

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

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**R.E. Janosko & Associates, LLC  
1065 Larkin Rd.  
Spring Hill, FL 34608**

# 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, 2012, 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  
January 4, 2013

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1065 Larkin Rd.  
Spring Hill, FL 34608  
(352) 610-4637

27604 Cashford Circle  
Suite 101-A  
Wesley Chapel, FL 33544  
(813) 973-0888

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

**STATEMENT OF FINANCIAL POSITION**

AS OF JUNE 30, 2012

	<u>2012</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash - Unrestricted	\$ 95,777
Cash - Restricted	-
Accounts Receivable	76,727
Other Current Assets	<u>21,769</u>
<b>TOTAL CURRENT ASSETS</b>	194,273
<b>FIXED ASSETS</b>	
Buildings	20,000
Furniture, Fixtures & Equipment	<u>38,091</u>
Total Fixed Assets	58,091
Depreciation, Accumulated	<u>(38,112)</u>
<b>NET FIXED ASSETS</b>	<u>19,979</u>
<b>OTHER ASSETS</b>	
Prepaid Insurance	2,038
Prepaid Expenses	<u>101</u>
<b>TOTAL OTHER ASSETS</b>	<u>2,140</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 216,391</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	\$ 4,242
Accrued Payroll	22,623
Accrued Payroll Tax Liabilities	34,432
Accrued Simple 401K Deductions	364
Grants Paid In Advance	<u>17,480</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>79,141</u>
<b>NET ASSETS</b>	
Unrestricted	137,251
Restricted	<u>-</u>
<b>TOTAL NET ASSETS</b>	<u>137,251</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 216,391</u></u>

(See Accompanying Notes)

# BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2012

	2012
<b>UNRESTRICTED NET ASSETS INCOME</b>	
<b>SUPPORT</b>	
Revenue From Indirect Contributions	
United Way of Tampa	\$ 29 ✓
Total Revenue From Indirect Contributions	29
Governmental Grants	45,945 ✓
Contributions - Corporate & Business	11,219 ✓
Restricted Contributions - Corporate & Business	2,000 ✓
Contributions - Individual/Organization	647 ✓
<b>Total Support</b>	<b>59,839</b>
<b>Registration Fees</b>	
Before & After School Care	222,436
Preschool/Daycare	65,125
Summer Program	59,660 ✓
Spring and Winter Break	5,659 ✓
ELC Program Fees	135,527 ✓
KCI program funding	26,152 ✓
Professional Days	8,859 ✓
<b>Total Registration Fees</b>	<b>523,417</b>
<b>Foundation</b>	
Boys & Girls Clubs of America:Sustainability Grant	40,000
Boys & Girls Clubs of America:Smart Moves Grant	2,450
Gap Foundation/Old Navy	250
<b>Total Foundation Revenue</b>	<b>42,700</b>
<b>Revenue From Other Sources</b>	
Fundraising	8,767 ✓ (3582)
Concession Stand/Vending Machine	5,439
Gift Cards	167
Bequest from Frank Howard	50,000 ✓
<b>Total Revenue From Other Sources</b>	<b>64,373</b>
Revenue From Investments	

(See Accompanying Notes)



# BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2012

Interest Earnings	37
<b>Total Revenue From Investments</b>	<u>37</u>
<b>Total Revenue</b>	<u>630,527</u>
<b>TOTAL UNRESTRICTED NET ASSETS INCOME</b>	690,366
<b>EXPENDITURES</b>	
Program Services	
Youth Health, Education and Recreation	506,844
Support Services	
Management and General	111,364
Fundraising	<u>5,346</u>
<b>TOTAL EXPENDITURES</b>	623,555
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	66,811
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	-
<b>INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>-</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	66,811
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>70,440</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 137,251</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, 2012**

	Program Services		Support Services	
	Youth Health, Education, Recreation	Management & General	Fundraising	Total
<b>EXPENDITURES</b>				
Accounting Fees		2,650		2,650
Advertising	1,262			1,262
Auto	2,967	4,587		7,554
Background Fingerprint Checks	3,708			3,708
Bank Service Charges		305		305
Conferences and Meetings		2,790		2,790
Dues & Subscriptions	11,058			11,058
Employee Insurance	1,515	7,689		9,205
Finance Charges/ Late Fees		71		71
Fundraising Direct Expenses			3,582	3,582
Gifts			1,765	1,765
Insurance	6,803			6,803
Marketing & Publishing	145	328		473
Meals & Entertainment	388	2,518		2,906
Office Supplies	4,121	5,964		10,085
Officer Compensation	28,584	32,219		60,803
Other Salaries	311,812	35,125		346,937
Organizational Expenses		418		418
Payroll Taxes	32,660	6,461		39,121
Postage and Shipping	233	292		525
Printing and Reproduction	6,826			6,826
Program Expenses: Arts & Crafts	28,782			28,782
Program Expenses: Field Trips	8,016			8,016
Program Expenses: Food & Beverage	7,100			7,100
Program Expenses: Games, Movies, etc.	4,180			4,180
Program Expenses: School Attendance	4,274			4,274
Reimbursement				
Program Expense: Professional Days	22,116			22,116
Repairs and Maintenance	7,549	4,809		12,358
Retirement Benefits	2,145	871		3,016
Staff Training/Schooling	287	829		1,116
Telephone and Telecommunication	1,301	2,128		3,429
Travel and Lodging		432		432
Uniforms	111	61		172
Workers' Compensation	3,716	814		4,530
Rent, parking, other occupancy	730			730
<b>TOTAL EXPENDITURES BEFORE DEPRECIATION</b>	<b>502,388</b>	<b>111,364</b>	<b>5,346</b>	<b>619,099</b>
Depreciation	4,456			4,456
<b>TOTAL EXPENDITURES</b>	<b>506,844</b>	<b>111,364</b>	<b>5,346</b>	<b>\$ 623,555</b>
<b>PERCENTAGE OF TOTAL EXPENDITURES</b>	<b>81.3%</b>	<b>17.9%</b>	<b>0.9%</b>	<b>100.00%</b>

(see Accompanying Notes)

**BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>2,012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (Decrease) in Net Assets	66,811
<b>Provided by Operating Activities</b>	
Depreciation	4,456
(Increase) Decrease in Accounts Receivable	(40,720)
Increase (Decrease) in Accounts Payable	3,810
(Increase) Decrease in Other Current Assets	774
Increase (Decrease) in Other Current Liabilities	55,191
(Increase) Decrease in Other Assets	(2,038)
(Increase) Decrease in Fixed Assets	<u>(10,198)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	11,274
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-
<b>NET INCREASE IN CASH</b>	78,086
<b>CASH AT BEGINNING OF YEAR</b>	<u>17,691</u>
<b>CASH AT END OF YEAR</b>	<u><u>95,777</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, 2012

### 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, 2012**

Accounts Receivable: Accounts receivable consists of the before and after school program and summer camp fees due. Accounts receivable reported of \$76,727 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, 2012 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, 2012

### NOTE C – Fixed assets

Depreciation expense totaled \$4,456 for the year ended June 30, 2012. Fixed assets consisted of the following at June 30, 2012:

	Estimated Life <u>In Years</u>	<u>2012</u>
Buildings	10	\$20,000
Computers and Furnishings	5 to 7	21,402
Playground Equipment	5	<u>16,689</u>
Fixed Assets at Cost		58,091
Less Accumulated Depreciation		<u>38,112</u>
Net Fixed Assets		<u>\$19,979</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

The organization received a grant of \$4,000 in July 2009 designated for Teen Expansion. To date the organization has spent \$4,000 as designated by the terms of the grant. There are no temporarily restricted assets as of June 30, 2012.

### 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

January 4, 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, 2012, 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

1065 Larkin Rd.  
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