

**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.  
MACON, GEORGIA**

**FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 2018 AND 2017 AND  
INDEPENDENT AUDITOR'S REPORT**

**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.**

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October 21, 2019

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Boys & Girls Clubs of Central Georgia, Inc.

We have audited the accompanying financial statements of the **Boys & Girls Clubs of Central Georgia, Inc.** (the Club), which comprise the statements of financial position as of December 31, 2018 and 2017 and the related statements of activities, functional expenses and cash flows 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 Club'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 Club'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 the Boys & Girls Clubs of Central Georgia, Inc. as of December 31, 2018 and 2017 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Change in Accounting Principle

As described in Note 1 to the financial statements, the Club adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter. There was no impact on the total net assets as a result of the adoption of ASU 2016-14.

## 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 a report dated October 21, 2019, on our consideration of the Club's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Club's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Club's internal control over financial reporting and compliance.

*McNair, McLemore, Middlebrooks & Co., LLC*

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31**

	<b>2018</b>	2017
<b>Assets</b>		
Cash and Cash Equivalents	<b>\$ 48,976</b>	\$179,522
Receivable from United Way	<b>48,243</b>	48,602
Contracts and Grants Receivable	<b>146,876</b>	72,237
Property and Equipment, Net	<b>41,334</b>	74,932
	<b>\$285,429</b>	\$375,293
<b>Liabilities</b>		
Deferred Revenue	<b>\$ -</b>	\$ 4,000
Accounts Payable	<b>63,917</b>	30,130
Accrued Expenses and Other Liabilities	<b>-</b>	743
	<b>63,917</b>	34,873
<b>Net Assets</b>		
Without Donor Restrictions		
Undesignated	<b>163,269</b>	291,818
With Donor Restrictions		
Time-Restricted for Future Periods	<b>48,243</b>	48,602
Purpose Restrictions	<b>10,000</b>	-
	<b>221,512</b>	340,420
<b>Total Liabilities and Net Assets</b>	<b>\$285,429</b>	\$375,293

See accompanying notes which are an integral part of these financial statements.

**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Other Support</b>			
<i>Contributions and Grants</i>			
Contributions	\$ 161,547	\$ 10,000	\$ 171,547
United Way	-	239,509	239,509
Grants			
Federal	895,887	-	895,887
Other	126,964	-	126,964
In-Kind Contributions	674,649	-	674,649
Net Assets Released from Restrictions	239,868	(239,868)	-
	<u>2,098,915</u>	<u>9,641</u>	<u>2,108,556</u>
<i>Revenue and Gains</i>			
Special Events	80,140	-	80,140
Program Fees	150,244	-	150,244
Other Income	26,490	-	26,490
	<u>256,874</u>	<u>-</u>	<u>256,874</u>
<b>Expenses</b>			
<i>Program Services</i>			
After School Program	1,353,462	-	1,353,462
CACFP/SFSP Food Program	270,694	-	270,694
Summer Program	90,232	-	90,232
Other Programs	90,232	-	90,232
<i>Supporting Services</i>			
Management and General	546,484	-	546,484
Fund-Raising	100,892	-	100,892
Cost of Special Events	32,342	-	32,342
	<u>2,484,338</u>	<u>-</u>	<u>2,484,338</u>
<b>Decrease in Net Assets</b>	<b>(128,549)</b>	<b>9,641</b>	<b>(118,908)</b>
<b>Net Assets-Beginning</b>	<u>291,818</u>	<u>48,602</u>	<u>340,420</u>
<b>Net Assets-Ending</b>	<u>\$ 163,269</u>	<u>\$ 58,243</u>	<u>\$ 221,512</u>

See accompanying notes which are an integral part of these financial statements.

**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Other Support</b>			
<i>Contributions and Grants</i>			
Contributions	\$ 209,389	\$ -	\$ 209,389
United Way	-	239,486	239,486
Grants			
Federal	660,815	-	660,815
Other	119,494	-	119,494
In-Kind Contributions	700,452	-	700,452
Net Assets Released from Restrictions	245,253	(245,253)	-
	<u>1,935,403</u>	<u>(5,767)</u>	<u>1,929,636</u>
<i>Revenue and Gains</i>			
Special Events	19,536	-	19,536
Program Fees	146,121	-	146,121
Other Income	24,977	-	24,977
	<u>190,634</u>	<u>-</u>	<u>190,634</u>
<b>Expenses</b>			
<i>Program Services</i>			
After School Program	688,316	-	688,316
Gear Up Program	688,316	-	688,316
Summer Program	76,481	-	76,481
Other Programs	76,481	-	76,481
<i>Supporting Services</i>			
Management and General	526,568	-	526,568
Fund-Raising	86,532	-	86,532
Cost of Special Events	16,418	-	16,418
	<u>2,159,112</u>	<u>-</u>	<u>2,159,112</u>
<b>Decrease in Net Assets</b>	(33,075)	(5,767)	(38,842)
<b>Net Assets-Beginning</b>	<u>324,893</u>	<u>54,369</u>	<u>379,262</u>
<b>Net Assets-Ending</b>	<u>\$ 291,818</u>	<u>\$ 48,602</u>	<u>\$ 340,420</u>

See accompanying notes which are an integral part of these financial statements.

**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program Services				Supporting Services			Totals
	After School Program	CACFP/ SFSP Food Program	Summer Program	Other Programs	Management and General	Fund-Raising	Cost of Special Events	
Salaries	\$ 591,728	\$118,346	\$39,449	\$39,449	\$ 96,216	\$ 76,973	\$ -	\$ 962,161
Payroll Taxes	48,908	9,782	3,261	3,261	7,953	6,362	-	79,527
Professional Fees	35,294	7,059	2,353	2,353	34,077	-	-	81,136
Bank Fees	-	-	-	-	3,621	-	-	3,621
Depreciation	22,679	4,536	1,512	1,512	3,359	-	-	33,598
Membership and Affiliate Dues	-	-	-	-	14,841	-	-	14,841
Employee Benefits	37,815	7,563	2,521	2,521	6,149	4,919	-	61,488
Interest	-	-	-	-	64	-	-	64
Transportation	2,667	533	178	178	-	-	-	3,556
Insurance	19,828	3,966	1,322	1,322	4,665	-	-	31,103
Rent	279,290	55,858	18,619	18,619	343,743	-	-	716,129
Utilities	29,451	5,890	1,963	1,963	-	-	-	39,267
Janitorial	20,570	4,114	1,371	1,371	-	-	-	27,426
Postage	120	24	8	8	532	372	-	1,064
Travel	-	-	-	-	-	-	667	667
Printing	1,991	399	133	133	5,672	1,209	-	9,537
Entertainment	-	-	-	-	-	-	10,897	10,897
Prizes and Awards	-	-	-	-	-	-	107	107
Supplies	195,017	39,004	13,001	13,001	1,492	-	14,529	276,044
Telephone	10,134	2,027	676	676	3,378	5,630	-	22,521
Vehicle	9,942	1,988	663	663	2,339	-	-	15,595
Lodging and Meals	1,509	302	101	101	355	-	6,142	8,510
Conferences and Seminars	1,098	220	73	73	258	-	-	1,722
Training	2,955	591	197	197	2,853	-	-	6,793
Advertising and Marketing	12,210	2,442	814	814	-	5,427	-	21,707
Repairs and Maintenance	6,511	1,302	434	434	6,115	-	-	14,796
Recruiting	2,205	441	147	147	2,129	-	-	5,069
Payroll Service Fees	2,681	536	179	179	2,588	-	-	6,163
Computer and Technology	9,482	1,896	632	632	2,408	-	-	15,050
Security	1,955	391	130	130	-	-	-	2,606
Miscellaneous	7,422	1,484	495	495	1,677	-	-	11,573
	<u>\$1,353,462</u>	<u>\$270,694</u>	<u>\$90,232</u>	<u>\$90,232</u>	<u>\$546,484</u>	<u>\$100,892</u>	<u>\$32,342</u>	<u>\$2,484,338</u>

See accompanying notes which are an integral part of these financial statements.



**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Program Services</u>				<u>Supporting Services</u>			<u>Totals</u>
	<u>After School Program</u>	<u>Gear Up Program</u>	<u>Summer Program</u>	<u>Other Programs</u>	<u>Management and General</u>	<u>Fund-Raising</u>	<u>Cost of Special Events</u>	
Salaries	\$322,260	\$322,260	\$35,807	\$35,807	\$ 87,332	\$69,867	\$ -	\$ 873,333
Payroll Taxes	25,201	25,201	2,800	2,800	6,830	5,464	-	68,296
Professional Fees	16,328	16,328	1,814	1,814	26,274	-	-	62,558
Bank Fees	-	-	-	-	3,112	-	-	3,112
Depreciation	15,286	15,286	1,698	1,698	3,774	-	-	37,742
Membership and Affiliate Dues	-	-	-	-	13,486	-	-	13,486
Employee Benefits	14,802	14,802	1,645	1,645	4,011	3,208	-	40,113
Interest	-	-	-	-	40	-	-	40
Transportation	2,572	2,572	286	286	-	-	-	5,716
Insurance	10,849	10,849	1,206	1,206	4,255	-	-	28,365
Rent	166,847	166,847	18,539	18,539	342,252	-	-	713,024
Utilities	9,896	9,895	1,100	1,100	-	-	-	21,991
Janitorial	8,574	8,574	953	953	-	-	-	19,054
Postage	79	79	9	9	587	411	-	1,174
Travel	-	-	-	-	-	-	150	150
Printing	1,246	1,247	139	139	6,501	1,386	-	10,658
Entertainment	-	-	-	-	-	-	2,850	2,850
Prizes and Awards	99	99	11	11	-	-	2,651	2,871
Supplies	62,444	62,444	6,938	6,937	6,856	-	3,469	149,088
Telephone	3,990	3,990	443	443	2,217	3,694	-	14,777
Vehicle	4,585	4,585	509	509	1,798	-	-	11,986
Lodging and Meals	901	901	100	100	353	-	7,298	9,653
Conferences and Seminars	741	741	82	82	291	-	-	1,937
Training	2,040	2,040	227	227	3,281	-	-	7,815
Advertising and Marketing	3,377	3,377	375	375	-	2,502	-	10,006
Repairs and Maintenance	2,357	2,357	262	262	4,421	-	-	9,659
Recruiting	1,316	1,316	147	147	2,118	-	-	5,044
Payroll Service Fees	1,450	1,450	161	161	2,332	-	-	5,554
Computer and Technology	8,005	8,005	889	889	3,388	-	-	21,176
Security	371	371	41	42	-	-	-	825
Miscellaneous	2,700	2,700	300	300	1,059	-	-	7,059
	<u>\$688,316</u>	<u>\$688,316</u>	<u>\$76,481</u>	<u>\$76,481</u>	<u>\$526,568</u>	<u>\$86,532</u>	<u>\$16,418</u>	<u>\$2,159,112</u>

See accompanying notes which are an integral part of these financial statements.

**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31**

	2018	2017
<b>Cash Flows From Operating Activities</b>		
Decrease in Net Assets	<b>\$(118,908)</b>	\$ (38,842)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used by Operating Activities		
Depreciation	<b>33,598</b>	37,742
<i>Change in</i>		
Receivable from United Way	<b>359</b>	5,767
Contracts and Grants Receivable	<b>(74,639)</b>	(2,209)
Other Receivables	-	5,000
Deferred Revenue	<b>(4,000)</b>	(38,831)
Accounts Payable	<b>33,787</b>	17,047
Accrued Expenses and Other Liabilities	<b>(743)</b>	(932)
	<b>(130,546)</b>	(15,258)
<b>Net Decrease in Cash and Cash Equivalents</b>		
	<b>(130,546)</b>	(15,258)
<b>Cash and Cash Equivalents-Beginning</b>	<b>179,522</b>	194,780
<b>Cash and Cash Equivalents-Ending</b>	<b>\$ 48,976</b>	\$179,522
<b>Supplemental Information</b>		
Cash Paid for Interest	<b>\$ 64</b>	\$ 40

See accompanying notes which are an integral part of these financial statements.

# BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.

## NOTES TO FINANCIAL STATEMENTS

### (1) Summary of Significant Accounting Policies

#### *Nature of Activities*

The Boys & Girls Clubs of Central Georgia, Inc. (the Club) is an affiliate of the national organization, Boys & Girls Clubs of America. The Club provides recreational, instructional and social programs for boys and girls ages 6 to 18 in central Georgia. The Club is supported primarily through contributions from individuals, private foundations, allocations from the United Way of Central Georgia, Boys & Girls Clubs of America grants and various federal grants.

#### *Basis of Accounting*

The financial statements of the Club have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

#### *Classification of Net Assets*

The Club reports information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions category consists of net assets available for use in general operations and not subject to donor restrictions. Contributions and grants with donor-imposed restrictions met in the same period in which the contributions and grants are recognized and are reported as changes in net assets without donor restrictions.

Net Assets With Donor Restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

#### *Recently Adopted and Recently Issued Accounting Standards*

##### Adopted

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, “net assets with donor restrictions” and “net assets without donor restrictions,” and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. The Club adopted ASU 2016-14 for the reporting period ended December 31, 2018. There was no impact on the total net assets as a result of the adoption of ASU 2016-14.

## **(1) Summary of Significant Accounting Policies (Continued)**

### *Recently Adopted and Recently Issued Accounting Standards (Continued)*

#### Issued

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The standard is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Club is in the process of evaluating the impact of this new guidance.

#### *Cash and Cash Equivalents*

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

#### *Compensated Absences*

The Club's staff is entitled to paid vacation and sick leave. The amount of compensation for future absences is immaterial to the financial statements. Accordingly, no liability is recorded in the accompanying financial statements.

#### *Donated Assets*

Donations of securities and property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Club reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

#### *Donated Services, Materials and Facilities*

The Club records various types of in-kind support including contributed services. Contributed services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements.

## (1) Summary of Significant Accounting Policies (Continued)

### *Donated Services, Materials and Facilities (Continued)*

For the years ended December 31, the Club received donated services and materials for the following major categories:

	<u>2018</u>	<u>2017</u>
Program Services	<b>\$663,129</b>	\$663,276
Supporting Services	<b>11,520</b>	37,176
	<u><b>\$674,649</b></u>	<u>\$700,452</u>

The Club currently has programs in seven locations where the rent is donated. The Program Services amount includes \$663,129 and \$663,276 of donated rent for the years ended December 31, 2018 and 2017, respectively. Leases related to the locations are annual leases.

### *Functional Allocation of Expenses*

The costs of providing the Club's various programs and activities have been summarized on a functional basis in the statements of activities. The detail of the cost allocated and the services that are benefited is found in the statements of functional expenses.

### *Income Tax Status*

The Club is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Club's tax-exempt purpose is subject to taxation as unrelated business income. There were no such activities during the years ended December 31, 2018 and 2017. In addition, the Club qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

### *Investment Income and Gains*

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

### *Property and Equipment*

The Club capitalizes all expenditures for property and equipment that have a useful life greater than a year. Property and equipment acquisitions are recorded at cost, estimated cost, or if donated, at fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 5 to 40 years.

## **(1) Summary of Significant Accounting Policies (Continued)**

### *Revenue Recognition*

Revenues are displayed in two broad categories. Earned revenues represent fees earned or revenue generated through the performance or provision of services. Contributed support represents unconditional gifts in a voluntary nonreciprocal transfer.

The Club recognizes all contributed support received as income in the period received or pledged. Contributed support is reported as unrestricted or as restricted, depending upon the existence of donor stipulations that limit the use of the support. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

### *Deferred Revenue*

Deferred revenue includes grant income received in the current year which included certain criteria and stipulations which would not be completed until the subsequent year. Accordingly, the grant income received has been deferred until the criteria and stipulations have been satisfied.

### *Use of Estimates*

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

### *Concentrations*

The Club received approximately 12 percent of its support from the United Way for the years ended December 31, 2018 and 2017. Also, approximately 77 percent and 71 percent of its grants are received from two entities for the years ended December 31, 2018 and 2017, respectively. A change in support from these entities could significantly impact the operations of the Club.

## **(2) Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$ 48,976
Receivable from United Way	48,243
Contracts and Grants Receivable	<u>146,876</u>
	<u>\$244,095</u>

### (3) Contracts and Grants Receivable

Contracts and grants receivable totaling \$146,876 and \$72,237 are comprised of amounts from various federal agencies which have not been received as of December 31, 2018 and 2017, respectively. Management believes the entire amount is collectible and an allowance for doubtful accounts is not necessary.

### (4) Property and Equipment

Property and equipment are comprised of the following as of December 31:

	<b>Life in Years</b>	<b>2018</b>	<b>2017</b>
Buildings and Improvements	15-40	<b>\$ 123,799</b>	\$ 123,799
Equipment	5	<b>328,235</b>	328,235
Vehicles	5	<b>92,894</b>	92,894
Furniture and Fixtures	7	<b>40,531</b>	40,531
		<b>585,459</b>	585,459
Accumulated Depreciation		<b>(544,125)</b>	(510,527)
		<b>\$ 41,334</b>	\$ 74,932

### (5) Subsequent Events

In preparing the financial statements, the Club has evaluated events and transactions for potential recognition or disclosure through October 21, 2019, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**



**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U.S. Department of Justice			
Direct Programs			
Mentoring Youth At-Risk	16.726		\$ 8,000
Mentoring Youth At-Risk	16.726		10,000
Mentoring Youth At-Risk	16.726		10,000
Mentoring Youth At-Risk	16.726		12,000
U.S. Department of Education			
Pass-Through Programs			
Bibb County School District			
Create Your Future Gaining Early Awareness and Readiness for Undergraduate Programs	84.334A	P334A110258	147,452
U.S. Department of Agriculture			
Pass-Through Programs			
Georgia Department of Early Care and Learning			
Summer Food Service Program	10.553	15067	86,382
Child and Adult Care Food Program	10.558	15067	256,980
U.S. Department of Health and Human Services			
Pass-Through Programs			
Georgia Department of Human Services			
Temporary Assistance for Needy Families	93.558	42700-040-0000065032	239,832
Temporary Assistance for Needy Families	93.558	01-0557882	88,557
Fort Valley State University			
PRIDE Navigator	93.243	CANFVSU-054	4,991
			<u>\$864,194</u>

The Club did not receive federal noncash assistance, insurance loans or loan guarantees.

See accompanying notes to schedule of expenditures of federal awards.

**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**(1) Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Club under programs of the federal government for the year ended December 31, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Club, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Club.

**(2) Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Club has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

October 21, 2019

**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 Directors  
Boys & Girls Clubs of Central Georgia, Inc.

We have audited, 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, the financial statements of the **Boys & Girls Clubs of Central Georgia, Inc.** which comprise the statement of financial position as of December 31, 2018, 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 October 21, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Club'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 the Club's internal control. Accordingly, we do not express an opinion on the effectiveness of the Club'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Club'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 the Club'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*.

## **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 Club'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 Club's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McNair, McLemore, Middlebrooks & Co., LLC*

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

October 21, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Boys & Girls Clubs of Central Georgia, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited the **Boys & Girls Clubs of Central Georgia, Inc.** 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 Club's major federal programs for the year ended December 31, 2018. The Club'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Club'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 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). Those standards and the Uniform Guidance 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 the Club'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 the Club's compliance.

## Opinion on Each Major Federal Program

In our opinion, the Club 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 December 31, 2018.

## Report on Internal Control Over Compliance

Management of the Club is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Club's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Club's 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 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 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 the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*McNair, McLemore, Middlebrooks & Co., LLC*

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**A. Summary of Auditor's Results**

*Financial Statements*

Type of Audit Report Issued		Unmodified
Internal Control Over Financial Reporting		
Material Weakness(es) Identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiency(ies) Identified not Considered to be Material Weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Noncompliance Material to Financial Statements Noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

*Federal Awards*

Internal Control Over Major Programs		
Material Weakness(es) Identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiency(ies) Identified not Considered to be Material Weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of Audit Report Issued on Compliance for Major Programs		Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with 2 CFR Section 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program (CACFP)
10.559	Summer Food Service Program for Children (SFSP)
93.243	PRIDE Navigator

Dollar Threshold Used to Distinguish Between Type A and Type B Programs		\$750,000
Auditee Qualified as Low-Risk Auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**B. Financial Statements Findings**

None

**C. Major Federal Awards Program Findings and Questioned Costs**

None



**BOYS & GIRLS CLUBS OF CENTRAL GEORGIA, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Financial Statements Findings**

None