



**BOYS & GIRLS CLUBS
OF LANIER**

BOYS & GIRLS CLUBS OF LANIER, INC.
GAINESVILLE, GEORGIA
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
December 31, 2023 and 2022

BOYS & GIRLS CLUBS OF LANIER, INC.
GAINESVILLE, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
Of Boys & Girls Clubs of Lanier, Inc.
Gainesville, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Boys and Girls Clubs of Lanier, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Boys and Girls Clubs of Lanier, Inc. as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Boys and Girls Clubs of Lanier, Inc. 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Boys and Girls Clubs of Lanier, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Boys and Girls Clubs of Lanier, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Boys and Girls Clubs of Lanier, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2024 on our consideration of the Boys and Girls Clubs of Lanier, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Boys and Girls Clubs of Lanier, Inc.'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 Boys and Girls Clubs of Lanier, Inc.'s internal control over financial reporting and compliance.



Alexander, Almand & Bangs, LLP
Gainesville, Georgia
April 22, 2024

BOYS & GIRLS CLUBS OF LANIER, INC.
STATEMENTS OF FINANCIAL POSITION

	For The Year Ended December 31,	
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, without donor restrictions	\$ 2,160,405	\$ 5,829,329
Cash and cash equivalents, with donor restrictions	2,338,447	2,765,751
Net contributions receivable, current portion	542,087	1,262,223
Grants receivable	665,466	659,090
Pre-paid and cash surrender items	26,680	26,441
Right of use assets - operating, net of present value	5,762	22,790
Total current assets	5,738,847	10,565,624
NON-CURRENT ASSETS		
Non-depreciable assets	8,615,529	3,269,499
Property and equipment	3,745,616	3,745,616
Less: accumulated depreciation	1,769,416	1,667,167
Total property and equipment, net	10,591,729	5,347,948
Contributions receivable, net of current portions and discounts	364,508	197,898
Assets held at a community foundation	50,230	19,470
Investments, board designated	1,275,582	1,100,330
Right of use assets - operating, net of present value	7,266	13,028
Total non-current assets	12,289,315	6,678,674
TOTAL ASSETS	\$ 18,028,162	\$ 17,244,298

The accompanying notes are an integral part of these statements.

BOYS & GIRLS CLUBS OF LANIER, INC.
STATEMENTS OF FINANCIAL POSITION

	For The Year Ended December 31,	
	2023	2022
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 554,087	\$ 338,039
Accrued expenses	50,068	37,131
Bank overdraft liability	175,725	-
Deferred grant revenue	288,356	235,729
Operating lease liability, net of present value	5,762	22,790
Total current liabilities	1,073,998	633,689
NONCURRENT LIABILITIES		
Operating lease liability, net of present value	7,266	13,028
Total noncurrent liabilities	7,266	13,028
NET ASSETS		
Without donor restrictions	13,894,144	12,432,935
With donor restrictions	3,052,754	4,164,646
Total net assets	16,946,898	16,597,581
TOTAL LIABILITIES AND NET ASSETS	\$ 18,028,162	\$ 17,244,298

BOYS & GIRLS CLUBS OF LANIER, INC.
STATEMENTS OF ACTIVITIES

	For the Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GRANTS AND OTHER SUPPORT			
Support and fees, other than special events:			
Contributions and pledges	\$ 770,079	\$ 1,275,562	\$ 2,045,641
Grants, contracts and foundations	4,790,590	500	4,791,090
Contribution discounts amortized	-	14,177	14,177
Membership dues and league program fees	651,754	-	651,754
Total support and fees, other than special events	<u>6,212,423</u>	<u>1,290,239</u>	<u>7,502,662</u>
Special events:			
Special event revenue	291,988	-	291,988
Direct benefits to donors	(67,417)	-	(67,417)
Net support from special events	<u>224,571</u>	<u>-</u>	<u>224,571</u>
Other income:			
Interest income, non-investment	315,060	-	315,060
Net investment income	154,078	-	154,078
Other income	20,075	-	20,075
Donations in-kind	722,512	-	722,512
Total other income	<u>1,211,725</u>	<u>-</u>	<u>1,211,725</u>
Total revenues, gains and other support	7,648,719	1,290,239	8,938,958
Net assets released from restrictions:			
Satisfaction of donor restrictions	2,402,131	(2,402,131)	-
Total revenues, grants and other support	<u>10,050,850</u>	<u>(1,111,892)</u>	<u>8,938,958</u>
EXPENSES			
Program services	6,691,368	-	6,691,368
Management and general	1,061,090	-	1,061,090
Fundraising	837,183	-	837,183
Total expenses	<u>8,589,641</u>	<u>-</u>	<u>8,589,641</u>
INCREASE (DECREASE) NET ASSETS	1,461,209	(1,111,892)	349,317
NET ASSETS, beginning of year	<u>12,432,935</u>	<u>4,164,646</u>	<u>16,597,581</u>
NET ASSETS, end of year	<u>\$ 13,894,144</u>	<u>\$ 3,052,754</u>	<u>\$ 16,946,898</u>

The accompanying notes are an integral part of these statements.

BOYS & GIRLS CLUBS OF LANIER, INC.
STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2022

Without Donor Restrictions	With Donor Restrictions	Total
\$ 4,564,118	\$ 2,385,421	\$ 6,949,539
4,302,350	2,400	4,304,750
-	19,021	19,021
563,108	-	563,108
<u>9,429,576</u>	<u>2,406,842</u>	<u>11,836,418</u>
282,005	-	282,005
(10,000)	-	(10,000)
<u>272,005</u>	<u>-</u>	<u>272,005</u>
80,117	-	80,117
(69,552)	-	(69,552)
32,986	-	32,986
683,466	-	683,466
<u>727,017</u>	<u>-</u>	<u>727,017</u>
10,428,598	2,406,842	12,835,440
1,599,179	(1,599,179)	-
<u>12,027,777</u>	<u>807,663</u>	<u>12,835,440</u>
5,606,120	-	5,606,120
933,503	-	933,503
680,386	-	680,386
<u>7,220,009</u>	<u>-</u>	<u>7,220,009</u>
4,807,768	807,663	5,615,431
<u>7,625,167</u>	<u>3,356,983</u>	<u>10,982,150</u>
<u>\$ 12,432,935</u>	<u>\$ 4,164,646</u>	<u>\$ 16,597,581</u>

BOYS & GIRLS CLUBS OF LANIER, INC.
STATEMENTS OF CASH FLOWS

	For The Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 349,317	\$ 5,615,431
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net change in discounts applied to contributions receivable	28,361	(3,364)
Depreciation	102,249	106,306
Net unrealized and realized (increase) / decrease in investments	(151,012)	69,552
Change in assets and liabilities:		
(Increase) / decrease in:		
Contributions receivable	525,165	635,343
Grants receivable	(6,376)	89,051
Change in pre-paid and cash surrender items	(239)	(7,194)
Right of use asset	22,790	20,168
Increase / (decrease) in:		
Accounts payable	216,048	282,764
Accrued expenses and other liabilities	12,937	(28,255)
Bank overdraft liability	175,725	-
Deferred grant revenue	52,627	(222,879)
Lease liability	(22,790)	(20,168)
	1,304,802	6,536,755
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchase of property and equipment	(5,346,030)	(1,353,606)
Purchase of equities from donations	(55,000)	(864,657)
	(5,401,030)	(2,218,263)
Net increase (decrease) in cash and cash equivalents	(4,096,228)	4,318,492
CASH AND CASH EQUIVALENTS, beginning of year	8,595,080	4,276,588
CASH AND CASH EQUIVALENTS, end of year	\$ 4,498,852	\$ 8,595,080
Cash, without donor restrictions	\$ 2,160,405	\$ 5,829,329
Cash, with donor restrictions	2,338,447	2,765,751
	\$ 4,498,852	\$ 8,595,080

The accompanying notes are an integral part of these statements.

BOYS & GIRLS CLUBS OF LANIER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

	Program	Management & General	Fundraising	Totals
Bad debts and write offs	\$ -	\$ 22,362	\$ -	\$ 22,362
Conferences and training	19,182	52,017	-	71,199
Depreciation	102,249	-	-	102,249
Dues and subscriptions	-	87,561	-	87,561
Employee expense	229,850	62,767	50,797	343,414
Event expense	-	16,226	138,159	154,385
Insurance	72,864	51,843	32,257	156,964
League sports	6,640	9,562	-	16,202
Lease expense	21,750	34,995	-	56,745
Maintenance	88,116	5,368	-	93,484
Miscellaneous expense	-	42,712	-	42,712
Payroll taxes	278,581	32,108	24,277	334,966
Postage	305	1,878	8,186	10,369
Printing and publication	-	-	121,933	121,933
Professional fees	456,703	135,587	42,977	635,267
Program supplies	629,670	14,372	126,776	770,818
Retirement	36,406	20,123	18,843	75,372
Salaries and wages	3,537,222	397,133	300,272	4,234,627
Supplies	17,464	50,576	3,854	71,894
Telephone	43,267	10,194	-	53,461
Travel expense	409,509	13,706	2,748	425,963
Utilities	100,250	-	-	100,250
Expenses, excluding donations in-kind	<u>6,050,028</u>	<u>1,061,090</u>	<u>871,079</u>	<u>7,982,197</u>
Donations in-kind	<u>641,340</u>	<u>-</u>	<u>33,521</u>	<u>674,861</u>
TOTAL EXPENSES	<u>\$ 6,691,368</u>	<u>\$ 1,061,090</u>	<u>\$ 904,600</u>	<u>\$ 8,657,058</u>
Direct benefits to donors			<u>(67,417)</u>	<u>(67,417)</u>
			<u>\$ 837,183</u>	<u>\$ 8,589,641</u>

The accompanying notes are an integral part of these statements.

BOYS & GIRLS CLUBS OF LANIER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

Program	Management & General	Fundraising	Totals
\$ -	\$ 1,729	\$ -	\$ 1,729
3,185	42,515	-	45,700
106,306	-	-	106,306
-	64,449	-	64,449
118,958	54,190	40,811	213,959
-	55,454	120,573	176,027
52,032	53,589	37,582	143,203
-	15,215	-	15,215
25,384	30,304	-	55,688
66,168	10,975	-	77,143
-	17,675	-	17,675
238,633	28,357	21,440	288,430
2,097	2,404	8,695	13,196
343	-	105,357	105,700
377,813	73,166	41,540	492,519
614,438	36,573	754	651,765
35,030	3,459	2,605	41,094
2,948,667	351,623	265,862	3,566,152
13,892	71,318	2,852	88,062
42,580	8,467	-	51,047
210,538	12,041	2,170	224,749
106,735	-	-	106,735
<u>4,962,799</u>	<u>933,503</u>	<u>650,241</u>	<u>6,546,543</u>
<u>643,321</u>	<u>-</u>	<u>40,145</u>	<u>683,466</u>
<u>\$ 5,606,120</u>	<u>\$ 933,503</u>	<u>\$ 690,386</u>	<u>\$ 7,230,009</u>
		<u>(10,000)</u>	<u>(10,000)</u>
		<u>\$ 680,386</u>	<u>\$ 7,220,009</u>

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – NATURE OF THE ORGANIZATION AND OPERATIONS

The Boys & Girls Clubs of Lanier, Inc. (the “Organization”), was originally founded in 1954. The Boys & Girls Clubs of Lanier, Inc. has been helping local kids and teens reach their full potential and become who they were meant to be since being founded. Early leaders saw the need for a fun and safe place for children and quickly began laying the foundations to meet that need. In the 69 years of operation, the Organization has grown from a single Boys Club to 26 sites of the Boys & Girls Clubs in Hall, Forsyth and Habersham Counties, successfully serving 4,665 children ages 6-18 daily. In addition, the Boys & Girls Clubs of Lanier, Inc., has recently been recognized as one of the top three Boys & Girls Clubs within the State of Georgia. The Organization operates as a community based, not-for-profit tax exempt 501(c)(3) organization.

The Organization serves children by fulfilling the mission: to inspire and enable all young people, especially those that need us most, to realize their full potential as productive, responsible and caring citizens. The Organization believes that every child, no matter how challenging their life circumstances may be, deserves a chance to be great. In addition, the Organization strives to provide a world class club experience that assures success is within reach of every young person who enters the doors, with all members on track to graduate from high school with a plan for the future, demonstrating good character and citizenship, and living a healthy lifestyle. The five key elements the Boys & Girls Clubs of Lanier, Inc., uses to accomplish this are:

A safe, positive environment: The Club is a safe haven where members feel physically and emotionally secure at all times;

Fun: The Club facility, staff and program offerings create a welcoming, positive environment that allows members to engage in play, enjoy their play time and be happy and eager to come to the Club;

Supportive relationships: The Club ensures that every young person feels connected to one or more adults and has friendships with peers;

Opportunities and expectations: Club staff and programs consistently communicate the expectation that every child has the potential to excel, be productive and succeed at the Club and in life;

Recognition: The Club takes every opportunity to recognize and validate Club members’ achievements and accomplishments.

The Boys and Girls Clubs of Lanier, Inc., are primarily funded by charitable donations, federal, state and local grants, and membership fees.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in conformity with principles generally accepted in the United States of America. The accrual basis of accounting accordingly reflects all significant receivables, payables and other liabilities. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958, *Financial Statements for Not-for-Profit Organizations*, as updated by Accounting Standards Update 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. This standard requires classification of net assets as revenue, expenses, gains and losses based on the existence or absence of donor-imposed restrictions and without donor restrictions, be displayed in the statement of activities and changes in net assets. The accounting standards provide that if a governing body of an organization has the ability to remove a donor restriction, the contributions should be classified as net assets without donor restrictions.

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (CONT'D)

Cash and Cash Equivalents

The Organization considers cash and highly liquid financial instruments with original maturities of six months or less, which are neither held for non-restricted by donors for long-term purposes, to be cash and cash equivalents. Restricted cash consists of funds from donors or grants in separate accounts to be used for capital expenditures, improvements or to fund various programs of the Organization as specified by certain grants and contracts.

Contributions Receivable and Revenues

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions that are due in more than one year are reflected as long-term contributions receivable and are recorded at the present value of their estimated future cash flows, using treasury yield interest rates applicable to the years in which the promises are received to discount the amounts. Those due in one year or less are reflected as short-term contributions receivable.

Membership dues and league fees are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Organization recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. Generally, the membership dues are paid on either a month to month or week to week basis.

The Organization records special events revenue less the value of direct benefits to donors at the time the event takes place.

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

The Organization receives grant revenue primarily from federal and state agencies as well as other local grantors. Grant revenue is recorded when awarded or available by meeting certain requirements, as stated in the terms of the grant contract. Recognition is determined on a grant by grant basis.

Donation of assets, property and equipment, are recorded as contributions at estimated fair market value at the date of donation. These donations are reported as increases in net assets without donor restrictions, unless donor-imposed restrictions apply. If donor-imposed restrictions apply, donated assets, property and equipment are reported as increases in net assets with donor restrictions. Donated assets are released from restriction on the statement of activities as net assets released from restriction, with either the passage of time or satisfaction of the donor-imposed conditions. There were discounts on property and equipment received during the fiscal year 2023 classified as in-kind donations.

Donated services are recognized as contributions in accordance with ASC 958, *Financial Statements for Not-for-Profit Organizations*, if the services (1) increase or enhance long-lived assets, or (2) require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased by the Organization.

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (CONT'D)

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position (all Level 1 measurements). Net investment income/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Assets Held at a Community Foundation

The Organization adheres to generally accepted accounting principles that establish standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. These standards specifically require that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the not-for profit organization must show the asset as an investment. In contrast, transfers from donors directly to the community foundation benefitting the organization are not reflected as assets of the Organization.

The Boys & Girls Clubs of Lanier have established a community foundation fund with their own funds and with itself as the beneficiary with a local Community Foundation, known as The Bert and Mary Emma Endowment Fund for the Boys & Girls Clubs of Lanier (board designated). The Organization has granted variance power to the Community Foundation. This power allows the board to request the return of funds. It also means that, should the Organization dissolve, the board of the Community Foundation would be responsible for placing the funds with a comparable not-for-profit entity.

Property and Equipment

Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. The general capitalization policy for the Organization is to capitalize assets with a useful life that is greater than three years and the cost at the date of acquisition is greater than \$ 2,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life is expensed in the period incurred and therefore is not capitalized. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Buildings and Improvements	15 - 40	years
Equipment	3 - 40	years
Furniture and Fixtures	5 - 10	years
Vehicles	5 - 10	years

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (CONT'D)

Advertising Expense

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include certain salaries and related employee expenses for accounting and other certain staff, depreciation and some occupancy costs. These are allocated based on actual and some estimated time and effort to certain functions. Management and general expenses include expenses that are not directly identifiable to a specific program, fundraising, or development activity. Fundraising expenses are those expenses directly associated with an activity as well as some personnel and other direct costs to carry out the activities.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Estimates

To prepare the financial statements in conformity with U.S. generally accepted accounting principles, the Organization is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimated. Significant estimates and assumptions include the depreciation of fixed assets, the allowance for uncollectible contributions receivable, discount for contributions receivable, and the fair market value of non-cash donations.

Income Taxes

The Boys & Girls Clubs of Lanier, Inc., is organized as a Georgia nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3) of the Internal Revenue Code, qualifying as a tax-exempt entity and, therefore, has no provision for income taxes. The Organization has determined that there was no unrelated business income for the years ending December 31, 2023 or 2022. Management has considered uncertain tax positions and believes there are no unrecognized tax benefits or obligations in the open tax years. The Organization is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS annually.

New Accounting Pronouncements

Effective January 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. The adoption has been applied retrospectively to the comparative financial statements.

The Organization has adopted FASB ASU 2020-07 *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update enhances the disclosures for in-kind donations. No significant impacts to the financial statements have occurred in result of this update.

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (CONT'D)

New Accounting Pronouncements (Cont'd)

The FASB issued ASU 2018-15 *Intangibles – Goodwill and Other – Internal-Use Software*, ASC 350-40, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract. This ASU clarifies the treatment of costs associated with cloud computing arrangements. The guidance update was applicable to the Organization beginning January 1, 2023. The adoption of this pronouncement had no effect on the Organization's financial statements.

NOTE 3 – CASH FLOW INFORMATION

In-kind donations received for supplies, club locations and services totaled \$ 722,512 and \$ 683,466 for the years ending December 31, 2023 and 2022, respectively. To reflect the cost associated with the in-kind donations, in-kind expenses are included in program service expense on the statement of functional expenses. During the year ended December 31, 2023 in-kind donations in the amount of \$ 47,651 were included in fixed assets for discounts on construction projects in progress. The Organization incurred no interest payments or non-cash financing transactions for the year.

As of December 31, 2023, and 2022, respectively, there was \$ 2,338,447 and \$ 2,765,751 of cash restricted by donors to fund programs for subsequent years and/or special projects.

NOTE 4 – AVAILABILITY AND LIQUIDITY

As of December 31, 2023, and 2022, certain portions of the Organization's total financial assets are not available to be used within one year due to restrictions placed on the financial assets by the donor at the time of contribution. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the board could draw upon assets in which they have designated for specific purposes. In addition, during 2022, the Organization opened a line of credit with a local bank in the amount of \$ 250,000. As of December 31, 2023, no funds have been drawn from the line of credit. In addition, The Organization has a goal to maintain financial assets to meet one year of normal operating expenses.

The following represents Boys & Girls Clubs of Lanier's financial assets at December 31:

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	\$ 4,498,852	\$ 8,595,080
Contributions receivable, net (current)	542,087	1,262,223
Grants receivable	665,466	659,090
Pre-paid and cash surrender items	26,680	26,441
Investments, board designated	1,275,582	1,100,330
Total financial assets	7,008,667	11,643,164
Less amounts not available to be used within one year:		
Net assets with donor restrictions	3,052,754	4,164,646
Financial assets available to meet general expenditures over the next twelve months	\$ 3,955,913	\$ 7,478,518

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 5 –GRANTS AND CONTRIBUTIONS RECEIVABLE

The Organization receives local, state and federal grants primarily for program specific services to be provided to kids and teens. Those grants receivable consist of the following as of December 31:

	2023	2022
21st Century Community Learning Centers	\$ 211,618	\$ 367,626
Georgia Alliance of Boys & Girls Clubs	133,988	131,191
OJP Mentoring	70,233	95,267
CACFP	11,914	10,988
GEER	185,673	11,920
BOOST	48,858	40,044
HealthPower	3,182	2,054
Total	\$ 665,466	\$ 659,090

All grants receivable for December 31, 2023 are expected to be collected within several months subsequent to year-end and are therefore considered current.

Unconditional promises to give (“contributions receivable”) are estimated to be collected as follows at December 31:

	2023	2022
<i>Amounts due within one year:</i>		
Capital and annual campaign	\$ 364,453	\$ 954,673
Other	194,934	322,700
Allowance for uncollectible	(915)	(915)
	558,472	1,276,458
Less discount on contributions, current portion	(16,385)	(14,235)
Net contributions receivable, current portion	542,087	1,262,223
<i>Amounts due in more than one year:</i>		
Capital and annual campaign, long-term	351,822	207,501
Other	48,500	-
Less discount on pledges, non-current portion	(35,814)	(9,603)
Net contributions receivable, long-term	364,508	197,898
Total contributions receivable	\$ 906,595	\$ 1,460,121

Unconditional promises to give due in more than one year at the time of donation are recognized at the present value of their estimated future cash flows using rates between 1.59% and 4.23%, dependent upon the date the donor made the promise to give.

As of December 31, 2023 and 2022, there is a conditional promise to give of \$1,500,000 to be provided to the Organization when certain expectations and satisfactory gifts have been obtained in cash, marketable securities and formal written pledges have been obtained for the new Hall County Club and construction has begun. There is another conditional promise to give in the amount of \$100,000 to be provided when certain expectations have been met and half of the project at the Positive Place Club is complete. Because these conditions have not yet been met, the contributions have not been recognized on the statement of activities. As of December 31, 2023 and 2022, there are no conditions noted on contributions and all contributions have been recognized on the statement of activities.

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 5 –GRANTS AND CONTRIBUTIONS RECEIVABLE (CONT'D)

The Organization has been notified of an intention to give as a bequest, that accompanies a contribution receivable. The amount of unconditional contribution is estimated to be given in increments of an annual minimum of \$ 20,000 until reaching \$ 100,000, with the remaining intent to be given at the time of death from an estate. The amount of giving is considered to be up to \$ 500,000. As of December 31, 2022, the amount of contribution recognized is \$ 100,000. There has been no recognition of the portion considered to be an intent to give to the Organization.

As of December 31, 2022, one donor accounted for approximately 37% of the total promises to give. The Organization has since received these funds in the 2023 fiscal year.

NOTE 6 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31:

	2023	2022
Non-depreciable assets:		
Land	\$ 793,775	\$ 793,775
Construction in process	7,821,754	2,475,724
Total non-depreciable assets	8,615,529	3,269,499
Depreciable assets:		
Buildings and improvements	3,440,342	3,440,342
Equipment	105,607	105,607
Furniture and fixtures	12,944	12,944
Vehicles	186,723	186,723
Total depreciable assets	3,745,616	3,745,616
Accumulated depreciation	(1,769,416)	(1,667,167)
Total property and equipment	\$ 10,591,729	\$ 5,347,948

Depreciation expense was \$ 102,249 for 2023 and \$ 106,306 for 2022.

NOTE 7 – BOARD DESIGNATED ENDOWMENT

In 2011, a board designated endowment fund resolution was completed with a local Community Foundation. The Community Foundation’s purpose is intended to provide an additional level of care and skill which assists in the appreciation of the funds that they manage. In addition, the Community Foundation provides accountability toward the use of any assets disbursed from the endowment investment.

Distributions from the endowment fund shall be spent only for the following purposes: general operations, program expenses, capital expenditures, or any other projects deemed appropriate by the Boys & Girls Clubs of Lanier, Inc., as set out in its articles of incorporation.

All requests for distributions from the endowment fund shall be requested by both the Chief Executive Officer and the President of the Boys & Girls Clubs of Lanier, only after prior approval of the board of directors. Distributions in excess of the determined spending amount that will invade the fund’s corpus must be approved by a majority vote of a quorum of the board of directors of the Boys & Girls Clubs of Lanier, Inc. In addition, the Boys & Girls Clubs of Lanier, Inc. interprets and follows the applicable laws and regulations that accompany endowment funds.

The finance committee of the Boys & Girls Clubs of Lanier, Inc., shall monitor the performance of the endowment fund on a quarterly basis, and the chairperson of the finance committee shall present a report at least annually to the Boys & Girls Clubs of Lanier’s board. These guidelines may be ratified or amended at any time by a 70% vote of a quorum of the board of directors.

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 7 – BOARD DESIGNATED ENDOWMENT (CONT'D)

The Organization did not authorize any disbursements from the endowment investment during the years ending December 31, 2023 or 2022. In 2023, the Organization received a gift toward the endowment of \$ 30,000 during the 2023 fiscal year. The Organization also reinvested additional reserve funds into the account during the years ended December 31, 2023 and 2022. All other changes in the unrestricted endowment investment consisted of net investment income during the 2023 and 2022 fiscal years. The board designations consisted of investments of \$ 1,275,582 and \$ 1,100,330 for the years ending December 31, 2023 and 2022, respectively; and the assets held at a Community Foundation of \$ 50,230 and \$ 19,470, for the years ending December 31, 2023 and 2022, respectively.

NOTE 8 – INVESTMENTS

The Organization applies Accounting Standards Codification (ASC) Number 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets. ASC No. 820, estimates the fair value of the financial assets based on three levels of valuation. The investment assets are all measured at Level I of the fair value measurement framework. Level I valuations are based on unadjusted market prices for identical assets or liabilities in accessible and active markets. As of December 31, 2023, and 2022, the Level I investments on the statement of financial position consisted of marketable securities with a fair value of \$ 1,275,582 and \$ 1,100,330, respectively; and \$ 50,230 and \$ 19,470, respectively for the assets held as a Community Foundation. The investments are held at a Community Foundation as the Board Designated Endowment and the Bert and Mary Emma Endowment as of December 31, 2023.

The investments are Board Designated and therefore considered without donor restriction. The components of investment income included in the statement of activities is as follows:

	2023	2022
Interest income	\$ 4,217	\$ 79
Dividend income	52,920	18,879
Unrealized gain/(loss)	98,392	(85,941)
Realized gain/(loss)	11,241	1,067
Investment fees	(12,692)	(3,636)
Net investment income (loss)	\$ 154,078	\$ (69,552)

Non-investment income from cash and cash equivalents owned by the organization was \$ 315,060 and \$ 80,117 for the years ending December 31, 2023 and 2022, respectively.

NOTE 9 – LEASES

The Organization was committed to various month to month operating leases for space rentals for the Central office and storage facilities. The leases are negotiated between the parties, and are cancelable by either party upon proper notice. These are recorded as short-term lease costs on the statement of functional expenses.

The Organization has an operating lease for Club facilities. The lease is for a period of nearly four years beginning May 1, 2021 through February 28, 2025 with an option to renew for additional terms extending five or more years.

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 9 – LEASES (CONT'D)

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of December 31:

	<u>2023</u>	<u>2022</u>
Operating Leases		
Operating lease, right of use asset	<u>\$ 13,028</u>	<u>\$ 35,818</u>
Accrued lease interest	<u>\$ 989</u>	<u>\$ 992</u>
Operating lease liabilities	<u>12,039</u>	<u>34,826</u>
Total Operating Lease Liabilities:	<u>\$ 13,028</u>	<u>\$ 35,818</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	<u>2023</u>	<u>2022</u>
Weighted Average Remaining Lease Term		
Operating leases	0.17	3.17

The weighted average discount rate applied to the lease at its inception. The discount rate used is based on the Daily Treasury Yield Curve Rates provided by the United States Treasury rather than the Organization's incremental borrowing rate, which is considered unfeasible to estimate.

The maturities of lease liabilities as of December 31, 2023 were as follows:

	<u>Operating</u>	<u>Accrued Interest</u>	<u>Total</u>
Year ending December 31:			
2024	6,004	(242)	5,762
2025	2,004	(186)	1,818
2026	2,004	(187)	1,817
Thereafter	<u>4,005</u>	<u>(374)</u>	<u>3,631</u>
Present value of lease liabilities	<u>14,017</u>	<u>(989)</u>	<u>13,028</u>
Less current portion	<u>(6,004)</u>	<u>242</u>	<u>(5,762)</u>
Noncurrent present value of lease liabilities	<u>\$ 8,013</u>	<u>\$ (747)</u>	<u>\$ 7,266</u>

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 9 – LEASES (CONT'D)

The maturities of lease liabilities as of December 31, 2022 were as follows:

Year ending December 31:	<u>Operating</u>	<u>Accrued Interest</u>	<u>Total</u>
2023	23,500	(710)	22,790
2024	6,004	(186)	5,818
2025	2,004	(187)	1,817
Thereafter	<u>6,012</u>	<u>(619)</u>	<u>5,393</u>
Present value of lease liabilities	<u>37,520</u>	<u>(1,702)</u>	<u>35,818</u>
Less current portion	<u>(23,500)</u>	<u>710</u>	<u>(22,790)</u>
Noncurrent present value of lease liabilities	<u>\$ 14,020</u>	<u>\$ (992)</u>	<u>\$ 13,028</u>

The following summarizes the line items in the statements of activities which include the components of lease expense for and the short-term lease expense for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Lease cost, operating right of use asset	\$ 7,266	\$ 13,028
Lease cost, short term	<u>5,762</u>	<u>22,790</u>
Total Lease Costs:	<u>\$ 13,028</u>	<u>\$ 35,818</u>

Cash flows related to leases are considered cash paid for amounts included in the measurement of lease liabilities. Operating cash flows from operating liabilities were \$ 22,790 and \$ 20,178 for the years ending December 31, 2023 and 2022, respectively.

NOTE 10 – DEFERRED REVENUE

At times, the Organization is awarded and is in receipt of grants or funds in advance of earning the income through applicable expenses or time restrictions. The receipt of funds that are unearned are considered deferred revenue liabilities. For the year ending December 31, 2023 and 2022, the Organization had Unpred revenue liabilities of \$ 288,356 and \$ 235,729, respectively, from state and local grants.

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 11 – GRANTS, CONTRACTS AND FOUNDATIONS

Grants and contracts received for the current year are included in net assets without donor restrictions and are described in the following for the years ending December 31:

	2023	2022
21st Century Grant	\$ 2,272,196	\$ 1,925,090
General Grants - Employee Retention Credits	730,904	308,674
General Grants - Local	97,836	39,346
Youth Employment Program	19,608	-
Georgia Alliance - Boys & Girls Clubs of America	486,850	547,330
HealthMPowers	25,829	-
GA Governor's Office of Emergency Relief Funds (GEER)	430,918	641,581
Building Opportunities in Out-of-School Time (BOOST)	405,472	516,577
Falcons Fitness Zone	24,462	100,000
CACFP	193,025	123,212
OJP Mentoring	103,490	100,540
	\$ 4,790,590	\$ 4,302,350

During the fiscal years ended December 31, 2023 and 2022, the Organization provided and completed the process to request payroll tax credits and refundable credits from applicable payroll quarters in 2020 and 2021.

NOTE 12 – GIFTS IN-KIND

The Organization has formed a partnership to utilize space in order to operate Club programs as a donation in-kind. The value of space used is based on the number of days, hours of usage, and estimated cost per hour, or a per room fee as determined by the school systems. The amount of space donated is \$ 641,340 and \$ 643,321 for the years ending December 31, 2023 and 2022, respectively.

The Organization also receives items for major fundraiser silent auction items and event prizes. Silent auction and event prize items donated at their fair market value which is based on current retail price. For the years ending December 31, 2023 and 2022, there were \$ 33,521 and \$ 40,145 donated to the Organization, respectively.

The Organization received in-kind donations in the form of discounts on fixed asset additions in the amount of \$ 47,651 and \$ 0 for the years ended December 31, 2023 and 2022, respectively.

NOTE 13 – SPECIAL EVENTS

The following special events were held and earned the respective revenues for the years ending December 31:

	2023	2022
Duck Derby	\$ 217,307	\$ 220,354
Holiday Golf Event	48,552	61,601
Habersham Car Show	3,000	50
Buford Holiday Market	22,434	-
Newsletter	695	-
Total special event revenue	291,988	282,005

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 14 – CONCENTRATIONS

At December 31, 2023, 24% of the Organization's revenue came from general or restricted contributions and 59% of the Organization's revenue came from grants issued through five agencies. At December 31, 2022, 54% of the Organization's revenue came from general or restricted contributions and 31% of the Organization's revenue came from grants issued through four agencies.

The Organization maintains its cash and cash equivalents in several financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures the balances in interest-bearing accounts up to \$ 250,000 per institution. As of December 31, 2023, and 2022, the Organization's uninsured cash balances accounts totaled \$ 4,115,064 and \$ 7,313,025 respectively.

NOTE 15 – EMPLOYEE RETIREMENT PLAN

The Organization is a participant in the retirement plan of the Boys & Girls Clubs of America. The plan is employer funded. The Boys & Girls Clubs of Lanier, Inc., contributes 4% of each eligible employee's salary for the prior year to the plan. Employer contributions for 2023 and 2022 were \$ 75,372 and \$ 41,094, respectively.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 22, 2024, the date the financial statements were available to be issued. Subsequent to year end, the Organization purchased the property in which the Habersham Club was running out of. The property includes 10 acres and has 2 buildings. The settlement date was January 30, 2024 for a purchase price of \$ 1,357,146.

SINGLE AUDIT REPORTING PACKAGE
of
BOYS & GIRLS CLUBS OF LANIER, INC.

P.O. Box 691

Gainesville, GA 30503

FEIN 58-0656890

FOR THE YEAR ENDED

December 31, 2023

BOYS & GIRLS CLUBS OF LANIER, INC.
GAINESVILLE, GEORGIA

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Boys & Girls Clubs of Lanier, Inc.
Gainesville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Boys and Girls Clubs of Lanier, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 22, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boys and Girls Clubs of Lanier, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Clubs of Lanier, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Boys and Girls Clubs of Lanier, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boys and Girls Clubs of Lanier, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Alexander, Almand & Bangs, LLP
Gainesville, Georgia
April 22, 2024

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

To the Board of Directors
Boys & Girls Clubs of Lanier, Inc.
Gainesville, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boys and Girls Clubs of Lanier, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Boys and Girls Clubs of Lanier, Inc.'s major federal programs for the year ended December 31, 2023 and 2022. Boys and Girls Clubs of Lanier, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Boys and Girls Clubs of Lanier, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023 and 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Boys and Girls Clubs of Lanier, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Boys and Girls Clubs of Lanier, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Boys and Girls Clubs of Lanier, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Boys and Girls Clubs of Lanier, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for

that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Boys and Girls Clubs of Lanier, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Boys and Girls Clubs of Lanier, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Boys and Girls Clubs of Lanier, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Clubs of Lanier, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Alexander, Almand & Bangs, LLP
Gainesville, Georgia
April 22, 2024

BOYS & GIRLS CLUBS OF LANIER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Grantors and Pass-Through Grants' Number	ALN	Federal Amount Expended
U.S. Department of Education			
Passed through the GA Department of Education:			
21st Century Community Learning Centers Program	PP2 21st CCLC Grant S287C210010	84.287C	\$ 172,445
21st Century Community Learning Centers Program	Fair St. 21st CCLC Grant S287C200010	84.287C	254,801
21st Century Community Learning Centers Program	PP1 21st CCLC Grant S287C210010	84.287C	250,781
21st Century Community Learning Centers Program	Teen 21st CCLC Grant S287C210010	84.287C	250,123
21st Century Community Learning Centers Program	Walters 21st CCLC Grant S287C210010	84.287C	149,499
21st Century Community Learning Centers Program	Tim Lee 21st CCLC Grant S287C210010	84.287C	248,109
21st Century Community Learning Centers Program	PP1 21st CCLC Grant S287C220010	84.287C	116,324
21st Century Community Learning Centers Program	Fair St. 21st CCLC Grant S287C220010	84.287C	126,317
21st Century Community Learning Centers Program	PP2 21st CCLC Grant S287C220010	84.287C	220,937
21st Century Community Learning Centers Program	Teen 21st CCLC Grant S287C220010	84.287C	113,237
21st Century Community Learning Centers Program	Walters 21st CCLC Grant S287C220010	84.287C	221,950
21st Century Community Learning Centers Program	Tim Lee 21st CCLC Grant S287C220010	84.287C	147,671
			<u>2,272,194</u> (1)
Passed through Georgia Alliance of Boys & Girls Club, Inc.			
Georgia Governor's Office of Emergency Education Relief Fund	GEER 2022-2023	84.425C	416,034
Building Opportunities for Out-of-School Time - ARPA	BOOST 2022-2023	84.425U	40,044
Building Opportunities for Out-of-School Time - ARPA	BOOST 2023-2024	84.425U	365,428
			<u>821,506</u> (2)
Total U.S. Department of Education			<u>3,093,700</u>
U.S. Department of Health & Human Services			
Passed through Georgia Alliance of Boys & Girls Club, Inc.			
Dept. of Human Services, State of GA Grant 2022-2023	42700-040-0000107824	93.558	137,597
Dept. of Human Services, State of GA Grant 2023-2024	42700-040-0000107824	93.558	349,253
Total U.S. Department of Health & Human Services			<u>486,850</u> (2)
U.S. Department Treasury			
Passed through Local Georgia Government			
Coronavirus State and Local Fiscal Recovery Funds - ARPA	County Allotment	21.027	107,442 (5)
U.S. Department of Agriculture			
Child and Adult Care Food Program	Unavailable	10.558	193,026 (3)
U.S. Department of Justice			
Passed through Boys and Girls Clubs of America			
Mentoring in Underserved Communities	OJP 2022-51142	16.726	25,912
Mentoring in Underserved Communities	OJP 2022-51146	16.726	5,331
Mentoring in Underserved Communities	OJP 2022-51145	16.726	29,292
Mentoring in Underserved Communities	OJP 2022-51148	16.726	16,960
Mentoring in Underserved Communities	OJP 2022-51144	16.726	14,528
Mentoring in Underserved Communities	OJP 2022-51143	16.726	10,110
Mentoring in Underserved Communities	OJP 2022-51147	16.726	9,987
Mentoring in Underserved Communities	OJP 2022-51149	16.726	25,098
Total U.S. Department of Justice			<u>137,218</u> (4)
Total expenditures of federal awards			<u>\$ 4,018,236</u>

- (1) This amount represents the amount of expenditures submitted and approved by the United States Department of Education.
(2) This amount represents the grant payment requests submitted and approved by the Georgia Alliance of Boys & Girls Club, Inc.
(3) This amount represents the grant payment requests submitted and approved by the United States Department of Agriculture.
(4) This amount represents the amount of expenditures submitted and approved by the Boys & Girls Clubs of America.
(5) This amount represents the amount of expenditures used for the MESH program as allocated from the Hall County, Georgia Government as a portion of the State and Local Fiscal Recovery Funds appropriated by the American Rescue Plan Act.

See accompanying notes to the schedule of expenditures of federal awards.

BOYS & GIRLS CLUBS OF LANIER, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Boys & Girls Clubs of Lanier, Inc., (the “Organization”) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected position of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Boys & Girls Clubs of Lanier, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST

Boys & Girls Clubs of Lanier, Inc. has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

BOYS & GIRLS CLUBS OF LANIER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023

SECTION I – SUMMARY OF AUDIT RESULTS:

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weakness identified? _____ Yes X No

Significant deficiencies identified not considered
to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal programs:
Material weaknesses identified? _____ Yes X No

Significant deficiencies identified not considered
To be material weaknesses? _____ Yes X None Reported

Type of auditor's report issued on compliance for
major federal programs Unmodified

Any audit findings disclosed that are required to be
Reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.425U	Department of Education, Building Opportunities For Out-of-School Time
84.425C	Department of Education, Governor's Office of Emergency Education Relief Fund

Dollar threshold used to distinguish between Type A
Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ X Yes _____ No

SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT (GAGAS):

There were no findings related to the financial statement audit.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS AUDIT:

There were no findings related to the major federal programs audit.

SECTION IV – SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS:

None noted.