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

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2021 and 2020

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Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated financial statements of Boys & Girls Clubs of Central Florida, Inc. and its subsidiaries (the Organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2021 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

BDO USA, LLP

Certified Public Accountants
November 18, 2021

Consolidated Financial Statements

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

Consolidated Statements of Financial Position

June 30,		2021		2020
Assets				
Current				
Cash and cash equivalents	$	**6,228,960**	$	6,743,849
Grants and contributions receivable, current portion, net		**2,767,842**		3,164,502
Investments		**1,001,870**		-
Prepaid expenses		**321,157**		278,382
Land held for sale		**30,100**		30,100
Total Current Assets		**10,349,929**		10,216,833
Property and Equipment, Net		**29,706,707**		22,857,085
Other Assets				
Assets limited as to use		**19,620,860**		24,168,648
Investments, long term		**2,282,457**		1,837,547
Contributions receivable, long term, net		**1,610,834**		2,265,089
Contributed use of land		**754,696**		764,476
Leverage loan receivable		**9,168,000**		9,168,000
Other		**100,572**		81,470
Total Other Assets		**33,537,419**		38,285,230
	$	**73,594,055**	$	71,359,148
Liabilities and Net Assets				
Current Liabilities				
Accounts payable		**318,142**		1,058,952
Accrued expenses		**592,014**		448,024
Refundable advances		**-**		500,396
Deferred revenues		**26,086**		218,725
Total Current Liabilities		**936,242**		2,226,097
Notes Payable, net		**12,099,072**		12,077,108
Loan Payable, SBA Paycheck Protection Program		**-**		1,839,300
Total Liabilities		**13,035,314**		16,142,505
Commitments and Contingencies (Note 10)				
Net Assets				
Without donor restrictions		**50,347,761**		39,003,877
With donor restrictions		**10,210,980**		16,212,766
Total Net Assets		**60,558,741**		55,216,643
	$	**73,594,055**	$	71,359,148

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Activities

Year ended June 30,

	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Totals**	Without Donor Restrictions	With Donor Restrictions	Totals
Operating Revenues and Support						
Government revenues	**$ 6,628,353**	**$ -**	**$ 6,628,353**	$ 6,409,681	$ -	$ 6,409,681
Contributions	**4,945,315**	**942,122**	**5,887,437**	3,672,230	1,032,987	4,705,217
In-kind contributions	**2,148,237**	**-**	**2,148,237**	2,199,578	-	2,199,578
United Way contributions	**225,898**	**27,863**	**253,761**	273,587	144,654	418,241
Special events	**301,331**	**-**	**301,331**	278,798	-	278,798
Dues and program services	**221,900**	**-**	**221,900**	423,655	-	423,655
Other revenues	**895,053**	**-**	**895,053**	548,417	-	548,417
Contributed use of land	**-**	**-**	**-**	5,666	764,476	770,142
Net assets released from restrictions	**7,766,760**	**(7,766,760)**	**-**	3,084,288	(3,084,288)	-
Total Operating Revenues and Support	**23,132,847**	**(6,796,775)**	**16,336,072**	16,895,900	(1,142,171)	15,753,729
Operating Expenses						
Program services	**12,746,403**	**-**	**12,746,403**	12,782,769	-	12,782,769
Supporting services:						
Management and general	**2,864,669**	**-**	**2,864,669**	3,123,562	-	3,123,562
Fundraising	**1,366,336**	**-**	**1,366,336**	1,117,101	-	1,117,101
Total Operating Expenses	**16,977,408**	**-**	**16,977,408**	17,023,432	-	17,023,432
Change in Operating Net Assets	**6,155,439**	**(6,796,775)**	**(641,336)**	(127,532)	(1,142,171)	(1,269,703)
Non-operating Support and Gains						
Contributions restricted for capital projects	**-**	**349,015**	**349,015**	-	1,000,346	1,000,346
Loan forgiveness	**1,839,300**	**-**	**1,839,300**	-	-	-
Investment return, net	**3,349,145**	**445,974**	**3,795,119**	448,086	71,148	519,234
Total Non-operating Support and Gains	**5,188,445**	**794,989**	**5,983,434**	448,086	1,071,494	1,519,580
Change in Net Assets	**11,343,884**	**(6,001,786)**	**5,342,098**	320,554	(70,677)	249,877
Net Assets, beginning of year	**39,003,877**	**16,212,766**	**55,216,643**	38,683,323	16,283,443	54,966,766
Net Assets, end of year	**$ 50,347,761**	**$ 10,210,980**	**$ 60,558,741**	$ 39,003,877	$ 16,212,766	$ 55,216,643

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Year Ended June 30,		**2021**		2020
Cash Flows from Operating Activities				
Change in net assets	$	**5,342,098**	$	249,877
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:				
Contributions restricted for capital projects		**(349,015)**		(1,000,346)
Contributed use of land		**-**		(770,142)
Depreciation and amortization		**961,689**		746,753
Amortization of pledge discount		**(7,800)**		(17,176)
Amortization of loan costs		**21,964**		10,982
Provision for uncollectible contributions		**95,058**		92,541
Donated property and equipment		**(223,919)**		(294,495)
Donated stock		**(306,580)**		(50,182)
Loan forgiveness, SBA Paycheck Protection Program		**(1,839,300)**		-
Net investment return on non-operating investments		**(3,795,119)**		(519,234)
Cash provided by (used for):				
Grants and contributions receivable		**963,657**		4,633,827
Prepaid expenses		**(42,775)**		(44,692)
Other assets		**(19,102)**		(2,563)
Accounts payable and accrued expenses		**(596,818)**		725,921
Refundable advances		**(500,396)**		500,396
Deferred revenue		**(192,639)**		92,202
Net Cash Provided by (Used in) Operating Activities		**(488,997)**		4,353,669
Cash Flows from Investing Activities				
Purchases of property and equipment		**(7,577,612)**		(4,206,390)
Leverage loan disbursement		**-**		(9,168,000)
Cash return on non-operating investments		**323,089**		427,653
Purchases of investments		**(5,829,356)**		(13,801,928)
Proceeds from sale of investments		**4,970,368**		10,431,205
Net Cash Used in Investing Activities		**(8,113,511)**		(16,317,460)
Cash Flows from Financing Activities				
Contributions restricted for capital projects		**349,015**		1,000,346
Loan proceeds, SBA Paycheck Protection Program				1,839,300
Note payable proceeds		**-**		12,720,000
Note payable closing costs		**-**		(653,874)
Net Cash Provided by Financing Activities		**349,015**		14,905,772
Net Increase (Decrease) in Cash and Cash Equivalents		**(8,253,493)**		2,941,981
Cash and Cash Equivalents, beginning of year		**17,349,026**		14,407,045
Cash and Cash Equivalents, end of year	$	**9,095,533**	$	17,349,026
Supplemental Disclosures of Cash Flow Information:				
Cash paid for interest	$	**93,365**	$	51,832
Non-cash financing activity:				
Contributed use of land	$	**-**	$	770,142
Supplemental Information				
Cash and cash equivalents is included in the following captions on the consolidated statements of financial position:				
Cash and cash equivalents	$	**6,228,960**	$	6,743,849
Assets limited as to use		**2,866,573**		10,605,177
	$	**9,095,533**	$	17,349,026

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Functional Expenses

Year ended June 30,

	2021				2020			
		Supporting Services				Supporting Services		
	Program Services	**Management and General**	**Fundraising**	**Total**	Program Services	Management and General	Fundraising	Total
Personnel								
Employee payroll	**$ 5,549,277**	**$ 1,349,591**	**$ 630,227**	**$ 7,529,095**	$ 5,799,889	$ 1,564,345	$ 596,212	$ 7,960,446
Employee benefits	**570,073**	**229,113**	**91,655**	**890,841**	641,829	303,171	106,329	1,051,329
Payroll taxes	**396,193**	**90,101**	**35,048**	**521,342**	434,588	108,751	35,388	578,727
	6,515,543	**1,668,805**	**756,930**	**8,941,278**	6,876,306	1,976,267	737,929	9,590,502
Other								
Occupancy	**1,863,252**	**99,027**	**4,164**	**1,966,443**	1,902,060	107,657	4,875	2,014,592
Building repairs and maintenance	**410,665**	**33,779**	**-**	**444,444**	341,300	33,782	-	375,082
Equipment expenses	**252,254**	**30,718**	**110,294**	**393,266**	194,177	39,899	30,831	264,907
Transportation	**137,942**	**14,309**	**6,241**	**158,492**	205,500	28,548	15,110	249,158
Materials and supplies	**1,659,610**	**13,061**	**165,785**	**1,838,456**	1,958,183	66,993	120,307	2,145,483
Auction items for special events	**-**	**-**	**160,911**	**160,911**	-	-	62,678	62,678
Professional fees	**-**	**238,327**	**-**	**238,327**	265	182,778	-	183,043
Pre-employment fees	**29,572**	**6,195**	**-**	**35,767**	26,687	3,710	-	30,397
Contract services	**426,256**	**131,550**	**18,512**	**576,318**	275,969	170,508	6,189	452,666
Insurance	**253,722**	**30,469**	**-**	**284,191**	221,542	23,360	-	244,902
Postage, supplies and printing	**34,467**	**32,527**	**9,167**	**76,161**	26,070	40,857	6,949	73,876
Training	**10,919**	**5,779**	**-**	**16,698**	22,786	21,293	254	44,333
Dues and subscriptions	**82,567**	**51,688**	**1,082**	**135,337**	72,350	45,422	1,512	119,284
Service charges	**21,624**	**92,500**	**27,573**	**141,697**	18,124	78,689	26,640	123,453
Miscellaneous	**227,405**	**181,486**	**1,069**	**409,960**	29,633	113,919	2,253	145,805
Interest	**-**	**93,365**	**-**	**93,365**	-	51,832	-	51,832
Capital campaign expenses	**-**	**-**	**104,608**	**104,608**	-	3,112	101,574	104,686
Total Other Expenses	**5,410,255**	**1,054,780**	**609,406**	**7,074,441**	5,300,312	1,012,359	379,172	6,691,843
Total Expenses, before depreciation and amortization	**11,925,798**	**2,723,585**	**1,366,336**	**16,015,719**	12,176,618	2,988,626	1,117,101	16,282,345
Depreciation and Amortization	**820,605**	**141,084**	**-**	**961,689**	611,817	134,936	-	746,753
Total Expenses	**$ 12,746,403**	**$ 2,864,669**	**$ 1,366,336**	**$ 16,977,408**	$ 12,782,769	$ 3,123,562	$ 1,117,101	$ 17,023,432

See accompanying notes to consolidated financial statements.

1. Nature of Organization

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

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

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

2. Summary of Significant Accounting Policies

Basis of Accounting and Principles of Consolidation

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

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

Operating and Non-Operating Revenues, Support and Gains

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

Cash and Cash Equivalents

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

Assets Limited as to Use

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

Investments

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

Grants and Contributions 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 & Girls Club of America, corporations and foundations. All outstanding grants receivable are expected to be collected within one year and are considered collectible and an allowance for uncollectible amounts was not recorded.

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

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.

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. During fiscal years 2021 and 2020, there was no impairment of long-lived assets.

Contribution Revenue and Donor-Imposed Restrictions

The Organization records unconditional promises to give as contribution revenue when cash, securities, other assets or an unconditional promise to give is received. Conditional promises to give, this is those with a measurable performance barrier or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Government revenues are recorded as contributions when conditions for expenditure are met. Government contributions that are received before the conditions are met are recorded as refundable advances on the accompanying statement of financial position. The Organization did not have any conditional contributions at June 30, 2021 or 2020.

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

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

Revenue Recognition

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

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which entities expect to be entitled in exchange for those goods or services. The ASU also requires additional disclosure to enable readers of the consolidated financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted ASU 2014-09, along with all subsequent amendments (collectively, ASC 606) as of July 1, 2020 under the modified retrospective method. There was no cumulative impact of adoption of ASC 606 to the consolidated financial statements, thus no adjustment to the opening balance of net assets was recorded. In addition, there was no material change in the Organization's pattern of recognition of operating revenue as a result of the adoption of ASC 606.

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

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

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

Contributed Use of Land

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

In-Kind Contributions and Contributed Services

Donated goods and services are recorded at fair value on the date donated and presented as in-kind contributions in the accompanying consolidated statements of activities. Donated facilities rent represents the excess of the fair rental value of building leases over below market rent payments due under lease agreements. The Organization received the following in-kind contributions:

Year ended June 30,	**2021**	2020
Facilities rent	**$ 1,428,435**	$ 1,500,062
Property and equipment	**223,919**	294,495
Professional services	**57,076**	60,997
Program materials and supplies	**64,137**	32,052
Auction items for special events	**160,911**	62,678
Theme park tickets	**2,466**	226,886
Other	**211,293**	22,408
Total	**$ 2,148,237**	$ 2,199,578

Contributed services are recognized as contributions and recorded at fair value if the services create or enhance nonfinancial assets, require specialized skills and are performed by individuals with those skills and would otherwise be purchased by the Organization. During the year ended June 30, 2021, the Organization received approximately $116,000 of contributed services consisting mainly of legal, architectural, general contract and engineering service fees, of which approximately $59,000 was capitalized. During the year ended June 30, 2020, the Organization received approximately $141,000 of contributed services consisting mainly of legal and engineering service fees, of which approximately $80,000 was capitalized. These contributed services are reflected as in-kind contributions revenue on the accompanying consolidated statements of activities and for those that are not capitalized, the related expense is recorded in its natural classification on the accompanying statements of functional expenses. The Organization has numerous volunteers providing assistance to the Organization’s program services and fundraising campaigns which are not recognized in the accompanying consolidated financial statements.

Net Assets

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

Net Assets With Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Amounts received that are to be maintained by the Organization in perpetuity are reported as contributions with donor restrictions.

Functional Expenses

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

Fair Value of Financial Instruments

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

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

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

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

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

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

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

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

Income Taxes

BGCCF and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions in the Florida Income Tax Code. NMTC has submitted its application for recognition as a tax-exempt entity under the same statutes. Management believes the exemption will be granted. Accordingly, no provision for federal and state income taxes is reflected in the accompanying consolidated 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 consolidated statements of financial position. The Organization has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Organization's tax years currently subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

Use of Estimates

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

Accounting Pronouncements Issued but Not Yet Adopted

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. Early adoption is permitted. In transition, a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. ASU 2018-11, *Leases*, was issued in June 2018 which permits entities to choose to initially apply ASU 2016-02 at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. In June 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606)*, and *Leases (Topic 842)*: *Effective Dates for Certain Entities,* that allows entities to elect to postpone adoption until fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07 *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021. Management is currently evaluating the effect the update will have on its consolidated financial statements.

Reclassifications

Certain items have been reclassified in the 2020 consolidated financial statements to conform to the 2021 presentation. There was no impact on change in net assets as a result of these reclassifications.

3. Investments and Assets Limited as to Use

Investments

The Organization's investments consist of the following:

June 30,		**2021**		2020
Certificates of deposit	$	**1,001,870**	$	-
Level 1:				
Small cap equities		**2,223,356**		2,654,718
Mid cap equities		**2,372,165**		-
Large cap equities		**4,346,232**		4,104,186
International equities		**1,893,652**		1,266,032
Fixed income mutual funds		**8,201,339**		7,376,082
Total Level 1 Investments		**19,036,744**		15,401,018
Total Investments	$	**20,038,614**	$	15,401,018

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

June 30,		**2021**		2020
Investments, current	$	**1,001,870**	$	-
Investments, long term		**2,282,457**		1,837,547
Assets limited as to use		**16,754,287**		13,563,471
	$	**20,038,614**	$	15,401,018

Investment return consists of the following:

Year Ended June 30,		**2021**		2020
Net realized and unrealized gains on investments	$	**3,472,030**	$	91,581
Dividends and interest		**424,320**		517,057
Investment management fees		**(101,231)**		(89,404)
	$	**3,795,119**	$	519,234

Assets Limited as to Use

Assets limited as to use are as follows:

June 30,		2021		2020
Investments held as board designated endowment	$	**16,754,287**	$	13,563,471
Cash and cash equivalents held as board designated endowment		**1,446,288**		1,889,701
Cash and cash equivalents held as board designated for capital replacement reserve		**1,017,643**		978,954
Cash and cash equivalents held in restricted cash accounts for JBCO building construction and interest and service charges for notes payable		**402,642**		7,736,522
	$	**19,620,860**	$	24,168,648

4. Grants and Contributions Receivable

Grants and contributions receivable are due as follows:

June 30,		2021		2020
Less than one year	$	**2,933,049**	$	3,366,355
One to five years		**1,216,282**		1,794,076
More than five years		**476,334**		560,594
		4,625,665		5,721,025
Less: allowance for uncollectible contributions receivables		**(165,208)**		(201,853)
Less: present value discount on contributions receivable ranging from 0.29% to 2.73%		**(81,781)**		(89,581)
	$	**4,378,676**	$	5,429,591

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

June 30,		2021		2020
Grants and contributions receivable, current portion, net	$	**2,767,842**	$	3,164,502
Contributions receivable, long-term, net		**1,610,834**		2,265,089
	$	**4,378,676**	$	5,429,591

5. Property and Equipment

Property and equipment is summarized as follows:

June 30,		2021		2020	Useful Life
Land	$	**419,650**	$	419,650	-
Buildings and improvements		**34,713,717**		24,751,539	5-40 years
Furniture and equipment		**2,520,902**		1,970,365	5-10 years
Automotive equipment		**525,456**		519,037	5 years
Construction in progress		**7,303**		2,724,905	-
		38,187,028		30,385,496	
Less: accumulated depreciation		**(8,480,321)**		(7,528,411)	
	$	**29,706,707**	$	22,857,085	

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

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

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

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

Leverage Loan - As part of the transaction, BGCCF committed to lend $9,368,000 to an Investment Fund owned by U.S. Bancorp Community Development Corporation (Investor). Fees totaling $200,000 were deducted from this amount and the net of $9,168,000 was contributed to the Investment Fund and is shown as leverage loan receivable on the accompanying consolidated statement of financial position as of June 30, 2021 and 2020. The proceeds of this leverage loan were used by the Investment Fund towards making a QEI into three CDEs as listed below. The leverage loan receivable bears an interest rate of 0.81046%, matures on September 30, 2049 and is collateralized by the Investor's equity interests in the CDEs.

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

Allocation of Investment Fund to Sub-CDEs - The $13,000,000 total Investment Fund created as a result of the transactions above was allocated between three Sub-CDEs as follows: (i) PCC Sub-CDE 11, LLC (PCC) for $5,000,000; (ii) BBIF Subsidiary CDE 10, LLC (BBIF) for $4,000,000; and

(iii) USBCDE Sub-CDE 194, LLC (USB) for $4,000,000. A total of $280,000 in fees was deducted at the time of allocation by the Sub-CDEs, which resulted in a net amount of $12,720,000 available to lend.

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

June 30, 2021	**2021**	2020
1. QLICI Loan A (USB)	**$ 2,802,462**	$ 2,802,462
2. QLICI Loan B (USB)	**1,157,538**	1,157,538
3. QLICI Loan A (BBIF)	**2,962,462**	2,962,462
4. QLICI Loan B (BBIF)	**997,538**	997,538
5. QLICI Loan A (PCC)	**3,403,076**	3,403,076
6. QLICI Loan B (PCC)	**1,396,924**	1,396,924
Total Notes Payable	**12,720,000**	12,720,000
Less: unamortized loan costs	**(620,928)**	(642,982)
Notes Payable, Net	**$ 12,099,072**	$ 12,077,108

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

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

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

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

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

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

7. Profit-Sharing Plan

The Organization established a 401(k) profit sharing plan (the Plan) effective January 1, 2005. Employees must be 21 years of age and must have completed one year of full-time employment before they become eligible to participate. The Plan provides a graded vesting schedule from two to six years of service. The Organization will contribute the equivalent of 7% of the employee's salary as a profit sharing contribution and provides for a safe harbor match whereby the Organization will contribute, on a matching basis, a dollar for dollar match on the first 3% of employee contribution and a 50% match on the next 2%. The Organization's policy is to fund the Plan's administrative costs. Contributions to the Plan for the years ended June 30, 2021 and 2020, were $353,729 and $444,002, respectively, and are included in employee benefits in the accompanying consolidated statements of functional expenses.

8. Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following:

June 30,	**2021**	2020
Designated for property and equipment	**$ 29,706,707**	$ 22,857,085
Board-designated endowment	**18,200,575**	15,453,172
Board-designated for capital replacement reserve	**1,017,643**	978,954
Undesignated net assets (deficit)	**1,422,836**	(285,334)
Total	**$ 50,347,761**	$ 39,003,877

Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as follows:

June 30,	2021	2020
Capital expenditures	$ 4,466,879	$ 10,575,656
United Way time restricted contributions	100,297	264,834
Time restricted contributions	1,385,056	1,621,799
Contributed use of land	754,696	764,476
Program operations	2,313,315	1,795,264
Total Subject to Expenditure, for specified purpose or period	9,020,243	15,022,029
Endowment funds restricted in perpetuity	1,190,737	1,190,737
Total	$ 10,210,980	$ 16,212,766

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

Net assets were released from donor restrictions as follows:

Year ended June 30,	2021	2020
Capital expenditures	$ 6,457,792	$ 1,533,925
United Way time restricted contributions	192,400	207,111
Time restricted contributions	523,604	570,926
Program operations	583,184	772,326
Contributed use of land	9,780	-
Total	$ 7,766,760	$ 3,084,288

Donor Restricted and Board Designated Endowments

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

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

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

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

June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	$ 18,200,575	$ -	$ 18,200,575
Donor restricted endowment funds	37,650	2,282,974	2,320,624
	$ 18,238,225	$ 2,282,974	$ 20,521,199

June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	$ 15,453,172	$ -	$ 15,453,172
Donor restricted endowment funds	18,546	1,837,372	1,855,918
	$ 15,471,718	$ 1,837,372	$ 17,309,090

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, June 30, 2019	$ 15,500,546	$ 1,764,880	$ 17,265,426
Contributed support	-	2,100	2,100
Interest and dividends	449,816	41,707	491,523
Net realized and unrealized losses on investments	52,734	37,468	90,202
Investment fees	(81,378)	(8,026)	(89,404)
Distributions	(450,000)	(757)	(450,757)
Endowment Net Assets, June 30, 2020	15,471,718	1,837,372	17,309,090
Interest and dividends	371,166	49,502	420,668
Net realized and unrealized gains on investments	3,063,679	408,351	3,472,030
Investment fees	(90,088)	(11,143)	(101,231)
Distributions	(578,250)	(1,108)	(579,358)
Endowment Net Assets, June 30, 2021	$ 18,238,225	$ 2,282,974	$ 20,521,199

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

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

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. Financial Assets and Liquidity Resources

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

June 30,	**2021**	2020
Cash and cash equivalents	**$ 1,667,801**	$ 3,060,467
Investments	**1,001,870**	176
Grants and contributions receivable, net	**1,766,008**	700,543
Net Financial Assets and Liquidity Resources Available Within One Year	**$ 4,435,679**	$ 3,761,186

The Organization's endowment funds consist of board designated and donor-restricted endowments. The board designated endowment consists of a bequest, which is held by the Foundation to support future operating costs of BGCCF. The Board has approved an annual contribution from the Foundation to BGCCF in the amount of $771,000 beginning in fiscal year 2022 subject to the spending policy of no more than five percent of the market value of the board designated endowment fund. Income from the donor-restricted endowment is restricted for general and specific program operations. Endowment funds are invested with the objective of preserving capital and liquidity while seeking an appropriate level of investment return. Excess cash generated by operations is placed in appropriate short-term vehicles to maintain capital, liquidity and diversification.

10. Commitments and Contingencies

Operating Leases

The Organization has entered into non-cancelable leases for retail and warehouse space under agreements with maturity dates in February and March 2024. Rental expense for the years ended June 30, 2021 and 2020, was $177,170 and $140,654, respectively, and is included in occupancy on the consolidated statements of functional expenses. Since many of the Organization's leases are month-to-month, the minimum contractual future rental payments are nominal.

Nassau Clubs

Effective July, 1, 2017, the Organization entered into a Support Agreement and Lease Agreement with The Boys & Girls Club of Nassau County Foundation, Inc. (Nassau Foundation) which provides for funding of operations and leasing of its facilities. The Nassau Clubs will be managed and operated by the Organization and Nassau Foundation will fund the operations. In addition, the Nassau Foundation will pay to the Organization an administrative fee of 8% of the annual direct operational expenses of the Nassau Clubs which was $64,300 and $74,176 during the years ended June 30, 2021 and 2020, respectively, and recorded as contributions revenue on the accompanying consolidated statements of activities. The Organization recorded $278,000 during both years ended June 30, 2021 and 2020 in donated facilities rent which represents the excess of the fair rental value of the facility leases over below market rent payments due under lease agreements. The Support Agreement can be terminated by either party upon six months' notice in writing. The Lease Agreement provides for annual payments of $10 with automatic annual extensions unless terminated by either party in writing 30 days prior to the end of the term of their intent not to renew.

Joe R. Lee and JBCO Clubs

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

Leesburg Youth Enrichment Center

On June 7, 2020, the Organization entered into a Memorandum of Understanding (MOU) with the City of Leesburg (City) for the construction and lease of the Youth Enrichment Center to be operated and managed by the Organization which is planned to open in January 2022. Under this MOU, the City is building the facility at an expected cost of $2,825,000 which will be leased to the Organization for 40 years at $1 per year once construction is complete. In connection with the MOU, the Organization will make a capital contribution of $500,000 to the City for the costs of construction of the facility.

Legal

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

11. Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents and investments. Cash and cash equivalents include checking and money market accounts placed with federally insured financial institutions and investments. Cash and cash equivalents may at times exceed federally insured limits. The Organization has not experienced any losses on such accounts. Investments consist primarily of fixed income mutual and exchange traded 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.

12. Economic Dependency

The Organization earned revenues from Orange County, Florida, which represented 17% of the Organization's total operating revenue and support for the years ended June 30, 2021 and 2020. In addition, during 2021 and 2020, the Organization earned revenues from the federal government which represented approximately 10% of the Organization's total operating revenue and support for both years. As such, the Organization is dependent upon the continued support of Orange County, Florida and the federal government to provide funding for the Organization's programs and operations.

13. Related Party Transactions

In the ordinary course of business, the Organization enters into transactions with other organizations that have individuals who serve on the Organization's Board. These transactions are made at arm's length. The Organization obtains its general liability and property insurance through a company whose owner is also a member of the Board. Amounts paid to this company were $313,564 and $363,995 for the years ended June 30, 2021 and 2020, respectively. The Organization paid legal fees to a firm associated with a member of the Board of Directors of $65,837 and $69,398 for the years ended June 30, 2021 and 2020, respectively, associated with general matters and building of clubs. Details of all related party transactions which meet applicable reporting requirements can be found in Internal Revenue Service Form 990 which the Organization files annually.

14. COVID-19 and CARES Act

COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. As a result of the pandemic, the Organization ceased program operations of all clubs from March through May of 2020, except for one location that provided services to the children of first responders. The clubs were fully reopened in June 2020, with some clubs being temporarily closed to ensure safety of our employees and club members.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. The Organization's operations are heavily dependent on private and public donations from individuals, foundations, and corporations. Additionally, access to grants and contracts from federal, state, and local governments may decrease or may not be available depending on appropriations. As such, the Organization's financial condition and liquidity may be negatively impacted for the fiscal year 2022. Although the Organization cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Organization's results of future operations, financial position, and liquidity in fiscal year 2022.

CARES Act

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer-side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. It also appropriated funds for the Small Business Administration's (SBA) Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

The Organization applied for, and received, funds under the PPP in the amount of $1,839,300 on April 14, 2020, which was shown as a loan payable on the accompanying consolidated statement of financial position as of June 30, 2020. The Organization accounted for this loan in accordance with ASC 470, *Debt*. Under this guidance, a liability is derecognized upon repayment to the creditor or upon legal release. Legal release occurs upon confirmation of forgiveness from the SBA, at which time the liability will be released and recorded as income. During fiscal year 2021, the Organization applied for and was notified that the entire unpaid principal balance of $1,839,300 was forgiven which is reflected as loan forgiveness revenue on the accompanying consolidated statement of activities for the year ended June 30, 2021.

The Organization continues to examine the impact that the CARES Act may have on its business and currently does not expect the CARES ACT will have a significant impact on its financial condition, results of operation, or liquidity.

15. Subsequent Events

The Organization has evaluated events and transactions occurring subsequent to June 30, 2021 as of November 18, 2021, which is the date the consolidated financial statements were available to be issued. Subsequent events occurring after November 18, 2021 have not been evaluated by management. No material events have occurred since June 30, 2021 that require recognition or disclosure in the consolidated financial statements, except as follows:

On October 15, 2021, the Organization received a bequest consisting of three parcels of land and the assumption of a mortgage promissory note receivable (Mortgage) with a principal balance of $2,700,000. The Mortgage requires monthly interest payments at an annual rate of 4% through the maturity date of April 2024 when the principal balance is due. The value of the land has not yet been determined. A new entity, Foundation RE Holdings LLC, was formed on October 11, 2021 to hold the related land and Mortgage. The entity is a single member limited liability corporation, with the sole member being the Foundation. On October 15, 2021, the Organization deeded the property and assigned the Mortgage to Foundation RE Holdings LLC. On November 2, 2021, the Organization paid $500,000 to an unrelated nonprofit organization in connection with a settlement agreement related to the bequest.

Supplementary Information

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Independent Auditor's Report on Supplementary Information

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

Our audit of the consolidated financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BDO USA, LLP

November 18, 2021

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

Consolidating Statement of Financial Position

June 30, 2021

	Boys & Girls Clubs of Central Florida, Inc.	Boys & Girls Clubs of Central Florida Foundation, Inc	BGCCF NMTC, Inc.	Eliminations	Total
Assets					
Current					
Cash and cash equivalents	$ 6,209,686	$ -	$ 19,274	$ -	$ 6,228,960
Grants and contributions receivable, current portion, net	2,767,842	-	-	-	2,767,842
Investments	1,001,870	-	-	-	1,001,870
Prepaid expenses	315,768	5,389	-	-	321,157
Due from BGCCF NMTC, Inc.	42,447	-	-	(42,447)	-
Land held for sale	30,100	-	-	-	30,100
Total Current Assets	10,367,713	5,389	19,274	(42,447)	10,349,929
Property and Equipment, Net	16,121,173	-	13,585,534	-	29,706,707
Other Assets					
Assets limited as to use	2,026,578	17,191,639	402,643	-	19,620,860
Investments, long term	219	2,282,238	-	-	2,282,457
Contributions receivable, long term, net	1,610,834	-	-	-	1,610,834
Contributed use of land	754,696	-	758,002	(758,002)	754,696
Leverage Loan receivable	9,168,000	-	-	-	9,168,000
Other	100,572	-	-	-	100,572
Total Other Assets	13,660,899	19,473,877	1,160,645	(758,002)	33,537,419
Total Assets	$ 40,149,785	$ 19,479,266	$ 14,765,453	$ (800,449)	$ 73,594,055
Liabilities and Net Assets					
Current Liabilities					
Accounts payable	$ 314,224	$ 3,918	$ 5,000	$ (5,000)	$ 318,142
Accrued expenses	621,727	-	-	(29,713)	592,014
Refundable advances	-	-	-	-	-
Deferred revenues	26,086	-	-	-	26,086
Due to BGCCF	-	-	37,447	(37,447)	-
Total Current Liabilities	962,037	3,918	42,447	(72,160)	936,242
Notes Payable, net	-	-	12,099,072	-	12,099,072
Total Liabilities	962,037	3,918	12,141,519	(72,160)	13,035,314
Net Assets					
Without donor restrictions	29,484,112	18,958,225	1,865,932	39,492	50,347,761
With donor restrictions	9,703,636	517,123	758,002	(767,781)	10,210,980
Total Net Assets	39,187,748	19,475,348	2,623,934	(728,289)	60,558,741
Total Liabilities and Net Assets	$ 40,149,785	$ 19,479,266	$ 14,765,453	$ (800,449)	$ 73,594,055

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

Consolidating Statement of Activities

Year ended June 30, 2021

	Boys & Girls Clubs of Central Florida, Inc.			Boys & Girls Clubs of Central Florida Foundation, Inc.			BGCCF NMTC, Inc.				
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
Operating Revenues and Support											
Government revenues	$ 6,628,353	$ -	$ 6,628,353	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,628,353
Contributions	5,523,441	942,121	6,465,562	126	-	126	-	-	-	(578,251)	5,887,437
In-kind contributions	2,148,237	-	2,148,237	-	-	-	-	-	-	-	2,148,237
United Way	225,898	27,863	253,761	-	-	-	-	-	-	-	253,761
Special events	301,331	-	301,331	-	-	-	-	-	-	-	301,331
Dues and program services	221,900	-	221,900	-	-	-	-	-	-	-	221,900
Other revenues	895,053	-	895,053	-	-	-	125,875	-	125,875	(125,875)	895,053
Net assets released from restrictions	7,756,981	(7,756,981)	-	-	-	-	9,779	(9,779)	-	-	-
Total Operating Revenues and Support	23,701,194	(6,786,997)	16,914,197	126		126	135,654	(9,779)	125,875	(704,126)	16,336,072
Operating Expenses:											
Program services	12,671,808	-	12,671,808	578,250	-	578,250	239,963	-	239,963	(743,618)	12,746,403
Supporting services:											
Management and general	2,559,012	-	2,559,012	78,512	-	78,512	227,145	-	227,145	-	2,864,669
Fundraising	1,366,336	-	1,366,336	-	-	-	-	-	-	-	1,366,336
Total Operating Expenses	16,597,156	-	16,597,156	656,762	-	656,762	467,108	0	467,108	(743,618)	16,977,408
Change in Operating Net Assets	7,104,038	(6,786,997)	317,041	(656,636)	-	(656,636)	(331,454)	(9,779)	(341,233)	39,492	(641,336)
Non-operating Support and Gains											
Contributions from BGCCF	(367,764)	-	(367,764)	107,764	-	107,764	260,000	-	260,000	-	-
Contributions restricted for capital projects	-	349,015	349,015	-	-	-	-	-	-	-	349,015
Loan forgiveness	1,839,300	-	1,839,300	-	-	-	-	-	-	-	1,839,300
Investment return, net	26,128	-	26,128	3,323,017	445,974	3,768,991	-	-	-	-	3,795,119
Total Non-operating Support and Gains	1,497,664	349,015	1,846,679	3,430,781	445,974	3,876,755	260,000	-	260,000	-	5,983,434
Change in Net Assets	8,601,702	(6,437,982)	2,163,720	2,774,145	445,974	3,220,119	(71,454)	(9,779)	(81,233)	39,492	5,342,098
Net Assets, beginning of year	20,882,410	16,141,618	37,024,028	16,184,080	71,149	16,255,229	1,937,386	767,781	2,705,167	(767,781)	55,216,643
Net Assets, end of year	$ 29,484,112	$ 9,703,636	$ 39,187,748	$ 18,958,225	$ 517,123	$ 19,475,348	$ 1,865,932	$ 758,002	$ 2,623,934	$ (728,289)	$ 60,558,741