

BOYS AND GIRLS CLUB OF POPLAR BLUFF

AUDIT REPORT

DECEMBER 31, 2020

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
<u>Financial Statements</u>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9

SMITH & DAVIS
CERTIFIED PUBLIC ACCOUNTANTS

DAVID L. SMITH, CPA

VONDA K. DAVIS, CPA

CATHY L. HAYWOOD, CPA

305 South By-Pass P O Box 407

Kennett, Missouri 63857

TELEPHONE (573) 888-5603

FAX (573) 888-1131

E-MAIL metheny-smith@att.net

Members

American Institute and

Missouri Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Boys and Girls Club of Poplar Bluff

We have audited the accompanying financial statements of Boys and Girls Club of Poplar Bluff (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys and Girls Club of Poplar Bluff as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Smith & Davis CPAs

July 30, 2021

**BOYS & GIRLS CLUB OF POPLAR BLUFF
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

2

ASSETS

Current Assets:

Cash and cash equivalents	\$	96,208
Investments		5,284
Membership dues receivable (net)		27,194
Government funding receivable		60,240
Special events receivable		5,850
Other receivables		8,599
		<hr/>
Total current assets		203,375
		<hr/>

Capital Assets:

Property and equipment (net)		334,797
		<hr/>

TOTAL ASSETS

\$ 538,172

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	30,363
Credit cards payable		5,304
Prepaid membership dues		13,432
Accrued expenses		6,821
Notes payable		129,800
		<hr/>
Total current liabilities		185,720
		<hr/>

Net Assets:

Without donor restrictions		352,452
		<hr/>
Total net assets		352,452
		<hr/>

TOTAL LIABILITIES AND NET ASSETS

\$ 538,172

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

**BOYS & GIRLS CLUB OF POPLAR BLUFF
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Change in unrestricted net assets:	
Support and Revenue:	
Support:	
Government funding	\$ 339,644
Contributions	179,298
Gifts-in-kind	303,000
COVID 19 funds-County Relief	45,271
Special events	63,628
Total support	<u>930,841</u>
Revenue:	
Membership dues	72,098
Miscellaneous	4,835
Total revenue	<u>76,933</u>
Total Support and Revenue	<u>1,007,774</u>
Expenses:	
Boys & Girls Club program	595,570
Management and general	161,735
Special events expense	25,963
Total Expenses	<u>783,268</u>
Change in unrestricted net assets	224,506
Net assets, beginning of year	127,946
Net assets, end of year	\$ <u><u>352,452</u></u>

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

**BOYS & GIRLS CLUB OF POPLAR BLUFF
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Program Services</u>		<u>Support Services</u>		<u>Total Expenses</u>
	<u>Program Boys and Girls Club</u>	<u>Management and General</u>	<u>Special events</u>		
Salaries & Wages	\$ 337,968	\$ 86,347	\$ 15,548	\$	439,863
Employee benefits	47,150	12,247	1,837		61,234
AmeriCorps	37,296				37,296
Building & facilities expense	17,902				17,902
Equipment	528				528
Depreciation	6,704	1,586			8,290
Food program	92,198				92,198
Special events expense			8,578		8,578
Purchased services	20,152				20,152
Program expenses	29,131				29,131
Administrative expenses		42,430			42,430
Auto expense	6,541				6,541
Telephone/communications		2,069			2,069
Professional development		2,636			2,636
Bad debts		10,918			10,918
Interest expense		372			372
Miscellaneous		3,130			3,130
Total	\$ <u>595,570</u>	\$ <u>161,735</u>	\$ <u>25,963</u>	\$	<u>783,268</u>

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

**BOYS & GIRLS CLUB OF POPLAR BLUFF
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Cash flows from operating activities:

Change in net assets	\$ 224,506
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	8,290
(Increase) decrease in accounts receivable	(44,515)
Increase (decrease) in prepaid dues	8,222
Donated land and bus included in contributions	(303,000)
Increase (decrease) in accounts payable and accrued expenses	<u>(2,712)</u>
Net cash provided (used) by operating activities	<u>(109,209)</u>

Cash flows from investing activities:

Cash payments for property and equipment	(7,960)
Investment activity-Ozark	<u>(412)</u>
Net cash provided (used) by investing activities	<u>(8,372)</u>

Cash flows from financing activities:

Proceeds from the issuance of debt	129,800
Principal payments on notes payable	<u>(20,000)</u>
Net cash provided (used) by investing activities	<u>109,800</u>

Net increase (decrease) in cash and cash equivalents (7,781)

Cash and cash equivalents--December 31, 2019 103,989

Cash and cash equivalents--December 31, 2020 \$ 96,208

Supplemental data:

Interest paid	\$ 372
Taxes	\$ 0

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities:

Boys & Girls Club of Poplar Bluff (the Organization) is a Missouri nonprofit corporation that promotes the health, social, educational, vocational, and character development of boys and girls. The Organization is funded by grants from Boys & Girls Clubs of America, Poplar Bluff Public Schools, and other contributors.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash Equivalents:

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Accounts Receivable:

Government funding receivable is stated at the amount management expects to collect from outstanding balances. Uncollectible balances are considered immaterial.

Membership dues receivable is shown net of an allowance for uncollectibles. There were no changes to this allowance in 2020.

Promises to Give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets without donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Property and Equipment:

The Organization capitalizes property and equipment with a cost greater than \$1,000 and a useful life of one year or more, and all costs associated with a new construction or renovation project. Property, plant and equipment are stated at cost. Depreciation has been provided for over the estimated useful lives of the respective assets on the straight-line method ranging from 3 to 40 years.

Estimates:

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

**BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Income Taxes:

The organization is exempt from federal incomes taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for the year ended December 31, 2020.

Cost Allocation:

The financial statements report certain categories of expenses that are attributable to more that one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, benefits and depreciation.

NOTE 2. RECEIVABLES:

Government funding receivable is deemed to be fully collectible by management and is composed of the following amounts due at December 31, 2020:

Government funding receivable		
Child and Adult Care Food Program	\$	42,368
Passport to Manhood		7,344
SOR Grant		3,184
Missouri Alliance-Smart Girls		7,344
Total government funding receivable	\$	<u>60,240</u>

Membership dues receivable is composed of the following amounts due at December 31, 2020:

Membership dues receivable	\$	42,194
Less allowance for doubtful accounts		(15,000)
Net membership dues receivable	\$	<u>27,194</u>

NOTE 3. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at December 31, 2020:

	Balance at Jan. 1, 2020	Additions	Disposals	Balance at Dec. 31, 2020
Club equipment	\$ 117,138	\$ 7,690	0	124,828
Office Equipment	53,035	0	0	53,035
Land	0	290,000	0	290,000
Vehicle	81,597	13,000	0	94,597
Totals at historical cost	<u>251,770</u>	<u>310,690</u>	<u>0</u>	<u>562,460</u>
Less: accumulated depreciation	(219,373)	(8,290)	0	(227,663)
Property and equipment (net)	<u>\$ 32,397</u>	<u>\$ 302,400</u>	<u>\$ 0</u>	<u>\$ 334,797</u>

**BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4. GIFTS-IN-KIND:

The Organization records in-kind contributions of tangible property when received. These contributions are recognized at fair value at the date of the donation. During 2020, land valued at \$290,000 and a bus valued at \$13,000 was donated to the Organization. The value of this donation is reflected in gifts-in-kind income.

NOTE 5. PENSION PLAN:

The Organization contributes to a Simple IRA plan for employees who have met the service requirement of \$5,000 in earnings in the current and preceding year. Eligible employees may make a salary reduction election, and the Organization contributes a matching amount up to 3% of the employee's compensation for the year.

NOTE 6. INVESTMENTS:

The fair value of investments with the Community Foundation of the Ozarks at December 31, 2020, is as follows:

Fair value	\$	5,284
------------	----	-------

NOTE 7. LINE OF CREDIT:

The Organization maintains a line of credit with First Midwest Bank, with an interest rate of 4.75%. The outstanding balance at December 31, 2020 was \$0. On July 8, 2021 the board voted to close the line of credit.

NOTE 8. NOTES PAYABLE-CURRENT:

At December 31, 2020, notes payable consisted of the following:

Notes payable, Small Business Administration, Payroll Protection Program loan received 4/4/20 and forgiven 2/19/21	\$	<u>129,800</u>
--	----	----------------

NOTE 9. CONCENTRATION OF CREDIT RISK:

At December 31, 2020, the Organization had invested with the Community Foundation of the Ozarks \$5,284 which was unsecured. All other bank accounts are fully insured by the FDIC.

NOTE 10. BUSINESS RISKS AND UNCERTAINTIES

On January 30, 2020 the World Health Organization (WHO) announced a global health emergency. (COVID-19) In March of 2020, the WHO classified the COVID-19 crisis as a pandemic and the outbreak continues as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization. Management is actively monitoring the impact, but is not able to estimate the effects of COVID-19 crisis on future operations.

NOTE 11. NOTE PAYABLE-PAYCHECK PROTECTION PROGRAM

On April 4, 2020, the Organization recorded a note payable of \$129,800. This amount represents the note payable from the Small Business Administration's (SBA) Paycheck Program (PPP) as a result of legislation passed to assist businesses in navigating the Coronavirus pandemic. The Organization has determined the note payable is a conditional grant. Accordingly, the note payable is reported as a note payable until the conditions are substantially met or waived.

The note was forgiven on February 19, 2021 and the full amount of the note payable will be recognized as revenue in 2021.

NOTE 12. SUBSEQUENT EVENTS:

In May of 2021, the Organization established the Blue Door Fund, which is an endowment fund. All endowment funds will be invested in the Community Foundation of the Ozarks' diversified fund. The fund is to be held in perpetuity as an irrevocable organizational endowment fund, and distributions can be paid out as provided in the agreement that established the Blue Door Fund.

In July of 2021, the Organization learned that it had been approved for \$150,000 in YOP (Youth Opportunity Program) credits. It also announced that there are 3 new sites opening this fall.

NOTE 13. DATE OF MANAGEMENT REVIEW:

Subsequent events have been evaluated through July 30, 2021, which is the date the financial statements were available to be issued.