

RICHARD E. JANOSKO, CPA
Certified Public Accountants

- Tax Work
- Financial Management
- Accounting

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, 2016, 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. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information.

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, 2016, 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.



Richard E. Janosko, CPA

Spring Hill, Florida
January 10, 2017

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BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2016

	2016
ASSETS	
CURRENT ASSETS	
Cash - Unrestricted	\$ 100,329
Cash - Restricted	-
Accounts Receivable	98,653
Other Current Assets	18,883
TOTAL CURRENT ASSETS	217,865
FIXED ASSETS	
Buildings	79,793
Furniture, Fixtures & Equipment	151,290
Total Fixed Assets	231,083
Depreciation, Accumulated	(101,099)
NET FIXED ASSETS	129,985
OTHER ASSETS	
Prepaid Insurance	3,735
Prepaid Expenses	500
TOTAL OTHER ASSETS	4,235
TOTAL ASSETS	\$ 352,085
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	13,895
Accrued Payroll	-
Accrued Payroll Tax Liabilities	11,149
Accrued Simple 401K Deductions	1,973
Grants Paid In Advance	11,892
TOTAL CURRENT LIABILITIES	38,909
NET ASSETS	
Unrestricted	313,176
Restricted	-
TOTAL NET ASSETS	313,176
TOTAL LIABILITIES AND NET ASSETS	\$ 352,085

(See Accompanying Notes)

BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u>
UNRESTRICTED NET ASSETS INCOME	
SUPPORT	
In-Kind Contributions	350,784
Non Governmental Grants	10,950
Governmental Grants	81,380
Contributions - Corporate & Business	2,255
Restricted Contributions - Corporate & Business Darden	700
Individual Contributions	3,688
Total Support	<u>449,757</u>
 Registration Fees	
Before & After School Care	387,716
Preschool/Daycare	245,552
Summer Program	96,309
Spring and Winter Break	12,049
ELC Program Fees	424,030
KCI program funding	66,990
Professional Days	2,996
Returned Check fees	555
Event Income	-
Total Registration Fees	<u>1,236,197</u>
 Foundation	
Boys & Girls Clubs of America	9,119
Total Foundation Revenue	<u>9,119</u>
 Revenue From Other Sources	
Fundraising	9,789
Concession Stand/Vending Machine	5,938
Other Income	65
Total Revenue From Other Sources	<u>15,792</u>
 Revenue From Investments	
Interest Earnings	255
Total Revenue From Investments	<u>255</u>

(See Accompanying Notes)

BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Total Revenue from Registration and Fundraising	1,261,363
TOTAL UNRESTRICTED NET ASSETS INCOME	1,711,121
EXPENDITURES	
Program Services	
Youth Health, Education and Recreation	1,460,977
Support Services	
Management and General	255,818
Fundraising	6,038
TOTAL EXPENDITURES	1,722,833
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(11,712)
TEMPORARILY RESTRICTED NET ASSETS	-
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	-
INCREASE (DECREASE) IN NET ASSETS	(11,712)
NET ASSETS, BEGINNING OF YEAR	324,888
NET ASSETS, END OF YEAR	313,176

(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, 2016

	Program Services		Support Services	
	Youth Health, Education, Recreation	Management & General	Fundraising	Total
EXPENDITURES				
Accounting Fees	-	4,000		4,000
Advertising	125	700		825
Auto	4,796	3,151		7,947
Background Fingerprint Checks	2,941	150		3,091
Bank Service Charges/Merchant Fees	260	3,381		3,641
Computers & Repairs	7,716	3,627		11,343
Conferences and Meetings	1,176	1,372		2,548
Dues & Subscriptions	9,846			9,846
Employee Insurance	12,649	12,943		25,592
Finance Charges/ Late Fees/Penalties	25			25
Fundraising Direct Expenses	(0)		6,038	6,038
Gifts	1,698	7,725		9,423
In-Kind Expenses	350,784			350,784
Insurance	10,408			10,408
Legal Fees	-	2,980		2,980
Marketing & Publishing	(0)	575		575
Meals & Entertainment	1,607	4,164		5,771
Office Supplies	10,970	6,752		17,722
Officer Compensation	0	53,746		53,746
Other Salaries	773,607	121,934		895,541
Organizational Expenses	712	61		773
Payroll Taxes	63,204	13,671		76,875
Postage and Shipping	422	81		503
Printing and Reproduction	10,907			10,907
Program Expenses: Arts & Crafts	45,239			45,239
Program Expenses: Field Trips	780			780
Program Expenses: Food & Beverage	8,821			8,821
Program Expenses: Games, Movies, etc.	1,804			1,804
Program Expenses: School Attendance Reimbursement	3,510			3,510
Program Expense: Professional Days	45,004			45,004
Program Expense: Bus Fuel	1,330			1,330
Repairs and Maintenance	22,444	1,543		23,987
Retirement Benefits	7,778	4,266		12,044
Staff Training/Schooling	13,718	2,046		15,764
Sponsorships	607			607
Taxes and Fees	810			810
Telephone and Telecommunication	7,659	1,047		8,706
Travel and Lodging	(0)	46		46
Uniforms	2,223	1,382		3,605
Workers' Compensation	11,732	2,382		14,114
Rent, parking, other occupancy	-	2,094		2,094
TOTAL EXPENDITURES BEFORE DEPRECIATION	1,437,308	255,818	6,038	1,699,164
Depreciation	23,669			23,669
TOTAL EXPENDITURES	1,460,977	255,818	6,038	\$ 1,722,833
PERCENTAGE OF TOTAL EXPENDITURES	84.8%	14.9%	0.4%	100.0%

(see Accompanying Notes)

BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	(11,712)
Provided by Operating Activities	
Depreciation	23,669
(Increase) Decrease in Accounts Receivable	(29,026)
Increase (Decrease) in Accounts Payable	(3,729)
(Increase) Decrease in Other Current Assets	1,644
Increase (Decrease) in Other Current Liabilities	(5,427)
(Increase) Decrease in Other Assets	(3,543)
(Increase) Decrease in Fixed Assets	<u>(13,996)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	(30,409)
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	-
NET INCREASE IN CASH	<u>(42,121)</u>
CASH AT BEGINNING OF YEAR	<u>142,450</u>
CASH AT END OF YEAR	<u>100,329</u>

I(See Accompanying Notes)

NOTES TO THE FINANCIAL STATEMENTS

BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

Notes to the Financial Statements
For the Year Ended June 30, 2016

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, 2016

Accounts Receivable: Accounts receivable consists of the before and after school program and summer camp fees due. Accounts receivable reported of \$ 98,653 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, 2016 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 \$ 18,883 consists of amounts due from a former employee who is under a payment restitution plan and 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, 2016

NOTE C – Fixed assets

Depreciation expense totaled \$23,669 for the year ended June 30, 2016. Fixed assets consisted of the following at June 30, 2016:

	Estimated Life In Years	<u>2016</u>
Buildings	15	\$ 79,793
Computers and Furnishings	5 to 7	<u>151,290</u>
Fixed Assets at Cost		\$231,083
Less Accumulated Depreciation		<u>\$101,099</u>
Net Fixed Assets		<u>\$129,985</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, 2016.

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.

NOTE G – In-Kind Donations

In-Kind Donations of Buildings and Services are treated as revenue and expenses of the organization.