

BOYS AND GIRLS CLUBS OF NORTHEAST FLORIDA INC
APPLICATION SUMMARY

The Ward Foundation Board Meeting

Request Date:	March 14, 2023
Project Title:	Triple Play - The Mind, Body & Soul Program
Request Amount:	\$10,000.00
Program Area:	Children/Youth Services

Organization Information	Contact Person for Application
Organization Name: Boys And Girls Clubs Of Northeast Florida Inc	Ms. Sandy Kingsley
Physical Address of Organization: 10 S. Newnan Street 2nd Floor Jacksonville, FL 32202	Director of Grant Administration (303) 870-1349 sandyk@bgcnf.org
Phone: Tel: (303) 870-1349 Fax: (904) 913-8101	
Mailing Address (If awarded a grant, the check will be sent to this address): P.O. Box 2059 Jacksonville, FL 32203-2059	
Organization's Web Address: http://www.bgcnf.org	
Tax ID: 596167630	
Tax Status: 501c(3)	

Organization's annual operating budget: \$22,089,443.00

Background

Boys & Girls Clubs of Northeast Florida's mission is to inspire and enable all young people, especially those who need us most, to realize their full potential as productive, responsible and caring citizens. We help young people of all backgrounds develop the qualities they need to gain skills, experience positive peer influence, and improve their academic success. Our President and CEO, Paul Martinez, has been leading the organization for seven years and has incredible insight to our mission as he grew up in a Boys & Girls Club himself.

Boys & Girls Clubs of America has been ranked as the top national, youth serving organization according to the Chronicle of Philanthropy's Top 400 list of philanthropies for the past 19 years. We offer a safe, and inspiring place to go after the school day, with daily access to a broad range of programs in five core program areas: Education and Workforce Readiness; Character and Leadership; Health and Wellness; the Arts; and Sports and Recreation. All programs are designed to drive positive outcomes for youth and reinforce necessary life skills. Our vision is to provide a world-class Club Experience that assures success is within reach of every young person who comes through our doors, with all members on track to graduate from high school with a plan for the future, demonstrating good character and citizenship, and living a healthy lifestyle.

For 60 years, Boys & Girls Clubs of Northeast Florida has provided quality after-school programming to our community's underserved and underrepresented youth. We serve 4,800 young people, after-school and in the summer, at 48 facilities, each strategically placed to serve those who need us most in Florida's Duval, St. Johns, Alachua and Clay Counties. We are the fastest growing Boys & Girls Club in the country.

Project/Program Budget (if applicable): \$68,881.00

Project/Program Title: Triple Play - The Mind, Body & Soul Program

Detailed Project/Program Description

Children and youth today are less physically active than in previous generations, in part due to increased technology and media use that contribute to a more sedentary lifestyle. Technology and media use may:

- replace time children spend engaging in physical activities
- contribute to increased calorie consumption through excessive snacking and eating meals in front of the screen
- influence youth to make unhealthy food choices based on food advertisements
- lower children's metabolic rate

Although many young people participate to some degree in sports and fitness activities, they are not always physically fit, often lacking the basic knowledge they need to make

positive food choices. Boys & Girls Clubs of America (BGCA) developed Triple Play in collaboration with the U.S. Department of Health & Human Services. The program demonstrates how eating smart, keeping fit and forming positive relationships add up to a healthy lifestyle.

Through Triple Play, youth learn about good nutrition and how to make smart meal and snack choices. Members receive coaching in sports leagues and fun activities, developing their coordination and leadership skills. Organized social recreation activities strengthen character, increase confidence and enhance the ability to relate well to others.

Triple Play increases the following among Club members:

- knowledge of healthy habits, good nutrition and physical fitness
- number of hours per day participating in physical activities
- ability to interact positively with all youth and engage in healthy relationships
- participation at the Club

Triple Play is part of our Sports and Recreation core program area, consisting of effective programs for equipping Club members with skills to become healthy, fit and successful adults. It consciously incorporates elements of belonging, competence, usefulness and influence.

Program Components include:

Mind: Healthy Habits, the Mind component of Triple Play, is a strategy to promote health and well-being in young people. Healthy Habits utilizes informational and experiential learning activities in a small-group setting, allowing members to develop healthy attitudes and behaviors about nutritious eating and physical fitness. The program supports Club members in making positive decisions about their well-being.

Body: Taking a systematic approach, this component boosts Clubs' traditional physical activities to a higher level by providing sports and fitness activities for all youth – boys and girls, athletically gifted and those talented in other areas. Daily fitness challenges give youth at every age the chance to play longer and harder at different games – from jumping rope to basketball and creating games of their own.

Soul: The Soul component provides an opportunity to deepen connections through social recreation. In other words, the program provides opportunities throughout normal socializing and typical Club activities to teach age-appropriate positive social skills.

Funds from The Ward Foundation will support Triple Play program implementation at McKenzie's Beaches Boys & Girls Club, with the purchases of curriculum, program materials and supplies, and uniforms for our basketball teams. Also, funds will support personnel costs for our Youth Development Professionals (YDPs) who provide mentoring and coaching to our Club members. Our YDPs are imperative to the lives of

our youth and the success of our program. McKenzie's Beaches Club serves 68 young people every day after school, with a total of 135 registered Club members.

What other organizations in your geographical area provide similar services?

MaliVai Washington Youth Foundation, Communities in Schools and the YMCA are some of the other afterschool and summer providers in our region. And when it benefits the young people of Northeast Florida, we work together with them to provide programming. For example, last summer, we provided more than 1,000 young people from these partner organizations summer camp experiences at our McKenzie's Camp Deep Pond; we plan to do the same this summer.

None of these other organizations, however, offer the extensive and comprehensive academic support combined with sports, career readiness, leadership, arts, and character development that Boys & Girls Clubs of Northeast Florida does. Furthermore, supported by a national organization with evidence-based programming, we have a recognized brand that provides us a variety of resources, including program curricula, training, and assessments. As a part of this brand, we hold ourselves accountable to Boys & Girls Clubs of America program standards, tracking, and evaluation.

If funds were received from The Ward Foundation last year, how were they used?

In 2022, funds from The Ward Foundation assisted us to support program implementation of Triple Play. They were used to purchase program materials, supplies, and uniforms for our basketball teams. As well, they were used to help cover personnel wages for our part-time Youth Development Professionals who provide regular interaction, instruction and mentoring to our young people. These staff work directly with the at-risk youth we serve and are pivotal in the lives of our Club members and the success of our program. Program participants have stated that the relationships developed with our staff can be the single most important relationship they have outside of their home.

How will you measure the results of this grant?

We will evaluate the results of this grant and this program by the number of youth enrolled at the Club, as well as by the number participating in our Triple Play program. We know that the more frequent a young person comes to the Club, the better their overall outcomes will be; starting at one day per week, and improving even further at two days per week. Thus, we strive to strengthen our programs so that they draw young people back to the Club on a regular, frequent basis.

In addition, our National Youth Outcome Initiative will help us to evaluate specific components of our program offerings, including as they relate to healthy eating, physical activity and a sense of belonging for each Club member, specific to each Club. This gives us annual feedback as to where the Club is excelling and on what we need to focus more attention.

How many clients do you serve?

68

What is the cost per client served of this grant?

146.00

What percent are from low-income families?

98

Recommendation/Notes

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Boys & Girls Clubs of Northeast Florida Inc
Statement of Activities - Budget Only

As of Date:

07/31/2023

Year Ending
07/31/2023
 Budget 2022-2023

Change In Net Assets

Operating Revenue

Revenue - Contributions

4010 - Individual Contributions	947,800
4015 - Business Contributions	1,141,500
4020 - Foundation & Trust Contr	855,587
4023 - Civic & Religious Organizations	17,700
4205 - United Way Allocations	248,784
4310 - Boys & Girls Clubs of America	185,526

Total Revenue - Contributions 3,396,897

Revenue - Government Grants

4305 - KHA Appropriations	8,078,852
4307 - Children's Trust of Alachua	178,335
4315 - Department of Juvenile Justice Grant	429,000
4317 - OJP Grant	129,370
4320 - 21st Century	4,736,672
4325 - Dept Of Education	268,236
4326 - FL Dept Of Health-Child Care Food Program	1,864,705
4328 - USDA-Summer BreakSpot	641,317

Total Revenue - Government Grants 16,326,487

Revenue - Fundraising Events

4105 - 3rd Party Fund Raisers	50,000
4110 - Major Fundraising Events	1,186,825

Total Revenue - Fundraising Events 1,236,825

Revenue - Service Fees

4410 - Teen Center Entrepreneurial Revenue	896,300
4430 - Sponsorships-Sports	8,334
4435 - Sports Programs	107,500

Total Revenue - Service Fees 1,012,134

Revenue - Other

4500 - Rental Income	192,100
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Total Revenue - Other 192,100

Total Operating Revenue

22,164,443

Operating Expenses

Salaries and Benefits

5005 - Salaries - Professional	8,374,405
5010 - Salaries - Other	5,742,661
5015 - Social Security Tax	878,042
5020 - Medicare Tax	207,947
5025 - Health Insurance	582,657
5030 - Retirement	268,405
5035 - Unemployment	33,951

5040 - Workers Compensation	163,178
5045 - Disability Insurance	69,141
5050 - Life Insurance	43,896
5095 - Attrition-Salaries and Benefits	(2,112,016)
Total Salaries and Benefits	14,252,267
Other Personnel Costs	
5100 - Employment Fees	139,444
5105 - Training Expense	52,067
5135 - Staff Uniforms	5,138
6015 - Background Checks	100,381
6020 - Drug Screening	22,181
6129 - Mileage Reimbursement	60,210
Total Other Personnel Costs	379,421
Staff Development & Training	
5110 - Registration Fees	11,500
5115 - Travel	8,900
5120 - Hotel Accomadations	8,100
5125 - Meals-Travel	2,365
Total Staff Development & Training	30,865
Program Expenses	
5130 - Member Insurance	28,800
6010 - Program Contractural	15,967
6025 - Field Trips	50,386
6030 - Program Supplies	906,479
7045 - Equipment Purchases	254,538
6050 - Food	2,037,713
6055 - Prizes & Awards	12,725
6065 - Other Scholarships	225,000
6105 - Gas & Oil	44,544
6115 - Repairs-Autos & Buses	50,532
6122 - Auto Insurance	111,302
6137 - Transportation	429,119
Total Program Expenses	4,167,105
Development & Promotion Expenses	
6045 - Special Events	350,700
8005 - Public Relations/Development	150,000
8007 - Community Outreach	1,000
8009 - Advertising and Marketing	17,750
8010 - Printing	5,800
8015 - Meals & Entertainment	31,050
9040 - Subscriptions To Periodicals	4,738
Total Development & Promotion Expenses	561,038
Occupancy Expenses	
7005 - Telephone & Internet	152,062
7015 - Utilities	208,084
7025 - Building & Ground Maintenance	588,451
9060 - Depreciation	864,000
Total Occupancy Expenses	1,812,597
Office Expense	
7006 - Software/Programs	66,343

7007 - Postage and Delivery	640
7040 - Equipment Lease	71,268
7050 - Equipment Maintenance	74,604
9005 - Legal Fees	50,000
9010 - Audit Fees	59,500
9015 - Other Professional Services	140,915
9020 - Office Supplies	56,988
9025 - General & Liability Insurance	124,576
9035 - Licenses & Permits	1,999
9045 - Organization Dues	71,395
9050 - D & O Liability	13,644
9055 - Miscellaneous	2,500
9085 - Bank Charges	39,885
9095 - Parking	16,500
9500 - Rent Expense	73,793
Total Office Expense	<u>864,550</u>
Debt Service Expense	
9030 - Interest Expense	21,600
Total Debt Service Expense	<u>21,600</u>
Total Operating Expenses	<u>22,089,443</u>
Total Change In Net Assets	<u>75,000</u>
Net Assets - Beginning	0
Net Assets - Ending	<u>75,000</u>

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Boys & Girls Clubs of Northeast Florida Inc
Triple Play Program Budget 22-23
McKenzie's Beaches Boys & Girls Club

Year Ending
07/31/2023
Budget 2022-2023

Change In Net Assets

Operating Revenue

Revenue - Contributions

4010 - Individual Contributions	8,372
4015 - Business Contributions	9,018
4020 - Foundation & Trust Contr	2,852
4023 - Civic & Religious Organizations	259
4310 - Boys & Girls Clubs of America	618

Total Revenue - Contributions 21,119

Revenue - Government Grants

4305 - KHA Appropriations	26,930
4315 - Department of Juvenile Justice Grants	1,430
4317 - OJP Grant	431
4325 - Dept. of Education	894
4326 - FL Dept Of Health-Child Care Food Program	6,216
4328 - USDA-Summer BreakSpot	2,138

Total Revenue - Government Grants 38,039

Revenue - Fundraising Events

4105 - 3rd Party Fund Raisers	167
4110 - Major Fundraising Events	9,170

Total Revenue - Fundraising Events 9,337

Revenue - Service Fees

4430 - Sponsorships-Sports	28
4435 - Sports Programs	358

Total Revenue - Service Fees 386

Total Operating Revenue 68,881

Operating Expenses

Salaries and Benefits

5005 - Salaries - Professional	27,915
5010 - Salaries - Other	19,142
5015 - Social Security Tax	2,927
5020 - Medicare Tax	693
5025 - Health Insurance	1,942
5030 - Retirement	895
5035 - Unemployment	113
5040 - Workers Compensation	544
5045 - Disability Insurance	230
5050 - Life Insurance	146
5095 - Attrition-Salaries and Benefits	(7,040)

Total Salaries and Benefits 47,507

Other Personnel Costs

5100 - Employment Fees	465
5105 - Training Expense	174
5135 - Staff Uniforms	17
6015 - Background Checks	335
6020 - Drug Screening	74
6129 - Mileage Reimbursement	201
Total Other Personnel Costs	1,266
Staff Development & Training	
5110 - Registration Fees	38
5115 - Travel	30
5120 - Hotel Accomadations	27
5125 - Meals-Travel	8
Total Staff Development & Training	103
Program Expenses	
5130 - Member Insurance	96
6010 - Program Contractural	53
6025 - Field Trips	168
6030 - Program Supplies	3,022
7045 - Equipment Purchases	848
6050 - Food	6,792
6055 - Prizes & Awards	42
6065 - Other Scholarships	750
6105 - Gas & Oil	148
6115 - Repairs-Autos & Buses	168
6122 - Auto Insurance	371
6137 - Transportation	1,430
Total Program Expenses	13,888
Occupancy Expenses	
7005 - Telephone & Internet	507
7015 - Utilities	694
7025 - Building & Ground Maintenance	1,962
Total Occupancy Expenses	3,163
Office Expense	
7006 - Software/Programs	221
7007 - Postage and Delivery	2
7040 - Equipment Lease	238
7050 - Equipment Maintenance	249
9005 - Legal Fees	167
9010 - Audit Fees	198
9015 - Other Professional Services	470
9020 - Office Supplies	190
9025 - General & Liability Insurance	415
9035 - Licenses & Permits	7
9045 - Organization Dues	238
9050 - D & O Liability	45
9055 - Miscellaneous	8
9085 - Bank Charges	133
9095 - Parking	55
9500 - Rent Expense	246
Total Office Expense	2,882

Debt Service Expense	
9030 - Interest Expense	72
Total Debt Service Expense	72
Total Operating Expenses	68,881
Total Change In Net Assets	0

Boys' and Girls' Clubs of Northeast Florida, Inc.

Financial Statements and Supplementary Information

Years Ended July 31, 2022 and 2021

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Independent Auditor's Report

Board of Governors
Boys' and Girls' Clubs of Northeast Florida, Inc.
Jacksonville, FL

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Boys' and Girls' Clubs of Northeast Florida, Inc., which comprises the statements of financial position as of July 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Boys' and Girls' Clubs of Northeast Florida, Inc. as of July 31, 2022 and 2021, and the 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"). Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are required to be independent of Boys' and Girls' Clubs of Northeast Florida, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys' and Girls' Clubs of Northeast Florida, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 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 financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Boys' and Girls' Clubs of Northeast Florida, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys' and Girls' Clubs of Northeast Florida, Inc.'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.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Organization taken as a whole. The Schedule of Expenditures of Federal Awards, 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* for the year ended July 31, 2022, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records to prepare the basic financial statements or to the basic 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 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, on our consideration of the Boys' and Girls' Clubs of Northeast Florida Inc.'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 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 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 Boys' and Girls' Clubs of Northeast Florida, Inc.'s internal control over financial reporting and compliance.

FORVIS, LLP

**Jacksonville, FL
November 15, 2022**

Boys' and Girls' Clubs of Northeast Florida, Inc.
Statements of Financial Position
July 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 5,898,188	\$ 1,205,343
Investments	67,879	83,743
Grants receivable	1,935,440	1,359,006
Accounts receivable	4,346	800
Prepaid expenses	46,862	69,133
Land, buildings and equipment, net	11,355,300	10,247,457
Other assets	31,080	96,902
	<u>19,339,095</u>	<u>13,062,384</u>
Total assets	<u>\$ 19,339,095</u>	<u>\$ 13,062,384</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 584,451	\$ 342,767
Accrued payroll and related expenses	423,691	299,566
Conditional contribution advance	290,830	694,025
Notes payable	1,244,053	1,325,197
	<u>2,543,025</u>	<u>2,661,555</u>
Total liabilities	<u>2,543,025</u>	<u>2,661,555</u>
Net assets:		
Without donor restrictions	15,831,477	8,595,934
With donor restrictions	964,593	1,804,895
	<u>16,796,070</u>	<u>10,400,829</u>
Total net assets	<u>16,796,070</u>	<u>10,400,829</u>
Total liabilities and net assets	<u>\$ 19,339,095</u>	<u>\$ 13,062,384</u>

See accompanying notes.

Boys' and Girls' Clubs of Northeast Florida, Inc.
Statements of Activities
Years Ended July 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues						
Governmental agency contracts and grants	\$ 10,292,431	\$ -	\$ 10,292,431	\$ 8,437,226	\$ -	\$ 8,437,226
Foundation grants	717,408	894,167	1,611,575	684,366	943,460	1,627,826
United Way	291,286	-	291,286	298,077	-	298,077
Contributions	7,873,463	-	7,873,463	587,151	-	587,151
Contributed nonfinancial assets	118,108	-	118,108	627,075	-	627,075
Program service fees	100,482	-	100,482	70,176	-	70,176
Special events	970,870	-	970,870	714,481	-	714,481
Other income	212,281	-	212,281	136,555	-	136,555
	20,576,329	894,167	21,470,496	11,555,107	943,460	12,498,567
Net assets released from restrictions	1,734,469	(1,734,469)	-	656,669	(656,669)	-
Total public support and revenues	22,310,798	(840,302)	21,470,496	12,211,776	286,791	12,498,567
Expenses:						
Program services	13,089,963	-	13,089,963	11,561,172	-	11,561,172
Supporting services:						
Management and general	909,195	-	909,195	834,379	-	834,379
Fundraising	1,076,097	-	1,076,097	522,828	-	522,828
Total expenses	15,075,255	-	15,075,255	12,918,379	-	12,918,379
Change in net assets	7,235,543	(840,302)	6,395,241	(706,603)	286,791	(419,812)
Net assets, beginning	8,595,934	1,804,895	10,400,829	9,302,537	1,518,104	10,820,641
Net assets, ending	\$ 15,831,477	\$ 964,593	\$ 16,796,070	\$ 8,595,934	\$ 1,804,895	\$ 10,400,829

See accompanying notes.

Boys' and Girls' Clubs of Northeast Florida, Inc.
Statements of Functional Expenses
Year Ended July 31, 2022

	Program Expenses	Supporting Services			
	Social Development	General and Administrative	Fundraising	Total	Total
Personnel:					
Salaries	\$ 6,843,765	\$ 520,710	\$ 442,121	\$ 962,831	\$ 7,806,596
Employee health and retirements benefits	429,385	52,453	56,307	108,760	538,145
Taxes and other	679,273	43,699	43,428	87,127	766,400
Total personnel expenses	7,952,423	616,862	541,856	1,158,718	9,111,141
Supplies and food	1,543,295	1,421	3,420	4,841	1,548,136
Occupancy	275,407	44	-	44	275,451
Building and grounds maintenance	508,126	317	19	336	508,462
Professional fees and contract labor	108,133	42,162	33,783	75,945	184,078
Transportation	339,803	122	206	328	340,131
Contract labor	262,339	128,158	1,242	129,400	391,739
Insurance	289,486	24,241	14,255	38,496	327,982
Equipment rental and maintenance	377,480	25,860	6,750	32,610	410,090
Other	81,486	15,770	21,794	37,564	119,050
Staff development	235,417	28,512	7,786	36,298	271,715
Telephone	174,125	2,423	3,272	5,695	179,820
Dues	80,468	403	10,162	10,565	91,033
Postage and shipping	2,955	497	18	515	3,470
Interest expense	29,761	14,569	-	14,569	44,330
Special events	143,663	4,888	337,031	341,919	485,582
In-kind expenses	23,622	-	94,486	94,486	118,108
Prizes and awards	11,978	2,946	17	2,963	14,941
Total expenses before non-cash expenses	12,439,967	909,195	1,076,097	1,985,292	14,425,259
Depreciation and amortization	649,996	-	-	-	649,996
Total expenses	<u>\$ 13,089,963</u>	<u>\$ 909,195</u>	<u>\$ 1,076,097</u>	<u>\$ 1,985,292</u>	<u>\$ 15,075,255</u>

See accompanying notes.

Boys' and Girls' Clubs of Northeast Florida, Inc.
Statements of Functional Expenses
Year Ended July 31, 2021

(Continued)

	Program Expenses	Supporting Services			
	Social Development	General and Administrative	Fundraising	Total	Total
Personnel:					
Salaries	\$ 6,396,427	\$ 410,780	\$ 303,247	\$ 714,027	\$ 7,110,454
Employee health and retirements benefits	387,842	34,055	36,087	70,142	457,984
Taxes and other	641,103	39,195	32,259	71,454	712,557
Total personnel expenses	7,425,372	484,030	371,593	855,623	8,280,995
Supplies and food	936,261	6,450	841	7,291	943,552
Occupancy	263,509	1,045	-	1,045	264,554
Building and grounds maintenance	396,530	19	-	19	396,549
Professional fees	132,132	145,314	35,626	180,940	313,072
Transportation	257,434	-	12	12	257,446
Contract labor	166,071	11,069	-	11,069	177,140
Insurance	146,052	9,464	7,428	16,892	162,944
Equipment rental and maintenance	189,835	18,182	14,279	32,461	222,296
Other	77,963	12,668	10,962	23,630	101,593
Staff development	200,457	23,979	5,200	29,179	229,636
Telephone	169,521	4,649	3,170	7,819	177,340
Dues	36,269	399	260	659	36,928
Postage and shipping	1,982	200	564	764	2,746
Interest expense	38,923	31,091	-	31,091	70,014
Special events	121,873	1,629	29,366	30,995	152,868
In-kind expenses	582,442	1,155	43,478	44,633	627,075
Prizes and awards	7,586	5,067	49	5,116	12,702
Total expenses before non-cash expenses	11,150,212	756,410	522,828	1,279,238	12,429,450
Depreciation and amortization	410,960	77,969	-	77,969	488,929
Total expenses	<u>\$ 11,561,172</u>	<u>\$ 834,379</u>	<u>\$ 522,828</u>	<u>\$ 1,357,207</u>	<u>\$ 12,918,379</u>

See accompanying notes.

Boys' and Girls' Clubs of Northeast Florida, Inc.
Statements of Cash Flows
Years Ended July 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 6,395,241	\$ (419,812)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	649,996	488,929
Loss on disposal of equipment	11,814	-
Grants receivable	(576,434)	(174,304)
Accounts receivable	(3,546)	305
Prepaid expenses and other assets	88,093	(127,630)
Accounts payable	241,684	258,032
Accrued payroll and related expenses	124,125	51,274
Conditional contribution advance	(403,195)	694,025
Net cash provided by operating activities	<u>6,527,778</u>	<u>770,819</u>
Cash flows from investing activities:		
Purchase of land, buildings, and equipment	(1,769,653)	(887,696)
Proceeds from sale of investments	<u>15,864</u>	<u>573,987</u>
Net cash used by investing activities	<u>(1,753,789)</u>	<u>(313,709)</u>
Cash flows from financing activities:		
Principal payments on notes payable	<u>(81,144)</u>	<u>(575,012)</u>
Net cash used in financing activities	<u>(81,144)</u>	<u>(575,012)</u>
Net increase (decrease) in cash	4,692,845	(117,902)
Cash, beginning	<u>1,205,343</u>	<u>1,323,245</u>
Cash, ending	<u><u>\$ 5,898,188</u></u>	<u><u>\$ 1,205,343</u></u>
Supplementary Information:		
Cash paid for interest	<u>\$ 44,330</u>	<u>\$ 70,014</u>
Non-cash extinguishment of debt	<u><u>\$ -</u></u>	<u><u>\$ 424,443</u></u>

See accompanying notes.

Notes to Financial Statements

1. Nature of Organization and Summary of Significant Accounting Policies

Organization

The Boys' and Girls' Clubs of Northeast Florida, Inc. (the "Organization"), a non-profit corporation, was incorporated under the laws of the State of Florida on July 25, 1962. Its purpose is to provide guidance to youth and to promote their health, social, education, vocational and character development. The current mission of the Organization is "to inspire and enable all young people, especially those who need us most, to realize their full potential as productive, responsible and caring citizens." The Organization is supported primarily by grants and contributions.

Basis of accounting

The financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions.

Basis of presentation

Net assets and revenue, gains, expenses and losses are required to be classified as without or with donor restrictions based upon the following criteria:

1. Net assets without donor restrictions represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
2. Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect (1) the reported amounts of assets and liabilities; (2) disclosure of contingent assets and liabilities at the date of the financial statements; and (3) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash consists of cash on deposit in banks.

Grants receivable

Grants receivable consist primarily of amounts due to the Organization from governmental units under the terms of various contracts. No allowance for doubtful accounts has been established due to the nature of these agencies.

Unconditional promises to give are recorded as receivables and contribution revenue when the promises are received. Contributions to be received after one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received.

Investment valuation and income recognition

Investments are recorded at fair value. The fair value of investments is based on the last sales price on the valuation date for those securities traded on national securities exchanges. For securities traded over the counter, the last bid price is used. Realized and unrealized gains or losses are determined by comparison of cost to either proceeds received from sales or market values.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded when earned. Dividends are recorded on the ex-dividend date.

Investment in real estate is stated at the lower of cost or market. Investment in real estate is assessed for impairment when management believes that an event or changes in circumstances indicate that the carrying amount may not be recoverable. Based on this assessment, real estate is written down to its fair value and the impairment loss is recognized through a charge to expense.

Fair value measurements

Generally accepted accounting principles in the United States of America ("GAAP") define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

Land, buildings and equipment

Land, buildings and equipment that are purchased are recorded at cost. Land, buildings, and equipment purchased in excess of \$2,000 are capitalized. Contributed land, buildings and equipment are valued at fair market value at the date of donation. Depreciation is recorded using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 to 40 years
Furniture and equipment	3 to 10 years

Public support and revenues

Government grants are recorded based on the terms of the grantor allotment which generally provides that revenue is earned when the allowable costs or units of service of the specific grant provisions have been incurred or provided. Such revenue is subject to audit by the grantor and, if the examination results in a non-allowance of units of service or expenses, the Organization will be required to reimburse any overpayments.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service.

The Organization recognizes revenue for certain donated services and other in-kind contributions received at fair value as of the date of the gift.

Income taxes

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of July 31, 2022.

Expense allocation

The cost of providing program and management activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Organization uses the direct costing method to allocate costs. Directly identifiable expenses are charged to the programs and supporting services. Expenses related to more than one function are charged to programs and support on the basis of periodic time. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Reclassifications

Certain amounts from the prior year statements have been reclassified to conform to the current year presentation.

Subsequent events

The Organization has evaluated the effect subsequent events would have on the financial statements through November 15, 2022, which is the date the financial statements were available to be issued.

New accounting pronouncements adopted in 2022 – contributed nonfinancial assets

During 2022, the Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2020-07, Not-For-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires the Organization to present gifts-in-kind as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The ASU also requires additional disclosures related to contributed nonfinancial assets. The additional disclosure requirements include disclosing the Organization's policy about monetizing rather than utilizing contributed nonfinancial assets, description of any donor-imposed restrictions associated with the contributed nonfinancial asset, description of the valuation techniques and inputs used to arrive at a fair value measure of contributed nonfinancial assets, and to disclose the principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

Recent accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This ASU requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating leases in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2019, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the magnitude and other potential impacts on its financial statements.

2. Availability of Financial Assets

The following reflects the Organization's financial assets as of the financial position date reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statement of financial position date.

Financial assets at July 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 5,898,188	\$ 1,205,343
Grants and accounts receivable	1,939,786	1,359,806
Investments	<u>67,879</u>	<u>83,743</u>
	<u>7,905,853</u>	<u>2,648,892</u>
Those unavailable for general expenditures within one year due to:		
Donor-imposed restrictions with time or purpose restrictions	<u>(964,593)</u>	<u>(1,804,895)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,941,260</u>	<u>\$ 843,997</u>

The Organization is substantially supported by contracts and grants that are received on a reimbursement basis, as well as contributions. Because a donor's restriction on a contribution requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Organization also has a significant degree of flexibility and discretion to manage its costs based on the annual contribution levels and financial assets available.

3. Land, Buildings and Equipment

Land, buildings and equipment consist of the following at July 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Buildings and improvements	\$ 13,504,047	\$ 9,164,312
Land and improvements	1,394,840	1,135,525
Furniture, fixtures and other equipment	804,603	548,491
Transportation equipment	916,063	678,310
Construction in progress	<u>245,286</u>	<u>3,620,973</u>
	16,864,839	15,147,611
Accumulated depreciation	<u>(5,509,539)</u>	<u>(4,900,154)</u>
	<u>\$ 11,355,300</u>	<u>\$ 10,247,457</u>

4. Conditional Contribution Advance

The Organization received a conditional contribution of \$646,960 during the year ended July 31, 2021. The funds were received in advance and are conditional upon the completion of the Organization's culinary expansion project and other terms and conditions. As of July 31, 2022, the project was in progress with \$178,830 still subject to the terms and conditions of the conditional contribution.

5. Line of Credit

The Organization has a \$1,500,000 secured line of credit with a bank that is collateralized by substantially all of the Organization's assets. Interest is payable monthly at a variable rate of one-month LIBOR plus 2.8%, with a floor rate of 2.8% and any unpaid interest and principal due at maturity in February 2023. There was no balance on the line of credit as of July 31, 2022 and 2021.

6. Notes Payable

Notes payable consisted of the following at July 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Mortgage note	\$ 725,738	\$ 771,071
Construction note	<u>518,315</u>	<u>554,126</u>
	<u>\$ 1,244,053</u>	<u>\$ 1,325,197</u>

Mortgage note

The Organization entered into a promissory note dated January 31, 2013. On February 18, 2020, the note was refinanced. The note is payable in 120 monthly installments of \$6,084 including interest of 3.65%. A final payment of unpaid principal and interest is due and payable on February 18, 2030. The note is secured by real property. The note agreement requires the Organization to comply with various covenants and reporting requirements. The Organization was in compliance with these covenants as of July 31, 2022.

Construction note

The Organization has a construction note payable dated April 29, 2013, with an available draw amount of \$750,000 with a financial institution. On February 18, 2020, the note was refinanced. The note is payable in 120 monthly installments of \$4,372 including interest of 3.65%. A final payment of unpaid principal and interest is due and payable on February 18, 2030. The note is cross-collateralized and secured by real property. The Construction Note Agreement requires the Organization to comply with various covenants and reporting requirements. The Organization was in compliance with these covenants as of July 31, 2022.

Boys' and Girls' Clubs of Northeast Florida, Inc.
Notes to Financial Statements

Maturities of notes payable are as follows:

2023	\$	80,786
2024		83,843
2025		87,113
2026		90,392
2027		93,794
Thereafter		<u>808,125</u>
	\$	<u>1,244,053</u>

7. Leases

The Organization leases equipment under non-cancelable operating leases that expire through 2025. In October 2021, the Organization entered into a non-cancellable operating lease for office space with an initial term of 60 months, with an option to renew for an additional 60 months. Monthly payments of \$5,975.

Future minimum lease payments are as follows for the years ended July 31:

2023	\$	89,943
2024		85,919
2025		74,545
2026		71,700
2027		<u>11,950</u>
	\$	<u>334,057</u>

The Organization leases space to a tenant under a non-cancellable agreement. Future minimum rents to be received by the Organization under the lease are as follows for the years ended July 31:

2023	\$	120,000
2024		120,000
2025		120,000
2026		<u>110,000</u>
	\$	<u>470,000</u>

8. Contributed Nonfinancial Assets

The Organization recognized contributed nonfinancial assets within the statement of activities for the years ended July 31, 2022 and 2021, as follows:

	<u>2022</u>	<u>2021</u>
Donated goods	\$ 75,135	\$ 526,950
Donated goods – auction items	25,973	39,915
Professional services	<u>17,000</u>	<u>60,210</u>
	<u>\$ 118,108</u>	<u>\$ 627,075</u>

Donated goods and goods donated for auction are recorded at the estimated retail value of the item. Professional services are recorded based on the competitive market rate for the professional services contributed. The goods donated for the auction were sold by the Organization. The professional services and remaining donated goods received by the Organization were used in administering the programs.

9. Commitments and Contingencies

Community development block grant

In October 2017, the Organization entered into an agreement with the City of Jacksonville ("COJ"). The Organization was awarded \$891,710 drawn from Community Development Block Grant ("CDBG") funds, for the completion of the renovation of the Organization's Citi Teen Center. COJ awarded the CDBG funds in the form of a grant, subject to the Organization's compliance with the terms of the agreement and CDBG requirements. For a period of ten years through September 30, 2028, the Organization agreed to certain covenants and restrictions related to the property. COJ has the option of requiring the Organization to repay the CDBG funds in full if the Organization does not comply with CDBG program requirements or the terms of the agreement. The funds were accounted for as a governmental agency contracts and grants revenue since management believes that the Organization will be able to comply with the terms and conditions of the contract throughout the contract term. The Organization was in compliance with all covenants and terms as of July 31, 2022 and July 31, 2021.

10. Net Assets with Donor Restrictions

Donor restricted net assets consist of the following purpose restricted programs:

	<u>August 1, 2021</u>	<u>Increase / Contributions</u>	<u>Decreases / Uses</u>	<u>July 31, 2022</u>
Bridge	\$ 102,005	\$ 225,500	\$ (89,150)	\$ 238,355
Bus	-	100,000	(100,000)	-
Camp Deep Pond	150,090	41,667	(46,803)	144,954
CITI Culinary	690,878	-	(504,344)	186,534
CITI Phase 2	710,500	15,000	(725,500)	-
Clanzel Brown	20,000	300,000	(178,891)	141,109
Community Foundation	83,743	-	(15,864)	67,879
JU Teen Center	24,275	-	-	24,275
Lucy Gooding	8,404	-	(8,404)	-
TPC Teen Center	15,000	140,000	-	155,000
Woodland Acres	-	72,000	(65,513)	6,487
	<u>\$ 1,804,895</u>	<u>\$ 894,167</u>	<u>\$ (1,734,469)</u>	<u>\$ 964,593</u>
	<u>August 1, 2020</u>	<u>Increase / Contributions</u>	<u>Decreases / Uses</u>	<u>July 31, 2021</u>
Bridge	\$ 95,505	\$ 99,000	\$ (92,500)	\$ 102,005
Camp Deep Pond	129,945	50,000	(29,855)	150,090
CITI Culinary	59,090	646,960	(15,172)	690,878
CITI Phase 2	898,652	28,757	(216,909)	710,500
CITI Teen Center	103,147	-	(103,147)	-
Clanzel Brown	-	20,000	-	20,000
Community Foundation	-	83,743	-	83,743
JU Teen Center	24,275	-	-	24,275
Lucy Gooding	124,554	-	(116,150)	8,404
TPC Teen Center	-	15,000	-	15,000
Woodland Acres	82,936	-	(82,936)	-
	<u>\$ 1,518,104</u>	<u>\$ 943,460</u>	<u>\$ (656,669)</u>	<u>\$ 1,804,895</u>

Upon expiration of donor restrictions, and approval of the Organization's board, the related funds may be reclassified to without donor restrictions under the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") and Accounting Standards Codification 958-205, *Not-for-Profit Entities—Presentation of Financial Statements*.

11. Concentrations

The Organization recognized revenue from two grantors totaling 65% of total revenues for the year ended July 31, 2022. The Organization recognized revenue from one grantor totaling 49% of total revenues for the year ended July 31, 2021.

12. Employee Benefit Plan

The Organization established a 401(k) plan (the "Plan") effective January 1, 2011, whereby employees may elect to make contributions pursuant to a salary reduction agreement upon meeting age and length of service requirements. Under the Plan, employees may contribute an amount not to exceed the limit imposed by the Internal Revenue Service. The Organization may elect to make a discretionary profit-sharing contribution to the Plan. Discretionary profit sharing contributions under this plan were \$183,479 and \$87,005 for the years ended July 31, 2022 and 2021, respectively.

Supplementary Information

Boys' and Girls' Clubs of Northeast Florida, Inc.
Schedule of Expenditures of Federal Awards
Year Ended July 31, 2022

Federal Granting Agency/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Federal Pass-Through Expenditures
U.S. Department of Education:			
Passed through Florida Department of Education			
21st Century Learning Center - EARTH - NFL YET	84.287C	16N-2442B-2PCC1	\$ 244,944
21st Century Learning Center - STEAM - TPC	84.287C	16N-2442B-2PCC2	119,746
21st Century Learning Center - STEAM - Osceola	84.287C	16N-2442B-2PCC3	159,909
21st Century Learning Center - STEAM - Northwestern	84.287C	16N-2442B-2PCC5	183,751
21st Century Learning Center - STEAM - Woodland Park	84.287C	16N-2442B-2PCC6	237,391
21st Century Learning Center - STEAM - Celebration	84.287C	16N-2442B-2PCC7	177,751
			<u>1,123,492</u>
Total U.S. Department of Education			<u>1,123,492</u>
U.S Department of Justice:			
Passed through Boys and Girls Clubs of America			
CITI Teen	16.726	2020-48102	19,828
Victory Pointe	16.726	2020-48103	19,172
Baxter E Luther	16.726	2020-48104	20,120
Impact	16.726	2020-48105	17,449
Learning Center	16.726	2020-48106	21,273
Southwind Villas	16.726	2020-48107	21,556
NFL YET	16.726	2020-48108	23,349
			<u>142,747</u>
Total U.S. Department of Justice			<u>142,747</u>
U.S. Department of Agriculture:			
Passed through The State of Florida Department of Health			
Ready for Veggies	10.582	AM180100XXXXG069	50,682
Child Care Food Program - TPC	10.558	A-5648	71,220
Child Care Program - CITI Teen	10.558	A-5648	43,177
Child Care Program - Celebration	10.558	A-5648	33,597
			<u>147,994</u>
Summer Break Spot	10.559	1521	490,232
			<u>688,908</u>
Total U.S. Department of Agriculture			<u>688,908</u>
Total awards expended			<u>\$ 1,955,147</u>

See accompanying notes.

Notes to Schedule of Expenditures of Federal Awards

NOTE A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Organization under programs of the federal government for the year ended July 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* ("CRF") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). 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.

NOTE B – 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

***Other Reporting Required by
Government Auditing Standards***

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

Board of Governors
Boys' and Girls' Clubs of Northeast Florida, Inc.
Jacksonville, FL

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Boys' and Girls' Clubs of Northeast Florida, Inc. (a nonprofit organization) (the "Organization") as of and for the year ended July 31, 2022, and the related notes to the financial statements and have issued our report thereon dated November 15, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency, or a combination of deficiencies, in internal control that is less severe than material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was limited for the purpose described in the first paragraph of this section 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 financial statements. 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.

FORVIS

Purpose of the 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS, LLP

Jacksonville, FL
November 15, 2022

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Governors
Boys' and Girls' Clubs of Northeast Florida, Inc.
Jacksonville, FL

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boys' and Girls' Clubs of Northeast Florida, Inc. (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended July 31, 2022. The Organization's major federal programs 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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"). Our responsibilities under those standards and the Uniform Guidance 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. 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.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 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.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 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, 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 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 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 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 in internal control over compliance. 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 control over compliance may exist that were not identified.

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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. Accordingly, this report is not suitable for any other purpose.

FORVIS, LLP

Jacksonville, FL
November 15, 2022

Schedule of Findings and Questioned Costs

Part I – Summary of Auditor's Results

1. The Independent Auditor's Report on whether the financial statements of Boys' and Girls' Clubs of Northeast Florida, Inc. (the "Organization") were prepared in accordance with GAAP, dated November 15, 2022, expressed an unmodified opinion.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (report dated November 15, 2022) were noted.
3. No instances of noncompliance material to the financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were noted.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance for Each Major Program and Internal Control Over Compliance Required by the Uniform Guidance (report dated November 15, 2022).
5. The Independent Auditor's Report on Compliance for the Major Program and On Internal Control Over Compliance Required by the Uniform Guidance, (dated November 15, 2022), expressed an unmodified opinion.
6. There were no audit findings relative to the major federal awards program that are required to be reported in accordance with CFR 200.516(a).
7. The Organization's major program was the 21st Century Learning Center (CFDA 84.287C) grant fund.
8. A threshold of \$750,000 was used to distinguish between Type A and Type B Programs.
9. The Organization qualifies as a low-risk auditee as that term is defined in the Uniform Guidance.

Part II – Findings – Financial Statement Audit

None reported.

Part III – Findings and Questioned Costs – Major Federal Awards

None reported.

Board of Governors
2021-2022 Board Roster

Name	Company	Address	Work	Cell	Assistant (if you'd like assistant included in correspondence)	Email
Karsten Amlie	Affiliate Relations Advisors	350 San Juan Dr. Ponte Vedra Beach, FL 32082	(904) 473-5953	(561) 541-6431		karsten@affiliaterelations.com
AJ Beson	Beaches Board Chair	13500 Sutton Park Dr S #105 Jacksonville, FL 32224	(904) 234-9945			aj@beson4.com
Paul Blackstone	121 Financial Credit Union	701 Riverside Park Place Jacksonville, FL 32204		(904) 855-5475		paul@121fcu.org
Dana Bradford, II (Life Trustee)	Smith, Gambrell & Russell, LLP	50 N. Laura Street, Suite 2600 Jacksonville, FL 32202	(904) 598-6103	(904) 588-6239		dgbroadford@sgrlaw.com
Ken Brady	1010XL Jax Sports Radio	9090 Hogan Road Jacksonville, FL 32216	(904) 641-1011			kenb@1010xl.com
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Bill Dixon	Morgan Stanley	50 A1A North, Suite 112 Ponte Vedra Beach, FL 32082	(904) 273-7584	(904) 993-1908		william.dixon@morganstanley.com
Orville Dothage	Northrop Grumman	375 Pescado Drive St. Augustine, FL 32095	(904) 825-3725	(904) 315-3680		orville.dothage@ngc.com
George Dunn						Ganthonydunn@aol.com
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The Honorable Gary Flower	Circuit Court Judge	501 West Adams Street, Suite 7113 Jacksonville, FL 32202	(904) 255-1354		Marilyn Springer mspringer@ COJ.net	gflower@coj.net
Robert Franskousky (Life Trustee)	LPL Financial	574 Ponte Vedra Blvd Ponte Vedra, FL 32082	(904) 899-4074	(904) 233-3412		robert.franskousky@lpl.com
Gary D. Gray (Board Treasurer)	David Gray Plumbing, Heating & Air	6491 Powers Avenue Jacksonville, FL 32217	(904) 724-7211	(904) 449-9960		gdgray@davidgrayonline.com

Board of Governors
2021-2022 Board Roster

Name	Company	Address	Work	Cell	Assistant (if you'd like assistant included in correspondence)	Email
Robert Grune		8036 Pebble Creek Ln W Ponte Vedra Beach, FL 32082-3102		(904) 571-4515		grune.rob@gmail.com
Melissa Fulmore-Hardwick (Board Secretary)	CSI	13715 Shady Woods St N Jacksonville, FL 32224-4822		(904) 334-1320		mfhardwick@csicompanies.com
Michael Huyghue (Immediate Past Chair)	Michael Huyghue & Associates LLC	841 Prudential Drive, Ste 1200 Jacksonville, FL 32207	(904) 285-2400	(904) 813-6340		mlh@michaelhuyghue.com
Brian King (Board Vice Chair)	RBK Advisory Services	8045 Whisper Lake Lane West Ponte Vedra Beach, FL 32082		(904) 501-7793		brianking62@outlook.com
Kelvin Lawson	Acosta			(904) 309-1010		kelvinlawson1@aol.com
Dr. Shelita McGowan	McGowan Medical Centers	3021 N. Main Street, Jacksonville, FL 32206	(904) 350-5544	(904) 652-7941		drshelita@gmail.com
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Karen Perkner	TIAA Bank EVP, Chief Administrative Officer	501 Riverside Avenue Jacksonville, FL 32202	(904) 623-8110	(904) 707-4195		karenperkner@gmail.com
Paul Price (Board Chair)		248 N. Roscoe Blvd Ponte Vedra Beach, FL 32082		(904) 607-6632		PaulPrice123@att.net
Adriel Rocha	Jacksonville Jaguars	1 TIAA Bank Field Drive Jacksonville, FL 32202	(904) 633-6575	(228) 234-0287		rochaa@nfl.jaguars.com
Jim Robinson		1335 Sunset View Lane Jacksonville, FL 32207	(904) 448-6971	(904) 472-4922		jrobinson@bgeinc.com
Kathleen Schofield	STEM2 Hub	2026 Pond Ridge Ct, Unit 705 Fleming Island, FL 32003-4004	(904) 502-0958			kathleen@stem2hub.org
Reggie Sharpe	Pepsi	5829 Pepsi Place, Jacksonville, FL, 32216		(904) 200-7490		reginald.sharpe@pepsico.com

Board of Governors
2021-2022 Board Roster

Name	Company	Address	Work	Cell	Assistant (if you'd like assistant included in correspondence)	Email
Joel Swanson	VyStar Credit Union	287 Woodland Greens Dr Ponte Vedra, FL 32081-8430		(907) 350-7577		swansonj@vystarcu.org
Blake Wilson	McKenzie Noelle Wilson Foundation	329 Ponte Vedra Blvd Ponte Vedra Beach, FL 32082-1813		(904) 226-3891		w.blake.wilson@gmail.com