

**BOYS & GIRLS CLUBS
OF GREATER CINCINNATI, INC.**

**BOYS & GIRLS CLUBS
OF GREATER CINCINNATI
SCHOLASTIC FOUNDATION**

**FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022**

**Together With The
INDEPENDENT AUDITOR'S REPORT**

**BOYS & GIRLS CLUBS
OF GREATER CINCINNATI, INC.**

**BOYS & GIRLS CLUBS
OF GREATER CINCINNATI
SCHOLASTIC FOUNDATION**

For the Years Ended December 31, 2023 and 2022

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**BOYS & GIRLS CLUBS
OF GREATER CINCINNATI, INC.**

**BOYS & GIRLS CLUBS
OF GREATER CINCINNATI
SCHOLASTIC FOUNDATION**

For the Years Ended December 31, 2023 and 2022

Board of Trustees

| | |
|--------------------------------------|---------------------|
| <i>Chairman of the Board</i> | Pat O'Callaghan, Jr |
| <i>Treasurer</i> | Steven Miller |
| <i>Secretary</i> | <i>Vacant</i> |
| <i>Immediate Past Chairman</i> | Josh Guttman |
| Cindy Barton | Katerine Blackburn |
| Kelly Bonnell | Helen Brennan |
| Andrew DeWitt | James Frooman |
| Mitch Galvin | Andrew R. Giannella |
| Daniel Gibson | Roy Gifford |
| Aaron Hansen | Michael Hartman |
| Cindy Jordan | Alex Meacham |
| Stephanie McMullen | Gary Mitchell |
| Mose Richardson | Richard Rothhaas |
| Derek Roudebush | Kelly Schultz |
| Matthew Sheakley | David L. Singer |
| Gregory Sojka | Peter J. Thelen |
| Suzanne Tosolini | Joe Trusner |
| Daniel Vollmer | Wendy Vonderhaar |
| Richard Williams | Stephanie Wyler |

Trustees for Life

| | |
|---------------------|----------------|
| Vere W. Gaynor | John W. Gibson |
| Anthony W. Hobson | Patrick Lafley |
| John F. Steele, Jr. | Dudley S. Taft |

President

William Bresser

Independent Auditor's Report

The Board of Trustees

Boys & Girls Clubs of Greater Cincinnati, Inc.

Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation

Cincinnati, Ohio

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation as of December 31, 2023 and 2022, 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 Opinions

We conducted our audits in accordance with accounting standards generally accepted in the United States of America. 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 Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation 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 opinions.

Responsibilities of Management 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, 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 Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 judgement 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 Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2024 on our consideration of Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation's internal control over financial reporting and compliance.

Emphasis of a Matter – Implementation of New FASB Accounting Standard

As discussed in Note 18 to the financial statements, effective January 1, 2022 Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation adopted Financial Accounting Standards Board Accounting Standards Updates 2016-02 *Leases* (Topic 842) and its subsequent amendments and clarifications. Our opinions are not modified with respect to these matters.

Chamberlin Owen & Co., Inc.

Chamberlin Owen, & Co., Inc.
Erlanger, Kentucky
April 5, 2024

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2023

| | 2023 | | |
|---|---|--|----------------------|
| | Boys & Girls Club of Greater Cincinnati, Inc. | Boys & Girls Club of Greater Cincinnati Scholastic Foundation | Total (Memo Only) |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 5,403,721 | \$ 26,185 | \$ 5,429,906 |
| Investments, at fair market value | 15,046,703 | 360,047 | 15,406,750 |
| Accounts receivable | 684,693 | - | 684,693 |
| Unconditional promises to give | 200,000 | - | 200,000 |
| Pledges receivable | 960,382 | - | 960,382 |
| Prepaid expenses and deposits | 65,465 | - | 65,465 |
| Total current assets | 22,360,964 | 386,232 | 22,747,196 |
| Non Current Assets: | | | |
| Cash surrender value of life insurance policy | 669,731 | - | 669,731 |
| Pledge receivable - less current portion | 1,949,000 | - | 1,949,000 |
| Benefit deposits | 3,000 | - | 3,000 |
| Bond issuance costs, net of amortization | 15,748 | - | 15,748 |
| Total non current assets | 2,637,479 | - | 2,637,479 |
| Property and equipment | | | |
| Land | 1,412,723 | - | 1,412,723 |
| Construction in progress | 1,762,859 | - | 1,762,859 |
| Buildings and building improvements | 10,917,411 | - | 10,917,411 |
| Equipment | 799,082 | - | 799,082 |
| Less: accumulated depreciation | (6,727,176) | - | (6,727,176) |
| Net property and equipment | 8,164,899 | - | 8,164,899 |
| TOTAL ASSETS | \$ 33,163,342 | \$ 386,232 | \$ 33,549,574 |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ 332,320 | \$ - | \$ 332,320 |
| Accrued liabilities | 190,425 | - | 190,425 |
| Deferred income | 15,000 | - | 15,000 |
| Scholarships payable | - | 66,000 | 66,000 |
| Line of credit | 40,000 | - | 40,000 |
| Current portion of long-term debt | 166,667 | - | 166,667 |
| Total current liabilities | 744,412 | 66,000 | 810,412 |
| Long-Term Liabilities: | | | |
| Municipal economic development bond | 625,000 | - | 625,000 |
| State of Ohio MHAS mortgage | 409,722 | - | 409,722 |
| Total long-term liabilities | 1,034,722 | - | 1,034,722 |
| Total liabilities | 1,779,134 | 66,000 | 1,845,134 |
| Net Assets | | | |
| With donor restrictions | 9,558,891 | 320,232 | 9,879,123 |
| Without donor restrictions | 21,825,317 | - | 21,825,317 |
| Total net assets | 31,384,208 | 320,232 | 31,704,440 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 33,163,342 | \$ 386,232 | \$ 33,549,574 |

The accompanying notes are an integral part of these financial statements.

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2022

| | 2022 | | |
|---|---|---|----------------------|
| | Boys & Girls Club of Greater Cincinnati, Inc. | <i>Reclassified</i> Boys & Girls Club of Greater Cincinnati Scholastic Foundation | Total (Memo Only) |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 2,454,312 | \$ 6,737 | \$ 2,461,049 |
| Investments, at fair market value | 13,595,019 | 355,615 | 13,950,634 |
| Accounts receivable | 497,666 | - | 497,666 |
| Unconditional promises to give | 200,000 | - | 200,000 |
| Pledges receivable | 200,000 | - | 200,000 |
| Prepaid expenses and deposits | 66,014 | - | 66,014 |
| Total current assets | 17,013,011 | 362,352 | 17,375,363 |
| Non Current Assets: | | | |
| Cash surrender value of life insurance policy | 679,814 | - | 679,814 |
| Pledge receivable - less current portion | 600,000 | - | 600,000 |
| Benefit deposits | 3,000 | - | 3,000 |
| Bond issuance costs, net of amortization | 18,659 | - | 18,659 |
| Total non current assets | 1,301,473 | - | 1,301,473 |
| Property and equipment | | | |
| Land | 1,412,723 | - | 1,412,723 |
| Construction in progress | 8,868 | - | 8,868 |
| Buildings and building improvements | 10,903,263 | - | 10,903,263 |
| Equipment | 783,770 | - | 783,770 |
| Less: accumulated depreciation | (6,315,563) | - | (6,315,563) |
| Net property and equipment | 6,793,061 | - | 6,793,061 |
| TOTAL ASSETS | \$ 25,107,545 | \$ 362,352 | \$ 25,469,897 |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ 94,442 | \$ 6,420 | \$ 100,862 |
| Accrued liabilities | 226,859 | - | 226,859 |
| Deferred income | 14,740 | - | 14,740 |
| Scholarships payable | - | 52,000 | 52,000 |
| Line of credit | 130,000 | - | 130,000 |
| Current portion of long-term debt | 141,667 | - | 141,667 |
| Total current liabilities | 607,708 | 58,420 | 666,128 |
| Long-Term Liabilities: | | | |
| Municipal economic development bond | 775,000 | - | 775,000 |
| State of Ohio MHAS mortgage | 426,389 | - | 426,389 |
| Total long-term liabilities | 1,201,389 | - | 1,201,389 |
| Total liabilities | 1,809,097 | 58,420 | 1,867,517 |
| Net Assets | | | |
| With donor restrictions | 2,412,209 | 303,932 | 2,716,141 |
| Without donor restrictions | 20,886,239 | - | 20,886,239 |
| Total net assets | 23,298,448 | 303,932 | 23,602,380 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 25,107,545 | \$ 362,352 | \$ 25,469,897 |

The accompanying notes are an integral part of these financial statements.

| |
|---|
| BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC. BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS For the Year Ending December 31, 2023 |
|---|

| | 2023 | | | | Total (Memo Only) |
|--|---|----------------------------|--|----------------------------|----------------------|
| | Boys & Girls Clubs of Greater Cincinnati, Inc. | | Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation | | |
| | Without Donor Restrictions | With Donor Restrictions | Without Donor Restrictions | With Donor Restrictions | |
| SUPPORT AND REVENUE | | | | | |
| Contributions | \$ 1,452,242 | \$ 636,418 | \$ - | \$ 8,228 | \$ 2,096,888 |
| Capital Campaign contributions | - | 7,652,300 | - | - | 7,652,300 |
| Contract services | 27,500 | - | - | - | 27,500 |
| Grants - government agencies | 1,402,945 | - | - | - | 1,402,945 |
| United Way funding | 451,639 | - | - | - | 451,639 |
| Other Income | 1,287 | - | - | - | 1,287 |
| Program service fees | 12,949 | - | - | - | 12,949 |
| Special events, net | 134,974 | - | - | - | 134,974 |
| Gain on disposal of assets | 3,800 | - | - | - | 3,800 |
| Net investment return | 1,636,051 | - | - | 42,372 | 1,678,423 |
| TOTAL SUPPORT AND REVENUE | 5,123,387 | 8,288,718 | - | 50,600 | 13,462,705 |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | | | |
| Satisfaction of program restrictions | 1,142,036 | (1,142,036) | 34,300 | (34,300) | - |
| Expiration of time restrictions | - | - | - | - | - |
| TOTAL NET ASSETS RELEASED FROM RESTRICTIONS | 1,142,036 | (1,142,036) | 34,300 | (34,300) | - |
| TOTAL SUPPORT AND RECLASSIFICATIONS | 6,265,423 | 7,146,682 | 34,300 | 16,300 | 13,462,705 |
| EXPENSES | | | | | |
| Program services | | | | | |
| Fit for Life | 889,594 | - | - | - | 889,594 |
| Graduate Great | 2,437,577 | - | - | - | 2,437,577 |
| Ready to Serve | 329,099 | - | - | - | 329,099 |
| Scholarships | - | - | 33,000 | - | 33,000 |
| Total program services | 3,656,270 | - | 33,000 | - | 3,689,270 |
| Supporting services | | | | | |
| Management and general | 801,980 | - | 1,300 | - | 803,280 |
| Fundraising | 868,095 | - | - | - | 868,095 |
| TOTAL EXPENSES | 5,326,345 | - | 34,300 | - | 5,360,645 |
| CHANGE IN NET ASSETS | 939,078 | 7,146,682 | - | 16,300 | 8,102,060 |
| NET ASSETS AT BEGINNING OF YEAR | 20,886,239 | 2,412,209 | - | 303,932 | 23,602,380 |
| NET ASSETS AT END OF YEAR | \$ 21,825,317 | \$ 9,558,891 | \$ - | \$ 320,232 | \$ 31,704,440 |

The accompanying notes are an integral part of these financial statements.

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ending December 31, 2022

| | 2022 | | | | Total (Memo Only) |
|--|---|----------------------------|--|----------------------------|------------------------------|
| | Boys & Girls Clubs of Greater Cincinnati, Inc. | | Reclassified Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation | | |
| | Without Donor Restrictions | With Donor Restrictions | Without Donor Restrictions | With Donor Restrictions | |
| | | | | | |
| SUPPORT AND REVENUE | | | | | |
| Contributions | \$ 1,176,454 | \$ 1,898,507 | \$ - | \$ 16,325 | \$ 3,091,286 |
| Contract services | 25,000 | - | - | - | 25,000 |
| Grants - government agencies | 1,052,049 | 1,110,652 | - | - | 2,162,701 |
| United Way funding | 474,399 | - | - | - | 474,399 |
| Other Income | 52,585 | - | - | - | 52,585 |
| Program service fees | 6,077 | - | - | - | 6,077 |
| Special events, net | 385,587 | - | - | - | 385,587 |
| Gain on disposal of assets | 3,075 | - | - | - | 3,075 |
| Net investment return | (2,422,624) | - | - | (51,450) | (2,474,074) |
| TOTAL SUPPORT AND REVENUE | 752,602 | 3,009,159 | - | (35,125) | 3,726,636 |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | | | |
| Satisfaction of program restrictions | 1,499,169 | (1,499,169) | 67,541 | (67,541) | - |
| Expiration of time restrictions | 262,899 | (262,899) | - | - | - |
| TOTAL NET ASSETS RELEASED FROM RESTRICTIONS | 1,762,068 | (1,762,068) | 67,541 | (67,541) | - |
| TOTAL SUPPORT AND RECLASSIFICATIONS | 2,514,670 | 1,247,091 | 67,541 | (102,666) | 3,726,636 |
| EXPENSES | | | | | |
| Program services | | | | | |
| Fit for Life | 905,023 | - | - | - | 905,023 |
| Graduate Great | 2,233,918 | - | - | - | 2,233,918 |
| Ready to Serve | 398,842 | - | - | - | 398,842 |
| Scholarships | - | - | 28,285 | - | 28,285 |
| Total program services | 3,537,783 | - | 28,285 | - | 3,566,068 |
| Supporting services | | | | | |
| Management and general | 749,307 | - | 39,256 | - | 788,563 |
| Fundraising | 774,986 | - | - | - | 774,986 |
| TOTAL EXPENSES | 5,062,076 | - | 67,541 | - | 5,129,617 |
| CHANGE IN NET ASSETS | (2,547,406) | 1,247,091 | - | (102,666) | (1,402,981) |
| NET ASSETS AT BEGINNING OF YEAR | 23,433,645 | 1,165,118 | - | 406,598 | 25,005,361 |
| NET ASSETS AT END OF YEAR | \$ 20,886,239 | \$ 2,412,209 | \$ - | \$ 303,932 | \$ 23,602,380 |

The accompanying notes are an integral part of these financial statements.

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ending December 31, 2023

| | <i>Program Services</i> | | | Total Program Services | Management and General | Fundraising | Total |
|--|-------------------------|---------------------------|---------------------------|---------------------------------------|-----------------------------------|--------------------|---------------------|
| | Fit for Life | Graduate Great | Ready to Serve | | | | |
| Personnel costs | \$ 493,379 | \$ 1,366,613 | \$ 203,087 | \$ 2,063,079 | \$ 570,931 | \$ 283,298 | \$ 2,917,308 |
| Conferences and meetings | 4,202 | 13,703 | 3,096 | 21,001 | 23,121 | 11,281 | 55,403 |
| Bad debt expense | 750 | 2,010 | 240 | 3,000 | - | - | 3,000 |
| Bank fees and interest expense | 2,289 | 6,527 | 1,047 | 9,863 | 4,517 | 45,235 | 59,615 |
| Dues and memberships | 6,672 | 17,866 | 2,177 | 26,715 | 174 | 2,086 | 28,975 |
| Equipment | 41,651 | 111,868 | 13,521 | 167,040 | 8,859 | 1,380 | 177,279 |
| Fundraising and marketing | - | - | - | - | - | 397,303 | 397,303 |
| Household and office supplies | 3,462 | 10,372 | 1,716 | 15,550 | 8,324 | 4,108 | 27,982 |
| Insurance premiums | 10,547 | 33,987 | 7,944 | 52,478 | 65,597 | 32,377 | 150,452 |
| Local transportation | 1,855 | 5,084 | 812 | 7,751 | 1,303 | 643 | 9,697 |
| Occupancy-building and grounds | 75,376 | 202,884 | 24,820 | 303,080 | 41,931 | 4,960 | 349,971 |
| Postage | 190 | 611 | 143 | 944 | 1,180 | 583 | 2,707 |
| Technology maintenance | 13,127 | 36,268 | 5,275 | 54,670 | 13,795 | 6,823 | 75,288 |
| Printing and publications | 290 | 853 | 155 | 1,298 | 876 | 433 | 2,607 |
| Professional service fees | 24,635 | 68,003 | 9,468 | 102,106 | 23,429 | 11,190 | 136,725 |
| Program costs and supplies | 105,801 | 276,351 | 20,092 | 402,244 | - | 50,293 | 452,537 |
| Telephone | 13,797 | 37,435 | 4,821 | 56,053 | 5,522 | 3,397 | 64,972 |
| Total expenses before depreciation and amortization | 798,023 | 2,190,435 | 298,414 | 3,286,872 | 769,559 | 855,390 | 4,911,821 |
| Depreciation and amortization | 91,571 | 247,142 | 30,685 | 369,398 | 32,421 | 12,705 | 414,524 |
| Total functional expenses | \$ 889,594 | \$ 2,437,577 | \$ 329,099 | \$ 3,656,270 | \$ 801,980 | \$ 868,095 | \$ 5,326,345 |

The accompanying notes are an integral part of these financial statements.

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ending December 31, 2022

| | <i>Program Services</i> | | | | | | |
|---|-------------------------|-----------------------|-----------------------|-------------------------------|-------------------------------|--------------------|---------------------|
| | <u>Fit for Life</u> | <u>Graduate Great</u> | <u>Ready to Serve</u> | <u>Total Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
| Personnel costs | \$ 461,453 | \$ 1,222,017 | \$ 243,751 | \$ 1,927,221 | \$ 529,820 | \$ 338,745 | \$ 2,795,786 |
| Conferences and meetings | 3,666 | 9,261 | 4,982 | 17,909 | 20,780 | 13,209 | 51,898 |
| Bad debt expense | - | - | - | - | 20,000 | - | 20,000 |
| Bank fees and interest expense | 8,353 | 22,304 | 3,455 | 34,112 | 4,554 | 2,894 | 41,560 |
| Dues and memberships | 7,087 | 18,950 | 2,437 | 28,474 | 820 | 1,021 | 30,315 |
| Equipment | 48,086 | 128,833 | 16,247 | 193,166 | 6,526 | 3,179 | 202,871 |
| Fundraising and marketing | - | - | - | - | - | 275,622 | 275,622 |
| Household and office supplies | 2,069 | 5,522 | 2,372 | 9,963 | 9,976 | 6,341 | 26,280 |
| Insurance premiums | 6,765 | 17,034 | 12,556 | 36,355 | 60,492 | 38,452 | 135,299 |
| Local transportation | 195 | 532 | 149 | 876 | 60 | 38 | 974 |
| Occupancy-building and grounds | 94,860 | 254,028 | 32,257 | 381,145 | 22,686 | 7,039 | 410,870 |
| Postage | 107 | 270 | 199 | 576 | 958 | 609 | 2,143 |
| Technology maintenance | 10,799 | 28,723 | 5,022 | 44,544 | 8,772 | 5,704 | 59,020 |
| Printing and publications | 158 | 413 | 125 | 696 | 428 | 797 | 1,921 |
| Professional service fees | 28,957 | 77,182 | 13,107 | 119,246 | 21,158 | 14,149 | 154,553 |
| Program costs and supplies | 129,487 | 173,372 | 24,588 | 327,447 | - | 49,471 | 376,918 |
| Telephone | 13,728 | 36,666 | 5,381 | 55,775 | 5,629 | 4,198 | 65,602 |
| Total expenses before depreciation and amortization | 815,770 | 1,995,107 | 366,628 | 3,177,505 | 712,659 | 761,468 | 4,651,632 |
| Depreciation and amortization | 89,253 | 238,811 | 32,214 | 360,278 | 36,648 | 13,518 | 410,444 |
| Total functional expenses | <u>\$ 905,023</u> | <u>\$ 2,233,918</u> | <u>\$ 398,842</u> | <u>\$ 3,537,783</u> | <u>\$ 749,307</u> | <u>\$ 774,986</u> | <u>\$ 5,062,076</u> |

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
STATEMENTS OF CASH FLOWS
For the Year Ending December 31, 2023

| | 2023 | | |
|---|---|--|----------------------|
| | Boys and Girls Club of Greater Cincinnati, Inc. | Boys & Girls Club of Greater Cincinnati Scholastic Foundation | Total (Memo Only) |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Change in net assets | \$ 8,085,760 | \$ 16,300 | \$ 8,102,060 |
| Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities: | | | |
| Non-cash items | | | |
| Depreciation and amortization | 414,524 | - | 414,524 |
| Gain on disposal of assets | (3,800) | - | (3,800) |
| Change in value - life insurance policy | 10,083 | - | 10,083 |
| Gain on investments | (1,177,819) | (34,975) | (1,212,794) |
| Net changes in operating assets and liabilities: | | | |
| Accounts receivable | (187,027) | - | (187,027) |
| Pledges receivable | (2,109,382) | - | (2,109,382) |
| Promises to give | - | - | - |
| Prepaid expenses and deposits | 549 | - | 549 |
| Other assets | - | - | - |
| Accounts payable | 237,878 | 7,580 | 245,458 |
| Accrued liabilities | (36,434) | - | (36,434) |
| Deferred income | 260 | - | 260 |
| Net change in cash from operating activities | 5,234,592 | (11,095) | 5,223,497 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchases of property and equipment | (1,783,451) | - | (1,783,451) |
| Sale of asset | 3,800 | - | 3,800 |
| Proceeds from sale of investments | 111,768 | 37,940 | 149,708 |
| Purchases of investments | (385,633) | (7,397) | (393,030) |
| Net change in cash from investing activities | (2,053,516) | 30,543 | (2,022,973) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Repayment of borrowings | (231,667) | - | (231,667) |
| Net change in cash from financing activities | (231,667) | - | (231,667) |
| Net change in cash and cash equivalents | 2,949,409 | 19,448 | 2,968,857 |
| Cash and cash equivalents, beginning of the year | 2,454,312 | 6,737 | 2,461,049 |
| Cash and cash equivalents, end of the year | \$ 5,403,721 | \$ 26,185 | \$ 5,429,906 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | | |
| Cash paid for Interest | \$ 32,320 | | |

The accompanying notes are an integral part of these financial statements.

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|---|
| BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC. BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION STATEMENTS OF CASH FLOWS For the Year Ending December 31, 2022 |
|---|

| | 2022 | | |
|---|---|---|----------------------|
| | Boys and Girls Club of Greater Cincinnati, Inc. | <i>Reclassified</i> Boys & Girls Club of Greater Cincinnati Scholastic Foundation | Total (Memo Only) |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Change in net assets | \$ (1,300,315) | \$ (102,666) | \$ (1,402,981) |
| Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities: | | | |
| Non-cash items | | | |
| Depreciation and amortization | 410,444 | - | 410,444 |
| Gain on disposal of assets | (3,075) | - | (3,075) |
| Change in value - life insurance policy | (36,811) | - | (36,811) |
| Loss on investments | 2,790,114 | 56,720 | 2,846,834 |
| Net changes in operating assets and liabilities: | | | |
| Accounts receivable | (153,784) | - | (153,784) |
| Pledges receivable | (457,549) | - | (457,549) |
| Promises to give | 62,899 | - | 62,899 |
| Prepaid expenses and deposits | (26,075) | - | (26,075) |
| Other assets | 34,793 | - | 34,793 |
| Accounts payable | 94,442 | 15,471 | 109,913 |
| Accrued liabilities | 147,365 | - | 147,365 |
| Deferred income | (146,303) | - | (146,303) |
| Net change in cash from operating activities | 1,416,145 | (30,475) | 1,385,670 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchases of property and equipment | (529,514) | - | (529,514) |
| Sale of asset | 3,075 | - | 3,075 |
| Proceeds from sale of investments | 1,330,682 | 6,412 | 1,337,094 |
| Purchases of investments | (682,355) | (5,262) | (687,617) |
| Net change in cash from investing activities | 121,888 | 1,150 | 123,038 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Repayment of borrowings | (231,667) | - | (231,667) |
| Net change in cash from financing activities | (231,667) | - | (231,667) |
| Net change in cash and cash equivalents | 1,306,366 | (29,325) | 1,277,041 |
| Cash and cash equivalents, beginning of the year | 1,147,946 | 36,062 | 1,184,008 |
| Cash and cash equivalents, end of the year | \$ 2,454,312 | \$ 6,737 | \$ 2,461,049 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | | |
| Cash paid for Interest | \$ 16,338 | | |

The accompanying notes are an integral part of these financial statements.

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – ORGANIZATION

Boys & Girls Clubs of Greater Cincinnati, Inc.

The Boys & Girls Clubs of Greater Cincinnati, Inc. (Clubs) is a non-profit corporation organized to enhance the quality of life for youth by providing programs and services which promote social, health, educational, vocational and leadership development. The Corporation operates seven clubs and four school-based programs in Southwest Ohio and Northern Kentucky. In April 2016, the Clubs assumed responsibility for the Boys & Girls Club of Clermont County.

Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation

In 2017, the Clubs formed the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation (Foundation) with the purpose of raising, holding, and distributing scholarship funds for deserving students who are participants in the Boys & Girls Clubs of Greater Cincinnati. The Foundation is a wholly owned 501 (c)(3) subsidiary of the Boys & Girls Clubs of Greater Cincinnati (Clubs), whose board appoints the board of the Foundation. The Foundation files the required IRS Form 990. The Foundation is also registered with the Ohio Attorney General as a charitable organization, and as such, is required to have an annual filing with that office.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Cash and Cash Equivalents – For the purpose of the statements of cash flows, the Clubs consider all liquid investments with maturities of less than three months to be cash equivalents.

Investments – Investments in marketable equity and debt securities are reported at fair value. Fair value is determined using quoted market prices. Securities traded on a national securities exchange are valued at the last reported trading price on the last business day of the year. Realized gains or losses are determined by comparison of asset cost to net proceeds received. Unrealized gains or losses are determined by comparison of asset cost to market values at the end of the year. All realized gains and unrealized gains and losses are reported directly in the accompanying statement of activities. Investment income and gains and losses are recorded in the period incurred.

Bond Issuance Costs – Bond issuance costs are amortized over the term of the bonds on a straight-line basis.

Public Support – The Club has adopted the requirements of Accounting Standards Update 2014-09 *Revenue From Contracts with Customers* (Topic 606) and Accounting Standards Update 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958).

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
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Topic 606, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue.

Topic 958 assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Club has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements.

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, those net assets are reported in the statement of activities as net assets released from restrictions. Unconditional promises to give are recorded at their net realizable value. Gifts are considered to be available for unrestricted use or designation by the governing board unless specifically restricted by the donor. Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt.

Deferred Membership Dues – Membership dues are paid one year in advance and are recorded as revenue ratably over the term of the membership.

Federal Income Tax – The Clubs maintain exempt status under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Clubs have been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the IRC.

Functional Allocation of Expenses – The costs of providing the various program services have been summarized on a functional basis in the statements of functional expenses. Expenses directly attributable to a particular program service are allocated directly to that program. Compensation and related expenses are allocated among programs and supporting services based upon actual time incurred by the employees. Occupancy and related expenses are allocated based upon estimated space used or time spent in the Clubs for that program or service.

NOTE 3 – NET ASSETS

Resources are classified into two net asset categories according to the existence or absence of donor-imposed restrictions:

1) Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions:

Undesignated - Undesignated net assets include the assets and liabilities associated with the principal mission of the Clubs, including its net property and equipment.

Board Designated - Board designated net assets include net assets which the board has determined should be invested for future building needs, scholarships and quasi endowments.

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| BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC. BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION NOTES TO THE FINANCIAL STATEMENTS December 31, 2023 and 2022 |
|---|

2) **Net Assets With Donor Restrictions** include grants and contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Clubs and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity.

Designated for Endowment – consists of the Lyons Endowment Fund which was established in 1982 in memory of Maurice and Sara Marie Lyons. Interest and dividend income on this endowment is recorded as unrestricted public support and revenue.

NOTE 4 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure of the Clubs, without donor restrictions limiting their use, comprise the following at December 31, 2023 and 2022:

| | 2023 | 2022 |
|--------------------------------------|----------------------|----------------------|
| Cash and cash equivalents | \$ 5,403,721 | \$ 2,454,312 |
| Investments at market rate | 15,046,703 | 13,595,019 |
| Accounts receivable | 684,693 | 497,666 |
| Unconditional promises to give | 200,000 | 200,000 |
| Pledges receivable - current portion | 960,382 | 200,000 |
| Less: assets with donor restrictions | <u>(9,558,891)</u> | <u>(2,412,209)</u> |
| Total financial assets available | <u>\$ 12,736,608</u> | <u>\$ 16,526,158</u> |

Financial assets available for expenditures of the Scholastic Foundation, without donor restrictions limiting their use, comprise the following at December 31, 2023 and 2022:

| | 2023 | 2022 |
|--|------------------|------------------|
| Cash and cash equivalents | \$ 26,185 | \$ 6,737 |
| Investments at market rate | 360,047 | 355,615 |
| Less: conditional promises to give (Note 14) | (66,000) | (50,900) |
| Less: assets with donor restrictions | <u>(320,232)</u> | <u>(305,032)</u> |
| | <u>\$ -</u> | <u>\$ 6,420</u> |

NOTE 5 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2023 and 2022 are as follows:

| | 2023 | 2022 |
|--------------------------------------|-------------------|-------------------|
| United Way funding | \$ 200,000 | \$ 200,000 |
| Less: discounts to net present value | - | - |
| Net unconditional promises to give | <u>\$ 200,000</u> | <u>\$ 200,000</u> |

The United Way funding is expected to be received during the first 6 months of 2024 through monthly allocation payments. Although donor designations to United Way may vary, differences

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

between the amounts allocated and collected from United Way have historically been insignificant. Accordingly, no provision for uncollectible amounts is considered necessary by management.

NOTE 6 – INVESTMENTS

Investments are held in ten accounts for investment management purposes. All investment activity is without donor restrictions. Investments are measured at fair value on a recurring basis.

Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Quote prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly. Money market funds are valued using \$1 for the unit value using the market approach. If market quotations are not readily available for valuations, assets may be valued by a method the trustee for the fund believes accurately reflects fair value.

Level 3: Prices or valuations that require using significant unobservable inputs in determining fair value. The inputs into the determination of fair value used by the investment manager uses either the market approach, using comparable market transactions, or the income approach which consists of the net present value of estimated future cash flows, adjusted for liquidity, credit market, and other risk factors.

The Club's investments' fair value measurements are as follows at December 31, 2023:

| Investments | Fair Value | Fair Value Measurements Using | | |
|----------------------------------|----------------------|-------------------------------|---------------------|----------------|
| | | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs |
| Debt securities: | | | | |
| Government securities | \$ 1,347,010 | \$ 1,347,010 | \$ - | \$ - |
| Corporate fixed income | 1,265,524 | - | 1,265,524 | - |
| Total debt securities | <u>2,612,534</u> | <u>1,347,010</u> | <u>1,265,524</u> | <u>-</u> |
| Equity securities: | | | | |
| Stocks | 3,321,700 | 3,321,700 | - | - |
| ETFs and CEFs | 3,884,854 | 3,884,854 | - | - |
| Mutual funds | 4,940,837 | 4,940,837 | - | - |
| Net unsettled purchases/sales | (154,237) | (154,237) | - | - |
| Total equity securities | <u>11,993,154</u> | <u>11,993,154</u> | <u>-</u> | <u>-</u> |
| Subtotal investments | 14,605,688 | 13,340,164 | 1,265,524 | - |
| Cash and Cash Equivalents | | | | |
| Money market funds | <u>441,015</u> | <u>441,015</u> | <u>-</u> | <u>-</u> |
| Total investments | <u>\$ 15,046,703</u> | <u>\$ 13,781,179</u> | <u>\$ 1,265,524</u> | <u>\$ -</u> |

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

The Club's investments' fair value measurements are as follows at December 31, 2022:

| Investments | Fair Value | Fair Value Measurements Using | | |
|----------------------------------|----------------------|-------------------------------|---------------------|----------------|
| | | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs |
| Debt securities: | | | | |
| Government securities | \$ 1,255,449 | \$ 1,255,449 | \$ - | \$ - |
| Corporate fixed income | 1,217,228 | - | 1,217,228 | - |
| Municipal bonds | - | - | - | - |
| Total debt securities | 2,472,677 | 1,255,449 | 1,217,228 | - |
| Equity securities: | | | | |
| Stocks | 3,304,105 | 3,304,105 | - | - |
| ETFs and CEFs | 2,893,184 | 2,893,184 | - | - |
| Mutual funds | 4,288,557 | 4,288,557 | - | - |
| Total equity securities | 10,485,846 | 10,485,846 | - | - |
| Subtotal investments | 12,958,523 | 11,741,295 | 1,217,228 | - |
| Cash and Cash Equivalents | | | | |
| Savings and time deposits | 278,435 | 278,435 | - | - |
| Money market funds | 358,061 | 358,061 | - | - |
| Total cash and equivalents | 636,496 | 636,496 | - | - |
| Total investments | \$ 13,595,019 | \$ 12,377,791 | \$ 1,217,228 | \$ - |

The Foundation's investments' fair value measurements are as follows at December 31, 2023:

| Investments | Fair Value | Fair Value Measurements Using | | |
|----------------------------------|-------------------|-------------------------------|----------------|----------------|
| | | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs |
| Debt securities: | | | | |
| Government securities | \$ - | \$ - | \$ - | \$ - |
| Corporate fixed income | - | - | - | - |
| Total debt securities | - | - | - | - |
| Equity securities: | | | | |
| Stocks | - | - | - | - |
| ETFs and CEFs | 228,703 | 228,703 | - | - |
| Mutual funds | 117,580 | 117,580 | - | - |
| Total equity securities | 346,283 | 346,283 | - | - |
| Subtotal investments | 346,283 | 346,283 | - | - |
| Cash and Cash Equivalents | | | | |
| Money market funds | 13,764 | 13,764 | - | - |
| Total investments | \$ 360,047 | \$ 360,047 | \$ - | \$ - |

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

The Foundation's investments' fair value measurements are as follows at December 31, 2022:

| Investments | Fair Value | Fair Value Measurements Using | | |
|----------------------------------|-------------------|-------------------------------|----------------|----------------|
| | | Level 1 Inputs | Level 2 Inputs | Level 3 Inputs |
| Debt securities: | | | | |
| Government securities | \$ - | \$ - | \$ - | \$ - |
| Corporate fixed income | - | - | - | - |
| Municipal bonds | - | - | - | - |
| Total debt securities | - | - | - | - |
| Equity securities: | | | | |
| Stocks | - | - | - | - |
| ETFs and CEFs | 203,305 | 203,305 | - | - |
| Mutual funds | 104,162 | 104,162 | - | - |
| Total equity securities | 307,467 | 307,467 | - | - |
| Subtotal investments | 307,467 | 307,467 | - | - |
| Cash and Cash Equivalents | | | | |
| Money market funds | 48,148 | 48,148 | - | - |
| Total investments | \$ 355,615 | \$ 355,615 | \$ - | \$ - |

Debt and equity securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

The Club's management and Board regularly review and amend, if necessary, the investment policy for all funds held in each of the unrestricted, temporarily restricted and permanently restricted investment categories.

The purpose of the investment policy statement is designed to:

1. Outline the purpose and goals of the Fund's investment portfolios,
2. Define and assign the roles and responsibilities of all involved parties, including the Investment Committee, Investment Management Consultant, Investment Managers and Custodians,
3. To establish a clear understanding for all parties of the investment policy, asset allocation guidelines, and goals and objectives of the Fund's assets. This will include guidelines for the relevant time horizon for which the Fund's assets will be managed and the acceptable risk level of the portfolios.
4. To establish the guidelines for monitoring investment performance and risk and
5. Provide continuity across changes in the makeup of the Board of Trustees and Investment Committee.

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| BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC. BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION NOTES TO THE FINANCIAL STATEMENTS December 31, 2023 and 2022 |
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The Club's and allowable asset allocation ranges are as follows:

| Investment Type | Target Weight | Target Range |
|-----------------------------------|---------------|--------------|
| Equities | | |
| U.S. Large Cap Equities | 37% | 20% - 55% |
| U.S. Small/Mid Cap Equities | 5% | 0% - 15% |
| International and Global Equities | 20% | 0% - 30% |
| Fixed Income | 30% | 10% - 45% |
| Alternative Investments | 5% | 0% - 15% |
| Cash Equivalents | 3% | 3% - 20% |
| Total | 100% | |

The Foundation's allowable asset allocation ranges are as follows:

| Investment Type | Target Weight | Target Range |
|-----------------------------------|---------------|--------------|
| Equities | | |
| U.S. Large Cap Equities | 37% | 20% - 55% |
| U.S. Small/Mid Cap Equities | 5% | 0% - 15% |
| International and Global Equities | 20% | 0% - 30% |
| Fixed Income | 30% | 10% - 45% |
| Alternative Investments | 5% | 0% - 15% |
| Cash Equivalents | 3% | 3% - 20% |
| Total | 100% | |

The Clubs' management does not believe that the portfolio of investments contains any undue concentration of risk.

NOTE 7 – PLEDGES RECEIVABLE

A capital campaign began in 2022 to fund club expansion. Total pledges receivable at December 31, 2023 and 2022 were \$2,909,382 and \$800,000, respectively.

NOTE 8 – CASH SURRENDER VALUE OF LIFE INSURANCE

The Clubs are the owner and beneficiary of an insurance policy on the lives of certain supporters of the Clubs. The policy has a face value of \$3,553,306. The cash surrender value of the policy was \$669,731 and \$679,814 at December 31, 2023 and 2022, respectively, and will be adjusted annually.

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| BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC. BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION NOTES TO THE FINANCIAL STATEMENTS December 31, 2023 and 2022 |
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NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, or in the case of donated property and equipment, at the fair market value on the date of the gift. Depreciation is provided in amounts sufficient to reduce the net book value of the property and equipment over the estimated useful lives of the assets on a straight-line basis. Buildings and building improvements are depreciated over 7-40 years and equipment and vehicles are depreciated over 3-10 years.

The following balances existed at December 31, 2023 and 2022, respectively:

| Asset | December 31, 2022 | Additions | Deletions | December 31, 2023 |
|--------------------------------|----------------------|--------------|-----------|----------------------|
| Land | \$ 1,412,723 | \$ - | \$ - | \$ 1,412,723 |
| Construction in progress | 8,868 | 1,753,990 | - | 1,762,858 |
| Buildings and improvements | 10,903,263 | 14,148 | - | 10,917,411 |
| Equipment and vehicles | 783,770 | 15,313 | - | 799,083 |
| Subtotal | 13,108,624 | 1,783,451 | - | 14,892,075 |
| Less: accumulated depreciation | (6,315,563) | (411,613) | - | (6,727,176) |
| Net fixed assets | \$ 6,793,061 | \$ 1,371,838 | \$ - | \$ 8,164,899 |

Amortization of Bond issuance cost was \$2,911 for both the years ending December 31, 2023 and 2022. Depreciation expense for the years ended December 31, 2023 and 2022 was \$411,613 and \$407,534, respectively.

NOTE 10 – IN-KIND CONTRIBUTIONS

In accordance with generally accepted accounting principles, the Clubs recognize contributions of “Other Assets”, as public support and revenue in the period received and as assets or expenses depending on the form of the benefit received. Contributions received are measured at their fair values and are reported based upon donor-imposed restrictions. Contributions of services shall be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria shall not be recognized. The Clubs recognized in-kind contributions for supplies and services of \$1,153 and \$0 for the years ended December 31, 2023 and 2022, respectively.

NOTE 11 – ECONOMIC DEVELOPMENT REVENUE BONDS

During 1999, the Clubs issued economic development revenue bonds to help finance the renovation of certain facilities of the Clubs. The bonds are variable rate demand bonds (3.90% at December 31, 2022) due December 28, 2028. Interest is payable monthly. The bonds can be redeemed prior to maturity and are collateralized by an irrevocable letter of credit. The letter of credit is secured by the Clubs’ assets.

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| BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC. BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION NOTES TO THE FINANCIAL STATEMENTS December 31, 2023 and 2022 |
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The Clubs are committed to making the following payments for redemption of the bonds:

| Year ending Dec. 31, | Payment |
|-------------------------|-------------------|
| 2024 | \$ 150,000 |
| 2025 | 150,000 |
| 2026 | 150,000 |
| 2027 | 150,000 |
| 2028 | 175,000 |
| Total | <u>\$ 775,000</u> |

NOTE 12 – OHIO MENTAL HEALTH AND ADDICTION SERVICES MORTGAGE

On August 5, 2019, the Clubs signed a \$500,000 Open End Mortgage Agreement with the Ohio Department of Mental Health and Addiction Services. The stipulations in the agreement are that the Clubs will operate a Boys & Girls Club at the Aicholtz Road (Jeff Wyler Club) location for 30 years (until July 31, 2049), and that the mortgage will be forgiven at a rate of 1/360th of the mortgage total for 360 months. The monthly rate is \$1,388.89 or \$16,666.67 annually. The Clubs accrue \$1,388.89 in revenue each month and offset that accrual by reducing the mortgage by the same amount.

The Clubs are committed to keeping the Jeff Wyler Club open until July 31, 2049 to benefit from the entire mortgage loan forgiveness agreement.

NOTE 13 – LINE OF CREDIT

In 2019, the Clubs established a line of credit with a local bank. The line has a credit limit of \$450,000 and is collateralized by the Clubs assets. The balances on the line of credit at December 31, 2023 and 2022 were \$40,000 and \$130,000, respectively.

NOTE 14 – DONATED SERVICES

Donated services by volunteers have not been reflected in the accompanying financial statements. Many individuals volunteer their time and perform a variety of tasks that assist the Clubs in all of its program services. However, these services do not meet the criteria for recognition as contributed services in the financial statements.

NOTE 15 – SPECIAL EVENTS

Unrestricted special events revenue of \$134,974 for the year ended December 31, 2023 is shown net of related expenses of \$209,868 for a 60.9% expense to revenue ratio. Unrestricted special events revenue of \$385,587 for the year ended December 31, 2022 is shown net of related expenses of \$140,141 for a 26.7% expense to revenue ratio in the same period.

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
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December 31, 2023 and 2022

NOTE 16 – CONDITIONAL PROMISES TO GIVE – SCHOLARSHIPS

In 2023, the Foundation awarded graduating high school students \$44,300 in college scholarships. In 2022, scholarships of \$22,000 were awarded. The recipients, a winner and a runner-up, are eligible to receive a total of \$2,750 each semester provided they remain enrolled in school and maintain a minimum grade point average of 2.0. The scholarship is expensed when paid to the school. The balance of the scholarships awarded, but not yet paid, are shown as a net asset with donor restrictions.

NOTE 17 – CONCENTRATION IN REVENUE

The Clubs are supported primarily through 1) the United Way, 2) contributions, 3) foundations, grants, and trusts, and 4) special events. Approximately 3.4% and 12.6% of the Club's support for the years ended December 31, 2023 and 2022, respectively, came from allocations from the United Way. The loss or reduction of this funding significantly impacts the operation of the Clubs.

NOTE 18 – CONCENTRATION OF CREDIT RISK

The cash and cash equivalents balance at risk are held at two large regional banks whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023 and 2022, the Clubs had balances of \$1,396,341 and \$1,839,646, respectively, in excess of FDIC insured limit. The Clubs also maintain cash equivalent balances in a brokerage account that is insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000. The Clubs had balances of \$3,757,897 and \$0 in excess of the SIPC insured limit at December 31, 2023 and 2022, respectively. The Clubs maintains its cash with a high-quality financial institution which the Clubs believes limits these risks.

NOTE 19 – RELATED PARTIES

Scholastic Foundation - The Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation (Foundation) is a wholly owned 501 (c)(3) subsidiary of the Boys & Girls Clubs of Greater Cincinnati (Clubs), whose board appoints the board of the Foundation. The Clubs' management oversees the activities of the Foundation and provides accounting services for the Foundation. In 2023 and 2022 the Foundation paid \$1,300 and \$1,100, respectively, to the Clubs for accounting services.

Sheakley, Inc. - The Clubs have entered into an agreement to allow Sheakley, Inc., a professional employer organization, to manage the Clubs various human resources and payroll functions (i.e. regulatory compliance, benefits administration, workplace safety, employee policies and communications, employee recordkeeping, and training & development). The Clubs paid Sheakley \$975 and \$900 during 2023 and 2022 for these services. Matt Sheakley is a member of the Clubs' Board of Trustees and an officer at Sheakley.

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 20 – IMPLEMENTATION OF NEW FASB ACCOUNTING STANDARD

Effective January 1, 2022 the Club adopted the requirements of Accounting Standards Update 2016-02 *Leases (Topic 842)*.

Topic 842 eliminates “operational leases” and requires entities to recognize, on the balance sheet, both a “right of use” asset that is amortized over the lease term and a long-term lease liability, initially measured at the present value of the future lease payments.

The Clubs adopted the requirements of this new guidance utilizing the modified retrospective method of transition. However, the adoption of this new guidance did not affect the Clubs, since they have no long term leases and thus no cumulative adjustment to the Club’s net assets as of January 1, 2022 was required. The amounts reported in the financial statements for 2023 and 2022 are the same amounts that would have been reported under the former guidance. The Clubs did apply the new guidance using the practical expedient provided in Topic 842. The effects of applying the practical expedient were not significant to the financial statements.

NOTE 21 – RECLASSIFICATION OF PRIOR YEAR BALANCES

Certain balances in the prior year financial statements of the Scholarship Foundation have been reclassified from a net asset to a liability to match the current year’s presentation. These reclassifications did not affect the total asset position of the Foundation.

NOTE 22 – SUBSEQUENT EVENTS

The Clubs’ management has evaluated events through April 5, 2024 the date on which the financial statements were available for issue. The Clubs have no events subsequent to December 31, 2023, but before the report date of April 5, 2024, to disclose.

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| BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC. BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended December 31, 2023 |
|--|

| Federal Grantor/Program Title | Federal CFDA Number | Pass Through Grantor's Contract Number | Expenditures |
|---|---------------------------|--|--------------|
| U.S. Department of Housing & Urban Development | | | |
| Community Development Block Grant/ Entitlement Grant <i>Passed through the Hamilton County, Ohio</i> | 14.218 | 8-22-UC-39-003 | \$ 17,137 |
| Total U.S. Department of Housing & Urban Development | | | 17,137 |
| U.S. Department of Justice | | | |
| Mentoring At-Risk Youth <i>Passed through the Boys & Girls Clubs of America</i> | 16.726 | ODJJDP-2022- -51690 / -51691 -51692 / -51693 -51694 | 79,000 |
| Total U.S. Department of Justice | | | 79,000 |
| U.S. Department of the Treasury | | | |
| Hamilton County Youth Resiliency Grant <i>Passed through the Hamilton County, Ohio</i> | 21.027 | NA | 112,188 |
| Total U.S. Department of the Treasury | | | 112,188 |
| U.S. Department of Education | | | |
| Kentucky 21st Century Grant <i>Passed through the Kentucky Department of Education</i> | 84.287 | S287C2150017 S287C2250017 | 91,912 |
| Ohio 21st Century Grant <i>Passed through the Ohio Department of Education</i> | 84.287 | S287C210035 S287C220035 | 102,886 |
| Elementary and Secondary School Emergency Relief (ESSER) Fund <i>Passed through the Ohio Department of Education and Ohio Alliance of Boys & Girls Clubs</i> | 84.425C | NA | 213,987 |
| Elementary and Secondary School Emergency Relief (ESSER) Fund - NEST <i>Passed through the Ohio Department of Education and Ohio Alliance of Boys & Girls Clubs</i> | 84.425C | NA | 150,439 |
| Total U.S. Department of Education | | | 559,224 |
| U.S. Department of Health & Human Services | | | |
| Ohio Youth Suicide Prevention Grant <i>Passed through the Ohio Alliance of Boys & Girls Clubs</i> | 93.558 | G-2223-21-0565 | 4,776 |
| Governor's Office of Faith Based and Community Initiatives <i>Passed through the Ohio Alliance of Boys & Girls Clubs</i> | 93.558 | G-2223-21-0640 | 42,488 |
| Transition Assistance to Needy Families <i>Passed through the Ohio Alliance of Boys & Girls Clubs</i> | 93.558 | G-2324-17-0070 | 439,361 |
| Total U.S. Department of Health & Human Services | | | 486,625 |
| Total Federal Financial Assistance | | | \$ 1,254,174 |

**BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

NOTE B – DE MINIMUS INDIRECT COST RATE

The Clubs have elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

**BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2023**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes None reported

Noncompliance material to financial statements noted

Yes No

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200. 516(a)

Yes No

Identification of major programs:

Federal Program or Cluster

CFDA Number

Elementary and Secondary School Emergency Relief (ESSER) Fund

84.425C

*Passed Through the Ohio Department of Education
And the Ohio Alliance of Boys & Girls Clubs*

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

II. FINDINGS - FINANCIAL STATEMENTS AUDIT

No matters were reported

III. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No matters were reported

BOYS & GIRLS CLUBS OF GREATER CINCINNATI, INC.
BOYS & GIRLS CLUBS OF GREATER CINCINNATI SCHOLASTIC FOUNDATION
Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended December 31, 2022

NO FINDINGS OR QUESTIONED COSTS REPORTED IN FISCAL YEAR 2022

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

**To the Board of Directors of
Boys & Girls Clubs of Greater Cincinnati, Inc.
Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation
Cincinnati, Ohio**

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 Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation as of December 31, 2023 and 2022 and the related notes to the financial statements which collectively comprise the Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation's financial statements, and have issued our report thereon dated April 5, 2024.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Boys & Girls Clubs of Greater Cincinnati, Inc., and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 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 and therefore material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Boys & Girls Clubs of Greater Cincinnati, Inc. and the Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 audits, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chamberlin Owen & Co., Inc.

Chamberlin Owen & Co., Inc.

Erlanger, Kentucky

April 5, 2024

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

**To the Board of Directors of
Boys & Girls Clubs of Greater Cincinnati, Inc.
Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation
Cincinnati, Ohio**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boys & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation's major federal programs for the year ended December 31, 2023. Boys & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Boys & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation 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 & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation 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 & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Boys & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Boys & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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 & Girls Clubs of Greater Cincinnati, Inc. and Boys & Girls Clubs of Greater Cincinnati Scholastic Foundation'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

Chamberlin Owen & Co., Inc.

Chamberlin Owen & Co., Inc.

Erlanger, Kentucky

April 5, 2024