

BOYS AND GIRLS CLUB OF HERNANDO COUNTY, INC.

REVIEWED FINANCIAL STATEMENTS

JUNE 30, 2011

**Janosko, Dougherty & Associates, LLC
4048 Deltona Blvd
Spring Hill, FL 34606**

JANOSKO, DOUGHERTY & ASSOCIATES, LLC

CPA Financial Advisors

.Tax work

. Financial Management

. Accounting

Independent Accountants' Report

October 17, 2011

Board of Directors

Boys and Girls Club of Hernando County, Inc.

Spring Hill, FL 34606

We have reviewed the accompanying statement of financial position of the Boys and Girls Club of Hernando County, Inc. (a nonprofit corporation) as of June 30, 2011 and related statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Boys and Girls Club of Hernando County, Inc.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.



Janosko, Dougherty & Associates, LLC

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BOYS & GIRLS CLUB OF HERNANDO COUNTY, INC.

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED JUNE 30, 2011

| | <u>2011</u> |
|----------------------------------|------------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash - Unrestricted | \$ 17,691 |
| Cash - Restricted | - |
| Accounts Receivable | 35,967 |
| Other Current Assets | <u>22,960</u> |
| TOTAL CURRENT ASSETS | 76,618 |
| FIXED ASSETS | |
| Buildings | 20,000 |
| Furniture, Fixtures & Equipment | <u>27,893</u> |
| Total Fixed Assets | 47,893 |
| Depreciation, Accumulated | <u>(33,656)</u> |
| NET FIXED ASSETS | <u>14,237</u> |
| TOTAL ASSETS | <u>\$ 90,855</u> |
| LIABILITIES AND NET ASSETS | |
| CURRENT LIABILITIES | |
| Accounts Payable | \$ 431 |
| Accrued Payroll | 13,650 |
| Accrued Payroll Tax Liabilities | <u>6,375</u> |
| TOTAL CURRENT LIABILITIES | 20,456 |
| NET ASSETS | |
| Unrestricted | 70,398 |
| Restricted | <u>-</u> |
| TOTAL NET ASSETS | 70,398 |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 90,855</u> |

(See Accompanying Notes)

BOY'S & GIRLS CLUB OF HERNANDO COUNTY, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2011

| | 2011 |
|---|---------|
| UNRESTRICTED NET ASSETS INCOME | |
| SUPPORT | |
| Revenue From Indirect Contributions | |
| United Way of Tampa | \$ 38 |
| Total Revenue From Indirect Contributions | 38 |
| Governmental Grants | 104,305 |
| Contributions - Corporate & Business | 7,030 |
| Contributions - Individual/Organization | 452 |
| Contributions - Board Members | 350 |
| Total Support | 112,175 |
| Registration Fees | |
| Before & After School Care | 80,551 |
| Summer Program | 49,044 |
| Professional Days | 12,089 |
| Total Registration Fees | 141,684 |
| Foundation | |
| BGCA - Sustainability Grant | 10,000 |
| Kid's Central, Inc. | 16,100 |
| Total Foundation Revenue | 26,100 |
| Revenue From Other Sources | |
| Fundraising | 6,753 |
| Concession Stand/Vending Machine | 3,976 |
| Steak 'N' Steak Special Event | 5,450 |
| Total Revenue From Other Sources | 16,179 |
| Revenue From Investments | |
| Interest Earnings | 1 |
| Total Revenue From Investments | 1 |
| Total Revenue | 183,963 |
| TOTAL UNRESTRICTED NET ASSETS INCOME | 296,138 |

(See Accompanying Notes)

BOY'S & GIRLS CLUB OF HERNANDO COUNTY, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2011

EXPENDITURES

| | |
|---|-----------------------|
| Program Services | |
| Youth Health, Education and Recreation | 227,830 |
| Support Services | |
| Management and General | 56,613 |
| Fundraising | 6,908 |
| | <hr/> |
| TOTAL EXPENDITURES | 291,351 |
| INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS | 4,787 |
| TEMPORARILY RESTRICTED NET ASSETS | - |
| INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET | <hr/> - |
| INCREASE (DECREASE) IN NET ASSETS | 4,787 |
| NET ASSETS, BEGINNING OF YEAR | <hr/> 65,611 |
| NET ASSETS, END OF YEAR | <hr/> \$ 70,398 <hr/> |

(See Accompanying Notes)

BOY'S & GIRLS CLUB OF HERNANDO COUNTY, INC.

**STATEMENT OF FUNCTIONAL EXPENSES FOR THE PROGRAM AND SUPPORT SERVICES
FOR THE YEAR ENDED JUNE 30, 2011**

| | Program Services | | Support Services | |
|---|--|-------------------------------------|-------------------------|-------------------|
| | Youth Health, Education, Recreation | Management & General | Fundraising | Total |
| EXPENDITURES | | | | |
| Accounting Fees | | 3,675 | | 3,675 |
| Advertising | 355 | | | 355 |
| Auto | | 3,191 | | 3,191 |
| Bank Service Charges | | 47 | | 47 |
| Conferences and Meetings | | 1,861 | | 1,861 |
| Dues & Subscriptions | 3,033 | | | 3,033 |
| Employee Insurance | | 6,164 | | 6,164 |
| Finance Charges/ Late Fees | | 75 | | 75 |
| Fundraising Direct Expenses | | | 6,242 | 6,242 |
| Gifts | | 54 | 666 | 720 |
| Insurance | 2,006 | 3,508 | | 5,514 |
| Marketing & Publishing | 634 | | | 634 |
| Meals & Entertainment | 1,475 | 269 | | 1,744 |
| Office Supplies | | 3,333 | | 3,333 |
| Officer Compensation | 29,186 | 8,190 | | 37,376 |
| Other Salaries | 132,004 | 9,299 | | 141,303 |
| Organizational Expenses | | 520 | | 520 |
| Payroll Taxes | 15,613 | 1,998 | | 17,611 |
| Penalties and Interest | | 298 | | 298 |
| Postage and Shipping | | 329 | | 329 |
| Printing and Reproduction | | 4,193 | | 4,193 |
| Professional Fees - Employees | 938 | | | 938 |
| Program Expenses: Arts & Crafts | 5,843 | | | 5,843 |
| Program Expenses: Field Trips | 4,528 | | | 4,528 |
| Program Expenses: Food & Beverage | 6,785 | | | 6,785 |
| Program Expenses: Games, Movies, etc. | 4,103 | | | 4,103 |
| Program Expenses: Special Events | 7,632 | | | 7,632 |
| Repairs and Maintenance | 3,353 | | | 3,353 |
| Retirement Benefits | | 1,574 | | 1,574 |
| Sponsorships | | 250 | | 250 |
| Staff Training/Schooling | 1,959 | | | 1,959 |
| Telephone and Telecommunication | | 2,936 | | 2,936 |
| Travel and Lodging | | 1,072 | | 1,072 |
| Workers' Compensation | 1,908 | 252 | | 2,160 |
| Vacation Pay | | 3,527 | | 3,527 |
| Rent, parking, other occupancy | 2,160 | | | 2,160 |
| | 223,515 | 56,613 | 6,908 | 287,036 |
| EXPENDITURES | | | | |
| Depreciation | 4,315 | | | 4,315 |
| | 227,830 | 56,613 | 6,908 | \$ 291,351 |
| TOTAL EXPENDITURES | | | | |
| PERCENTAGE OF TOTAL EXPENDITURES | 78.2% | 19.4% | 2.4% | 100.22% |

BOY'S & GIRLS CLUB OF HERNANDO COUNTY, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

| | <u>2011</u> |
|--|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Increase (Decrease) in Net Assets | 4,787 |
| Provided by Operating Activities | |
| Depreciation | 4,315 |
| (Increase) Decrease in Accounts Receivable | (19,840) |
| Increase (Decrease) in Accounts Payable | (127) |
| (Increase) Decrease in Other Current Assets | (607) |
| Increase (Decrease) in Other Current Liabilities | 8,945 |
| (Increase) Decrease in Fixed Assets | <u>(1,926)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | (9,240) |
| CASH FLOWS FROM INVESTING ACTIVITIES | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | - |
| NET INCREASE IN CASH | (4,453) |
| CASH AT BEGINNING OF YEAR | <u>22,143</u> |
| CASH AT END OF YEAR | <u><u>17,691</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, 2011

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, 2011

Accounts Receivable: Accounts receivable consists of the before and after school program and summer camp fees due. Accounts receivable reported of \$35,967 represents billings the organization realistically expects to collect. Therefore, no expense for bad debt has been recognized.

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 \$22,961 consists of \$22,038 due from a former employee who is under a payment restitution plan and \$923 in prepaid expenses. The former employee pays \$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, 2011

NOTE C – Fixed assets

Depreciation expense totaled \$4,315 for the year ended June 30, 2011. Fixed assets consisted of the following at June 30, 2011:

| | Estimated Life <u>In Years</u> | <u>2011</u> |
|-------------------------------|--------------------------------------|-----------------|
| Buildings | 10 | \$20,000 |
| Computers and Furnishings | 5 to 7 | 17,121 |
| Playground Equipment | 5 | <u>10,772</u> |
| Fixed Assets at Cost | | 47,893 |
| Less Accumulated Depreciation | | <u>33,656</u> |
| Net Fixed Assets | | <u>\$14,237</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 has no temporarily restricted net assets as of June 30, 2011.

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.