the programs and supporting services.

Cash: The organization considers all cash and investments with maturities of less than three months to be cash equivalents.



## BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

### Notes to the Financial Statements For the Year Ended June 30, 2013

Accounts Receivable: Accounts receivable consists of the before and after school program and summer camp fees due. Accounts receivable reported of \$48,871 represents billings the organization realistically expects to collect. Therefore, no expense for bad debt has been recognized.

Income Taxes: The Boys and Girls Club of Hernando County, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for income derived from unrelated business activities. For the year ended June 30, 2013 the Boys and Girls Club has determined that no income taxes are due for its activities.

Fixed Assets: Fixed assets are capitalized and recorded at cost for purchased items and at fair market value at the time of receipt for donated items. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of fixed assets sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the year of disposal.

Other Current Assets: The amount reported of \$21,769 consists of \$21,426 due from a former employee who is under a payment restitution plan and \$343 in employee advances. The former employee is to pay \$87.41 per month until her debt is satisfied.

Advertising: Advertising costs are expensed as incurred.

Tax status: The organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and currently engages in no activities which are considered to be subject to unrelated business income taxes.

#### **NOTE B – Basic programs**

The following are components of the organization's youth, health, education and recreation program provided to members:

Physical education: Provides gym activities, league sports, and physical fitness for members.

Social recreation: Provides game room activities, including board games, arts and crafts, contests and special events for members.

Individual services: Provides formal guidance and counseling, juvenile justice projects, community activities, career and educational programs for members.

Cultural enrichment: Provides services in arts and crafts, music, drama, and library services.

# BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

## Notes to the Financial Statements

For the Year Ended June 30, 2013

### NOTE C – Fixed assets

Depreciation expense totaled \$4,456 for the year ended June 30, 2013. Fixed assets consisted of the following at June 30, 2013:

	Estimated Life <u>In Years</u>	<u>2013</u>
Buildings	10	\$32,071
Computers and Furnishings	5 to 7	27,173
Playground Equipment	5	<u>34,194</u>
Fixed Assets at Cost		93,438
Less Accumulated Depreciation		<u>(45,392)</u>
Net Fixed Assets		<u>\$48,046</u>

### NOTE D – Retirement Benefits

The organization instituted a Simple IRA Retirement plan in May of 2009. The administrator of the retirement plan is Modern Woodman of America. The organization contributes up to three percent of gross wages for all eligible employees who have elected to participate.

### NOTE E – Temporarily restricted net assets

There are no temporarily restricted assets as of June 30, 2013.

### NOTE F – Contingencies

Management is not aware of any contingent liabilities or lawsuits against the organization and therefore has not made any such provision for such a cost in the financial statements.



# R. E. JANOSKO & ASSOCIATES, LLC

Certified Public Accountants

- Tax Work
- Financial Management
- Accounting

November 21, 2013

To the Board of Directors of  
The Boys and Girls Club of Hernando County, Inc.

In planning and performing our audit of the financial statements of The Boys and Girls Club of Hernando County, Inc., as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States, we considered the internal control of The Boys and Girls Club of Hernando County, Inc., over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Boys and Girls Club of Hernando County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Boys and Girls Club of Hernando County, Inc.'s internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Club's financial statements that is more than inconsequential will not be prevented or detected by the Council's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Club's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, board of directors, and others within the Council, and is not intended to be and should not be used by anyone other than these specified parties.



R.E. Janosko & Associates, LLC

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