Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidated Financial Statements and Supplementary Information
Years Ended June 30, 2023 and 2022

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2023 and 2022

Contents

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Independent Auditor's Report

The Board of Directors
Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries
Orlando, Florida

Opinion

We have audited the accompanying consolidated financial statements of Boys & Girls Clubs of Central Florida, Inc. and its subsidiaries (the Organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, cash flows and functional expenses for the years 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, 2023 and 2022, and changes in its net assets and its cash flows for the years 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 Auditor's 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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, which 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 issued or available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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, which 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.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position and consolidating statement of activities, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, 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 and by the State of Florida, Chapter 10.650, *Rules of the Auditor General*, is 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. Such information has been subjected to the auditing procedures applied in the audits 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 auditing standards generally accepted in the United States of America. In our opinion, the information is 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 January 26, 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.

BDO USA, P.C.

January 26, 2024

Consolidated Financial Statements

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidated Statements of Financial Position

June 30,	2023	2022
Assets		
Current		
Cash and cash equivalents	**$ 5,648,985**	$ 6,730,153
Grants and contributions receivable, current portion, net	**3,608,948**	3,213,471
Investments	**503,003**	752,853
Prepaid expenses	**429,493**	348,349
Total Current Assets	**10,190,429**	11,044,826
Property and Equipment, Net	**29,821,963**	29,928,069
Other Assets		
Assets limited as to use	**65,711,479**	64,288,850
Investments, long term	**2,219,041**	2,007,475
Contributions receivable, long term, net	**1,918,896**	1,816,585
Contributed use of land	**729,260**	741,978
Leverage loan receivable	**9,168,000**	9,168,000
Right-of-use assets, net	**68,314**	-
Other	**126,882**	120,376
Total Other Assets	**79,941,872**	78,143,264
Total Assets	**$ 119,954,264**	$ 119,116,159
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	**$ 582,510**	$ 348,737
Accrued expenses	**765,899**	697,732
Operating lease liabilities	**69,988**	-
Deferred revenues	**32,637**	63,672
Refundable advances	**487,133**	352,416
Total Current Liabilities	**1,938,167**	1,462,557
Notes Payable, Net	**12,143,000**	12,121,037
Total Liabilities	**14,081,167**	13,583,594
Commitments and Contingencies (Note 10)		
Net Assets		
Without donor restrictions	**95,398,794**	94,317,856
With donor restrictions	**10,474,303**	11,214,709
Total Net Assets	**105,873,097**	105,532,565
Total Liabilities and Net Assets	**$ 119,954,264**	$ 119,116,159

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidated Statements of Activities

Year ended June 30,

	2023			2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Totals**	Without Donor Restrictions	With Donor Restrictions	Totals
Operating Revenues and Support						
Government revenues	**$ 8,969,916**	**$ 691,285**	**$ 9,660,904**	$ 7,692,613	$ 1,454,698	$ 9,147,311
Contributions	**5,049,925**	**1,798,758**	**6,848,683**	4,487,389	1,419,048	5,906,437
In-kind contributions	**1,564,743**	**-**	**1,564,743**	1,833,398	-	1,833,398
United Way contributions	**341,615**	**11,070**	**352,685**	366,472	14,167	380,639
Special events	**200,748**	**-**	**200,748**	331,003	-	331,003
Dues and program services	**563,967**	**-**	**563,967**	415,339	-	415,339
Other revenues	**710,398**	**-**	**710,398**	902,882	-	902,882
Net assets released from restrictions	**3,427,188**	**(3,427,188)**	**-**	2,175,943	(2,175,943)	-
Total Operating Revenues and Support	**20,828,203**	**(926,075)**	**19,902,128**	18,205,039	711,970	18,917,009
Operating Expenses						
Program services	**16,577,944**	**-**	**16,577,944**	14,752,985	-	14,752,985
Supporting services:						
Management and general	**3,464,350**	**-**	**3,464,350**	3,567,292	-	3,567,292
Fundraising	**1,711,730**	**-**	**1,711,730**	1,287,733	-	1,287,733
Total Operating Expenses	**21,754,024**	**-**	**21,754,024**	19,608,010	-	19,608,010
Change in Operating Net Assets	**(925,821)**	**(926,075)**	**(1,851,896)**	(1,402,971)	711,970	(691,001)
Non-Operating Support, Gains and Losses						
Contributions restricted for capital projects	**-**	**21,530**	**21,530**	-	565,842	565,842
Contributions - board designated endowment		**-**	**-**	11,000,000	-	11,000,000
Contribution of nonfinancial assets - board designated endowment	**-**	**-**	**-**	36,960,000	-	36,960,000
Investment return (loss), net	**2,006,759**	**164,139**	**2,170,898**	(2,586,934)	(274,083)	(2,861,017)
Total Non-Operating Support, Gains and Losses	**2,006,759**	**185,669**	**2,192,428**	45,373,066	291,759	45,664,825
Change in Net Assets	**1,080,938**	**(740,406)**	**340,532**	43,970,095	1,003,729	44,973,824
Net Assets, beginning of year	**94,317,856**	**11,214,709**	**105,532,565**	50,347,761	10,210,980	60,558,741
Net Assets, end of year	**$ 95,398,794**	**$ 10,474,303**	**$ 105,873,097**	$ 94,317,856	$ 11,214,709	$ 105,532,565

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Year ended June 30,	2023	2022
Cash Flows from Operating Activities		
Change in net assets	**$ 340,532**	$ 44,973,824
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contributions restricted for capital projects	**(21,530)**	(565,842)
Depreciation and amortization	**1,238,390**	1,212,722
Amortization of pledge discount	**19,981**	69,533
Amortization of right-of-use assets	**90,570**	-
Amortization of loan costs	**21,963**	21,965
Provision for uncollectible contributions	**169,977**	174,096
Donated nonfinancial assets	**-**	(36,960,000)
Donated stock	**(206,621)**	(59,765)
Net gain on assets disposal	**(5,000)**	(11,610)
Net investment (return) loss on non-operating investments	**(2,170,898)**	2,861,017
Cash provided by (used for):		
Grants and contributions receivable	**(687,746)**	(895,009)
Prepaid expenses	**(81,144)**	(27,192)
Other assets	**(6,506)**	10,296
Accounts payable and accrued expenses	**301,940**	136,313
Operating lease liabilities	**(88,896)**	-
Refundable advances	**134,717**	352,416
Deferred revenue	**(31,035)**	37,586
Net Cash Provided by (Used in) Operating Activities	**(981,306)**	11,330,350
Cash Flows from Investing Activities		
Purchases of property and equipment	**(1,119,566)**	(1,431,756)
Proceed from sale of assets	**5,000**	22,000
Cash return on non-operating investments	**250,604**	249,525
Purchases of investments	**(2,971,667)**	(19,025,962)
Proceeds from sale of investments	**5,691,671**	7,875,371
Net Cash Provided by (Used in) Investing Activities	**1,856,042**	(12,310,822)
Cash Flows from Financing Activities		
Contributions restricted for capital projects	**21,530**	565,842
Payments received on mortgage receivable	**-**	1,200,000
Net Cash Provided by (Used in) Financing Activities	**21,530**	1,765,842
Net Increase (Decrease) in Cash and Cash Equivalents	**896,266**	785,370
Cash and Cash Equivalents, beginning of year	**9,880,903**	9,095,533
Cash and Cash Equivalents, end of year	**$ 10,777,169**	$ 9,880,903
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	**$ 103,091**	$ 103,091
Noncash Investing and Financing Activities:		
Establishment of right-of-use assets, net	**$ 158,884**	$ -
Establishment of operating lease liabilities	**$ 161,098**	$ -
Supplemental Information		
Cash and cash equivalents is included in the following captions on the consolidated statements of financial position:		
Cash and cash equivalents	**$ 5,648,985**	$ 6,730,153
Assets limited as to use	**5,128,184**	3,150,750
	$ 10,777,169	$ 9,880,903

See accompanying notes to consolidated financial statements.

Consolidated Statements of Functional Expenses

Year ended June 30,

	2023				2022			
		Supporting Services				Supporting Services		
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel								
Employee payroll	$ 7,568,207	$ 1,426,367	$ 730,259	$ 9,724,833	$ 6,637,457	$ 1,548,177	$ 453,548	$ 8,639,182
Employee benefits	821,569	166,528	119,716	1,107,813	679,453	219,007	72,154	970,614
Payroll taxes	566,381	100,821	48,213	715,415	498,894	105,511	28,186	632,591
	8,956,157	1,693,716	898,188	11,548,061	7,815,804	1,872,695	553,888	10,242,387
Other								
Occupancy	1,893,653	64,032	9,420	1,967,105	1,814,365	98,345	4,855	1,917,565
Building repairs and maintenance	825,684	45,656	-	871,340	501,060	37,613	-	538,673
Equipment expenses	269,419	69,493	129,125	468,307	228,695	36,966	104,987	370,648
Transportation	293,048	37,090	19,723	349,861	225,368	28,761	9,844	263,973
Materials and supplies	1,959,584	58,230	357,011	2,374,825	1,990,851	19,075	292,554	2,302,480
Auction items for special events	-	-	122,638	122,638	-	-	157,993	157,993
Professional fees	-	245,890	-	245,890		236,065	-	236,065
Pre-employment fees	50,769	30,853	-	81,622	37,006	22,410	-	59,416
Contract services	564,984	173,698	23,450	762,132	448,603	145,488	11,178	605,269
Insurance	400,839	41,722	-	442,561	315,871	33,992	-	349,863
Postage, supplies and printing	26,159	43,388	23,003	92,550	35,800	47,564	13,761	97,125
Training	49,088	20,593	-	69,681	31,634	22,768	-	54,402
Dues and subscriptions	87,923	55,547	2,169	145,639	86,259	47,836	1,891	135,986
Service charges	18,740	78,466	34,799	132,005	23,722	84,824	26,338	134,884
Miscellaneous	95,722	269,767	1,431	366,920	125,896	324,213	933	451,042
Interest	-	125,055	-	125,055	-	125,055	-	125,055
Property tax	-	211,382	-	211,382	-	188,586	-	188,586
Marketing	-	47,500	-	47,500	-	53,200	-	53,200
Capital campaign expenses	-	57	90,773	90,830	-	1,165	109,511	110,676
Total Other Expenses	6,535,612	1,618,419	813,542	8,967,573	5,865,130	1,553,926	733,845	8,152,901
Total Expenses, before depreciation and amortization	15,491,769	3,312,135	1,711,730	20,515,634	13,680,934	3,426,621	1,287,733	18,395,288
Depreciation and Amortization	1,086,175	152,215	-	1,238,390	1,072,051	140,671	-	1,212,722
Total Expenses	$ 16,577,944	$ 3,464,350	$ 1,711,730	$ 21,754,024	$ 14,752,985	$ 3,567,292	$ 1,287,733	$ 19,608,010

See accompanying notes to consolidated financial statements.

1. Nature of Organization

Boys & Girls Clubs of Central Florida, Inc. (BGCCF) is a nonprofit organization that was established to provide behavioral prudence and to promote the health and the social, educational, vocational and character development of boys and girls in the Central Florida area.

On August 15, 2018, BGCCF formed the Boys & Girls Clubs of Central Florida Foundation, Inc. (Foundation) and transferred its board-designated endowment to the Foundation, as further discussed in Note 8. The Foundation was established to support the operations of BGCCF. The Board of Directors of BGCCF (Board) has the ability to appoint the majority of the Board of Directors of the Foundation. Therefore, the Foundation's financial statements are consolidated with BGCCF's financial statements since BGCCF has economic and controlling financial interest in the Foundation.

On November 22, 2019, BGCCF formed BGCCF NMTC, Inc. (NMTC) as a supporting entity to support the operations of BGCCF, including expansion of facilities. This entity also facilitated the new market tax credit financing, as further discussed in Note 6. BGCCF has the ability to appoint the majority of the Board of Directors of NMTC. Therefore, NMTC's financial statements are consolidated with BGCCF's financial statements since BGCCF has economic and controlling financial interest in NMTC.

On October 15, 2021, BGCCF received a contribution which included land valued at $34,260,000 and the assumption of a mortgage promissory note receivable with a principal balance of $2,700,000. The Board approved the contribution to be transferred to its board-designated endowment. In connection with the contribution, BGCCF formed Foundation RE Holdings LLC (LLC) on October 15, 2021 to hold the land and mortgage receivable. The LLC is a single member limited liability corporation, with the sole member being the Foundation and is therefore consolidated with the Foundation.

2. Summary of Significant Accounting Policies

Basis of Accounting and Principles of Consolidation

The consolidated financial statements include the financial statements of BGCCF, the Foundation and its wholly owned subsidiary, LLC, and NMTC (collectively the Organization). All significant intercompany balances and transactions have been eliminated upon consolidation.

The consolidated financial statements of the Organization are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Operating and Non-Operating Revenues, Support, Gains and Losses

Operating revenues and support were received to support current mission related activities of the Organization, while non-operating support, gains and losses are from contributions and related investment returns or other gains and losses that are not available for current mission related activities.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Contribution of Land Held for Sale

Land held for sale is measured at the lesser of its carrying amount or fair value less cost to sell and is included in assets limited as to use on the accompanying consolidated statements of financial position. The Organization received a contribution of land valued at $34,260,000 during the year ended June 30, 2022 which has been classified as land held for sale. The land was valued based on comparable sales of similar properties in the area around the date of receipt, which represents its carrying amount.

On May 19, 2023 (“Effective Date”), the Organization entered into a Purchase and Sale Agreement (“Agreement”) with an unrelated party to sell a portion of the land at a purchase price of approximately $18,000,000. On August 22, 2023, the Organization entered into the First Amendment to the Agreement to extend the closing date to no later than June 30, 2024 for Parcel 1 and within 24 months thereafter for Parcel 2. These sales will be recorded upon their respective closing dates.

Assets Limited as to Use

Assets limited as to use include cash and cash equivalents, investments and certain nonfinancial assets held as board designated for endowment and board designated for capital projects, as well as loan proceeds which are held in restricted cash accounts for payment of expenses related to the construction of the Jacqueline Bradley Clarence Otis (JBCO) building, which was completed during fiscal 2021, and interest and service charges related to the notes payable discussed in Note 6. These JBCO cash accounts are legally restricted and the Organization must obtain certain approvals prior to withdrawals.

Investments

Investments are stated at fair value, except for certificates of deposit having original maturity dates greater than three months, which are stated at amortized cost. Realized and unrealized gains and losses are combined with investment income earned during the period and presented as investment return (loss) on the accompanying consolidated statements of activities. Investment expenses are netted against investment income.

Grants and Contributions Receivable

Grants receivable represent amounts due to the Organization from federal, state and local governments for services rendered under contractual obligations and grants from Boys & Girls Club of America, corporations and foundations. All outstanding grants receivable are expected to be collected within one year and are considered collectible and an allowance for uncollectible amounts was not recorded.

Contributions receivable consist of unconditional promises to give and are recorded when the promises to contribute are made. Contributions receivable which are expected to be collected in more than one year are stated at the present value of estimated future receipts. The Organization provides an allowance for uncollectible contributions based on historical collection experience.

Mortgage Receivable

The Organization's mortgage receivable is stated at its unpaid principal balance and represents the assumption of a $2,700,000 promissory note receivable in connection with a contribution received on October 15, 2021. The Organization received a prepayment of $1,200,000 on the mortgage during the year ended June 30, 2022. The mortgage receivable requires monthly interest payments at an annual rate of 4% through the maturity date of April 2024 when the remaining principal balance is due. The mortgage receivable is included in assets limited as to use on the accompanying consolidated statement of financial position.

Property and Equipment

The Organization capitalizes all property and equipment with a cost in excess of $1,000 and useful life over one year. Property and equipment are recorded at cost when purchased or at fair value on the date received if donated. Buildings and equipment are depreciated using the straight-line method over the estimated life of the assets.

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. During fiscal years 2023 and 2022, there was no impairment of long-lived assets.

Contribution Revenue and Donor-Imposed Restrictions

The Organization records unconditional promises to give as contribution revenue when cash, securities, other assets or an unconditional promise to give is received. Conditional promises to give, this is those with a measurable performance barrier or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Government revenues are recorded as contributions when conditions for expenditure are met. Government contributions that are received before the conditions are met are recorded as refundable advances on the accompanying statement of financial position. The Organization has conditional contributions of $487,133 and $352,416 at June 30, 2023 and 2022, respectively.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as donor restricted support that increases that net asset class.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions.

Revenue Recognition

Operating revenues include the exchange portion of special events, dues and program services revenue and thrift store revenue included in other revenues.

The exchange portion of special events revenue represents the fair value of goods and services provided and is recognized at the point in time when the event takes place with any amounts received in advance of the event recognized as deferred revenue. The contribution portion of special events revenue is recognized as contributions when the event takes place unless the donor has waived the right to a refund, in which case the contributions are recognized when received. Contributions received in advance of the event with no waived right of refund are recognized as refundable advances.

Dues and program services are recognized as revenue at the point in time when the related services, which represents the Organization’s performance obligations, are provided. Amounts received in advance of services being provided are recognized as deferred revenue.

Thrift store revenue is recognized at the point in time when the goods are sold to the customer.

Contributed Use of Land

Contributed use of land represents unconditional contributions of land underlying the Organization’s facilities under lease agreements with third parties (see Note 10). Contributed use of land is recorded as an asset and contribution with donor restrictions at fair value of the underlying asset when the unconditional contribution is received. The contribution is included in net assets with donor restrictions and is released from restrictions over the lease term as the land is being used.

In-Kind Contributions

Donated goods and services are recorded at fair value on the date donated and presented as in-kind contributions in the accompanying consolidated statements of activities. The Organization received the following in-kind contributions which are reported as operating revenues and support:

Year ended June 30,	**2023**	2022
Facilities rent	**$ 1,219,151**	$ 1,283,042
Equipment	**100,000**	-
Professional services	**25,780**	100,870
Program materials and supplies	**49,036**	20,952
Auction items for special events	**122,638**	157,993
Theme park tickets	**7,560**	151,381
Other	**40,578**	119,161
Total	**$ 1,564,743**	$ 1,833,398

The Organization recorded approximately $1,200,000 of facilities rent for each of the years ended June 30, 2023 and 2022, which represents the excess of the fair rental value of the facility leases over below market rent payments due under lease agreements. The fair rental value of the facilities is determined based on rent on similar rental properties within the same area. Contributed services are recognized as contributions and recorded at fair value if the services create or enhance nonfinancial assets, require specialized skills and are performed by individuals with those skills and would otherwise be purchased by the Organization. During the year ended June 30, 2023, the Organization received $25,780 of contributed services consisting mainly of legal and event professional services. Fair value of these services is determined based on billing rates for such services. During the year ended June 30, 2022, the Organization received $100,870 of contributed services consisting mainly of legal, architectural, and event professional services. Fair value of these services is determined based on billing rates for such services. Equipment, auction items, program materials and supplies, and theme park tickets have also been received and recorded at fair market value based on retail price set by vendors of these items.

These donated goods and services are reflected as in-kind contributions revenue on the accompanying consolidated statements of activities and for those that are not capitalized, the related expense is recorded in its natural classification on the accompanying statements of functional expenses.

The Organization has numerous volunteers providing assistance to the Organization's program services and fundraising campaigns which are not recognized in the accompanying consolidated financial statements.

Net Assets

Net Assets Without Donor Restrictions – Net assets without donor restrictions represents funds that are available without restriction for carrying out the Organization's objectives and funds that have been designated by the Board.

Net Assets With Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions as well as assets to be maintained by the Organization in perpetuity.

Functional Expenses

The costs of providing the various programs and other activities have been summarized as program services, management and general, and fundraising. Employer and payroll related expenses are allocated among functional categories based on the proportion of time spent relative to each function. All other expenses are directly charged to the functional category to which they relate.

Fair Value of Financial Instruments

The Organization reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 – Valuation is based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuation is based on observable quoted prices for similar assets and liabilities in active markets.

Level 3 – Valuation is based on inputs that are unobservable and are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximates their fair values due to the short-term nature of these instruments. These financial instruments include cash and cash equivalents, grants receivable, contributions receivable due in one year or less, accounts payable and accrued expenses. Contributions due beyond one year are recorded at their net present value using a risk-free interest rate available on U.S. Treasury issues at the date the pledge was made with an equivalent term approximately equal to the number of years the contribution will be paid, which approximates fair value. The Organization's leverage loan receivable, mortgage receivable and notes payable are estimated based on current rates that would be available for debt of similar terms which is not significantly different from their stated value.

The Organization's Level 1 financial assets consist of investments identified in Note 3 and are valued on a daily basis in an active market. The Organization does not have any Level 2 or Level 3 financial assets or liabilities.

Income Taxes

BGCCF, the Foundation and NMTC are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions in the Florida Income Tax Code. The LLC is treated as a disregarded entity of the Foundation.

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the consolidated statements of financial position. The Organization has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Organization's tax years currently subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Pronouncement Adopted

Leases

Effective July 1, 2022, the Organization adopted ASU 2016-02, *Leases (Topic 842)*, and subsequent amendments. The Organization used the optional transition method upon adoption, which did not result in any change to beginning net assets. Under this method, the Organization's classification of existing leases at the adoption date are not reassessed and all the Organization's leases continued as operating leases. As a result of this adoption, on July 1, 2022, the Organization recorded right-of-use assets and operating lease liabilities in the amount of $158,884 and $161,098, respectively, which does not include operating leases with related parties that are eliminated upon consolidation.

The Organization determines if an arrangement is a lease or contains a lease, including lease classification as operating or finance, at inception. In a lessee arrangement, leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis.

The lease liability is measured at the present value of the lease payments over the remaining lease term for leases that existed at the date of adoption of Topic 842 and over the lease term for new leases entered into after the date of adoption. The ROU asset equals the lease liability adjusted for any initial direct costs and lease incentives. The Organization elected the practical expedient to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term remaining as of the date of adoption. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization elected the practical expedient not to separate lease and non-lease components for all leases. Lease terms may include options to extend the lease and the present value of future minimum lease payments includes these options only when they are reasonably certain to be exercised.

The Organization has also elected the practical expedient not to record leases with an initial term of 12 months or less on the accompanying statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

The Organization's operating leases with third parties without consideration exchanged for the use of related land or facilities are not accounted for under Topic 842 because they do not meet the definition of a lease. The Organization's leases for retail and warehouse space and lease arrangements with NMTC are accounted for under Topic 842. Terms for all arrangements are further discussed in Note 10.

3. Investments and Assets Limited as to Use

Investments

The Organization's investments consist of the following:

June 30,	**2023**	2022
Certificates of deposit	**$ 503,003**	$ 752,853
Level 1:		
Small cap equities	**2,925,670**	2,439,543
Mid cap equities	**3,991,482**	3,132,051
Large cap equities	**6,128,733**	6,527,615
International equities	**2,910,586**	2,577,775
Fixed income mutual funds	**11,085,865**	12,708,591
Total Level 1 Investments	**27,042,336**	27,385,575
Total Investments	**$ 27,545,339**	$ 28,138,428

The Organization's investments are included in the following captions on the consolidated statements of financial position:

June 30,	**2023**	2022
Investments, current	**$ 503,003**	$ 752,853
Investments, long term	**2,219,041**	2,007,475
Assets limited as to use	**24,823,295**	25,378,100
Total	**$ 27,545,339**	$ 28,138,428

Investment return is presented as non-operating support, gains and losses on the consolidated statements of activities and consists of the following:

Year ended June 30,	**2023**	2022
Net realized and unrealized gain (loss) on investments	**$ 1,368,164**	$ (3,181,108)
Dividends and interest	**956,531**	432,759
Investment management fees	**(153,797)**	(112,668)
Total	**$ 2,170,898**	$ (2,861,017)

Assets Limited as to Use

Assets limited as to use are as follows:

June 30,	2023	2022
Investments held as board designated endowment	**$ 24,823,295**	$ 25,378,100
Land held for sale	**34,260,000**	34,260,000
Mortgage receivable	**1,500,000**	1,500,000
Cash and cash equivalents held as board designated endowment	**4,323,132**	1,676,338
Cash and cash equivalents held as board designated for capital replacement reserve	**523,634**	1,142,269
Cash and cash equivalents held in restricted cash accounts for JBCO building construction and interest and service charges for notes payable	**281,418**	332,143
Total	**$ 65,711,479**	$ 64,288,850

4. Grants and Contributions Receivable

Grants and contributions receivable are due as follows:

June 30,	2023	2022
Less than one year	**$ 4,091,016**	$ 3,401,507
One to five years	**1,476,059**	1,527,316
More than five years	**364,133**	440,584
	5,931,208	5,369,407
Less: allowance for uncollectible contributions receivables	**(232,068)**	(188,036)
Less: present value discount on contributions receivable ranging from 0.29% to 4.13%	**(171,296)**	(151,315)
Total	**$ 5,527,844**	$ 5,030,056

Grants and contributions receivable are included in the following captions on the consolidated statements of financial position:

June 30,	2023	2022
Grants and contributions receivable, current portion, net	**$ 3,608,948**	$ 3,213,471
Contributions receivable, long-term, net	**1,918,896**	1,816,585
Total	**$ 5,527,844**	$ 5,030,056

5. Property and Equipment

Property and equipment is summarized as follows:

June 30,

		2023		2022	Useful Life
Land	$	**419,650**	$	419,650	-
Buildings and improvements		**36,583,576**		35,939,164	5-40 years
Furniture and equipment		**3,042,866**		2,662,713	5-10 years
Automotive equipment		**557,021**		495,205	5 years
Construction in progress		**60,314**		65,314	-
		40,663,427		39,582,046	
Less: accumulated depreciation		**(10,841,464)**		(9,653,977)	
Total	$	**29,821,963**	$	29,928,069	

6. Leverage Loan Receivable, Notes Payable and New Market Tax Credit Financing

On December 31, 2019, NMTC entered into a Loan Agreement and related notes payable in connection with a new market tax credit transaction (transaction) to help finance the construction of the Joe R. Lee (JRL) and JBCO clubs. The New Market Tax Credit Program was designed to stimulate investment and economic growth in low-income communities by offering a seven-year, 39% federal tax credit for Qualified Equity Investments (QEI) made through investment vehicles known as Community Development Entities (CDEs). CDEs use capital derived from tax credits to make loans to or investments in businesses and projects in low-income areas under favorable economic terms, typical of this type of tax credits-based transaction.

The transaction is composed of several sub-transactions, as described below:

QALICB - For the sole purpose of facilitating the transaction as a Qualified Active Low-Income Community Business (QALICB), BGCCF created NMTC, which was formed pursuant to the filing of those certain Articles of Incorporation with the Florida Secretary of State on November 22, 2019.

Leverage Loan - As part of the transaction, BGCCF committed to lend $9,368,000 to an Investment Fund owned by U.S. Bancorp Community Development Corporation (Investor). Fees totaling $200,000 were deducted from this amount and the net of $9,168,000 was contributed to the Investment Fund and is shown as leverage loan receivable on the accompanying consolidated statement of financial position as of June 30, 2023 and 2022. The proceeds of this leverage loan were used by the Investment Fund towards making a QEI into three CDEs as listed below. The leverage loan receivable bears an interest rate of 0.81046%, matures on September 30, 2049 and is collateralized by the Investor’s equity interests in the CDEs.

Investment by Investor - As part of the transaction, the Investor contributed $4,157,400 as an equity investment into the Investment Fund. Fees totaling $325,400 were deducted from this amount and the net of $3,832,000 was contributed to the Investment Fund.

Allocation of Investment Fund to Sub-CDEs - The $13,000,000 total Investment Fund created as a result of the transactions above was allocated between three Sub-CDEs as follows: (i) PCC Sub-CDE 11, LLC (PCC) for $5,000,000; (ii) BBIF Subsidiary CDE 10, LLC (BBIF) for $4,000,000; and (iii) USBCDE Sub-CDE 194, LLC (USB) for $4,000,000. A total of $280,000 in fees was deducted at the time of allocation by the Sub-CDEs, which resulted in a net amount of $12,720,000 available to lend.

Qualified Low-Income Community Investment (QLICI Loans) - Under the transaction the following QLICI A and B loans were made to NMTC from the Sub-CDEs and included in notes payable in the accompanying consolidated statements of financial position:

June 30,	**2023**	2022
1. QLICI Loan A (USB)	**$ 2,802,462**	$ 2,802,462
2. QLICI Loan B (USB)	**1,157,538**	1,157,538
3. QLICI Loan A (BBIF)	**2,962,462**	2,962,462
4. QLICI Loan B (BBIF)	**997,538**	997,538
5. QLICI Loan A (PCC)	**3,403,076**	3,403,076
6. QLICI Loan B (PCC)	**1,396,924**	1,396,924
Total Notes Payable	**12,720,000**	12,720,000
Less: unamortized loan costs	**(577,000)**	(598,963)
Notes Payable, Net	**$ 12,143,000**	$ 12,121,037

The QLICI Loans bear interest at a fixed rate equal to 0.81046% and mature on September 30, 2049. The QLICI Loans are secured by restricted cash and cash equivalents accounts, which are included in assets limited as to use on the accompanying consolidated statements of financial position (see Note 3), and the assignment of any rent revenue NMTC receives from BGCCF for operations at the JRL and JBCO facilities.

Neither BGCCF nor NMTC controls or has economic interest in the assets of either the QEI or the CDEs. The QEI is controlled and wholly owned by US Bank, and the Investment Fund controls and funds the CDEs.

Effective December 31, 2019, BGCCF entered into an unconditional continuing guarantee of obligations agreement with the CDEs under which BGCCF guarantees compliance with all payments, obligations, duties and agreements of the Organization under the terms of the debt agreements.

In order for the Investor to earn the tax credit, the QEI must remain invested in the CDEs for a seven-year period from January 1, 2020 through December 31, 2026 (Compliance Period). NMTC has significant reporting requirements to its lenders, including financial reports and community impact reports during the Compliance Period. NMTC is restricted against accumulating and holding certain types of assets (including options, stocks, promissory notes and excess cash), having its own employees, or otherwise engaging in activities unrelated to BGCCF. Provided NMTC satisfies the foregoing requirements and avoids violating the foregoing restrictions, it will remain in substantial compliance with its obligations pursuant to the financing.

BGCCF and the Investor have executed a Put and Call Agreement to take place at the end of the Compliance Period. Under the Put and Call Agreement, the Investor can exercise a put option to sell all its interest in the Investment Fund for $1,000 to BGCCF. If the Investor does not exercise the put option within six months after the Compliance Period, BGCCF can exercise a call option to purchase the interest of the Investment Fund at an appraised fair market value. The intention is for the Investor to exercise the put option at the end of the Compliance Period in order to allow them to pursue other new market tax credit projects and management believes that there is no incentive for the Investor to stay in the project thereafter. These put/call options do not represent embedded derivatives and, accordingly, have not been accounted for as derivative instruments in BGCCF's consolidated financial statements.

Assuming compliance with the requirements of the transaction, management intends on exercising the put option at the end of the Compliance Period. Upon the put option being exercised, NMTC will be dissolved, and its net assets will be transferred to BGCCF. The Put and Call Agreement will allow BGCCF to gain control of the Investment Fund, there would be no residual amounts due to or from any external third parties, and BGCCF would record a net gain associated with the dissolution of the $9,168,000 Leverage Loan Receivable from the Investment Fund and the $12,720,000 QLICI Loans Payable. After transaction expenses of approximately $692,000, BGCCF expects this net gain after dissolution to be approximately $2,860,000.

7. Profit-Sharing Plan

The Organization established a 401(k) profit sharing plan (the Plan) effective January 1, 2005. Employees must be 21 years of age and must have completed one year of full-time employment before they become eligible to participate. The Plan provides a graded vesting schedule from two to six years of service. The Organization will contribute the equivalent of 7% of the employee's salary as a profit sharing contribution and provides for a safe harbor match whereby the Organization will contribute, on a matching basis, a dollar for dollar match on the first 3% of employee contribution and a 50% match on the next 2%. The Organization's policy is to fund the Plan's administrative costs. Contributions to the Plan for the years ended June 30, 2023 and 2022, were $460,110 and $398,595, respectively, and are included in employee benefits in the accompanying consolidated statements of functional expenses.

8. Net Assets and Endowments

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following:

June 30,	**2023**	2022
Designated for property and equipment	**$ 29,821,963**	$ 29,928,069
Board-designated endowment	**64,906,427**	62,814,438
Board-designated capital replacement reserve	**523,634**	1,142,269
Undesignated net assets	**146,770**	433,080
Total	**$ 95,398,794**	$ 94,317,856

Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted as follows:

June 30,		**2023**		2022
Capital expenditures	**$**	**3,809,473**	$	4,395,958
United Way time restricted contributions		**100,737**		103,017
Time restricted contributions		**1,648,188**		1,379,156
Contributed use of land		**729,260**		741,978
Program operations		**2,995,908**		3,403,863
Total Subject to Expenditure, for specified purpose or period		**9,283,566**		10,023,972
Endowment funds restricted in perpetuity		**1,190,737**		1,190,737
Total	**$**	**10,474,303**	$	11,214,709

The intent of the Organization's capital fundraising campaign, as determined by the Board, is that upon satisfaction of donors' restrictions for capital expenditures, any remaining contributions not spent will be designated by the Board and become a board-designated capital replacement reserve, at which time the remaining funds will be released to net assets without donor restrictions.

Net assets were released from donor restrictions as follows:

Year ended June 30,		**2023**		2022
Capital expenditures	**$**	**608,015**	$	636,763
United Way time restricted contributions		**13,351**		11,447
Time restricted contributions		**697,783**		784,096
Program operations		**2,095,320**		730,919
Contributed use of land		**12,719**		12,718
Total	**$**	**3,427,188**	$	2,175,943

Donor Restricted and Board Designated Endowments

The Organization records its donor restricted endowment funds as net assets with donor restrictions. These assets consist of investments held in perpetuity with investment income used to support general operations, the Youth of the Year program and the Joe R. Lee Club operations. Net assets with donor restrictions include the principal of donor restricted endowments that must be maintained permanently and not used up, expended or otherwise exhausted.

In April 2018, the Board of Directors approved the establishment of a board-designated endowment fund, the purpose of which is to fund future operating costs of BGCCF. During fiscal year 2019, the Board approved the formation of the Foundation and transferred the board-designated endowment to the Foundation.

The Organization's return objective for endowment funds are low yield based on risk parameters that are also very low to protect the endowment corpus. The amount of endowment funds available for distributions is determined on the basis of a total-return principal and will not be dependent upon income generated through interest or dividends. The endowment funds available for distribution during any one year will be limited to five percent of the market value of the corpus, effective December 31 of the given year. Distributions may also be made upon written request of the President, with Board approval.

Endowment net assets composition by type of fund are as follows:

June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	**$ 64,906,427**	**$ -**	**$ 64,906,427**
Donor restricted endowment funds	**33,856**	**2,165,390**	**2,199,246**
	$ 64,940,283	**$ 2,165,390**	**$ 67,105,673**

June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	$ 62,814,438	$ -	$ 62,814,438
Donor restricted endowment funds	27,354	2,007,293	2,034,647
	$ 62,841,792	$ 2,007,293	$ 64,849,085

Changes in the Organization's endowment's net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, June 30, 2021	$ 18,238,225	$ 2,282,974	$ 20,521,199
Contributions	11,000,000	-	11,000,000
Contribution of nonfinancial assets	36,960,000	-	36,960,000
Interest and dividends	393,892	41,430	435,322
Net realized and unrealized loss on investments	(2,876,390)	(304,735)	(3,181,125)
Investment fees	(102,935)	(10,778)	(113,713)
Distributions	(771,000)	(1,598)	(772,598)
Endowment Net Assets, June 30, 2022	62,841,792	2,007,293	64,849,085
Contributions	100,690	-	100,690
Interest and dividends	878,646	69,761	948,407
Net realized and unrealized loss on investments	1,261,894	106,271	1,368,165
Investment fees	(142,739)	(11,892)	(154,631)
Distributions	-	(6,043)	(6,043)
Endowment Net Assets, June 30, 2023	$ 64,940,283	$ 2,165,390	$ 67,105,673

The Board of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary or original. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of the gift donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Earnings on the donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA or as net assets without donor restrictions.

In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policies of the Organization.

9. Financial Assets and Liquidity Resources

The Organization's financial assets available within one year for general expenditure, not including board designated and donor-restricted endowments, are as follows:

June 30,	**2023**	2022
Cash and cash equivalents	**$ 986,103**	$ 178,979
Investments	**503,003**	752,853
Grants and contributions receivable, net	**2,664,724**	3,115,974
Net Financial Assets and Liquidity Resources Available Within One Year	**$ 4,153,830**	$ 4,047,806

The Organization's endowment funds consist of board designated and donor-restricted endowments as discussed in Note 8. The board designated endowment is held by the Foundation to support future operating costs of BGCCF. The Board can approve an annual contribution from the Foundation to BGCCF, subject to the spending policy of no more than five percent of the market value of the board designated endowment fund. Income from the donor-restricted endowment is restricted for general and specific program operations. Endowment funds are invested with the objective of preserving capital and liquidity while seeking an appropriate level of investment return. Excess cash generated by operations is placed in appropriate short-term vehicles to maintain capital, liquidity and diversification.

10. Commitments and Contingencies

Operating Leases with Unrelated Parties

The Organization has entered into non-cancelable leases for retail and warehouse space under agreements with maturity dates in February and March 2024, respectively. As of June 30, 2023, the weighted average remaining lease term for these leases is approximately 9 months and the weighted average discount rate used to calculate the operating lease liabilities is 2.88%.

The right-of-use assets and future payments due under lease obligations related to retail and warehouse leases consist of the following:

June 30, 2023		
Operating Right-of-Use Assets	$	158,884
Less: accumulated amortization		(90,570)
Operating Right-of-Use Assets, Net	$	68,314

Year ended June 30, 2023		
Total Future Lease Payments	$	70,904
Less: imputed interest		(916)
Total Operating Lease Liabilities	$	69,988

The components of total lease cost associated with the Organization's operating leases are approximated as follows and is included in occupancy expense on the consolidated statement of functional expenses:

Year ended June 30, 2023		
Operating lease expense	$	126,594
Short-term lease expense		17,700
	$	144,294

As of June 30, 2023 and 2022, future payments due under these leases are minimal and are therefore not presented by year. Rental expense for the year ended June 30, 2022 was $148,465.

Nassau Clubs

Effective July, 1, 2017, the Organization entered into a Support Agreement and Lease Agreement with The Boys & Girls Club of Nassau County Foundation, Inc. (Nassau Foundation), an unrelated party, which provides for funding of operations and leasing of its facilities. The Nassau Clubs will be managed and operated by the Organization and Nassau Foundation will fund the operations. In addition, the Nassau Foundation will pay to the Organization an administrative fee of 8% of the annual direct operational expenses of the Nassau Clubs which was $81,710 and $67,874 during the years ended June 30, 2023 and 2022, respectively, and recorded as contributions revenue on the accompanying consolidated statements of activities. The Organization recorded approximately $320,000 and $316,000 for the years ended June 30, 2023 and 2022, respectively, in donated facilities rent which represents the excess of the fair rental value of the facility leases over below market rent payments due under lease agreements. The Support Agreement can be terminated by either party upon six months' notice in writing. The Lease Agreement provides for annual payments of $10 with automatic annual extensions unless terminated by either party in writing 30 days prior to the end of the term of their intent not to renew.

Joe R. Lee and JBCO Clubs

During fiscal 2020, BGCCF entered into two separate lease agreements with third parties for $1 per year for the lease of the land underlying the Joe R. Lee and JBCO facilities for a period of 99 and 40 years, respectively. The fair rental value of the contributed land was $487,870 and $282,272 for the Joe R. Lee and JBCO, respectively, and was recorded as contributed use of land with donor restrictions in the accompanying consolidated statements of activities during the year ended June 30, 2020. In accordance with Accounting Standards Codification Topic 958-605, *Not for Profit Entities*, no discount was recorded on this multi-year contribution as the future fair value of the land is difficult to determine. Under the term of the land lease underlying the JBCO facility, BGCCF agreed to construct an after-school facility of which BGCCF will operate and maintain during the lease term. At the end of the lease term, the ownership of JBCO facility will revert to the landlord.

Operating Leases with NMTC

On December 31, 2019, the Organization entered into operating lease agreements with NMTC for the Organization's use of the Joe R. Lee and JBCO facilities owned by NMTC. The term for the Joe R. Lee Club license commenced February 1, 2020 for a period of 32 years at an annual usage rate of $44,500 through June 2026 and $177,900 beginning July 2026. The term for the JBCO Club license commenced December 1, 2020 for a period of 32 years at an annual usage rate of $139,500 through June 2026 and $558,100 beginning July 2026. Rental income and expense of $184,000 has been eliminated from the accompanying consolidated statements of activities during the years ended June 30, 2023 and 2022. The operating license agreements may be terminated upon the seventh year from commencement pursuant to the put and call agreement further discussed in Note 6.

As of June 30, 2023, the weighted average remaining lease term for these leases is approximately 4 years and the weighted average discount rate used to calculate the operating lease liabilities is 2.88%. The right-of-use assets and future payments due under lease obligations related to Joe R. Lee and JBCO facility leases consist of the following:

June 30, 2023		
Operating Right-of-Use Assets	$	941,886
Less: accumulated amortization		(200,740)
Operating Right-of-Use Assets, Net	$	741,146

Year ending June 30,		
2024	$	184,000
2025		184,000
2026		184,000
2027		368,000
Total Lease Payments		920,000
Less: imputed interest		(57,024)
Total Operating Lease Obligations	$	862,976

The right-of-use assets and lease liability under the leases with NMTC are eliminated from the accompanying consolidated statement of financial position as of June 30, 2023.

Leesburg Youth Enrichment Center

On December 13, 2021, the Organization entered into a conditional Facility Use Agreement (Agreement) with the City of Leesburg for the construction and lease of the Youth Enrichment Center to be operated and managed by the Organization which was completed and opened in June 2022. Based on the terms of the Agreement, the City of Leesburg is leasing the facility to the Organization for 40 years at $1 per year effective July 1, 2022. In connection with the Agreement, the Organization made a capital contribution of $500,000 to the City of Leesburg for the costs of construction of the facility, which is included in property and equipment on the accompanying consolidated statement of financial position. The value of the contributed use of facilities is immaterial for the year ended June 30, 2023 and is therefore not included in the accompanying consolidated financial statements.

Legal

The Organization is subject to claims and legal proceedings which arise in the ordinary course of business. Management believes that losses resulting from these matters, if any, would not have a material adverse effect on the financial position or results of activities of the Organization.

11. Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents and investments. Cash and cash equivalents include checking and money market accounts placed with federally insured financial institutions and investments. Cash and cash equivalents may at times exceed federally insured limits. The Organization has not experienced any losses on such accounts. Investments consist of certificates of deposits, equities and fixed income mutual funds. Although the market value of investments is subject to fluctuations on a day-to-day basis, management believes the current investment strategy is prudent for the long-term welfare of the Organization.

12. Economic Dependency

The Organization earned revenues from Orange County, Florida, which represented 17% of the Organization's total operating revenue and support for each of the years ended June 30, 2023 and 2022. In addition, during 2023 and 2022, the Organization earned revenues from the federal government which represented approximately 24% and 9%, respectively, of the Organization's total operating revenue and support. As such, the Organization is dependent upon the continued support of Orange County, Florida and the federal government to provide funding for the Organization's programs and operations.

13. Related Party Transactions

In the ordinary course of business, the Organization enters into transactions with other organizations that have individuals who serve on the Organization's Board. These transactions are made at arm's length. The Organization obtains its general liability and property insurance through a company whose owner is also a member of the Board. Amounts paid to this company were $448,212 and $390,262 for the years ended June 30, 2023 and 2022, respectively. The Organization paid legal fees to a firm associated with a member of the Board of Directors of $64,360 and $36,148 for the years ended June 30, 2023 and 2022, respectively, associated with general matters and building of clubs. During the year ended June 30, 2023, the Organization made a payment of $23,625 to a firm associated with a member of the Board of Directors for IT consulting services. The Organization entered into a marketing agreement with a company whose owner is also a member of the Board. The amount paid to this company was $55,000 for the year ended June 30, 2023. Details of all related party transactions which meet applicable reporting requirements can be found in Internal Revenue Service Form 990 which the Organization files annually.

15. Subsequent Events

The Organization has evaluated events and transactions occurring subsequent to June 30, 2023 as of January 26, 2024, which is the date the consolidated financial statements were available to be issued. Subsequent events occurring after January 26, 2024 have not been evaluated by management. No material events have occurred since June 30, 2023 that require recognition or disclosure in the consolidated financial statements.

Supplementary Information

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidating Statement of Financial Position

June 30, 2023

	Boys & Girls Clubs of Central Florida, Inc.	Boys & Girls Clubs of Central Florida Foundation, Inc and Subsidiary	BGCCF NMTC, Inc.	Eliminations	Total
Assets					
Current					
Cash and cash equivalents	$ 5,417,365	$ 45,439	$ 186,181	$ -	$ 5,648,985
Grants and contributions receivable, current portion, net	3,532,855	106,025	-	(29,932)	3,608,948
Investments	503,003	-	-	-	503,003
Prepaid expenses	419,267	10,226	-	-	429,493
Due from BGCCF NMTC, Inc.	50,822	-	-	(50,822)	-
Total Current Assets	9,923,312	161,690	186,181	(80,754)	10,190,429
Property and Equipment, Net	16,930,054	-	12,891,909	-	29,821,963
Other Assets					
Assets limited as to use	1,855,864	63,593,972	261,643		65,711,479
Investments, long term	52,740	2,166,301	-	-	2,219,041
Contributions receivable, long term, net	1,918,896	-	-	-	1,918,896
Contributed use of land	729,260	-	732,565	(732,565)	729,260
Leverage Loan receivable	9,168,000	-	-	-	9,168,000
Right-of-use assets, net	809,460	-	-	(741,146)	68,314
Other	126,882	-	-	-	126,882
Total Other Assets	14,661,102	65,760,273	994,208	(1,473,711)	79,941,872
Total Assets	$ 41,514,468	$ 65,921,963	$ 14,072,298	$ (1,554,465)	$119,954,264
Liabilities and Net Assets					
Current Liabilities					
Accounts payable	$ 571,758	$ 24,114	$ -	$ (13,362)	$ 582,510
Accrued expenses	765,899	-	-	-	765,899
Operating lease liabilities	932,964	-	-	(862,976)	69,988
Deferred revenues	32,637	-	-	-	32,637
Refundable advances	487,133	-	-	-	487,133
Due to BGCCF	-	-	50,822	(50,822)	-
Total Current Liabilities	2,790,391	24,114	50,822	(927,160)	1,938,167
Notes Payable, net	-	-	12,143,000	-	12,143,000
Total Liabilities	2,790,391	24,114	12,193,822	(927,160)	14,081,167
Net Assets					
Without donor restrictions	28,688,298	65,424,109	1,145,911	140,476	95,398,794
With donor restrictions	10,035,779	473,740	732,565	(767,781)	10,474,303
Total Net Assets	38,724,077	65,897,849	1,878,476	(627,305)	105,873,097
Total Liabilities and Net Assets	$ 41,514,468	$ 65,921,963	$ 14,072,298	$ (1,554,465)	$119,954,264

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidating Statement of Activities

Year ended June 30, 2023

	Boys & Girls Clubs of Central Florida, Inc.			Boys & Girls Clubs of Central Florida Foundation, Inc.			BGCCF NMTC, Inc.				
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
Operating Revenues and Support											
Government revenues	$ 8,969,619	$ 691,285	$ 9,660,904	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,660,904
Contributions	4,949,235	1,798,758	6,747,993	100,690	-	100,690	10,877	-	10,877	(10,877)	6,848,683
In-kind contributions	1,564,743	-	1,564,743	-	-	-	-	-	-	-	1,564,743
United Way	341,615	11,070	352,685	-	-	-	-	-	-	-	352,685
Special events	200,748	-	200,748	-	-	-	-	-	-	-	200,748
Dues and program services	563,967	-	563,967	-	-	-	-	-	-	-	563,967
Other revenues	621,008	-	621,008	89,390	-	89,390	184,000	-	184,000	(184,000)	710,398
Net assets released from restrictions	3,414,469	(3,414,469)	-	-	-	-	12,719	(12,719)	-	-	-
Total Operating Revenues and Support	20,625,404	(913,356)	19,712,048	190,080	-	190,080	207,596	(12,719)	194,877	(194,877)	19,902,128
Operating Expenses:											
Program services	16,406,440	-	16,406,440	51,068	-	51,068	359,530	-	359,530	(239,094)	16,577,944
Supporting services:											
Management and general	2,924,226	-	2,924,226	334,105	-	334,105	206,019	-	206,019	-	3,464,350
Fundraising	1,711,730	-	1,711,730	-	-	-	-	-	-	-	1,711,730
Total Operating Expenses	21,042,396	-	21,042,396	385,173	-	385,173	565,549	-	565,549	(239,094)	21,754,024
Change in Operating Net Assets	(416,992)	(913,356)	(1,330,348)	(195,093)	-	(195,093)	(357,953)	(12,719)	(370,672)	44,217	(1,851,896)
Non-Operating Support, Gains and Losses											
Contributions from BGCCF	(3,655)	(66,561)	(70,216)	3,655	66,561	70,216	-	-	-	-	-
Contributions restricted for capital projects	-	21,530	21,530	-	-	-	-	-	-	-	21,530
Investment return (loss), net	62,047	-	62,047	1,944,712	164,139	2,108,851	-	-	-	-	2,170,898
Total Non-Operating Support, Gains and Losses	58,392	(45,031)	13,361	1,948,367	230,700	2,179,067	-	-	-	-	2,192,428
Change in Net Assets	(358,600)	(958,387)	(1,316,987)	1,753,274	230,700	1,983,974	(357,953)	(12,719)	(370,672)	44,217	340,532
Net Assets, beginning of year	29,046,898	10,994,166	40,041,064	63,670,835	243,040	63,913,875	1,503,864	745,284	2,249,148	(671,522)	105,532,565
Net Assets, end of year	$ 28,688,298	$ 10,035,779	$ 38,724,077	$ 65,424,109	$ 473,740	$ 65,897,849	$ 1,145,911	$ 732,565	$ 1,878,476	$ (627,305)	$ 105,873,097

Reports Required by *Government Auditing Standards*, the Uniform Guidance and the Florida Single Audit Act

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance With *Government Auditing Standards*

The Board of Directors
Boys & Girls Clubs of Central Florida, Inc.

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 Central Florida, Inc. (the Organization), which comprise the Organization's consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 26, 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 Organization'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.

Our consideration of internal control was for the limited purpose described in the first paragraph 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 statement. 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

January 26, 2024

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450 S Orange Ave, Suite 550
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Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*

The Board of Directors
Boys & Girls Clubs of Central Florida, Inc.

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Boys & Girls Clubs of Central Florida, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and in the State of Florida's *Department of Financial Services' State Projects' Compliance Supplement* that could have a direct and material effect on the Organization's major federal program and state projects for the year ended June 30, 2023. The Organization's major federal program and state projects are identified in the summary of auditor's 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 its major federal program and state projects for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

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); and Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650 are further described in the Auditor's 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

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 and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of 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*, the Uniform Guidance and Chapter 10.650 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 types of 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 or state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.650, 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 types of 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 and Chapter 10.650, 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 or state project 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 or state project 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 or state project 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 Auditor's 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. 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 controls 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 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

BDO USA, P.C.

January 26, 2024

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2023

Federal/ State Agency/Pass-Through Entity Federal Program/State Project	Federal Assistance Listing/Catalog of State Financial Assistance Number	Pass-Through Entity Identifying Number	Provided To Subrecipients	Total Federal/State Expenditures
U.S. Department of Education				
Passed through Florida Department of Education:				
Twenty-First Century Community Learning Centers	84.287	N/A	$ -	$ 1,570,861
U.S. Department of Agriculture				
Passed through Florida Department of Health:				
Child and Adult Care Food Program	10.558	A-4995	-	907,438
Passed through Florida Department of Agriculture and Consumer Affairs:				
Summer Food Service Program	10.559	N/A	-	301,210
Total U.S. Department of Agriculture			-	1,208,648
U.S. Department of Housing and Urban Development				
Passed through Orange County Government:				
Community Development Block Grants	14.218	N/A	-	42,038
U.S. Department of Health and Human Services				
Passed through Osceola County Government:				
American Rescue Plan Act	93.575	N/A	-	57,609
Passed through Seminole County Government:				
American Rescue Plan Act	93.575	N/A	-	44,729
Total U.S. Department of Health and Human Services			-	**102,338**
U.S. Department of Defense				
Passed through Orlando Science Center:				
STEM Education, Outreach and Workforce	12.330	OSC-N00014-22-1-2535	-	12,507
U.S. Department of Justice				
Passed through Boys & Girls Clubs of America:				
Juvenile Mentoring Program	16.726	15PJDP-21-GG-02763	-	91,172
Juvenile Mentoring Program	16.726	15PJDP-22-GG-01746-MENT	-	73,168
Total U.S. Department of Justice			-	164,340
U.S. Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	46,498
Total Federal Expenditures			-	**3,147,230**

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Schedule of Expenditures of Federal Awards and State Financial Assistance

State of Florida Department of Juvenile Justice				
Passed through Florida Alliance of Boys & Girls Clubs	80.029	N/A	-	548,891
State of Florida Department of Education				
Pass through Florida Alliance of Boys & Girls Clubs	48.068	N/A	-	330,619
Total Expenditures of State Financial Assistance			-	**879,510**
Total Expenditures			$ -	**$ 4,026,740**

See accompanying notes to schedule of expenditures of federal awards and state financial expenditures.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state award activity of Boys & Girls Clubs of Central Florida, Inc. (the Organization) under programs of the federal government and the State of Florida for the year ended June 30, 2023. 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) and Chapter 10.650, *Rules of the Auditor General* (Chapter 10.650). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

2. 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 and Chapter 10.650, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Section 1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiency(ies) identified?	☐ Yes	☒ None reported
Noncompliance material to financial statements noted?	☐ Yes	☒ No

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiency(ies) identified?	☐ Yes	☒ None reported
Type of auditor's report issued 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	☒ No

Identification of major federal program:

Federal Assistance Listing Number	Name of Federal Program or Cluster
84.287	Twenty-First Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	☐ Yes	☒ No

State Projects

Internal control over major projects:		
• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiency(ies) identified?	☐ Yes	☒ None reported
Type of auditor's report issued on compliance for major state projects:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650?	☐ Yes	☒ No

Identification of major state projects:

CSFA Number	Name of State Project
48.068	Student Assistance Initiative
80.029	Delinquency Prevention

Dollar threshold used to distinguish between Type A and Type B projects:	$300,000

Section 2. Financial Statement Findings

There were no findings related to the financial statements that are required to be reported, in accordance with generally accepted government auditing standards.

Section 3. Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.

Section 4. State Project Findings and Questioned Costs

There were no findings and questioned costs for state projects (as defined in Chapter 10.650) that are required to be reported.