



BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(WITH COMPARATIVE TOTALS FOR 2018)

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.

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(WITH COMPARATIVE TOTALS FOR 2018)

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Boys & Girls Clubs of Tampa Bay Foundation, Inc.
Tampa, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Boys & Girls Clubs of Tampa Bay Foundation, Inc. (the Foundation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boys & Girls Clubs of Tampa Bay Foundation, Inc. as of December 31, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 3, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Reeder & Associates, PA

Certified Public Accountants
May 27, 2020

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Totals
ASSETS				
Current assets				
Cash and cash equivalents	\$ 484,352	\$ -	\$ 484,352	\$ 1,450,100
Prepaid expenses	5,667	-	5,667	-
Due from related Organization	259,791	-	259,791	94,375
Total current assets	<u>749,810</u>	<u>-</u>	<u>749,810</u>	<u>1,544,475</u>
Investments, including investments held for related Organization	8,439,288	92,124	8,531,412	5,116,205
Beneficial interest in Community Foundation	-	1,961,111	1,961,111	1,758,716
Total investments	<u>8,439,288</u>	<u>2,053,235</u>	<u>10,492,523</u>	<u>6,874,921</u>
Computer software, less accumulated depreciation of \$7,866 and \$4,370, respectively	2,622	-	2,622	6,118
Cash surrender value of life insurance	-	-	-	26,890
TOTAL ASSETS	<u>\$ 9,191,720</u>	<u>\$ 2,053,235</u>	<u>\$ 11,244,955</u>	<u>\$ 8,452,404</u>
LIABILITIES AND NET ASSETS				
Investments held for related Organization	<u>\$ 2,863,671</u>	<u>\$ -</u>	<u>\$ 2,863,671</u>	<u>\$ 1,379,761</u>
Total liabilities	<u>2,863,671</u>	<u>-</u>	<u>2,863,671</u>	<u>1,379,761</u>
Net assets				
Without donor restrictions				
Undesignated	6,325,427	-	6,325,427	5,205,471
Invested in equipment	2,622	-	2,622	6,118
Total net assets without donor restrictions	<u>6,328,049</u>	<u>-</u>	<u>6,328,049</u>	<u>5,211,589</u>
With donor restrictions				
Purpose restrictions	-	1,961,111	1,961,111	1,785,606
Restricted in perpetuity - endowment	-	92,124	92,124	75,448
Total net assets with donor restrictions	<u>-</u>	<u>2,053,235</u>	<u>2,053,235</u>	<u>1,861,054</u>
Total net assets	<u>6,328,049</u>	<u>2,053,235</u>	<u>8,381,284</u>	<u>7,072,643</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,191,720</u>	<u>\$ 2,053,235</u>	<u>\$ 11,244,955</u>	<u>\$ 8,452,404</u>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Totals
Support and Revenue				
Contributions	\$ 469,002	\$ 1,670	\$ 470,672	\$ 565,445
In-kind contributions	74,677	-	74,677	63,579
Investment return	953,512	329,499	1,283,011	(354,406)
	<u>1,497,191</u>	<u>331,169</u>	<u>1,828,360</u>	<u>274,618</u>
Net assets released from restrictions	<u>138,988</u>	<u>(138,988)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,636,179</u>	<u>192,181</u>	<u>1,828,360</u>	<u>274,618</u>
Expenses				
<i>Program Services</i>				
Support of related Organization	<u>330,460</u>	<u>-</u>	<u>330,460</u>	<u>343,186</u>
<i>Support Services</i>				
General and Administrative	61,666	-	61,666	61,365
Fundraising	<u>127,593</u>	<u>-</u>	<u>127,593</u>	<u>115,635</u>
Total support services	<u>189,259</u>	<u>-</u>	<u>189,259</u>	<u>177,000</u>
Total Expenses	<u>519,719</u>	<u>-</u>	<u>519,719</u>	<u>520,186</u>
Change in Net Assets	1,116,460	192,181	1,308,641	(245,568)
Net Assets, beginning of year	<u>5,211,589</u>	<u>1,861,054</u>	<u>7,072,643</u>	<u>7,318,211</u>
Net Assets, end of year	<u>\$ 6,328,049</u>	<u>\$ 2,053,235</u>	<u>\$ 8,381,284</u>	<u>\$ 7,072,643</u>

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of these financial statements.

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	<u>Program Services</u>	<u>Support Services</u>		<u>Total Support Services</u>	<u>Total Expenses</u>	<u>2018 Comparative Totals</u>
	<u>Support of related Organization</u>	<u>General and Administrative</u>	<u>Fundraising</u>			
Annual funding to related Organization	\$ 237,000	\$ -	\$ -	\$ -	\$ 237,000	\$ 224,000
Endowment grants to related Organization	93,460	-	-	-	93,460	119,186
Consulting fees	-	19,075	76,300	95,375	95,375	99,700
Professional fees	-	5,500	-	5,500	5,500	5,500
In-kind expenses	-	31,429	43,248	74,677	74,677	63,579
Office supplies	-	414	1,656	2,070	2,070	380
Travel and meetings	-	-	3,592	3,592	3,592	2,301
Insurance	-	1,790	-	1,790	1,790	1,643
Other	-	2,759	-	2,759	2,759	401
Total expenses before depreciation	330,460	60,967	124,796	185,763	516,223	516,690
Depreciation	-	699	2,797	3,496	3,496	3,496
Total expenses	\$ 330,460	\$ 61,666	\$ 127,593	\$ 189,259	\$ 519,719	\$ 520,186

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of these financial statements.

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Cash Flows from Operating Activities				
Change in Net Assets	\$ 1,116,460	\$ 192,181	\$ 1,308,641	\$ (245,568)
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</i>				
Depreciation	3,496	-	3,496	3,496
Realized and unrealized (gain) loss on investments	(760,779)	(292,497)	(1,053,276)	569,436
(Increase) decrease in accounts receivable	-	-	-	1,000
(Increase) decrease in prepaid expenses	(5,667)	-	(5,667)	-
(Increase) decrease in due from related Organization	(165,416)	-	(165,416)	(205,703)
(Increase) decrease in cash surrender value of life insurance	-	26,890	26,890	(26,890)
Increase (decrease) in deferred revenue	-	-	-	(20,000)
Total Adjustments	(928,366)	(265,607)	(1,193,973)	321,339
Net Cash Provided by (Used in) Operating Activities	188,094	(73,426)	114,668	75,771
Cash Flows from Investing Activities				
Cash received from related Organization for investment	1,240,799	-	1,240,799	1,379,761
Cash payments for the purchase of investments	(3,389,025)	-	(3,389,025)	(1,379,761)
Reinvestment of dividends earned on investments	(124,966)	(37,001)	(161,967)	(230,776)
Cash proceeds from sale of investments	1,119,350	110,427	1,229,777	1,205,845
Net Cash Provided by (Used in) Investing Activities	(1,153,842)	73,426	(1,080,416)	975,069
Net Increase (decrease) in Cash and Cash Equivalents	(965,748)	-	(965,748)	1,050,840
Cash and Cash Equivalents, beginning of year	1,450,100	-	1,450,100	399,260
Cash and Cash Equivalents, end of year	\$ 484,352	\$ -	\$ 484,352	\$ 1,450,100

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

NOTE A – DESCRIPTION OF FOUNDATION

The Boys & Girls Clubs of Tampa Bay Foundation, Inc. (the Foundation) was incorporated in November 1990 and operates as a Florida non-profit corporation for the purpose of fundraising, holding, and managing funds which are used for the continuing financial support of the Boys & Girls Clubs of Tampa Bay, Inc. (the Organization). The Foundation is managed by a Board of Trustees which is independent of the Organization's Board of Directors.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Recent Accounting Pronouncement

The Foundation has adopted Accounting Standards Update (ASU) No. 2014-09 – Revenue from Contracts with Customers (Topic 606), as amended as management believes the standard improves the usefulness and understandability of the Foundation's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that:

- may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.
- are maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are defined as restricted and unrestricted cash on hand, amounts in depository and money market accounts at the bank.

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

Contributions of services are recognized if the services received (a) create or enhance capital assets, or (b) are provided by entities that normally provide those services for compensation and are substantially the same services normally purchased by the Foundation. Volunteers make significant contributions of their time to develop and maintain the Foundation's program and fundraising campaigns. No amounts have been reported in the financial statements for voluntary donation of services because no objective basis is available to measure the value of such donations.

Property and Equipment

Computer software is stated at historical cost and depreciated using the straight-line method over its estimated useful life of 3 years. Acquisitions of property and equipment in excess of \$2,500 are capitalized.

Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and Cash Equivalents - the carrying amount approximates fair value due to the short-term maturity of these instruments.

Investments - the fair value is based on quoted market value with unrealized gains and losses included in the Statement of Activities and Changes in Net Assets.

Concentration of Credit Risk

Financial instruments, which potentially subject the Foundation to concentrations of credit risk, consist principally of cash and cash equivalents. The Foundation places its cash with creditworthy, high quality financial institutions. Accounts are maintained at institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amount in excess of the FDIC limit totaled \$144,413 at December 31, 2019 which included Investments held for related Organization of \$40,000 that consisted of cash at year end. The amount in excess of the FDIC limit totaled \$2,329,085 at December 31, 2018 which included Investments held for related Organization of \$1,379,761 that consisted of cash at year end. The Foundation has not experienced any losses from its deposits.

Income Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Foundation is treated as a functionally integrated supporting organization of a public supported organization, and not as a private foundation. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Foundation accounts for uncertain tax positions, if any, in accordance with ASC Section 740.

Management is not aware of any activities that would jeopardize the Foundation's tax-exempt status. The Foundation is not aware of any tax positions that it has taken that are subject to a significant degree of uncertainty. The Foundation believes it is no longer subject to income tax examinations for fiscal years ending prior to December 31, 2016.

Reclassification

Certain 2018 amounts have been reclassified to conform to the 2019 presentation.

Read Report of Independent Certified Public Accountants

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

Expenses are shown by natural expense classification and function in the accompanying statement of functional expenses for each year presented. Expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. Allocations are based on direct usage or management’s estimate of the benefit derived by each activity. Management’s estimates may be based on factors such as time and effort, square footage, clients served, or any other reasonable basis. The expenses that are allocated on the basis of estimates of time and effort are consulting fees, and in-kind salaries, wages and employee benefits.

Comparative Data

The amounts shown for the year ended December 31, 2018 in the accompanying financial statements are included to provide a basis for comparison with 2019 and present summarized totals only. Accordingly, the 2018 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Foundation’s financial statements for the year ended December 31, 2018, from which the summarized information was derived.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation’s financial assets as of the statement of financial position date. These financial assets are required to be reduced by those not available for general use within one year of the statement of financial position date.

	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 484,352	\$ 1,450,100
Due from related Organization	259,791	94,375
Investments including investments held for related Organization	8,531,412	5,116,205
Beneficial interest in Community Foundation	1,961,111	1,758,716
Cash surrender value of life insurance	-	26,890
	11,236,666	8,446,286
Less those unavailable for general expenditure within one year due to:		
Investments held for related Organization	(2,863,671)	(1,379,761)
Beneficial interest in Community Foundation	(1,961,111)	(1,758,716)
Cash surrender value of life insurance	-	(26,890)
Donor restricted for endowment – in perpetuity	(92,124)	(75,448)
	(4,916,906)	(3,240,815)
Less those unavailable for general expenditure within one year due to annual distribution payout policy	(5,705,555)	(4,735,076)
Financial assets available to meet cash needs for general expenditures within one year	\$ 614,205	\$ 470,395

Read Report of Independent Certified Public Accountants

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due and strives to operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that any long-term obligations will be discharged. Financial assets in excess of daily cash requirements may be invested in certificates of deposit, money market funds or other short-term investments.

NOTE D – BENEFICIAL INTEREST IN COMMUNITY FOUNDATION

The Community Foundation of Tampa Bay, Inc. (Community Foundation) holds funds for which the earnings have been restricted for the benefit of the Foundation. Assets contributed to the Community Foundation for the benefit of the Foundation are recorded as assets of the Foundation in accordance with professional standards. These “agency restricted funds” are pooled with the other assets of the Community Foundation for investing purposes.

“Agency restricted funds” which were established for the Foundation within the Community Foundation had fair values of \$1,961,111 and \$1,758,716 at December 31, 2019 and 2018, respectively, and are recorded as net assets with donor restrictions.

At December 31, 2019 and 2018, the Community Foundation held \$710,073 and \$625,462, respectively, in designated funds for the benefit of the Foundation. The Community Foundation has full variance power for directing the use of these funds. As a result, these funds are not recorded on the Foundation’s financial statements.

NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Professional Standards establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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 under Professional Standards are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Read Report of Independent Certified Public Accountants

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019
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NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable input and minimize the use of unobservable inputs.

Investments in mutual funds - fair value is the closing price reported on the active market which the individual securities are traded.

Beneficial interest in Community Foundation - valued at the fair value of the investments of the related trust.

Cash surrender value of life insurance - fair value is based on inputs other than quoted prices that are observable for the asset.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value at December 31, 2019:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Beneficial interest in Community Foundation	\$ 1,961,111	\$ -	\$ -	\$ 1,961,111
Investments:				
Mutual funds:				
Fixed income	2,904,058	2,904,058	-	-
Growth	1,785,857	1,785,857	-	-
Small cap	857,723	857,723	-	-
Large cap	1,689,535	1,689,535	-	-
International	1,294,239	1,294,239	-	-
	<u>\$ 10,492,523</u>	<u>\$ 8,531,412</u>	<u>\$ -</u>	<u>\$ 1,961,111</u>

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value at December 31, 2018:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Beneficial interest in Community Foundation	\$ 1,758,716	\$ -	\$ -	\$ 1,758,716
Cash surrender value of life insurance	26,890	-	26,890	-
Investments:				
Mutual funds:				
Fixed income	1,509,589	1,509,589	-	-
Growth	1,106,730	1,106,730	-	-
Small cap	433,000	433,000	-	-
International	687,125	687,125	-	-
	<u>\$ 5,522,050</u>	<u>\$ 3,736,444</u>	<u>\$ 26,890</u>	<u>\$ 1,758,716</u>

At December 31, 2018, investments, including investments held for related Organization, include cash in the amount of \$1,379,761 that is not required to be included in the fair value hierarchy.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Beneficial interest in Community Foundation
January 1, 2018	\$ 2,020,513
Distributions	(137,023)
Gains and losses	(162,016)
Interest and dividends	37,242
December 31, 2018	1,758,716
Distributions	(110,378)
Gains and losses	279,326
Interest and dividends	33,447
December 31, 2019	<u>\$ 1,961,111</u>

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Investment return consists of the following for the years ended December 31, 2019 and 2018:

	2019	2018
Interest and dividends	\$ 252,153	\$ 237,412
Realized and unrealized gains (losses)	1,053,276	(569,436)
	1,305,429	(332,024)
Less: investment expenses	(22,418)	(22,382)
	\$ 1,283,011	\$ (354,406)

NOTE F – INVESTMENT IN ENDOWMENT

The Foundation's investment in endowment consists of several funds established to provide future support for the related Organization. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment Net Asset Composition by Type of Fund as of December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Community Foundation of Tampa Bay funds:			
Lacoochee Club	\$ -	\$ 264,201	\$ 264,201
Bill Carey Brandon Club	-	634,394	634,394
Liberty Mompierre Club	-	106,453	106,453
Riverview Club	-	51,736	51,736
South County Club	-	115,521	115,521
Foundation Fund	-	788,806	788,806
Salesian Club at Mary Help	-	92,124	92,124
	\$ -	\$ 2,053,235	\$ 2,053,235

BOYS & GIRLS CLUBS OF TAMPA BAY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

NOTE F – INVESTMENT IN ENDOWMENT (continued)

Endowment Net Asset Composition by Type of Fund as of December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Community Foundation of Tampa Bay funds:			
Lacoochee Club	\$ -	\$ 234,397	\$ 234,397
Bill Carey Brandon Club	-	571,038	571,038
Liberty Mompierre Club	-	95,179	95,179
Riverview Club	-	46,256	46,256
South County Club	-	101,817	101,817
Foundation Fund	-	710,029	710,029
Salesian Club at Mary Help	-	75,448	75,448
	<u>\$ -</u>	<u>\$ 1,834,164</u>	<u>\$ 1,834,164</u>

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 1,834,164	\$ 1,834,164
Contributions	-	-	-
Investment income	-	37,001	37,001
Net gain (realized and unrealized)	-	292,497	292,497
Amounts appropriated for expenditure	-	(110,427)	(110,427)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 2,053,235</u>	<u>\$ 2,053,235</u>

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NOTE F – INVESTMENT IN ENDOWMENT (continued)

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 2,106,834	\$ 2,106,834
Contributions	-	-	-
Investment income	-	37,835	37,835
Net loss (realized and unrealized)	-	(173,400)	(173,400)
Amounts appropriated for expenditure	-	(137,105)	(137,105)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,834,164</u>	<u>\$ 1,834,164</u>

Interpretation of Relevant Law

The Board of Trustees has interpreted the law as requiring donor restricted net assets in an endowment fund to remain restricted until appropriated for expenditure by the Foundation for the donor's intended purpose. In accordance with the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for the endowment assets that attempt to provide funding for the future programs and activities. Under this policy, as approved by the Board of Trustees, the Trust assets are invested in a manner to achieve the long-term rate-of-return objectives, fixed income and cash, minimize risk and maximize return within acceptable guidelines and achieve a competent rate of return.

Spending Policy

The Foundation can withdraw annually up to 5% of the fair market value of the fund as of January 1st of each year or the 3-year average of prior year fiscal year-end market values depending on the individual endowment agreement.

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NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Endowment funds:		
Lacoochee Club	\$ 264,201	\$ 234,397
Bill Carey Brandon Club	634,394	571,038
Liberty Mompierre Club	106,453	95,179
Riverview Club	51,736	46,256
South County Club	115,521	101,817
Foundation Fund	788,806	710,029
Salesian Club at Mary Help	<u>92,124</u>	<u>75,448</u>
	2,053,235	1,834,164
Purpose restricted	<u>-</u>	<u>26,890</u>
	<u>\$ 2,053,235</u>	<u>\$ 1,861,054</u>

Net assets with donor restrictions of \$138,988 and \$137,105, were released in satisfaction of restrictions during the years ended December 31, 2019 and 2018, respectively.

NOTE H – BOYS & GIRLS CLUBS OF TAMPA BAY, INC.

The Boys & Girls Clubs of Tampa Bay, Inc. (the Organization) was incorporated in 1945 and operates as a separate not-for-profit corporation (exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions). The Organization is dedicated to helping all young people reach their full potential as productive, responsible, caring citizens. The Organization is managed by a Board of Directors which is independent of the Foundation's Board of Trustees. The Foundation and Organization engage in joint fundraising activities. Amounts due from the Organization were \$259,791 and \$94,375 for the years ended December 31, 2019 and 2018, respectively.

Pursuant to the Foundation's Statement of Investment Policies and Objectives, up to 5% of the 3-year average of prior fiscal year-end market values of the Foundation's unrestricted investments may be withdrawn for the benefit of the Organization upon request. During the years ended December 31, 2019 and 2018, the Foundation provided funding to the Organization in the amount of \$237,000 and \$224,000, respectively, which is reflected as support of the related Organization in the financial statements. The Foundation also provided grants in the amount of \$93,460 and \$119,186 to the Organization during the years ended December 31, 2019 and 2018, respectively.

The Organization provides management, accounting, fundraising and administrative services to the Foundation. The in-kind value of these services totaled \$74,677 and \$63,579 for the years ended December 31, 2018 and 2017, respectively. These amounts are recorded in the statement of functional expenses as support services.

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NOTE I – RELATED PARTY

During the year ended December 31, 2017, the Foundation had a Trustee Member who is a Co-Trustee of a charitable trust of which the related Organization is a beneficiary. During the year ended December 31, 2017, the trust was settled and distributions of \$917,835 were made to the related Organization. Approximately \$477,000 and \$40,000 were subsequently transferred to the Foundation in 2018 and 2019, respectively, to be held for investment and management by the Foundation.

NOTE J – SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact support and revenue and could potentially result in additional financial resources needing to be provided to the Boys & Girls Clubs of Tampa Bay, Inc. The Foundation has been responsive to this crisis and continues to evaluate its response and the community's response to COVID-19, however, there could be additional impact which is unknown at this time.

Management has evaluated subsequent events through May 27, 2020, the date the financial statements were available to be issued.