

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
NAPLES, FLORIDA
FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2015 AND 2014



Myers, Brettholtz & Company, PA

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Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Boys & Girls Club of Collier County, Florida, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Boys & Girls Club of Collier County, Florida, Inc. (a nonprofit organization), which comprise the statements of financial position as of May 31, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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 and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Club of Collier County, Florida, Inc. as of May 31, 2015 and 2014, 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.

To the Board of Directors of
Boys & Girls Club of Collier County, Florida, Inc.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 used to prepare the financial statements or to the 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 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 September 18, 2015, on our consideration of Boys & Girls Club of Collier County, 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 & Girls Club of Collier County, Florida, Inc.'s internal control over financial reporting and compliance.



MYERS, BRETT HOLTZ & COMPANY, PA
Fort Myers, Florida
September 18, 2015

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
MAY 31,

	2015	2014 <i>(Reclassified)</i>
ASSETS		
Cash	\$ 1,135,148	\$ 703,952
Cash and cash equivalents - restricted	2,859,801	1,256,217
Certificate of deposit	-	6,424
Investments	6,795,108	1,673,176
Grants receivable	1,315,358	1,237,823
Other receivable	250	12,500
Prepaid expenses	151,704	66,457
Inventory	3,496	2,406
Unconditional promises to give, net	5,549,824	1,288,269
Property and equipment, net	11,600,008	11,586,713
Total assets	\$ 29,410,697	\$ 17,833,937
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 184,425	\$ 161,436
NET ASSETS		
Unrestricted		
Operating	2,178,559	1,506,004
Equity in property and equipment	11,600,008	11,586,713
Board designated operations	2,500,000	-
Board designated endowment fund	8,550,000	1,050,000
Total unrestricted	24,828,567	14,142,717
Temporarily restricted	4,397,705	3,529,784
Total net assets	29,226,272	17,672,501
Total liabilities and net assets	\$ 29,410,697	\$ 17,833,937

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT			
Gross proceeds from special fund raising events	\$ 1,004,239	\$ -	\$ 1,004,239
Less direct costs	201,706	-	201,706
Net proceeds from special fund raising events	<u>802,533</u>	<u>-</u>	<u>802,533</u>
Contributions	11,341,690	1,052,377	12,394,067
Federal grants	883,857	174,489	1,058,346
Other grants	688,251	1,000,000	1,688,251
Educational program fees	412,995	-	412,995
Sports league fees	3,767	-	3,767
Interest and dividends	44,774	-	44,774
Net gain on investments	83,399	-	83,399
Net assets released from restrictions	<u>1,358,945</u>	<u>(1,358,945)</u>	<u>-</u>
 Total revenues and support	 <u>15,620,211</u>	 <u>867,921</u>	 <u>16,488,132</u>
EXPENSES			
Program services	3,801,756	-	3,801,756
Fund raising	510,644	-	510,644
General and administrative	<u>621,961</u>	<u>-</u>	<u>621,961</u>
 Total expenses	 <u>4,934,361</u>	 <u>-</u>	 <u>4,934,361</u>
 Increase in net assets	 10,685,850	 867,921	 11,553,771
 NET ASSETS - June 1, 2014	 <u>14,142,717</u>	 <u>3,529,784</u>	 <u>17,672,501</u>
 NET ASSETS - May 31, 2015	 <u>\$ 24,828,567</u>	 <u>\$ 4,397,705</u>	 <u>\$ 29,226,272</u>

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BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
Gross proceeds from special fund raising events	\$ 906,150	\$ -	\$ 906,150
Less direct costs	273,237	-	273,237
Net proceeds from special fund raising events	<u>632,913</u>	<u>-</u>	<u>632,913</u>
Contributions	1,686,623	1,568,070	3,254,693
Federal grants	1,059,668	-	1,059,668
Other grants	447,654	1,000,000	1,447,654
Educational program fees	305,179	-	305,179
Sports league fees	4,035	-	4,035
Interest and dividends	41,103	-	41,103
Net gain on investments	149,669	-	149,669
Net assets released from restrictions	<u>1,038,286</u>	<u>(1,038,286)</u>	<u>-</u>
 Total revenues and support	 <u>5,365,130</u>	 <u>1,529,784</u>	 <u>6,894,914</u>
EXPENSES			
Program services	3,882,717	-	3,882,717
Fund raising	480,380	-	480,380
General and administrative	<u>622,560</u>	<u>-</u>	<u>622,560</u>
 Total expenses	 <u>4,985,657</u>	 <u>-</u>	 <u>4,985,657</u>
 Increase in net assets	 379,473	 1,529,784	 1,909,257
 NET ASSETS - June 1, 2013	 <u>13,763,244</u>	 <u>2,000,000</u>	 <u>15,763,244</u>
 NET ASSETS - May 31, 2014	 <u>\$ 14,142,717</u>	 <u>\$ 3,529,784</u>	 <u>\$ 17,672,501</u>

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BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31,

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Fund raising revenue received	\$ 1,004,239	\$ 906,150
Contributions received	8,132,512	2,987,719
Grant revenue received	2,669,062	2,507,322
Educational program fees received	412,995	305,179
Sports league fees received	3,767	4,035
Interest and dividends received	44,774	41,065
Cash paid to suppliers and employees	(4,548,835)	(4,621,603)
Cash paid for interest	(794)	(397)
Cash paid for fund raising	(201,706)	(273,237)
	<u>7,516,014</u>	<u>1,856,233</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(449,126)	(154,056)
Proceeds from redemption of certificate of deposit	6,424	-
Proceeds from sales of investments	3,168,659	775,919
Purchases of investments	(8,207,191)	(822,560)
	<u>(5,481,234)</u>	<u>(200,697)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on line of credit	-	(100,000)
	<u>2,034,780</u>	<u>1,555,536</u>
Net increase in cash	2,034,780	1,555,536
CASH AND CASH EQUIVALENTS - June 1, 2014 and 2013	<u>1,960,169</u>	<u>404,633</u>
CASH AND CASH EQUIVALENTS - May 31, 2015 and 2014	<u>\$ 3,994,949</u>	<u>\$ 1,960,169</u>

	<u>2015</u>	<u>2014</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase in net assets	<u>\$ 11,553,771</u>	<u>\$ 1,909,257</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net gain on investments	(83,399)	(149,669)
Depreciation	435,830	438,663
Changes in:		
Grants receivable	(77,535)	(44,932)
Interest receivable	-	(38)
Other receivable	12,250	(5,489)
Prepaid expenses	(85,247)	(19,562)
Inventory	(1,090)	1,376
Unconditional promises to give	(4,261,555)	(266,974)
Deposits	-	9,855
Accounts payable and accrued expenses	<u>22,989</u>	<u>(16,254)</u>
Total adjustments	<u>(4,037,757)</u>	<u>(53,024)</u>
Net cash provided by operating activities	<u><u>\$ 7,516,014</u></u>	<u><u>\$ 1,856,233</u></u>

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BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2015

	Program Services	Fund Raising	General and Administrative	Total
Salaries and wages	\$ 1,694,659	\$ 337,294	\$ 411,645	\$ 2,443,598
Pension plan	31,294	9,191	17,233	57,718
Other employee benefits	219,478	48,920	35,528	303,926
Payroll taxes	124,439	24,351	28,239	177,029
Total salaries and related expenses	2,069,870	419,756	492,645	2,982,271
Accounting fees	-	-	21,491	21,491
Advertising	9,160	7,316	-	16,476
Office	137,767	19,708	20,713	178,188
Occupancy	58,606	-	-	58,606
Utilities	173,219	1,370	3,301	177,890
Travel and transportation	237,621	8,068	18,784	264,473
Interest	-	-	794	794
Depreciation	424,149	3,426	8,255	435,830
Insurance	66,922	954	4,274	72,150
Supplies	343,732	22,586	7,918	374,236
Repairs and maintenance	171,222	977	2,353	174,552
Telephone	14,517	4,220	2,459	21,196
Training	10,551	1,964	3,068	15,583
Other	84,420	20,299	35,906	140,625
Total expenses	\$ 3,801,756	\$ 510,644	\$ 621,961	\$ 4,934,361

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BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2014

	Program Services	Fund Raising	General and Administrative	Total
Salaries and wages	\$ 1,787,163	\$ 301,250	\$ 375,044	\$ 2,463,457
Pension plan	31,900	4,650	15,575	52,125
Other employee benefits	223,630	34,925	37,889	296,444
Payroll taxes	130,532	21,800	25,712	178,044
Total salaries and related expenses	2,173,225	362,625	454,220	2,990,070
Accounting fees	-	-	19,439	19,439
Advertising	11,107	8,860	-	19,967
Office	133,185	26,678	22,098	181,961
Occupancy	50,962	-	-	50,962
Utilities	153,712	1,050	8,514	163,276
Travel and transportation	313,927	24,281	16,639	354,847
Interest	-	-	397	397
Depreciation	412,942	2,825	22,896	438,663
Insurance	59,220	855	5,869	65,944
Supplies	322,364	23,375	8,223	353,962
Repairs and maintenance	152,013	689	5,588	158,290
Telephone	21,120	7,839	3,405	32,364
Training	14,060	5,824	3,116	23,000
Other	64,880	15,479	52,156	132,515
Total expenses	\$ 3,882,717	\$ 480,380	\$ 622,560	\$ 4,985,657

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2015 AND 2014

NOTE 1 - THE CLUB

Boys & Girls Club of Collier County, Florida, Inc. (the “Club”) was incorporated under the laws of Florida as a corporation not-for-profit, to enable all young people, especially those who need us most, to reach their full potential as productive, caring, responsible citizens.

NOTE 2 - DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, the Club has evaluated events and transactions for potential recognition or disclosure through September 18, 2015, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The Club is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Restricted Cash and Cash Equivalents

Certain cash and cash equivalents held at financial institutions and an investment services company are restricted for the Immokalee capital campaign.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities.

The fair value of substantially all equity securities is determined by quoted market prices and debt securities are determined by the broker using a third party source. The fair value of pooled funds with significant unobservable inputs is determined by a community foundation and is based on the allocation of the Club’s investment in their general endowment fund. Gains or losses on debt and equity securities sold are based on the specific identification method.

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2015 AND 2014

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Unconditional Promises to Give

The Club has reviewed unconditional promises to give and accounts receivable outstanding as of May 31, 2015 and 2014, and considers them to be fully collectible. Based on this and the Club's prior history of insignificant bad debts, no allowance for uncollectible accounts is considered necessary. Expense is recognized during the period in which a specific account is determined to be uncollectible. As of May 31, 2015 and 2014, defaulted pledges expense was \$12,000 and \$31,278, respectively, and is included in other expense.

Property and Equipment

Property and equipment purchased are recorded at cost. Donated assets are recorded at their fair market value at the time of donation. Additions and major renewals in excess of \$500 are capitalized. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to operations, as incurred. See Note 8 for additional information.

Compensated Absences

Employees of the Club are entitled to paid vacations, paid sick days, and personal days off, depending on job classification, length of service, and other factors. Unused vacation time does not carry over to the following calendar year and unused sick time is not paid at termination of employment. Accordingly, no liability has been recorded in the accompanying financial statements.

Income Taxes

Management has analyzed its various federal filing positions and believes that the Club's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The Club's federal income tax returns remain subject to examination by the Internal Revenue Service for three years from the date of filing.

The Club has been granted a ruling that it is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"). The Club is a non-profit Florida corporation, and therefore, is not subject to state income taxes. Accordingly, no provision for income tax has been made. The Club is not considered a private foundation within the meaning of Section 509(a) of the Code.

Fair Value of Financial Instruments

Substantially all of the Club's assets and liabilities, excluding prepaid expenses and property and equipment, are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value, because of the short maturity of the instrument.

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2015 AND 2014

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Support

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Support from federal and other grants is recorded based upon the terms of the grantor allotment, which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred.

Educational program fees are recorded and recognized monthly during the program period.

Advertising Costs

The Club expenses advertising costs when incurred.

Cash Flows

For purposes of the statement of cash flows, the Club considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, excluding certificates of deposit.

The Club made no cash payments for income taxes and cash payments of \$794 and \$397 for interest during the years ended May 31, 2015 and 2014, respectively.

Functional Expenses

The costs of providing program and related support services have been presented in detail in the statement of functional expenses and are summarized on a functional basis in the statement of activities. Those expenses that are directly attributable to the Club's programs have been allocated to program services. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective (i.e. depreciation, personnel administration and accounting). Indirect costs have been allocated to each program and supporting services using a simplified allocation methodology.

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2015 AND 2014

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain amounts have been reclassified in the 2014 statement of financial position for comparative purpose to conform with the presentation in the current-year financial statements.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Club maintains cash balances and a certificate of deposit at several financial institutions. Accounts and certificates of deposit at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”). As of May 31, 2015 and 2014, the uninsured balances were \$3,510,724 and \$1,505,780, respectively, based on the bank statement balances, less the FDIC insurance. Cash equivalents totaling \$0 and \$7,795 as of May 31, 2015 and 2014, respectively, were not insured by the FDIC.

NOTE 5 - INVESTMENTS

Investments consisted of the following as of May 31,:

	2015	2014
Bonds and notes	\$ -	\$ 499,652
Equities	-	1,168,306
Pooled funds	6,795,108	5,218
	<u>\$ 6,795,108</u>	<u>\$ 1,673,176</u>

The cost basis of the investments as of May 31, 2015 and 2014, was \$6,757,132 and \$1,309,740, respectively. The unrealized gains or losses are netted against realized gains or losses and are included in net gain on investments in the statement of activities. During the year ended May 31, 2015, the Club had net realized gains of \$463,836 and net unrealized losses of \$380,437. During the year ended May 31, 2014, the Club had net realized gains of \$24,500 and net unrealized gains of \$125,169.

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2015 AND 2014

NOTE 5 - INVESTMENTS (Continued)

The following are the major categories of assets measured at fair value on a recurring basis during the year ended May 31, 2015, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total as of May 31, 2015
Pooled funds	\$ -	\$ -	\$ 6,795,108	\$ 6,795,108

Fair value measurements using significant unobservable inputs (Level 3) as of May 31, 2015:

Beginning balance	\$ 5,218
Purchases	6,752,132
Total gains or losses (realized/unrealized) included in earnings	31,566
Interest	10,023
Fees	(3,831)
Ending balance	<u>\$ 6,795,108</u>

The following are the major categories of assets measured at fair value on a recurring basis during the year ended May 31, 2014, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total as of May 31, 2014
Bonds and notes	\$ 499,652	\$ -	\$ -	\$ 499,652
Equities	1,168,306	-	-	1,168,306
Pooled funds	-	-	5,218	5,218
	<u>\$ 1,667,958</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,673,176</u>

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2015 AND 2014

NOTE 5 - INVESTMENTS (Continued)

Fair value measurements using significant unobservable inputs (Level 3) as of May 31, 2014:

Beginning balance	\$ -
Total gains or losses (realized/unrealized) included in earnings	218
Purchases, issuances and settlements	5,000
Ending balance	<u>\$ 5,218</u>

NOTE 6 - GRANTS RECEIVABLE

Grants receivable consisted of the following as of May 31,:

	<u>2015</u>	<u>2014</u>
Naples Children & Educational Foundation	\$ 1,016,776	\$ 1,000,000
Collier County schools	-	2,000
Florida Alliance of Boys & Girls Clubs	72,846	59,898
SW Florida Workforce	6,785	11,392
State of Florida Dept. of Health	31,749	36,632
State of Florida Dept. of Education	145,614	93,680
Boys & Girls Club of America	6,111	14,704
Collier County Board of Commissioners	18,324	-
Other	17,153	19,517
	<u>\$ 1,315,358</u>	<u>\$ 1,237,823</u>

NOTE 7 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consisted of the following as of May 31,:

	<u>2015</u>	<u>2014</u>
Restricted for purchase of facility and children support		
Receivables to be collected in less than one year	\$ 5,283,099	\$ 777,090
Receivables to be collected in one to five years	276,300	528,350
Total unconditional promises to give	5,559,399	1,305,440
Less: discount to net present value	(9,575)	(17,171)
Net unconditional promises to give	<u>\$ 5,549,824</u>	<u>\$ 1,288,269</u>

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. As of May 31, 2015 and 2014, the present value discount rate was 3.25%.

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
 NOTES TO FINANCIAL STATEMENTS
 MAY 31, 2015 AND 2014

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of May 31,:

	Estimated Useful Lives	2015	2014
Land	N/A	\$ 1,856,446	\$ 1,856,446
Auto	5 - 10 years	159,164	159,164
Buildings and improvements	5 - 40 years	12,580,121	12,558,132
Computer equipment	3 - 5 years	279,998	244,961
Equipment	3 - 10 years	460,063	463,266
Office equipment	5 - 7 years	253,184	251,074
Construction in progress	N/A	452,405	93,461
		<u>16,041,381</u>	<u>15,626,504</u>
Less: accumulated depreciation		(4,441,373)	(4,039,791)
		<u>\$ 11,600,008</u>	<u>\$ 11,586,713</u>

Depreciation expense for the years ended May 31, 2015 and 2014, was \$435,830 and \$438,663, respectively, and is allocated between program services, fund raising, and general and administrative.

NOTE 9 - LINE OF CREDIT

The Club has a revolving line of credit with a bank for a maximum principal amount of \$500,000, collateralized by an investment account held at a community foundation. The revolving line of credit matures on December 10, 2016. The stated rate on the credit line is 3.25%. All accrued but unpaid interest shall be due and payable monthly. As of May 31, 2015 and 2014, there was no outstanding balance on the line of credit. Interest expense was \$794 and \$397 for the years ended May 31, 2015 and 2014, respectively.

NOTE 10 - BOARD DESIGNATED ENDOWMENT FUND

The Club's Board designated endowment fund includes funds designated by the Board to function as endowments and are classified and reported based on the absence of donor-imposed restrictions.

Board designated endowment fund consists of the following as of May 31,:

	2015	2014
Operations	\$ 6,850,000	\$ 1,050,000
Repairs and maintenance	1,200,000	-
Scholarships	500,000	-
	<u>\$ 8,550,000</u>	<u>\$ 1,050,000</u>

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
 NOTES TO FINANCIAL STATEMENTS
 MAY 31, 2015 AND 2014

NOTE 10 - BOARD DESIGNATED ENDOWMENT FUND (Continued)

The following is a table of changes in endowment net assets for the years ended May 31,:

	<u>2015</u>	<u>2014</u>
Endowment net asset balance as of June 1, 2014 and 2013	\$ 1,050,000	\$ 1,050,000
Contributions	7,500,000	-
Interest and dividends	36,914	41,003
Appropriation of endowment assets for expenditure	<u>(36,914)</u>	<u>(41,003)</u>
 Endowment net asset balance as of May 31, 2015 and 2014	 <u>\$ 8,550,000</u>	 <u>\$ 1,050,000</u>

The endowment fund earnings are to be used for the operation of the Club. In the event it becomes necessary to supplement income in any given year, a portion of the principle can be used for operations.

NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of May 31,:

	<u>2015</u>	<u>2014</u>
Immokalee Facility	\$ 3,397,705	\$ 2,529,784
Summer enrichment	<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$ 4,397,705</u>	<u>\$ 3,529,784</u>

The Immokalee Facility fund is to be used for the construction of the Immokalee Club. The summer enrichment fund is to be used for summer programming in Naples and Immokalee.

NOTE 12 - RELATED PARTY TRANSACTIONS

During the years ended May 31, 2015 and 2014, the Club recorded contributions of \$11,195,910 and \$1,382,550, respectively, from members of the Board of Directors (the "Board"). As of May 31, 2015 and 2014, unconditional promises to give included \$5,300,499 and \$462,000, respectively, due from members of the Board.

NOTE 13 - PENSION PLAN

The Club contributes 4% of total compensation to a 401(k) plan on behalf of employees who have completed 1,000 hours of service. Total pension plan expense for the years ended May 31, 2015 and 2014 was \$57,718 and \$52,125, respectively, and is allocated between program services, fund raising, and general and administrative.

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
 NOTES TO FINANCIAL STATEMENTS
 MAY 31, 2015 AND 2014

NOTE 14 - OPERATING LEASES

The Club has a five-year lease agreement ending in March 2017 for a postage meter. The agreement requires minimum monthly charges of \$93. The Club also has a five-year lease agreement ending in June 2018 for copier equipment. The agreement requires minimum monthly charges of \$998. Lease expense for the year ended May 31, 2015 was \$13,092 and is included in office expense, and is allocated between program services, fund raising, and general and administrative.

Future minimum payments required under the leases are as follows:

<u>Years ending May 31,:</u>	<u>Postage meter</u>	<u>Copier</u>	<u>Total</u>
2016	\$ 1,116	\$ 11,976	\$ 13,092
2017	930	11,976	12,906
2018	-	11,976	11,976
2019	-	998	998
	<u>\$ 2,046</u>	<u>\$ 35,928</u>	<u>\$ 37,974</u>

NOTE 15 - ECONOMIC DEPENDENCY

The Club is supported in part by individual contributions and grants. One major grantor provided 64% of total revenue and support for the Club for the year ended May 31, 2015. Another major grantor provided 15% of total revenue and support for the Club for the year ended May 31, 2014. An anonymous contributor provided 15% of total revenue and support for the Club for the year ended May 31, 2014.

SUPPLEMENTARY INFORMATION

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2015

Federal Grantor/ Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
Department of Education:			
Passed through the Southwest Florida Workforce Development Board, Inc. 21 st Century Community Learning Programs (2)	84.287	N/A	\$ 51,303
Passed through Florida Department of Education 21 st Century Community Learning Programs (2)	84.287	11C-2445B-5PCCI	312,447
21 st Century Community Learning Programs (2)	84.287	11C-2444A-4PCCI	29,147
			<u>392,897</u>
Department of Justice:			
Passed through Cal Ripken Sr. Foundation Juvenile Mentoring Program (2)	16.726	2014-FEDFY12-MSM-B4B-FL-1	8,090
Juvenile Mentoring Program (2)	16.726	2015-YDPGF-CRSF-B4B-FL-1	8,725
Passed through Boys & Girls Clubs of America Juvenile Mentoring Program (2)	16.726	OJP 2014-34607	24,400
Juvenile Mentoring Program (2)	16.726	OJP 2013-31666	10,911
Juvenile Mentoring Program (2)	16.726	OJP 2013-31667	12,972
Passed through Sea Research Foundation Juvenile Mentoring Program (2)	16.726	2013-OJJDP-IM-4	19,508
			<u>84,606</u>
Department of Housing and Urban Development:			
Passed through the Collier County Community Development Block Grant (1)	14.218	B-12-UC-12-0016	174,489
Department of Agriculture:			
Passed through the Florida Department of Education Summer Food Program for Children (2)	10.559	04-0175	85,526
Passed through the Florida Department of Health Child and Adult Care Food Program (1)	10.558	A-3154	320,828
			<u>406,354</u>
			<u>\$ 1,058,346</u>

(1) Denotes a major program

(2) Denotes a non-major program

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Boys & Girls Club of Collier County, Florida, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2014

Federal Grantor/ Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
Department of Education:			
Passed through the Southwest Florida Workforce Development Board, Inc. 21 st Century Community Learning Programs (1)	84.287	N/A	\$ 68,933
Passed through Florida Department of Education 21 st Century Community Learning Programs (1)	84.287	11C-2443A-3PCCI	116,402
21 st Century Community Learning Programs (1)	84.287	11C-2444A-4PCCI	350,429
			<u>535,764</u>
Department of Justice:			
Passed through Cal Ripken Sr. Foundation Juvenile Mentoring Program (2)	16.726	2014-FEDFY12-MSM-B4B-FL-1	16,910
Juvenile Mentoring Program (2)	16.726	2013-PVT-CRSF-B4B-FL-1	7,593
Passed through Boys & Girls Clubs of America Juvenile Mentoring Program (2)	16.726	OJP 2013-31666	20,193
Juvenile Mentoring Program (2)	16.726	OJP 2013-31667	22,028
Juvenile Mentoring Program (2)	16.726	OJP 2012-28975	11,497
Juvenile Mentoring Program (2)	16.726	OJP 2012-28974	7,847
Juvenile Mentoring Program (2)	16.726	OJP 2011-23246	1,870
Passed through Sea Research Foundation Juvenile Mentoring Program (2)	16.726	2013-OJJDP-IM-4	11,159
			<u>99,097</u>
Department of Housing and Urban Development:			
Passed through the Collier County Community Development Block Grant (2)	14.218	B-11-US-12-0016	8,747
Department of Agriculture:			
Passed through the Florida Department of Education Summer Food Program for Children (2)	10.559	04-0175	80,953
Passed through the Florida Department of Health Child and Adult Care Food Program (2)	10.558	A-3154	335,107
			<u>416,060</u>
			<u>\$ 1,059,668</u>

(1) Denotes a major program

(2) Denotes a non-major program

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Boys & Girls Club of Collier County, Florida, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Read Independent Auditor's Report.



Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

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*

To the Board of Directors of
Boys & Girls Club of Collier County, 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 financial statements of Boys & Girls Club of Collier County, Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boys & Girls Club of Collier County, Florida, Inc.'s internal control over financial reporting (internal control) to determine the audit 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 Boys & Girls Club of Collier County, Florida, Inc.'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* 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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boys & Girls Club of Collier County, Florida, Inc.'s 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 determination of financial statement amounts. 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*.

To the Board of Directors of
Boys & Girls Club of Collier County, Florida, Inc.

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.



MYERS, BRETT HOLTZ & COMPANY, PA
Fort Myers, Florida
September 18, 2015



Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors of
Boys & Girls Club of Collier County, Florida, Inc.

Report on Compliance for Each Major Federal Program

We have audited Boys & Girls Club of Collier County, Florida, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Boys & Girls Club of Collier County, Florida, Inc.'s major federal programs for the year ended May 31, 2015. Boys & Girls Club of Collier County, Florida, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Boys & Girls Club of Collier County, Florida, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Boys & Girls Club of Collier County, Florida, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Boys & Girls Club of Collier County, Florida, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Boys & Girls Club of Collier County, Florida, Inc. 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 May 31, 2015.

To the Board of Directors of
Boys & Girls Club of Collier County, Florida, Inc.

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.



MYERS, BRETT HOLTZ & COMPANY, PA
Fort Myers, Florida
September 18, 2015

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MAY 31, 2015

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes no

Significant deficiencies identified that are not considered to be material weaknesses? ___ yes none reported

Noncompliance material to financial statements noted? ___ yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ yes no

Significant deficiencies identified that are not considered to be material weaknesses? ___ yes none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___ yes no

Major programs:

CFDA Number 10.558	Child and Adult Care Food Program
CFDA Number 14.218	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes ___ no

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

BOYS & GIRLS CLUB OF COLLIER COUNTY, FLORIDA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MAY 31, 2015

There were no audit findings in the prior year.