

**BOYS AND GIRLS CLUBS
OF LOWER BERGEN COUNTY, INC.**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.

TABLE OF CONTENTS

<u>Page</u>		<u>Exhibit</u>
1	Independent Auditor's Report	
	<u>FINANCIAL STATEMENTS</u>	
5	Statement of Financial Position	A
6	Statement of Activities	B
8	Statement of Cash Flows	C
9	Notes to the Financial Statements	
	<u>SUPPLEMENTAL INFORMATION</u>	<u>Schedule</u>
22	Statements of Summarized Functional Expenses	1
23	Statements of Functional Expenses	2
25	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 <i>Government Auditing Standards</i>	
27	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance	
30	Schedule of Expenditures of Federal Awards	
31	Notes to the Schedules of Expenditures of Federal Awards	
32	Schedule of Findings and Questioned Costs	
34	Schedule of Prior Audit Findings	



WIELKOTZ & COMPANY L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CÚVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. McNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boys and Girls Clubs of Lower Bergen County, Inc.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Boys and Girls Clubs of Lower Bergen County, Inc. (the "Club") a nonprofit organization, which comprise the statement of financial position as of 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. Our responsibility is to express an opinion on the financial statements based on our audit.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boys and Girls Clubs of Lower Bergen County, 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Boys and Girls Clubs of Lower Bergen County, 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 opinion.



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.

In preparing the financial statement, 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 Lower Bergen County, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Lower Bergen County, 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 Lower Bergen County, 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.

Other Information

Schedule of Expenditures of Federal Awards

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* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Emphasis of Matter

Prior Period Adjustments and Restated Financial Statements

As discussed in Note 10 to the financial statements, the beginning net position on the statement of revenues, expenses and changes in net position has been restated for the fiscal year ending December 31, 2022, to account for cancelled government grants receivable. In our opinion, such adjustments are appropriate and have been properly applied.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2024, on our consideration of the Boys and Girls Clubs of Lower Bergen County, 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 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 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 Lower Bergen County, Inc.'s internal control over financial reporting and compliance.



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 25, 2024

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
COMPARATIVE STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

<u>ASSETS</u>	<u>2023</u>	<u>Restated 2022</u>
Current Assets:		
Cash and Cash Equivalents	\$ 500,139	\$ 795,052
Accounts Receivable	19,366	31,047
Grants Receivable	87,555	201,322
Other Assets	16,060	16,060
	<u>623,120</u>	<u>1,043,481</u>
Capital Assets:		
Property and Equipment (Net Accumulated of Depreciation)	<u>3,298,248</u>	<u>2,983,774</u>
Total Assets	<u>\$ 3,921,368</u>	<u>\$ 4,027,255</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 94,427	\$ 177,486
Mortgage, Credit Line, Notes, Loans Payable	50,741	38,211
Other Liabilities	53,811	57,567
	<u>198,979</u>	<u>273,264</u>
Long-Term Liabilities:		
Mortgage, Credit Line, Notes, Loans Payable	<u>2,011,281</u>	<u>1,996,820</u>
Total Liabilities	<u>\$ 2,210,260</u>	<u>\$ 2,270,084</u>
Net Assets:		
With Donor Restrictions		
Scholarship Reserve	13,000	10,500
Without Donor Restrictions		
Designated for Building Projects	38,246	101,422
Undesignated	1,659,862	1,645,249
	<u>1,711,108</u>	<u>1,757,171</u>
Total Net Assets	<u>\$ 1,711,108</u>	<u>\$ 1,757,171</u>
Total Liabilities and Net Assets	<u>\$ 3,921,368</u>	<u>\$ 4,027,255</u>

See accompanying notes to financial statements.

**BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
COMPARATIVE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED**

	December 31, 2023		
	Without Donor Restriction	With Donor Restriction	Total
Public Support			
Individual Contributions	\$ 39,217	5,000	44,217
Corporate Contributions	5,450		5,450
Foundation Contributions	208,188		208,188
Government Grants		1,090,838	1,090,838
In-Kind Donations	16,645		16,645
Total Public Support	<u>269,500</u>	<u>1,095,838</u>	<u>1,365,338</u>
Revenues			
Member Dues	18,620		18,620
Programs	1,562,568		1,562,568
Fundraising	1,984,876		1,984,876
Facility Rental	536,210		536,210
Insurance Proceeds	26,692		26,692
Investment Income	3,574		3,574
Miscellaneous	7,172		7,172
Total Revenues	<u>4,139,712</u>	<u>-</u>	<u>4,139,712</u>
Net Assets Released from Restrictions	<u>1,090,838</u>	<u>(1,090,838)</u>	<u>-</u>
Total Public Support and Revenues	<u>5,500,050</u>	<u>5,000</u>	<u>5,505,050</u>
Functional Expenses:			
Program Services:			
21st Century Program	531,938		531,938
Hackensack Program	229,220		229,220
Hackensack Middle School	266,949		266,949
Lodi Program	1,162,103		1,162,103
Other Programs	270,431		270,431
Total Program Services	<u>2,460,641</u>	<u>-</u>	<u>2,460,641</u>
Supporting Services:			
Management and General	1,516,738	2,500	1,519,238
Fundraising	1,571,234		1,571,234
Total Supporting Services	<u>3,087,972</u>	<u>2,500</u>	<u>3,090,472</u>
Total Functional Expenses	<u>5,548,613</u>	<u>2,500</u>	<u>5,551,113</u>
Changes in Net Assets	<u>(48,563)</u>	<u>2,500</u>	<u>(46,063)</u>
Net Assets, January 1,	<u>\$ 1,746,671</u>	<u>10,500</u>	<u>1,757,171</u>
Net Assets, December 31,	<u>\$ 1,698,108</u>	<u>13,000</u>	<u>1,711,108</u>

See accompanying notes to financial statements.

**BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
COMPARATIVE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED**

	Restated December 31, 2022		Total
	Without Donor Restriction	With Donor Restriction	
Public Support			
Individual Contributions	\$ 69,848	5,000	74,848
Corporate Contributions	31,454		31,454
Foundation Contributions	93,133		93,133
Government Grants		1,768,368	1,768,368
In-Kind Donations	34,344		34,344
Total Public Support	<u>228,779</u>	<u>1,773,368</u>	<u>2,002,147</u>
Revenues			
Member Dues	13,545		13,545
Programs	1,076,362		1,076,362
Fundraising	1,979,714		1,979,714
Facility Rental	508,530		508,530
Insurance Proceeds	246,015		246,015
Employee Retention Credits	360,847		360,847
Investment Income	181		181
Miscellaneous	87,601		87,601
Total Revenues	<u>4,272,795</u>	<u>-</u>	<u>4,272,795</u>
Net Assets Released from Restrictions	<u>1,768,368</u>	<u>(1,768,368)</u>	<u>-</u>
Total Public Support and Revenues	<u>6,269,942</u>	<u>5,000</u>	<u>6,274,942</u>
Functional Expenses:			
Program Services:			
21st Century Program	549,654		549,654
Hackensack Program	222,473		222,473
Hackensack Middle School	175,061		175,061
Lodi Program	1,192,567		1,192,567
Other Programs	103,762		103,762
Total Program Services	<u>2,243,517</u>	<u>-</u>	<u>2,243,517</u>
Supporting Services:			
Management and General	1,316,198	5,000	1,321,198
Fundraising	1,541,531		1,541,531
Total Supporting Services	<u>2,857,729</u>	<u>5,000</u>	<u>2,862,729</u>
Total Functional Expenses	<u>5,101,246</u>	<u>5,000</u>	<u>5,106,246</u>
Changes in Net Assets	<u>1,168,696</u>	<u>-</u>	<u>1,168,696</u>
Net Assets, January 1, as Previously Reported	<u>\$ 697,975</u>	<u>10,500</u>	<u>708,475</u>
Prior-Period Adjustment:			
Cancellation of Receivables	<u>(120,000)</u>		<u>(120,000)</u>
Net Assets, January 1, As Adjusted	<u>577,975</u>	<u>10,500</u>	<u>588,475</u>
Net Assets, December 31,	<u>\$ 1,746,671</u>	<u>10,500</u>	<u>1,757,171</u>

See accompanying notes to financial statements.

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2023	2022
Cash Flows From Operating Activities:		
Change in Net Assets	\$ (46,063)	\$ 1,168,696
Adjustments to Reconcile Cash in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization Expense	378,229	320,286
(Increase) Decrease in:		
Accounts Receivable	11,681	(22,534)
Grants Receivable	113,767	(263,401)
Other Assets	-	21,670
Increase (Decrease) Liabilities:		
Accounts Payable and Accrued Expenses	(83,059)	54,282
Other Liabilities	(3,756)	(2,368)
Net Cash Provided (Used) by Operating Activities	370,799	1,276,631
Cash Flows From Investing Activities:		
Purchase of Property, Plant, and Equipment	(692,703)	(1,033,698)
Net Cash Provided (Used) by Investing Activities	(692,703)	(1,033,698)
Cash Flows From Financing Activities:		
Repayment of Debt	26,991	24,466
Net Cash Provided (Used) by Financing Activities	26,991	24,466
Net Increase (Decrease) in Cash and Cash Equivalents	(294,913)	267,399
Cash and Cash Equivalents, Beginning of Year	\$ 795,052	\$ 527,653
Cash and Cash Equivalents, End of Year	\$ 500,139	\$ 795,052
Supplemental Disclosures of Cash Flows Information:		
In-Kind Contributions	\$ 16,645	\$ 34,344
Interest Paid	112,439	87,028
Income Taxes Paid		422

See accompanying notes to financial statements.

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Boys and Girls Clubs of Lower Bergen County, Inc. (the “Club”) is presented to assist in understanding the Club’s financial statements. The financial statements and notes are representations of the Club’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (generally accepted accounting principles) and have been consistently applied in the preparation of the financial statements.

Nature of Activities

The Club is a non-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Club is a youth service organization dedicated to enable all young people to reach their full potential as productive, caring, responsible citizens through 3 core areas: academic success; good character and citizenship; healthy lifestyles.

Through the programs that are offered, the Club tries to provide the members with a sense of belonging, a sense of usefulness, a sense of influence and a sense of competence.

Basis of Presentation

The Club’s policy is to prepare its financial statements using the accrual basis of accounting.

The Club has adopted the provisions of Financial Accounting Standards Board’s ASC 958:205, “Presentation of Financial Statements of Not-for profit Organizations,” which established standards for external financial reporting of not-for-profit organizations. These provisions require that a complete set of financial statements for a not-for-profit organization should include a *statement of financial position* as of the end of the reporting period, a *statement of activities* and a *statement of cash flows* for the reporting period, and accompanying notes to the financial statements, as described below.

Statement of Financial Position

The primary purpose of the statement of financial position is to provide relevant information about the Club’s assets, liabilities, and net assets, and about their relationships to each other at a moment in time. The information provided in the statement of financial position, used with related disclosures and information in other financial statements, helps donors, members, creditors and others assess (a) the Club’s ability to continue to provide services and (b) the Club’s liquidity, financial flexibility, ability to meet obligations, and needs for external financing.

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Presentation, (continued)

Statement of Financial Position, (continued)

The Club adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which improved the current net asset classification requirements and the information presented in financial statements and notes about financial statements. Under these guidelines, net assets are now classified into the following two categories:

With Donor Restrictions – Net assets with donor restrictions are the part of net assets that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Net assets with donor restrictions are comprised of scholarship funds. The Club had \$13,000 and \$10,500 in donor restricted net assets at December 31, 2023 and 2022, respectively.

Without Donor Restrictions – Net assets without donor restrictions are the part of net assets that are not subject to restrictions (donors include other types of contributors, including makers of certain grants).

Under FASB's ASU 2016-14, a Not-for-Profit entity can also choose to further disaggregate the two net asset classes. The Club has elected to separate net assets without donor restrictions into the following two categories:

Board Designated Net Assets – Net assets without donor restrictions subject to self-imposed limits by action of the governing board. Board-designated assets may be earmarked for future programs. Investment, contingencies, purchase of construction fixed assets or other uses. The Club had \$38,246 and \$101,422 in board designated net assets at December 31, 2023 and 2022, respectively. The Club had the following board designated net assets at December 31, 2023:

Building Projects	<u>\$38,246</u>
-------------------	-----------------

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Presentation, (continued)

Statement of Financial Position, (continued)

Undesignated Net Assets – Net assets without donor or self-imposed limits by actions of the governing board. The Club had \$1,659,862 and \$1,645,249 in undesignated net assets at December 31, 2023 and 2022, respectively.

Statement of Activities

The primary purpose of a statement of activities is to provide relevant information about (a) the effects of transactions and other events and circumstances that change the amount and nature of net assets, (b) the relationships of those transactions and other events and circumstances to each other, and (c) how the Club's resources are used in providing various programs and services. The information in statement of activities, used with related disclosures and information in the other financial statements, helps donors, creditors, and other to (1) evaluate the Club's service efforts and ability to continue to provide services, and (2) how an Club's managers have discharged their stewardship responsibilities and other aspects of their performance.

Statement of Cash Flows

The primary purpose of the statement of cash flows is to provide relevant information about the cash receipts and cash payments of an organization during a period.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Presentation, (continued)

Revenue Recognition

Revenues are recognized in the year that they are earned by the Club. Funds received that have not been earned as of the balance sheet dates are reflected as deferred revenue.

On July 1, 2020, the Organization adopted ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), and accounting pronouncement issued by the FASB, as well as subsequently issued clarifying ASUs, which clarifies guidance on revenue recognition. This guidance includes the required steps to achieve the core principle that a company should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Organization adopted this pronouncement on a modified retrospective basis for all ongoing customer contracts. The results of operations for the reported period amounts are not adjusted and continue to be reported in accordance with historical accounting guidance. The adoption of this pronouncement had no impact on net assets and results of operations but resulted in required additional disclosures. ASC 606 does not apply to all revenue recognized by the Organization.

Functional Allocation of Expenses

Expenses incurred to directly carry out program activities are allocated to the applicable programs on a specific identification basis. Certain other indirect expenses are allocated to the programs based upon estimates prepared by management.

Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries, payroll taxes, and employee benefits are allocated on the basis of time and effort.

Income Taxes

The Club qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Club is also exempt under Title 15 of the State of New Jersey, Corporations and Association Not-For-Profit Act. Accordingly, no provision for federal and state income taxes has been presented in the accompanying financial statements.

**BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Income Taxes, (continued)

The Club’s accounting policies require compliance with FASB interpretation No 48 “Accounting for Uncertainty in Income Taxes”. During the year, the Club regularly monitors transactions for potential exposure of an unrelated business income tax liability. As of December 31, 2023, the Club identified no transactions that would qualify as unrelated business income under FASB Interpretation No. 48.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The Club made estimates for the useful life of depreciable assets during the fiscal year. Accordingly, actual results could differ from those estimates.

In-Kind Donations

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entities policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques.

The Club receives donated goods and services from a variety of unpaid volunteers and organizations assisting the Club in providing various youth development programs. The value of the services provided are estimated at the cost the Club would have incurred if the services were not provided. Goods donated are valued at their approximate fair market value. This amount is recorded as a contribution and expense in the Statement of Activities. The following have been recognized as in-kind contributions are related expenses:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Donated Services	\$16,645	\$9,000
Donated Goods	<u>0</u>	<u>25,344</u>
	<u>\$16,645</u>	<u>\$34,344</u>

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Compensated Absences

The Club's policy is to track compensated absences for management purposes only. Sick leave not used in any calendar year shall accumulate year to year to be used if and when needed for such purpose. An employee can accrue a maximum of 20 days at a time. The employee shall not be reimbursed for accrued sick leave at the time of employment termination, unless stated otherwise in an employment contract.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consists primarily of program fees and facility rentals related to the fiscal year that have not been collected as of the statement of financial position date. The Club had \$19,366 and \$31,047 in accounts receivable at December 31, 2023 and 2022, respectively.

The Club reviews all outstanding accounts with customers and members and determines collectability based on past experience. Management has determined that an allowance for doubtful accounts is not needed at this time.

Employee Retention Tax Credit Receivable (ERTC):

The ERTC is an IRS tax credit designed to refund certain payroll costs of qualifying Organizations. In 2021, the Club applied for \$360,847 of refunded payroll costs in 2020 and 2021. In 2022, the application was approved and the Club received all of the credits.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments including certificates of deposits. The carrying value of cash and cash equivalents approximates fair market value because of the short-term maturity of those financial instruments.

Custodial Credit Risk

Custodial Credit Risk is the risk that in the event of a bank failure, the Club's deposits may not be returned. To minimize the risk, the Club has deposited cash into bank accounts insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000. At December 31, 2023 and 2022, \$85,937 and \$546,717, respectively, of the Club's bank balance was exposed to custodial risk.

**BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Property and Equipment

Property and equipment are stated at cost. The Club’s policy is to capitalize and depreciate property and equipment expenditures if they are considered to be significant in nature and amount. Currently this threshold is set at \$1,000 per single item. Depreciation charges with respect to property and equipment have been made by the Club utilizing the straight-line method (½ year convention) over the estimated useful lives of the assets. Estimated useful lives are generally five to seven years for furniture and equipment, five to ten for transportation equipment and ten to thirty-nine for buildings and improvements.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following comprises cash and cash equivalents at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Unrestricted	\$458,353	\$688,980
Board Designated	38,246	101,422
Petty Cash	440	1,550
Cash on Hand	<u>3,100</u>	<u>3,100</u>
	<u>\$500,139</u>	<u>\$795,052</u>

[THIS AREA INTENTIONALLY LEFT BLANK]

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 – CAPITAL ASSETS

A summary of capital assets at December 31, 2023 and 2022 is as follows:

	December 31, <u>2022</u>	<u>Additions</u>	<u>Retirements</u>	December 31, <u>2023</u>
Land	75,532			75,532
Building - Lodi	3,726,129	451,570		4,177,699
Building - Hackensack	5,431	33,785		39,216
Furniture & Fixtures - Lodi	412,266	69,094		481,360
Furniture & Fixtures - Administration	16,778			16,778
Furniture & Fixtures - 21st Century	17,707	6,190		23,897
Furniture & Fixtures - Hackensack	15,311	23,339		38,650
Furniture & Fixtures - CAAP	2,437			2,437
Transportation - Hackensack	96,851			96,851
Transportation - Lodi	200,772	105,358		306,130
Pool	103,935	3,367		107,302
Flood Loss - Replacement	566,866			566,866
Hurricane Irene Damages	<u>1,278,864</u>			<u>1,278,864</u>
	<u>6,518,879</u>	<u>692,703</u>		<u>7,211,582</u>
<i>Accumulated Depreciation:</i>				
Building - Lodi	(1,983,707)	(205,208)		(2,188,915)
Building - Hackensack	(1,086)	(7,843)		(8,929)
Furniture & Fixtures - Lodi	(294,306)	(42,906)		(337,212)
Furniture & Fixtures - Administration	(10,251)	(3,356)		(13,607)
Furniture & Fixtures - 21st Century	(8,595)	(4,779)		(13,374)
Furniture & Fixtures - Hackensack	(5,523)	(6,693)		(12,216)
Furniture & Fixtures - CAAP	(487)	(487)		(974)
Transportation - Hackensack	(92,585)	(4,266)		(96,851)
Transportation - Lodi		(36,207)		(36,207)
Pool	(37,331)	(15,329)		(52,660)
Flood Loss - Replacement	(566,866)			(566,866)
Hurricane Irene Damages	<u>(534,368)</u>	<u>(51,155)</u>		<u>(585,523)</u>
	<u>(3,535,105)</u>	<u>(378,229)</u>	<u>-</u>	<u>(3,913,334)</u>
	<u>\$2,983,774</u>	<u>\$314,474</u>	<u>\$</u>	<u>\$3,298,248</u>

**BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 4 – LONG-TERM DEBT

Mortgage Payable

On August 18, 2004, the Club incurred debt of \$750,000 with Bank of America through Bank of America’s purchase of tax exempt bonds issued by the New Jersey Economic Development Authority specifically for the Club. Mortgage proceeds were used to re-finance existing debt; fund the acquisition of new equipment and capital improvements to the Club facility located at 460 Passaic Avenue Lodi, NJ.

The mortgage interest rate was 4.69% fixed for 10 years. Monthly payments were based on a 20 year payout. The interest rate was to be re-negotiated on or about August 19, 2014. The loan was secured by all Club real and personal property, receivables and intangibles.

On July 1, 2013, the Club entered into a new loan agreement was Pascack Community Bank (now Lakeland Bank) to refinance all existing term loans and mortgage debt outstanding at that time with Bank of America with a small amount remaining to be used to finance operations. The amount of the new loan is \$735,000 and has a fifteen (15) year term with the monthly payments being calculated based on a twenty five (25) year amortization. The maturity date is 8/1/2028. The rate of interest is 4.5% for the initial five (5) years, with the initial term’s principal and interest payments being \$4,113. On the 5th anniversary, the rate will reset for the next five (5) years at a fixed rate of 4.8% and the monthly payments will adjust accordingly. On the 10th anniversary, the rate will adjust to the FHLB NY 5 year index plus (+) 225 basis points with the resulting rate rounded to the nearest 1/8 of 1 percentage point (.125%). The resulting rate will be subject to a floor of 4.5%. Security shall be the land, building and all improvements of the club located at 460 Passaic Avenue, Lodi NJ. Flood insurance must be maintained throughout the entire term of the loan and the Club shall maintain an account relationship with the bank prior to closing or be subject to a 1% increase in its interest rate. In January 2022, the loan was modified to reduce the interest rate to 3.80%. Total interest paid during years ended December 31, 2023 and 2022 was \$21,633 and \$24,199, respectively.

Mortgage Payable balances as of December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Due in One Year	\$25,945	\$25,082
Due Beyond One Year	<u>521,890</u>	<u>547,773</u>
Balance December 31,	<u>\$547,835</u>	<u>\$572,855</u>

Loans Payable

On May 4, 2020 the Club received an Economic Injury Disaster Loan from the U.S. Small Business Administration (SBA) to continue operations during the COVID-19 Pandemic. The principal balance of the loan is \$200,000 with a 30 year term and an interest rate at 2.75%.

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4 – LONG-TERM DEBT, (continued)

Loan Payable, (continued)

The loan is on an automatic deferment by the federal government due to the continuing Covid impacted economy. Repayment of interest began in May 2023. As of the date of this report it is unclear when principal payments will begin. As of December 31, 2023 and 2022, loan payable balances were as follows:

	<u>2023</u>	<u>2022</u>
Due in One Year	\$0	\$0
Due Beyond One Year	<u>200,000</u>	<u>200,000</u>
Balance December 31,	<u>\$200,000</u>	<u>\$200,000</u>

On October 12, 2007, the Club secured a loan from the Small Business Administration (SBA) to finance a portion of the shortfall from insurance proceeds received resulting from damage sustained from a “nor’easter storm” on April 15, 2007. The loan was approved for \$244,800 bearing an interest rate of 4% and maturing on July 11, 2037. All proceeds were used to complete the flood damage repairs and to install protective equipment to help reduce future flood problems and damages.

On September 10, 2008, the SBA approved a modification to the loan increasing it by an additional \$352,500 increasing the total amount available to \$597,300. This modification was granted to finance additional engineering and construction costs, both estimated and partially incurred, to repair severe structural damage to the building’s steel supports as well as asbestos removal in a certain part of the building both caused by cumulative flood water damage over the years. The estimated cost of these projects is \$325,000. The interest rate and maturity date remained unchanged at 4% and July 11, 2037, respectively. Total interest paid and/or accrued during the years ended December 31, 2023 and 2022 were \$42,864 and \$32,148, respectively.

In March 2020, the Club received notice that the loan is on an automatic deferment by the SBA due to the COVID-19 pandemic. Interest payments resumed in March 2023. As of the date of this report, it is unclear when principal payments will begin.

	<u>2023</u>	<u>2022</u>
Due in One Year	\$	\$
Due Beyond One Year	<u>466,253</u>	<u>466,253</u>
Balance December 31,	<u>\$466,253</u>	<u>\$466,253</u>

**BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 4 – LONG-TERM DEBT, (continued)

Loans Payable, (continued)

On October 6, 2011, the Club received a Disaster Loan from the U.S. Small Business Administration (SBA) to rehabilitate or repair property damaged or destroyed by the disaster that occurred in August 2011. The principal balance of this loan \$833,000 with a 30 year term and an interest rate of 3.00%.

In March 2020, the Club received notice that the loan is on an automatic deferment by the SBA due to the COVID-19 pandemic. Repayment of interest is set to start in March 2023. As of the date of this report, it is unclear when principal payments will begin. As of December 31, 2023 and 2022, loan payable balances were as follows:

	<u>2023</u>	<u>2022</u>
Due in One Year	\$	\$0
Due Beyond One Year	<u>726,995</u>	<u>726,995</u>
Balance December 31,	<u>\$726,995</u>	<u>\$726,995</u>

Notes Payable

On May 17, 2016, the Club purchased a new Ford truck for \$41,165, financing \$38,165 through a loan agreement with Ford Credit for 72 months requiring monthly principal and interest payments totaling \$646 at an interest rate of 6.64%. The Club made a cash down payment of \$1,500 and received a trade in allowance of an additional \$1,500. Total interest paid and/or accrued during the years ended December 31, 2022 was \$239. As of December 31, 2022 the balance remaining on this agreement was \$-0-. This loan was paid in full in 2022.

In April 2022, the Club financed \$78,776 for 72 months with an interest rate of 4.50% for the purchase of School Bus. As of December 31, 2023, the Club had a balance of \$55,800, and paid interest of \$1,805.

	<u>2023</u>	<u>2022</u>
Due in One Year	\$13,129	\$13,129
Due Beyond One Year	<u>42,671</u>	<u>55,800</u>
Balance December 31,	<u>\$55,800</u>	<u>\$68,929</u>

In August 2023, the Club financed \$70,000 for 72 months with an interest rate of 6.99% for the purchase of a School Bus. As of December 31, 2023, the Club had a balance of \$65,139, and paid interest of \$1,072.

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4 – LONG-TERM DEBT, (continued)

Loans Payable, (continued)

	<u>2023</u>
Due in One Year	\$11,667
Due Beyond One Year	<u>53,472</u>
Balance December 31,	<u>\$65,139</u>

NOTE 5 – LINE OF CREDIT

The Club maintains a \$50,000 line of credit with Dell Financial Services, with an annual interest rate of 19.24%. As of December 31, 2023, the Club has a balance of \$-0-, and has paid interest of \$-0-. The Club anticipates maintaining the line of credit for future use, as needed.

NOTE 6 – RENTAL INCOME

The Club's facilities are rented to outside organizations on a month-to-month or an event-by-event basis. Pool facilities are rented to local swim clubs and schools. Total facility gross rental income for the year ending December 31, 2023 and 2022 amounted to \$536,210 and \$508,530, respectively.

NOTE 7 – PENSION PLAN

The Club adopted a defined contribution plan in accordance with Section 403(b) of the Internal Revenue Code. The plan's annual employer contributions were equal to five percent of the participants' salary. The annual plan contributions made by the Club for the years ended December 31, 2023 and 2022 amounted to \$30,990 and \$24,274, respectively. Participants must be 21 years of age or older and have two years of continuous salaried full-time employment.

NOTE 8 – OTHER MATTERS

Other Litigation

The Club is involved in litigation surrounding an old allegation of child abuse. As of December 31, 2023, it is not possible to determine if there is a loss potential or what that amount might be. The Club has retained legal counsel and is vigorously defending this case.

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 – SUBSEQUENT EVENTS

The Club has evaluated subsequent events through July 25, 2024, the date which the financial statements were available to be issued and no other items were noted for disclosure.

NOTE 10 – PRIOR PERIOD ADJUSTMENT

The Club canceled \$120,000 of grants receivable upon review of the grant agreements and inquiry with the grantor. As a result, a prior period adjustment was needed to correctly reflect the grants receivable for December 31, 2022.

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
STATEMENTS OF SUMMARIZED FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT & GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES 12/31/2023</u>	<u>TOTAL EXPENSES 12/31/2022</u>
Salaries	1,420,116	651,001	207,796	2,278,913	1,918,208
Payroll Taxes	138,510	57,794	20,241	216,545	169,805
Payroll Benefits	25,264	99,547	2,707	127,518	109,017
Total Compensation	<u>1,583,890</u>	<u>808,342</u>	<u>230,744</u>	<u>2,622,976</u>	<u>2,197,030</u>
Outside Consulting	15,000	13,914	-	28,914	12,412
Fees & Permits	-	3,044	-	3,044	2,668
Dues & Licenses	925	14,422	7,290	22,637	20,652
Supplies & Materials	61,004	109,786	251,287	422,077	415,765
Communications	-	-	-	-	20,661
Computer & Peripheral	357	15,920	-	16,277	31,834
Outside Security Services	17,150	-	-	17,150	24,220
Meals	11,758	-	425	12,183	118
Real Property Lease	-	21,600	-	21,600	20,400
Advertising	3,000	2,922	-	5,922	1,592
Promotion	-	3,017	36,725	39,742	13,564
Board Expenses	-	3,491	-	3,491	4,505
Training, Conference & Seminars	11,810	7,197	-	19,007	20,139
Repairs & Maintenance	9,412	41,557	-	50,969	60,387
Credit Card Fees	-	40,396	19,594	59,990	44,899
Electronic Rentals	-	9,935	64,077	74,012	75,764
Equipment	47,525	-	-	47,525	83,759
Good & Welfare	-	4,720	-	4,720	9,490
Insurance	-	153,206	-	153,206	148,997
Interest	-	112,439	-	112,439	87,028
Miscellaneous	21,780	1,756	-	23,536	7,173
Legal Fees	-	62,689	-	62,689	19,157
Accounting & Auditing	-	12,000	-	12,000	13,500
Payroll Processing	-	26,930	-	26,930	24,364
Pension Maintenance	-	1,100	-	1,100	1,600
Postage	-	12,227	-	12,227	3,078
Direct Activity Expenses	143,467	-	-	143,467	176,708
Prizes & Awards	-	-	873,681	873,681	920,645
Contracted Services	91,333	16,118	-	107,451	133,787
Golf Outing	-	-	30,677	30,677	31,204
Utilities	107,993	18,010	-	126,003	102,158
Scholarship	-	2,500	-	2,500	-
Transportation	12,742	-	-	12,742	56,702
Total Expenses Before Depreciation and Amortization	<u>2,139,146</u>	<u>1,519,238</u>	<u>1,514,500</u>	<u>5,172,884</u>	<u>4,785,960</u>
Disposals, Depreciation and Amortization	<u>321,495</u>	<u>-</u>	<u>56,734</u>	<u>378,229</u>	<u>320,286</u>
Total Expenses	<u><u>2,460,641</u></u>	<u><u>1,519,238</u></u>	<u><u>1,571,234</u></u>	<u><u>5,551,113</u></u>	<u><u>5,106,246</u></u>

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023

	PROGRAM SERVICES					SUPPORTING SERVICES			TOTAL EXPENSES	
	21st CENTURY PROGRAM	HACKENSACK PROGRAM	HMS PROGRAM	LODI PROGRAM	OTHER PROGRAMS	TOTAL PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING		SUPPORTING SERVICES
Salaries	377,580	166,464	199,875	482,438	193,759	1,420,116	651,001	207,796	858,797	2,278,913
Payroll Taxes	36,693	16,246	19,924	47,490	18,157	138,510	57,794	20,241	78,035	216,545
Payroll Benefits	6,241	2,451	408	9,376	6,788	25,264	99,547	2,707	102,254	127,518
Total Compensation	420,514	185,161	220,207	539,304	218,704	1,583,890	808,342	230,744	1,039,086	2,622,976
Outside Consulting	15,000					15,000	13,914		13,914	28,914
Fees & Permits							3,044		3,044	3,044
Dues & Licenses					925	925	14,422	7,290	21,712	22,637
Supplies & Materials	26,360	4,242	21,070		9,332	61,004	109,786	251,287	361,073	422,077
Communications										
Computer & Peripheral	16	320	21			357	15,920		15,920	16,277
Outside Security Services	17,150					17,150	21,600		21,600	17,150
Real Property Lease								425		21,600
Meals	11,758					11,758	2,922		2,922	12,183
Advertising		3,000				3,000	3,017	36,725	39,742	39,742
Promotion							3,491		3,491	3,491
Board Expenses										
Training, Conference & Seminars	5,155	1,055	175	1,263	4,162	11,810	41,557		41,557	50,969
Repairs & Maintenance		5,306			4,106	9,412	40,396	19,594	59,990	59,990
Credit Card Fees							9,935	64,077	74,012	74,012
Electronic Rentals										
Equipment			19,807	24,572	3,146	47,525	4,720		4,720	47,525
Good & Welfare							153,206		153,206	153,206
Insurance							112,439		112,439	112,439
Interest							1,756		1,756	23,536
Miscellaneous	699	4,305	250		16,526	21,780	62,689		62,689	62,689
Legal Fees							12,000		12,000	12,000
Accounting & Auditing							26,930		26,930	26,930
Payroll Processing							1,100		1,100	1,100
Pension Maintenance							12,227		12,227	12,227
Postage										
Direct Activity Expenses	32,726	22,090	4,825	79,053	4,773	143,467				143,467
Prizes & Awards								873,681	873,681	873,681
Contracted Services							16,118		16,118	107,451
Golf Outing								30,677	30,677	30,677
Utilities	1,600	3,741	594	102,058		107,993	18,010		18,010	126,003
Scholarship							2,500		2,500	2,500
Transportation	960			3,025	8,757	12,742				12,742
Total Expenses Before Depreciation and Amortization	531,938	229,220	266,949	840,608	270,431	2,139,146	1,519,238	1,514,500	3,033,738	5,172,884
Depreciation and Amortization								56,734		378,229
Total Expenses	531,938	229,220	266,949	1,162,103	270,431	2,460,641	1,519,238	1,571,234	3,090,472	5,551,113

BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022

	PROGRAM SERVICES					SUPPORTING SERVICES			TOTAL EXPENSES	
	21st CENTURY PROGRAM	HACKENSACK PROGRAM	HMS PROGRAM	LODI PROGRAM	OTHER PROGRAMS	TOTAL PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING		SUPPORTING SERVICES
Salaries	360,435	165,194	122,113	423,925	81,562	1,153,229	584,264	180,715	764,979	1,918,208
Payroll Taxes	34,154	15,719	11,813	43,830	7,854	113,370	39,165	17,270	56,435	169,805
Payroll Benefits	7,471	2,687	67	12,395	-	22,620	83,481	2,916	86,397	109,017
Total Compensation	402,060	183,600	133,993	480,150	89,416	1,289,219	706,910	200,901	907,811	2,197,030
Outside Consulting	11,250	-	-	-	1,162	12,412	2,668	-	2,668	12,412
Fees & Permits	-	-	-	-	-	-	15,861	-	20,101	2,668
Dues & Licenses	301	-	250	-	3,353	551	15,861	4,240	20,101	20,652
Supplies & Materials	66,673	1,659	25,313	24,153	-	121,151	66,499	228,115	294,614	415,765
Communications	1,059	3,333	663	-	-	5,055	15,606	-	15,606	20,661
Computer & Peripheral	6,149	1,198	3,049	-	-	10,396	21,438	-	21,438	31,834
Outside Security Services	24,220	-	-	-	-	24,220	-	-	-	24,220
Real Property Lease	-	-	-	-	-	-	20,400	-	20,400	20,400
Meals	118	-	-	-	-	118	1,495	-	1,495	118
Advertising	40	57	-	-	-	97	310	-	13,564	13,564
Promotion	-	-	-	-	-	-	4,505	-	4,505	4,505
Board Expenses	-	-	-	-	-	-	13,964	-	13,964	20,139
Training, Conference & Seminars	1,876	504	313	1,369	2,113	6,175	48,782	-	48,782	60,387
Repairs & Maintenance	-	-	-	10,921	684	11,605	26,709	18,190	44,899	60,387
Credit Card Fees	-	-	-	-	-	-	-	75,764	75,764	75,764
Electronic Rentals	-	-	-	-	-	-	10,227	-	10,227	83,759
Equipment	-	-	3,741	69,343	448	73,532	9,490	-	9,490	9,490
Good & Welfare	-	-	-	-	-	-	148,997	-	148,997	148,997
Insurance	-	-	-	-	-	-	87,028	-	87,028	87,028
Interest	-	-	-	-	-	-	4,373	-	4,373	7,173
Miscellaneous	76	-	572	-	977	1,625	19,157	1,175	19,157	19,157
Legal Fees	-	-	-	-	-	-	13,500	-	13,500	13,500
Accounting & Auditing	-	-	-	-	-	-	24,364	-	24,364	24,364
Payroll Processing	-	-	-	-	-	-	1,600	-	1,600	1,600
Pension Maintenance	-	-	-	-	-	-	3,078	-	3,078	3,078
Postage	-	-	-	-	-	-	5,407	-	5,407	176,708
Direct Activity Expenses	35,832	32,122	7,167	93,230	2,950	171,301	20,068	920,645	920,645	920,645
Prizes & Awards	-	-	-	-	-	-	15,324	31,204	31,204	133,787
Contracted Services	-	-	-	-	-	-	13,438	-	13,438	102,158
Golf Outing	-	-	-	-	2,659	86,834	-	-	-	102,158
Utilities	-	-	-	40,605	-	43,264	-	-	-	56,702
Transportation	-	-	-	-	-	-	-	-	-	-
Total Expenses Before Depreciation and Amortization	549,654	222,473	175,061	920,324	103,762	1,971,274	1,321,198	1,493,488	2,814,686	4,785,960
Disposals, Depreciation and Amortization	-	-	-	272,243	-	272,243	-	48,043	48,043	320,286
Total Expenses	549,654	222,473	175,061	1,192,567	103,762	2,243,517	1,321,198	1,541,531	2,862,729	5,106,246



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

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 Trustees
Boys and Girls Clubs of Lower Bergen County, Inc.

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 the Boys and Girls Clubs of Lower Bergen County, Inc. (the "Club"), a nonprofit organization, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated July 25, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Club's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control. Accordingly, we do not express an opinion on the effectiveness of the Boys and Girls Clubs of Lower Bergen County, 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

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

Purpose of this Report

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



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 25, 2024





WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

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 and Girls Clubs of Lower Bergen County, Inc.
50 Brookside Avenue, 1st Floor
Lodi, New Jersey 07644

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Boys and Girls Clubs of Lower Bergen County, 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 Lower Bergen County, Inc.'s major federal programs for the year ended December 31, 2023. Boys and Girls Clubs of Lower Bergen County, 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, the Boys and Girls Clubs of Lower Bergen County, 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.

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 Lower Bergen County, 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 Lower Bergen County, 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 Lower Bergen County, 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 Lower Bergen County, 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, 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 Lower Bergen County, 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, 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 Lower Bergen County, 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 Lower Bergen County, 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 Lower Bergen County, 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.



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

July 25, 2024



BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title/Cluster Title	Assistance Listing Number	State Agency Account Number	Grant Award	Grant Receipts	Grant Period		Grant Expenditures	Cumulative Grant Expenditures
					From	To		
U.S. Department of Education								
<i>Passed Through New Jersey Department of Education</i>								
21st Century Community Learning Centers	84.287	S287C210030	500,000	100,913	9/1/23	8/31/24	138,444	138,444
21st Century Community Learning Centers	84.287	S287C210030	500,000	368,205	9/1/22	8/31/23	368,205	499,742
Education Stabilization Fund	84.425	n/a	585,000	115,000	9/1/21	8/31/23	218,569	585,000
Total U.S. Department of Education				<u>584,118</u>			<u>725,218</u>	<u>1,223,186</u>
U.S. Department of Justice								
<i>Passed Through Boys and Girls Club of America</i>								
Juvenile Mentoring Program	16.726	n/a	97,500	47,476	1/1/23	12/31/23	97,500	97,500
Total U.S. Department of Justice				<u>47,476</u>			<u>97,500</u>	<u>97,500</u>
U.S. Department of the Treasury								
<i>Passed Through County of Bergen</i>								
Coronavirus Aid, Relief and Economic Security Act (CARES)	21.019	SLT0007	291,400	-	2/1/23	12/31/24	-	-
Total U.S. Department of the Treasury				<u>-</u>			<u>-</u>	<u>-</u>
Total Federal Financial Awards				<u>631,594</u>			<u>822,718</u>	<u>1,320,686</u>

Boys and Girls Clubs of Lower Bergen County, Inc.
Notes to the Schedules of Expenditures of Federal Awards
December 31, 2023

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards present the activity of all federal award and state financial assistance programs of the Boys and Girls Clubs of Lower Bergen County, Inc. The Club is defined in Note 1(A) to the Club's general purpose financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards are presented using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Club's financial statements.

	<u>Federal Awards</u>	<u>Total</u>
Balance - 12/31/22	\$201,322	\$201,322
Grants Awarded	517,827	517,827
Funds Received	<u>(631,594)</u>	<u>(631,594)</u>
Balance - 12/31/23	<u>\$87,555</u>	<u>\$87,555</u>

NOTE 4. INDIRECT COST RATE

The Boys and Girls Clubs of Lower Bergen County, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(continued)**

Section II - Financial Statement Findings

NONE

Section III - Federal Awards Financial Assistance Findings and Questioned Costs

This section identifies the audit findings required to be reported in the Uniform Guidance, as well as any abuse findings involving Federal Awards that is material to a major program.

NONE

**BOYS AND GIRLS CLUBS OF LOWER BERGEN COUNTY, INC.
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

Status of Prior Year Findings

A review was performed on all prior year recommendations and corrective action was taken on all items.

Problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Acknowledgment

Problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, do not hesitate to call us.

We wish to thank the Boys and Girls Clubs of Lower Bergen County, Inc. for their cooperation during the performance of our audit.

Respectfully submitted,



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey