



Moore Grider & Company LLP  
*Certified Public Accountants*

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

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***www.mooregrider.com***

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

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Moore Grider & Company LLP  
Certified Public Accountants

*A Partnership Including  
Accountancy Corporations*

**INDEPENDENT AUDITORS' REPORT**

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Franklin Daniel, C.P.A.

Steve Thapar, C.P.A.

Christina R. Thompson, C.P.A.

---

L. Jerome Moore, C.P.A.  
1923-2016

Robert E. Grider, C.P.A.  
Retired

Board of Directors  
Boys & Girls Clubs of Fresno County  
Fresno, California

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Boys & Girls Clubs of Fresno County, which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Boys & Girls Clubs of Fresno County as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boys & Girls Clubs of Fresno County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boys & Girls Clubs of Fresno County'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 Boys & Girls Clubs of Fresno County'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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2023, on our consideration of Boys & Girls Clubs of Fresno County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Moore Knicker & Company LLP*

Fresno, California  
June 8, 2023

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**STATEMENTS OF FINANCIAL POSITION**

**SEPTEMBER 30, 2022 AND 2021**

	<b>2022</b>	<b>2021 (RESTATED)</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 4,546,254	\$ 996,842
Investments (Note 4)	206,198	221,090
Accounts receivable	9,850	59,569
Receivable - employee retention credits (Note 6)	223,053	224,549
Grants receivable (Note 7)	425,519	422,065
Prepaid expenses	46,184	68,649
<b>TOTAL CURRENT ASSETS</b>	5,457,058	1,992,764
<b>PROPERTY AND EQUIPMENT</b> , net of accumulated depreciation (Note 8)	5,061,015	5,144,969
<b>BENEFICIAL USE OF LAND/BUILDINGS</b> (Note 9)	3,387,824	3,588,853
<b>TOTAL ASSETS</b>	<b>\$ 13,905,897</b>	<b>\$ 10,726,586</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 71,477	\$ 69,529
Accrued expenses	229,708	198,211
Deferred revenue (Note 10)	171,225	66,974
Refundable advance - PPP loan (Note 11)	0	437,130
<b>TOTAL CURRENT LIABILITIES</b>	472,410	771,844
<b>NET ASSETS</b>		
Without donor restrictions	9,863,474	6,247,934
With donor restrictions (Note 13)	3,570,013	3,706,808
<b>TOTAL NET ASSETS</b>	13,433,487	9,954,742
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 13,905,897</b>	<b>\$ 10,726,586</b>

See Accompanying Notes to Financial Statements

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED SEPTEMBER 30, 2022**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>REVENUES, SUPPORT AND GAINS</b>			
Contributions	\$ 3,680,015	\$ 509,084	\$ 4,189,099
Contribution-beneficial use of land/buildings	0	16,936	16,936
Grants from governmental and other agencies	1,994,634	0	1,994,634
Special events, net of direct expenses of \$106,566	307,533	0	307,533
Donated goods and services (Note 12):			
Goods	173,498	0	173,498
Services	34,465	0	34,465
Rental income	148,938	0	148,938
Investment income, net (Note 4)	11,711	0	11,711
Program fees	3,172	0	3,172
PPP loan forgiveness (Note 11)	437,130	0	437,130
Employee retention credits (Note 6)	491,451	0	491,451
Miscellaneous	37,703	0	37,703
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES, SUPPORT AND GAINS</b>	7,320,250	526,020	7,846,270
Net assets released from restrictions	<hr/> 662,815	<hr/> (662,815)	<hr/> 0
<b>TOTAL REVENUES, SUPPORT AND GAINS AFTER NET ASSETS RELEASED FROM RESTRICTIONS</b>	<hr/> 7,983,065	<hr/> (136,795)	<hr/> 7,846,270
<b>COSTS AND EXPENSES</b>			
Program services	3,457,450	0	3,457,450
Management and general	497,494	0	497,494
Fundraising	412,581	0	412,581
	<hr/>	<hr/>	<hr/>
<b>TOTAL COSTS AND EXPENSES</b>	4,367,525	0	4,367,525
Change in net assets	3,615,540	(136,795)	3,478,745
<b>NET ASSETS, beginning of year</b>	<hr/> 6,247,934	<hr/> 3,706,808	<hr/> 9,954,742
<b>NET ASSETS, end of year</b>	<hr/> <b>\$ 9,863,474</b>	<hr/> <b>\$ 3,570,013</b>	<hr/> <b>\$ 13,433,487</b>

See Accompanying Notes to Financial Statements

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED SEPTEMBER 30, 2021**

	<b>WITHOUT DONOR RESTRICTIONS (RESTATED)</b>	<b>WITH DONOR RESTRICTIONS (RESTATED)</b>	<b>TOTAL (RESTATED)</b>
<b>REVENUES, SUPPORT AND GAINS</b>			
Contributions	\$ 614,109	\$ 235,195	\$ 849,304
Contribution-beneficial use of land/buildings	0	190,034	190,034
Grants from governmental and other agencies	1,967,322	26,862	1,994,184
Special events, net of direct expenses of \$5,222	406,560	0	406,560
Donated goods and services (Note 12):			
Goods	42,767	0	42,767
Services	1,525	0	1,525
Rental income	89,788	0	89,788
Gain (loss) on disposal of assets	(760)	0	(760)
Investment income, net (Note 4)	40,647	0	40,647
Program fees	930	0	930
PPP loan forgiveness (Note 11)	408,397	0	408,397
Employee retention credits (Note 6)	224,549	0	224,549
Miscellaneous	5,717	0	5,717
<b>TOTAL REVENUES, SUPPORT AND GAINS</b>	<b>3,801,551</b>	<b>452,091</b>	<b>4,253,642</b>
Net assets released from restrictions	498,755	(498,755)	0
<b>TOTAL REVENUES, SUPPORT AND GAINS AFTER NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>4,300,306</b>	<b>(46,664)</b>	<b>4,253,642</b>
<b>COSTS AND EXPENSES</b>			
Program services	2,896,458	0	2,896,458
Management and general	409,821	0	409,821
Fundraising	340,357	0	340,357
<b>TOTAL COSTS AND EXPENSES</b>	<b>3,646,636</b>	<b>0</b>	<b>3,646,636</b>
Change in net assets	653,670	(46,664)	607,006
<b>NET ASSETS, beginning of year, as originally stated</b>	<b>5,594,264</b>	<b>142,978</b>	<b>5,737,242</b>
Prior period adjustment (Note 18)	0	3,610,494	3,610,494
<b>NET ASSETS, beginning of year, as adjusted</b>	<b>5,594,264</b>	<b>3,753,472</b>	<b>9,347,736</b>
<b>NET ASSETS, end of year</b>	<b>\$ 6,247,934</b>	<b>\$ 3,706,808</b>	<b>\$ 9,954,742</b>

See Accompanying Notes to Financial Statements

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED SEPTEMBER 30, 2022**

	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	
Salaries and wages	\$ 1,862,687	\$ 209,121	\$ 207,493	\$ 2,279,301
Payroll taxes and benefits	139,619	15,675	15,553	170,847
Workmen's compensation	28,622	3,213	3,188	35,023
Other employee benefits	75,856	8,516	8,450	92,822
<b>TOTAL PERSONNEL COSTS</b>	<u>2,106,784</u>	<u>236,525</u>	<u>234,684</u>	<u>2,577,993</u>
Advertising	7,969	0	0	7,969
Alarm and security	3,766	0	0	3,766
Auto expense	23,979	0	0	23,979
Bad debt	0	6,000	0	6,000
Bank charges	2,719	305	303	3,327
Dues and conferences	37,777	0	0	37,777
Insurance	51,158	5,743	5,699	62,600
Interest expense	0	4,186	0	4,186
IT expense	36,000	5,596	0	41,596
Legal and accounting	0	136,579	0	136,579
Office expense	9,425	1,058	1,050	11,533
Other expense	1,770	199	197	2,166
Postage and delivery	6,672	749	743	8,164
Printing and reproduction	16,420	1,843	1,829	20,092
Stipends and scholarships	115,475	0	0	115,475
Rents	621	70	69	760
Repairs and maintenance	64,463	14,418	0	78,881
Supplies	284,071	0	0	284,071
Property taxes and fees	2,326	261	259	2,846
Telephone	26,452	2,970	2,947	32,369
Travel and field trips	42,124	0	0	42,124
Utilities	112,063	0	0	112,063
<b>SUBTOTAL</b>	<u>845,250</u>	<u>179,977</u>	<u>13,096</u>	<u>1,038,323</u>
Total expenses before depreciation and donated rent, services and supplies	2,952,034	416,502	247,780	3,616,316
Depreciation	151,386	16,996	16,864	185,246
Donated rent (Note 9)	292,564	32,846	32,590	358,000
Donated services (Note 12)	7,609	25,104	1,752	34,465
Donated supplies (Note 12)	53,857	6,046	113,595	173,498
<b>TOTAL COSTS AND EXPENSES</b>	<u>\$ 3,457,450</u>	<u>\$ 497,494</u>	<u>\$ 412,581</u>	<u>\$ 4,367,525</u>

See Accompanying Notes to Financial Statements



**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED SEPTEMBER 30, 2021**

	<u>SUPPORTING SERVICES</u>			<u>TOTAL</u>
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	
Salaries and wages	\$ 1,533,376	\$ 210,914	\$ 223,078	\$ 1,967,368
Payroll taxes and benefits	107,417	14,775	15,627	137,819
Workmen's compensation	22,565	3,104	3,283	28,952
Other employee benefits	131,871	18,139	19,185	169,195
<b>TOTAL PERSONNEL COSTS</b>	<u>1,795,229</u>	<u>246,932</u>	<u>261,173</u>	<u>2,303,334</u>
Advertising	7,036	968	1,023	9,027
Alarm and security	4,931	0	0	4,931
Auto expense	11,974	0	0	11,974
Bad debt	0	3,000	0	3,000
Bank charges	3,931	541	572	5,044
Dues and conferences	7,770	0	0	7,770
Insurance	37,570	5,167	5,466	48,203
Interest expense	0	3,535	0	3,535
IT expense	44,009	0	0	44,009
Legal and accounting	0	80,187	0	80,187
Office expense	10,869	1,362	1,441	13,672
Postage and delivery	3,220	443	469	4,132
Printing and reproduction	8,477	1,166	1,233	10,876
Stipends and scholarships	95,607	0	0	95,607
Rents	879	0	298	1,177
Repairs and maintenance	33,720	4,639	4,906	43,265
Supplies	212,273	0	0	212,273
Property taxes and fees	686	94	100	880
Telephone	16,872	2,321	2,455	21,648
Travel and field trips	28,472	0	0	28,472
Utilities	102,450	0	0	102,450
<b>SUBTOTAL</b>	<u>630,746</u>	<u>103,423</u>	<u>17,963</u>	<u>752,132</u>
Total expenses before depreciation and donated rent, services and supplies	2,425,975	350,355	279,136	3,055,466
Depreciation	147,212	20,249	21,417	188,878
Donated rent (Note 9)	279,315	39,054	39,631	358,000
Donated services (Note 12)	1,189	163	173	1,525
Donated supplies (Note 12)	42,767	0	0	42,767
<b>TOTAL COSTS AND EXPENSES</b>	<u>\$ 2,896,458</u>	<u>\$ 409,821</u>	<u>\$ 340,357</u>	<u>\$ 3,646,636</u>

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 3,478,745	\$ 588,944
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation	185,246	188,878
Beneficial use of land/buildings	201,029	39,703
Loss on disposal of assets	0	760
Unrealized loss (gain) on investments	34,319	(31,894)
Forgiveness of refundable advance - PPP loan	(437,130)	(408,397)
Bad debt expense	6,000	3,000
Changes in operating assets and liabilities:		
Accounts receivable	43,719	(34,214)
Receivable - employee retention credits	1,496	(224,549)
Grants receivable	(3,454)	(88,800)
Prepaid expenses	22,465	(60,723)
Accounts payable	1,948	41,069
Accrued expenses	31,497	77,672
Deferred revenue	104,251	(25,675)
Refundable advance - PPP loan	0	437,130
<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>3,670,131</b>	<b>502,904</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(101,292)	(41,006)
Proceeds from sale of fixed assets	0	1,200
Purchase of investments	(23,547)	(12,753)
Proceeds from sale of investments	4,120	2,751
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(120,719)</b>	<b>(49,808)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on line of credit	0	(10,843)
<b>INCREASE IN CASH</b>	<b>3,549,412</b>	<b>442,253</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>996,842</b>	<b>554,589</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 4,546,254</b>	<b>\$ 996,842</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest paid	<b>\$ 4,186</b>	<b>\$ 3,535</b>

See Accompanying Notes to Financial Statements

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Boys & Girls Clubs of Fresno County (the “Organization”) is a not-for-profit organization formed in 1949 for the purpose of serving youth through the offering of the following core services at its various locations: cultural enrichment, health and physical education, social recreation, citizenship and leadership development, personal and educational development, and outdoor and environmental education. The Organization is primarily supported by contributions from the general public, grants from federal agencies and private organizations, investment earnings and special fundraising events.

The following are the significant accounting policies of the Organization:

**Method of accounting** – The financial statements are prepared using the accrual basis of accounting, in which support and revenue are recognized when earned or due and expenses are recognized when incurred.

**Basis of presentation** – Net assets have been classified as without donor restrictions and with donor restrictions. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

**Revenue recognition** – The Organization’s revenue recognition policies are as follows:

**Contributions and grants** – Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Conditional grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures or deliverables, as defined in each contract, are met. Funds received but not yet earned are shown as deferred revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

**Special event revenue** – Special event revenue is recognized when the related events are held and performance obligations are met.

**Rental income** – Rental income is recognized when earned. The Organization has entered into a 10 year lease agreement commencing March 2021, which provides for minimum rent of \$136,150 on a triple net basis for the first lease year and is subject to annual escalations of at least 2% beginning with the second lease year.

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Restrictions on assets** – Net assets with donor restrictions are reported in a separate fund as follows:

**Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Cash and cash equivalents** – Cash and cash equivalents consist of cash held in various demand and interest-bearing accounts on deposit with insured financial and brokerage institutions. The Organization considers all investments with an original maturity of three months or less to be cash equivalents. Throughout the year and at year-end, the Organization’s cash balances are deposited in several banks. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

**Investments** – Investment securities are stated at their estimated fair value based on quoted closing prices. Investment income, including unrealized and realized gains and losses, interest, dividends and related items, are recognized in the statements of activities as they are incurred.

**Accounts and grants receivable** – Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. The Organization provides an allowance for doubtful accounts based upon management’s review and analysis of specific receivables and considers the age of past due amounts. Accounts and grants receivable are written-off when deemed uncollectible. Recoveries of accounts and grants receivable previously written-off or changes in allowance estimates are recognized as income when received or recorded. Based on management’s review and analysis of its receivables, an allowance account was not deemed necessary for the years ended September 30, 2022 and 2021.

**Property and equipment** – Property and equipment are stated at cost, or if donated, at the fair value at the date of donation. All assets acquired by the Organization whose initial value or cost exceeds \$1,500 are capitalized and depreciated. Routine repairs and maintenance, including planning major maintenance activities are expensed when incurred. Depreciation is recorded using the straight-line method over the following estimated useful lives:

Buildings	7-75 years
Equipment	5-12 years
Furniture and fixtures	7 years
Automobiles	5 years

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Property and equipment** (continued)

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period.

**Donated goods and services** – Donated goods and services are recorded as contributions at their fair values at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization also receives donated services from other contributors and volunteers that are not measurable, and therefore, are excluded from the financial statements.

**Beneficial use of land/buildings** – The Organization conducts the operations of various locations of Boys & Girls Clubs from facilities that are leased under operating leases with various terms. A receivable has been recorded for the gross amount of estimated rental contributions over the lease periods, less a discount to present value. Rental expense is recorded annually through a reduction of the gross receivable in the amount of the annual rental contributions. Contribution revenue is recorded annually through the amortization of the discount (See Note 9).

**Advertising costs** – The Organization expenses all advertising costs as incurred. As of September 30, 2022 and 2021, advertising costs totaled \$7,969 and \$9,027, respectively.

**Functional classification of expenses** – The costs of providing the Organization’s various charitable and general services have been summarized on a functional basis in the statements of functional expenses. Accordingly, direct and indirect expenses have been allocated to program services or other activities based on their specific identification or the personnel resources utilized in the function. Supporting services consist principally of general, administrative and management costs and fundraising activities not directly allocable to program services.

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

**Functional classification of expenses** (continued)

The statements of functional expenses report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocated expenses are salaries and wages, payroll taxes and benefits, workers compensation insurance, other employee benefits, bank charges, insurance, IT expense, office expense, other expense, outside services, postage and delivery, printing and reproduction, depreciation, rents, repairs and maintenance, supplies, property taxes and fees, and telephone which are allocated based on time and effort of employees.

**Accounting estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

**Income taxes** – The Organization is incorporated as a non-profit California corporation and is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Tax returns are filed in U.S. federal and state of California jurisdictions. Tax returns remain subject to examination by the U.S. federal jurisdiction for three years after the return is filed and for four years by the California jurisdiction. There are currently no tax years under examination. Interest and penalties on tax assessments are classified as an expense when incurred. For the years ended September 30, 2022 and 2021, interest and penalties totaled \$0.

**NOTE 2: LIQUIDITY AND AVAILABILITY**

**Qualitative** – The Organization maintains financial assets, consisting of cash and cash equivalents, receivables, investments, and prepaid expenses to meet its ordinary operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis, and financial assets on hand are adjusted as necessary. As part of its liquidity management plan, cash in excess of daily requirements are maintained in cash and cash equivalent accounts for immediate access should those funds be needed. Funds in excess of daily cash requirements may be used to meet unexpected liquidity needs.

Additionally, the Organization maintains a \$200,000 line of credit which it could draw upon in the event of an unanticipated liquidity need. At September 30, 2022 and 2021, \$200,000 was available on the line of credit to support the Organization's operations.

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 2: LIQUIDITY AND AVAILABILITY (Continued)**

**Quantitative** – The following reflects the Organization’s financial assets as of September 30, 2022 and 2021, reduced by amounts not available for general use because of contractual restrictions within one year of the date of the statements of financial position:

	<b>2022</b>	<b>2021</b>
Financial assets:		
Cash and cash equivalents	\$ 4,546,254	\$ 996,842
Investments	206,198	221,090
Accounts receivable	9,850	59,569
Receivable - employee retention credits	223,053	224,549
Grants receivable	425,519	422,065
Prepaid expenses	46,184	68,649
Beneficial use of land/buildings	<u>3,387,824</u>	<u>3,588,853</u>
Total financial assets	<u>8,844,882</u>	<u>5,581,617</u>
Less those unavailable for general expenditures within one year:		
Net assets with donor restrictions:		
Beneficial use of land/buildings	(3,387,824)	(3,588,853)
Club operations	<u>(182,189)</u>	<u>(117,955)</u>
Net assets with donor restrictions	<u>(3,570,013)</u>	<u>(3,706,808)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,274,869</u>	<u>\$ 1,874,809</u>

**Financial resources** – Revenues received for the Organization’s general operations from granting agencies are not sufficient to support the Organization’s present level of operations. The Organization’s operating expenses are also funded, in part, by a combination of community donations, grant activity, line of credit borrowings, special fundraising events and income earned on investment activities. The Organization received donations during the years ended September 30, 2022 and 2021 which included significant (in excess of \$5,000), non-recurring contributions from individual donors in the amount of approximately \$3,862,137 and \$412,364, respectively. The ability of the Organization to maintain its present level of operations is dependent upon the continuity of sufficient annual financial support from the community.

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 3: CASH AND CASH EQUIVALENTS**

The following is a summary of the cash and cash equivalents at September 30, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Bank of America	\$ 200,033	\$ 200,013
Fresno First Bank	3,992,320	439,804
Morgan Stanley Dean Witter	53,954	54,124
California Bank and Trust	<u>299,947</u>	<u>302,901</u>
	<b><u>\$ 4,546,254</u></b>	<b><u>\$ 996,842</u></b>

**NOTE 4: INVESTMENTS**

Investments at September 30, 2022 and 2021 are summarized as follows:

	<b>2022</b>	<b>2021</b>
Central Valley Community Foundation Investment Pool	\$ 202,602	\$ 218,690
Central Valley Community Foundation Scholarship	<u>3,596</u>	<u>2,400</u>
	<b><u>\$ 206,198</u></b>	<b><u>\$ 221,090</u></b>

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended September 30, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Interest and dividends	\$ 41,456	\$ 9,245
Net realized and unrealized gain (loss)	(27,126)	34,145
Investment expense	<u>(2,619)</u>	<u>(2,743)</u>
	<b><u>\$ 11,711</u></b>	<b><u>\$ 40,647</u></b>



**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 5: FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles establishes a framework for measuring fair value. That 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 fair value hierarchy under FASB ASC 820 are described below:

- |         |  |
|---------|--|
| Level 1 | Quoted prices for identical assets or liabilities traded in active markets.  |
| Level 2 | Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; quoted prices that are observable for the asset or liability or inputs that are derived principally from or corroborated by observable market data by correlation or other means. |
| 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 inputs and minimize the use of unobservable inputs.

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**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 5: FAIR VALUE MEASUREMENTS (Continued)**

The table below presents the level within the hierarchy at which assets are measured at September 30, 2022 and 2021:

	<b>2022</b>			
	<b>TOTAL</b>	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>
<b>Recurring</b>				
Central Valley Community Foundation Investment Pool	\$ 202,602	\$ 0	\$ 202,602	\$ 0
Central Valley Community Foundation Scholarship	<u>3,596</u>	<u>0</u>	<u>3,596</u>	<u>0</u>
<b>TOTAL</b>	<b><u>\$ 206,198</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 206,198</u></b>	<b><u>\$ 0</u></b>

	<b>2021</b>			
	<b>TOTAL</b>	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>
<b>Recurring</b>				
Central Valley Community Foundation Investment Pool	\$ 218,690	\$ 0	\$ 218,690	\$ 0
Central Valley Community Foundation Scholarship	<u>2,400</u>	<u>0</u>	<u>2,400</u>	<u>0</u>
<b>TOTAL</b>	<b><u>\$ 221,090</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 221,090</u></b>	<b><u>\$ 0</u></b>

**NOTE 6: EMPLOYEE RETENTION CREDITS**

The Employee Retention Credit is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020 and before January 1, 2021. The credit is equal to 70% of qualified wages paid to employees after December 31, 2020. The Organization is an eligible employer as it experienced a partial suspension of its operations because of governmental orders limiting its activities due to COVID-19. The Organization filed amended payroll tax returns to claim credits totaling \$224,549 for the second, third and fourth quarters of 2020. These amounts were received as of September 30, 2022. The Organization also filed amended payroll returns to claim credits totaling \$491,451 for the first and second quarters of 2021, of which \$223,053 has not yet been received as of September 30, 2022.

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**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 7: GRANTS RECEIVABLE**

At September 30, 2022 and 2021, amounts due to the Organization for expenditures that are reimbursable by the granting agency are as follows:

	<b>2022</b>	<b>2021</b>
Boys & Girls Clubs of America	\$ 66,044	\$ 67,916
California Department of Public Health	211,253	204,057
City of Fresno	27,331	13,267
City of Selma	29,060	9,547
County of Fresno	8,064	3,900
Fresno County Probation Department	16,199	13,333
Housing Authority - City of Fresno	0	12,661
Housing Authority - County of Fresno	26,644	46,535
Housing Authority - Mendota	3,076	1,591
Housing Authority - Orange Cove	4,572	1,330
Housing Authority - Southeast Fresno	0	917
Housing Authority - Viking Village Clovis	0	475
Mountain Area Youth Organization	8,276	18,814
Orange Cove RAD - Housing Authority	0	1,330
Southeast Fresno RAD - Housing Authority	0	917
The Wonderful Company	25,000	25,000
Viking Village RAD - Housing Authority	<u>0</u>	<u>475</u>
<b>TOTAL</b>	<b><u>\$ 425,519</u></b>	<b><u>\$ 422,065</u></b>

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**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 8: PROPERTY AND EQUIPMENT**

Property and equipment at September 30, 2022 and 2021, consist of the following:

	<b>2022</b>	<b>2021</b>
Land	\$ 1,945,000	\$ 1,945,000
Buildings	6,200,473	6,103,781
Equipment	142,682	138,082
Furniture and fixtures	42,296	42,296
Automobiles	<u>98,813</u>	<u>98,813</u>
	8,429,264	8,327,972
Accumulated depreciation	<u>(3,368,249)</u>	<u>(3,183,003)</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<b><u>\$ 5,061,015</u></b>	<b><u>\$ 5,144,969</u></b>

Depreciation expense totaled \$185,246 and \$188,878 for the years ended September 30, 2022 and 2021, respectively.

**NOTE 9: BENEFICIAL USE OF LAND/BUILDINGS**

The Organization conducts the operations of various locations of Boys & Girls Clubs from facilities that are leased under operating leases with various terms. The aggregate annual base rents are \$7. The annual rental value was estimated to be approximately \$358,000 per year. In connection with these lease agreements, the Organization discounted the value of the leases using a discount rate of 4%. For each of the years ended September 30, 2022 and 2021, rent expense of \$358,000 was recorded in connection with the lease agreements.

The value remaining on the use of land/buildings as of September 30, 2022 and 2021 is as follows:

	<u>2022</u>					
	<u>Clovis</u>	<u>East Fresno</u>	<u>West Fresno</u>	<u>Zimmerman</u>	<u>Other</u>	<u>Total</u>
Total lease receivable	\$ 3,453,751	\$ 666,666	\$ 2,581,250	\$ 283,250	\$ 127,833	\$ 7,112,750
Less: discount to present value	<u>(2,401,689)</u>	<u>(122,183)</u>	<u>(1,180,619)</u>	<u>(15,445)</u>	<u>(4,990)</u>	<u>(3,724,926)</u>
	<b><u>\$ 1,052,062</u></b>	<b><u>\$ 544,483</u></b>	<b><u>\$ 1,400,631</u></b>	<b><u>\$ 267,805</u></b>	<b><u>\$ 122,843</u></b>	<b><u>\$ 3,387,824</u></b>

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 9: BENEFICIAL USE OF LAND/BUILDINGS (Continued)**

	<b>2021</b>					
	<b>Clovis</b>	<b>East Fresno</b>	<b>West Fresno</b>	<b>Zimmerman</b>	<b>Other</b>	<b>Total</b>
Total lease receivable	\$ 3,497,751	\$ 730,666	\$ 2,656,250	\$ 386,250	\$ 181,833	\$ 7,452,750
Less: discount to present value	<u>(2,443,813)</u>	<u>(144,863)</u>	<u>(1,237,049)</u>	<u>(28,126)</u>	<u>(10,046)</u>	<u>(3,863,897)</u>
	<b><u>\$ 1,053,938</u></b>	<b><u>\$ 585,803</u></b>	<b><u>\$ 1,419,201</u></b>	<b><u>\$ 358,124</u></b>	<b><u>\$ 171,787</u></b>	<b><u>\$ 3,588,853</u></b>

**NOTE 10: DEFERRED REVENUE**

Deferred revenue represents amounts received by the Organization from grantors and private foundations to cover the operating expenses for particular programs. The Organization considers these grants to be conditional contributions and recognizes revenue when the conditions of the grants are satisfied. At September 30, 2022 and 2021, deferred revenue consists of the following:

	<b>2022</b>	<b>2021</b>
Bank of America Foundation	\$ 0	\$ 12,500
Boys & Girls Clubs of America	52,000	6,667
CA Alliance BGCA/Johnson Foundation	6,667	0
City of Selma City Council	21,795	0
City of Selma Health Care District	0	11,250
Harvest Festival Gala	38,600	3,660
Kaiser Permanente	18,750	12,500
Taco Bell Foundation	10,080	16,627
The Wonderful Company	23,333	0
Westside Luncheon	<u>0</u>	<u>3,770</u>
	<b><u>\$ 171,225</u></b>	<b><u>\$ 66,974</u></b>

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**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 11: REFUNDABLE ADVANCE – PPP LOAN**

On April 21, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program (PPP) of \$408,397. On February 26, 2021, the Organization was granted full forgiveness of the PPP loan. As a result, the Organization recognized the full \$408,397 loan balance as PPP income in the accompanying statement of activities for the year ended September 30, 2021.

On February 16, 2021, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program (PPP) of \$437,130. The conditions for derecognition were not met as of September 30, 2021. In accordance with FASB ASC 958-605, the PPP loan was considered a conditional contribution and was reflected as a refundable advance on the statement of financial position as of September 30, 2021. On June 15, 2022, the Organization was granted full forgiveness of the PPP loan. As a result, the Organization recognized the full \$437,130 loan balance as PPP income in the accompanying statement of activities for the year ended September 30, 2022.

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**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 12: DONATED GOODS AND SERVICES**

For the years ended September 30, 2022 and 2021, donated goods and services recognized within the statements of activities included the following:

	<b>2022</b>	<b>2021</b>
Fundraising items	\$ 107,596	9,568
Services	34,465	1,525
Supplies	<u>65,902</u>	<u>33,199</u>
	<u><b>\$ 207,963</b></u>	<u><b>\$ 44,292</b></u>

- The Organization recognized contributed nonfinancial assets as donated goods and services.
- Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. Contributed services recognized are comprised of professional services from various organizations. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar professional services. A substantial number of volunteers have donated their time to the Organization's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since the services do not require specialized skills.
- Contributed supplies were utilized for various activities, programs and fundraising events at the Organization. In valuing these items, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.
- The Organization received items to be sold at its special events. Contributed auction items are valued at the gross selling price received.
- All donated goods and services were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets.

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**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 13: NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at September 30, 2022 and 2021 are available for the following purposes:

	<b>2022</b>	<b>2021 (RESTATED)</b>
Beneficial use of land/buildings	\$ 3,387,824	\$ 3,588,853
Club operations	<u>182,189</u>	<u>117,955</u>
	<u><b>\$ 3,570,013</b></u>	<u><b>\$ 3,706,808</b></u>

Net assets are released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as described in Note 1.

**NOTE 14: LINE OF CREDIT**

In September 2018, the Organization entered into an agreement with Fresno First Bank for access to a revolving line of credit. Advances under the agreement cannot exceed \$200,000. Advances on the line of credit bear interest at 5.25%. The line of credit is secured by substantially all of the Organization's assets and is a revolving line of credit. There were no draws on the line of credit for the years ended September 30, 2022 and 2021. Principal payments on the line of credit were \$0 and \$10,843 for the years ended September 30, 2022 and 2021, respectively. The balance owed on the line of credit was \$0 at both September 30, 2022 and 2021.

**NOTE 15: CONTINGENCIES**

Boys & Girls Clubs of Fresno County received revenue for specific purposes that are subject to review and audit by grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, it is believed that any required reimbursements will not be material.

**NOTE 16: RETIREMENT PLAN**

The Organization has a pension plan that covers all employees who are over 24 1/2 years old and have been employed by the Organization for six months on a full-time basis. The cost of the plan is 3% of gross salary as of each anniversary date. At September 30, 2022 and 2021, pension expenses totaled \$22,452 and \$48,535, respectively, and have been included with employee benefits in the statements of functional expenses. Contributions to the plan were in accordance with plan requirements.



**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 17: CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances at various banking institutions located in Fresno, California. The balances periodically exceed the FDIC limit of \$250,000. The amount in excess of the FDIC limit at Fresno First Bank as of September 30, 2022 and 2021 was \$3,788,180 and \$193,600, respectively. The amount in excess of the FDIC limit at California Bank and Trust as of September 30, 2022 and 2021 was \$49,947 and \$52,901, respectively.

The Organization maintains securities at one investment service provider. Accounts at the provider are insured by the Securities Investor Protection Corporation (“SPIC”) up to \$500,000. As of September 30, 2022 and 2021, investment balances did not exceed federal insured limits.

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**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 18: PRIOR PERIOD ADJUSTMENT/RESTATEMENT**

The Organization entered into various operating leases for various locations of Boys and Girls Clubs. The leases provide for aggregate annual base rents of \$7. However, the value of the rent is \$358,000 per year. During the year ended September 30, 2022, the Organization determined that the full value of the operating leases should have been recognized as contributions, having the effect of recognizing lease receivables and contributions with donor restrictions. The financial statements as of September 30, 2021 and for the year then ended, have been restated to account for this correction as follows:

**STATEMENT OF FINANCIAL POSITION**

Beneficial use of land/buildings	<u>\$ 3,588,853</u>
Increase in net assets with donor restrictions due to beneficial use of land/buildings	<u>\$ 3,588,853</u>

**STATEMENT OF ACTIVITIES**

Increase in net assets with donor restrictions due to beneficial use of land/buildings, prior period adjustment	<u>\$ 3,610,494</u>
Reduction in in-kind contributions: rent	\$ (64,000)
Increase in donated rent expense	(294,000)
Increase in contribution revenue with donor restrictions due to beneficial use of land/buildings	190,034
Increase in contribution revenue with donor restrictions due to present value discount on beneficial use of land/building	<u>146,325</u>
Net decrease in net assets	<u>\$ (21,641)</u>

There was no net effect to the statement of cash flows for the year ended September 30, 2021.

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**BOYS & GIRLS CLUBS OF FRESNO COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022 AND 2021**

**NOTE 19: IMPLEMENTATION OF ACCOUNTING PRINCIPLE**

During the year ended September 30, 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

**NOTE 20: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 8, 2023 (date financial statements available to be issued) and determined no events have occurred subsequent to September 30, 2022 that would require adjustment to, or disclosure in the financial statements.



Moore Grider & Company LLP  
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**INDEPENDENT AUDITORS' 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**

Board of Directors  
Boys & Girls Clubs of Fresno County  
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Boys & Girls Clubs of Fresno County (the "Organization"), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 8, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Moore Krieder & Company LLP*

Fresno, California  
June 8, 2023

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

- |  |                    |
|--|--------------------|
| ▪ Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified opinion |
| ▪ Internal control over financial reporting:   |                    |
| Material weakness identified:  | No                 |
| Significant deficiencies identified:   | None reported      |
| ▪ Noncompliance material to the financial statements noted:  | No                 |

**SECTION II – FINDINGS – FINANCIAL STATEMENTS AUDIT** None

**BOYS & GIRLS CLUBS OF FRESNO COUNTY**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**FINANCIAL STATEMENT FINDINGS**

None noted.