



Boys & Girls Clubs of Central Florida, Inc.

Financial Statements
Years Ended June 30, 2015 and 2014

Boys & Girls Clubs of Central Florida, Inc.

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Boys & Girls Clubs of Central Florida, Inc.

Contents

Independent Auditor's Report	3-4
Financial Statements:	
Statements of Financial Position	6
Statements of Activities	7
Statements of Cash Flows	8
Statements of Functional Expenses	9
Notes to Financial Statements	10-19



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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Boys & Girls Clubs of Central Florida, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2015, and the related statements of activities, cash flows and functional expenses for the year 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. 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 Clubs of Central Florida, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The 2014 financial statements of Boys & Girls Clubs of Central Florida, Inc. were audited by Cross, Fernandez & Riley, LLP. ("CFR") whose partners and professional staff joined BDO USA, LLP as of August 1, 2015, and has subsequently ceased operations. CFR's report dated November 10, 2014, expressed an unmodified opinion on those statements.

BDO USA, LLP

BDO USA, LLP
January 5, 2016

Financial Statements

Boys & Girls Clubs of Central Florida, Inc.

Statements of Financial Position

<i>June 30,</i>	2015	2014
Assets		
Current:		
Cash and cash equivalents	\$ 4,634,097	\$ 5,088,358
Investments (Note 2)	7,204,684	7,102,145
Grants receivable	646,842	649,510
Contributions receivable, current portion, net (Note 3)	1,184,630	1,046,879
Prepaid expenses	161,350	171,479
Land held for sale	250,000	-
Deferred compensation investments (Note 5)	-	223,480
Total Current Assets	14,081,603	14,281,851
Property and Equipment, net (Note 4)	14,914,019	16,065,897
Other Assets:		
Contributions receivable, long term, net (Note 3)	527,971	422,838
Other	53,075	53,290
Total Other Assets	581,046	476,128
	\$ 29,576,668	\$ 30,823,876
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 90,591	\$ 244,066
Accrued compensation	471,977	447,186
Deferred revenues	256,018	382,576
Deferred compensation liability (Note 5)	-	223,480
Total Current Liabilities	818,586	1,297,308
Commitments And Contingencies (Notes 6 and 7)	-	-
Net Assets (Note 8):		
Unrestricted	20,293,542	21,533,188
Temporarily restricted	7,670,995	7,199,835
Permanently restricted	793,545	793,545
Total Net Assets	28,758,082	29,526,568
	\$ 29,576,668	\$ 30,823,876

See accompanying notes to financial statements.

Boys & Girls Clubs of Central Florida, Inc.

Statements of Activities

<i>Years ended June 30,</i>	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Support:								
Government revenues	\$ 4,212,586	\$ -	\$ -	\$ 4,212,586	\$ 4,175,630	\$ -	\$ -	\$ 4,175,630
Contributions	2,199,054	1,167,211	-	3,366,265	2,681,670	1,041,617	33,680	3,756,967
In-kind contributions (Note 1)	1,913,971	-	-	1,913,971	2,524,091	-	-	2,524,091
United Way	646,948	309,502	-	956,450	633,005	154,999	-	788,004
Special events	1,006,251	-	-	1,006,251	880,308	-	-	880,308
Dues and program services	591,012	-	-	591,012	619,641	-	-	619,641
Investment income (Note 2)	114,839	3,877	-	118,716	802,088	98,988	-	901,076
Other revenues	78,647	-	-	78,647	44,245	-	-	44,245
Impairment on land held for sale (Note 1)	(350,000)	-	-	(350,000)	-	-	-	-
Net assets released from restrictions (Note 8)	1,009,430	(1,009,430)	-	-	3,083,814	(3,083,814)	-	-
Total Revenues and Support	11,422,738	471,160	-	11,893,898	15,444,492	(1,788,210)	33,680	13,689,962
Expenses:								
Program services	9,159,053	-	-	9,159,053	9,887,505	-	-	9,887,505
Supporting services:								
Management and general	2,003,015	-	-	2,003,015	1,798,681	-	-	1,798,681
Fundraising	1,500,316	-	-	1,500,316	1,301,651	-	-	1,301,651
Total Expenses	12,662,384	-	-	12,662,384	12,987,837	-	-	12,987,837
Change in Net Assets	(1,239,646)	471,160	-	(768,486)	2,456,655	(1,788,210)	33,680	702,125
Net Assets, beginning of year	21,533,188	7,199,835	793,545	29,526,568	19,076,533	8,988,045	759,865	28,824,443
Net Assets, end of year	\$ 20,293,542	\$ 7,670,995	\$ 793,545	\$ 28,758,082	\$ 21,533,188	\$ 7,199,835	\$ 793,545	\$ 29,526,568

See accompanying notes to financial statements.

Boys & Girls Clubs of Central Florida, Inc.

Statements of Cash Flows

<i>Years ended June 30,</i>	2015	2014
Cash Flows From Operating Activities:		
Change in net assets	\$ (768,486)	\$ 702,125
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Depreciation	643,004	633,756
Amortization of pledge discount	22,650	(2,166)
Provision for uncollectible pledges	141,956	214,636
Donated property and equipment	-	(106,196)
Impairment on land held for sale	350,000	-
Donated stock	(62,787)	(78,935)
Net realized and unrealized (gain) loss on investments	112,256	(705,054)
Gain on disposal of property and equipment	-	(4,000)
Cash provided by (used for):		
Grants receivable	2,668	633,787
Contributions receivable	(407,490)	187,917
Prepaid expenses	10,129	(67,525)
Other assets	215	42,913
Accounts payable and accrued compensation	(128,684)	(582,324)
Deferred revenue	(126,558)	35,177
Net cash (used for) provided by operating activities	(211,127)	904,111
Cash Flows From Investing Activities:		
Purchase of property and equipment	(91,126)	(853,213)
Purchase of investments	(6,734,847)	(3,343,064)
Proceeds from sales of investments	6,582,839	2,977,406
Net cash used for investing activities	(243,134)	(1,218,871)
Net Decrease in Cash and Cash Equivalents	(454,261)	(314,760)
Cash and Cash Equivalents, beginning of year	5,088,358	5,403,118
Cash and Cash Equivalents, end of year	\$ 4,634,097	\$ 5,088,358

See accompanying notes to financial statements.

Boys & Girls Clubs of Central Florida, Inc.

Statements of Functional Expenses

<i>Years ended June 30,</i>	2015				2014			
	Program Services	Supporting Services		Total	Program Services	Supporting services		Total
		Management and General	Fundraising			Management and General	Fundraising	
Personnel:								
Salaries	\$ 3,830,046	\$ 1,009,422	\$ 637,646	\$ 5,477,114	\$ 4,036,392	\$ 815,239	\$ 553,031	\$ 5,404,662
Employee benefits	434,140	168,412	88,239	690,791	361,745	86,566	88,757	537,068
Payroll taxes	324,262	68,446	38,551	431,259	319,108	77,803	37,889	434,800
	4,588,448	1,246,280	764,436	6,599,164	4,717,245	979,608	679,677	6,376,530
Other:								
Occupancy	282,954	45,585	6,230	334,769	248,886	51,088	5,580	305,554
Building repairs and maintenance	284,347	27,629	5,335	317,311	284,353	29,895	6,719	320,967
Equipment expenses	143,666	33,042	43,341	220,049	194,239	55,743	27,867	277,849
Transportation	245,074	40,169	16,670	301,913	334,135	30,938	11,343	376,416
Program materials	968,448	21,898	105,154	1,095,500	912,417	14,871	121,611	1,048,899
In-kind expenses	1,549,679	13,328	350,964	1,913,971	2,062,846	21,018	334,031	2,417,895
Professional fees	14,665	36,574	-	51,239	4,000	70,500	-	74,500
Pre-employment fees	37,770	14,022	734	52,526	36,659	6,194	1,375	44,228
Contract services	203,312	128,847	7,258	339,417	242,538	79,121	13,548	335,207
Insurance	190,620	20,495	-	211,115	171,812	17,734	-	189,546
Postage, supplies and printing	50,791	19,582	30,227	100,600	40,403	18,392	22,373	81,168
Training	31,950	22,551	1,375	55,876	90,415	14,479	805	105,699
Dues and subscriptions	49,949	22,407	2,835	75,191	42,340	16,639	2,297	61,276
Service charges	9,378	20,317	15,663	45,358	10,997	15,001	5,929	31,927
Miscellaneous	3,221	152,506	12,474	168,201	-	242,954	10,150	253,104
Capital campaign expenses	-	-	137,180	137,180	-	-	57,316	57,316
Total Other Expenses	4,065,824	618,952	735,440	5,420,216	4,676,040	684,567	620,944	5,981,551
Total Expenses Before Depreciation and Gain on Disposal	8,654,272	1,865,232	1,499,876	12,019,380	9,393,285	1,664,175	1,300,621	12,358,081
Depreciation	504,781	137,783	440	643,004	494,220	138,506	1,030	633,756
Gain on Disposal of Property and Equipment	-	-	-	-	-	(4,000)	-	(4,000)
Total Expenses	\$ 9,159,053	\$ 2,003,015	\$ 1,500,316	\$ 12,662,384	\$ 9,887,505	\$ 1,798,681	\$ 1,301,651	\$ 12,987,837

See accompanying notes to financial statements.

Boys & Girls Clubs of Central Florida, Inc.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

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

Cash and Cash Equivalents

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

Investments

Investments are stated at market value. Realized and unrealized gains and losses are reflected in the statements of activities and are combined with investment income earned during the period.

Grants Receivable

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

Contributions Receivable

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

Property and Equipment

Property and equipment are recorded at cost when purchased or at fair value on the date received if donated. Buildings and equipment are depreciated using the straight-line method over the estimated life of the assets.

In-Kind Contributions

The Organization received the following in-kind contributions, which were included on the statements of activities:

<i>Years ended June 30,</i>	2015	2014
Facilities rent	\$ 1,314,551	\$ 1,803,055
Auction items	229,741	232,990
Theme park tickets	95,934	11,359
Other	273,745	476,687
Total	\$ 1,913,971	\$ 2,524,091

Boys & Girls Clubs of Central Florida, Inc.

Notes to Financial Statements

Contributed services are recognized as contributions and recorded at fair value if the services create or enhance nonfinancial assets, require specialized skills and are performed by people with those skills and would otherwise be purchased by the Organization. During the years ended June 30, 2015 and 2014, the Organization received approximately \$136,000 and \$240,000, respectively, of contributed services consisting mainly of transportation, technology and construction services which is reflected in the accompanying statements of activities. During the year, numerous volunteers provided assistance in the Organization's program services and fundraising campaigns which are not recognized in the accompanying financial statements.

Impairment of Long-Lived Assets and Land Held for Sale

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. During 2015, the Organization recorded an impairment of \$350,000 on idle land now held for sale. Fair value for this property was estimated based on the listing price, which is based on comparable sales of similar properties in the market. At June 30, 2015, this property has been reclassified to land held for sale on the statements of financial position.

Revenues

A significant portion of the Organization's government contracts and certain United Way grants are exchange transactions in which each party receives and sacrifices commensurate value. Funds from these exchange transactions are not considered contributions and, as such, are deemed to be earned and reported as revenue when such funds have been expended towards the designated purpose. Funds received in advance under contractual obligations for which services have yet to be performed are recognized as deferred revenue.

Special event revenue is recognized when the event takes place.

Dues and program services are recognized as revenue as services are provided.

Contributions and Donor-Imposed Restrictions

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

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction. If a temporary restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Boys & Girls Clubs of Central Florida, Inc.

Notes to Financial Statements

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain expenses have been allocated among the program and supporting services directly benefited. Other expenses are allocated based on management's estimate of the benefit derived by each activity.

Fair Value of Financial Instruments

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

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

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

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

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

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

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximates their fair values due to the short-term nature of these instruments. These financial instruments include cash and cash equivalents, contributions and grants receivable due in one year or less, and accounts payable and accrued compensation. Contributions due beyond one year are recorded at their net present value using a risk-free interest rate available on U.S. Treasury issues at the date the pledge was made with an equivalent term approximately equal to the number of years the contribution will be paid, which approximates fair value.

The Organization's Level 1 financial assets consist of investments identified in Note 2 and deferred compensation investments (and corresponding liability) discussed in Note 5 and are valued on a daily basis in an active market. There were no Level 2 or 3 financial assets or liabilities.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions in the Florida Income Tax Code.

Boys & Girls Clubs of Central Florida, Inc.

Notes to Financial Statements

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

Use of Estimates

The preparation of 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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain items have been reclassified in the 2014 financial statements to conform to the 2015 presentation.

2. Investments

The Organization's investments consist of the following:

<i>June 30,</i>	2015	2014
Level 1:		
Fixed income mutual funds and ETFs	\$ 3,171,073	\$ 3,537,946
Equities and equity mutual funds	4,033,611	3,564,199
	\$ 7,204,684	\$ 7,102,145
<i>Years ended June 30,</i>	2015	2014
Net realized and unrealized gain (loss) on investments	\$ (112,256)	\$ 705,054
Dividends and interest	230,972	196,022
	\$ 118,716	\$ 901,076

Boys & Girls Clubs of Central Florida, Inc.

Notes to Financial Statements

3. Contributions Receivable

Contributions receivable are due as follows:

<i>June 30,</i>	2015	2014
Less than one year	\$ 1,226,727	\$ 1,061,613
One to five years	787,358	672,182
	2,014,085	1,733,795
Less: allowance for uncollectible contributions	(272,625)	(257,869)
Less: present value discount ranging from 0.72% to 3.34%	(28,859)	(6,209)
	\$ 1,712,601	\$ 1,469,717
Contributions receivable current portion, net	\$ 1,184,630	\$ 1,046,879
Contributions receivable, long term, net	527,971	422,838
	\$ 1,712,601	\$ 1,469,717

4. Property and Equipment

Property and equipment is summarized as follows:

<i>June 30,</i>	Useful Life	2015	2014
Land	-	\$ 449,750	\$ 1,049,750
Buildings and improvements	5-40 yrs.	17,121,534	17,076,034
Furniture and equipment	5-10 yrs.	1,479,947	1,422,508
Automotive equipment	5 yrs.	357,741	357,741
		19,408,972	19,906,033
Less: accumulated depreciation		(4,494,953)	(3,840,136)
		\$ 14,914,019	\$ 16,065,897

Boys & Girls Clubs of Central Florida, Inc.

Notes to Financial Statements

5. Deferred Compensation

In December 2005, the Board of Directors of the Organization approved establishing a deferred compensation plan for the President of the Organization. An initial contribution was made to the plan in the amount of \$100,000. Contributions of \$6,500 were contributed annually. The account was adjusted annually for income, gains, expenses and losses experienced by the plan's investments. The Organization was to pay the balance of deferred compensation in a single lump sum after the earlier of December 15, 2014, or the date employment terminates or the employee becomes disabled. The Organization paid the entire balance in February 2015. Contributions of \$0 and \$6,500 were paid to the plan during the years ended June 30, 2015 and 2014, respectively, and are included in employee benefits on the statements of functional expenses. Investments held by the plan consisted of money market and mutual funds. The amount of restricted investments held for the plan and recorded as deferred compensation liability at June 30, 2015 and 2014 were \$0 and \$223,480, respectively.

6. Commitments and Contingencies

Operating Leases

The Organization has entered into non-cancelable leases for office and program space under agreements with maturity dates of one year or less. Rental expense for the years ended June 30, 2015 and 2014, was \$26,659 and \$13,037, respectively, and is included in occupancy on the statements of functional expenses. Since many of the Organization's leases are month-to-month, the minimum contractual future rental payments are nominal.

Legal

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

7. Profit-Sharing Plan

The Organization established a 401(k) profit sharing plan (the "Plan") effective January 1, 2005. Employees must be 21 years of age and must have completed one year of full-time employment before they become eligible to participate. The Plan provides a graded vesting schedule from two to six years of service. Effective January 1, 2011, the Plan was amended to provide that the Organization will contribute the equivalent of 7% of the employee's salary as a profit sharing contribution and provides for a safe harbor match whereby the Organization will contribute, on a matching basis, a dollar for dollar match on the first 3% of employee contribution and a 50% match on the next 2%. The Organization's policy is to fund the Plan's cost. Contributions to the Plan for the years ended June 30, 2015 and 2014, were \$269,354 and \$198,102, respectively, and are included in employee benefits in the statements of functional expenses.

Boys & Girls Clubs of Central Florida, Inc.

Notes to Financial Statements

8. Net Assets

Unrestricted

Unrestricted net assets consist of the following:

<i>June 30,</i>	2015	2014
Property and equipment	\$ 14,914,019	\$ 16,065,897
Board-designated capital replacement reserve	1,493,267	1,371,438
Undesignated net assets	3,886,256	4,095,853
	\$ 20,293,542	\$ 21,533,188

Temporarily Restricted

Temporarily restricted net assets are available for the following purposes:

<i>June 30,</i>	2015	2014
Capital expenditures	\$ 5,126,827	\$ 5,126,827
United Way time restricted contributions	309,502	154,999
Other time restricted contributions	1,287,251	1,078,325
Program operations	947,415	839,684
	\$ 7,670,995	\$ 7,199,835

The intent of the Organization's capital fundraising campaign as determined by the Board is that upon satisfaction of donors' restrictions for capital expenditures, any remaining contributions not spent will be designated by the Board and become board designated endowment funds for operating the related capital projects, at which time the remaining funds will be released to unrestricted net assets.

Net assets were released from donor restrictions as follows:

<i>Years ended June 30,</i>	2015	2014
Capital expenditures	\$ -	\$ 1,347,782
United Way time restricted contributions	154,999	241,564
Other time restricted contributions	369,368	447,956
Program operations	485,063	1,046,512
	\$ 1,009,430	\$ 3,083,814

Boys & Girls Clubs of Central Florida, Inc.

Notes to Financial Statements

Permanently Restricted

The Organization records its donor restricted endowment funds as permanently restricted net assets. These assets consist of investments held in perpetuity with investment income used to support general operations, the Youth of the Year program and the Eatonville Club operations. Permanently restricted net assets include the principal of endowments that must be maintained permanently and not used up, expended or otherwise exhausted. The Organization's return objective for the endowment fund is low yield based on risk parameters that are also very low to protect the endowment corpus. The amount of funds available for distributions is determined on the basis of a total-return principal and will not be dependent upon income generated through interest or dividends. The funds available for distribution during any one year will be limited to 5 percent of the market value of the corpus, effective December 31 of the given year. Distributions may also be made upon written request of the President, with Board approval.

Changes in the Organization's endowment's net assets for the years ended June 30, 2015 and 2014, are as follows:

	Unrestricted	Temporarily restricted	Permanently Restricted
Endowment net assets at June 30, 2013	\$ 3,398	\$ 161,986	\$ 759,865
Contributed support	-	-	33,680
Interest and dividends	304	22,824	-
Net realized and unrealized gain on investments	4,653	83,154	-
Investment fees	(330)	(6,990)	-
Endowment net assets at June 30, 2014	8,025	260,974	793,545
Interest and dividends	264	26,392	-
Net realized and unrealized loss on investments	(155)	(13,282)	-
Investment fees	(323)	(9,233)	-
Endowment net assets at June 30, 2015	\$ 7,811	\$ 264,851	\$ 793,545

Boys & Girls Clubs of Central Florida, Inc.

Notes to Financial Statements

The Board of Directors of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (“FUPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets: (a) the original value of the gift donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA. In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Organization;
- (7) The investment policies of the Organization.

9. Concentration of Credit Risk

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

10. Economic Dependency

The Organization earned revenues from Orange County, Florida, which represents 16% and 14% of the Organization’s total revenue and support for the years ended June 30, 2015 and 2014, respectively. In addition, during 2015 and 2014, the Organization earned revenues from the federal government which represented approximately 10% and 12%, respectively, of the Organization’s total revenue and support. As such, the Organization is dependent upon the continued support of Orange County, Florida and the federal government to provide funding for the Organization’s programs and operations.

Boys & Girls Clubs of Central Florida, Inc.

Notes to Financial Statements

11. Related Party Transactions

In the ordinary course of business, the Organization enters into transactions with other organizations that have individuals who serve on the Organization's Board of Directors. These transactions are made at arm's length. The Organization obtains its general liability and property insurance through a company whose owner is also a member of the Board of Directors. Amounts paid to this company were \$293,125 and \$290,182, for the years ended June 30, 2015 and 2014, respectively. During 2015 and 2014, the Organization also paid a vendor \$88,387 and \$99,180, respectively, for janitorial services whose CEO is also a member of the Board of Directors. Details of all related party transactions can be found in Internal Revenue Service Form 990 which the Organization files annually.

12. Subsequent Events

The Organization has evaluated events and transactions occurring subsequent to June 30, 2015, as of January 5, 2016, which is the date the financial statements were available to be issued. Subsequent events occurring after January 5, 2016, have not been evaluated by management. No material events have occurred since June 30, 2015, that require recognition or disclosure in the financial statements.