

BOYS AND GIRLS CLUB OF POPLAR BLUFF

AUDIT REPORT

DECEMBER 31, 2021

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 and Girls Club of Poplar Bluff as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 and Girls Club of Poplar Bluff and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys and Girls Club of Poplar Bluff'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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 and Girls Club of Poplar Bluff'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 and Girls Club of Poplar Bluff'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.

Smith & Davis CPAs

June 13, 2022

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**BOYS & GIRLS CLUB OF POPLAR BLUFF
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

ASSETS

Current Assets:

Cash and cash equivalents	\$ 38,918
Investments	110,160
Membership dues receivable (net)	55,727
Government funding receivable	92,338
Special events receivable	9,625
Other receivables	<u>1,405</u>
 Total current assets	 <u>308,173</u>

Capital Assets:

Property and equipment (net)	360,948
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TOTAL ASSETS	\$ <u><u>669,121</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 58,628
Credit cards payable	25,227
Prepaid membership dues	8,404
Accrued expenses	14,650
Notes payable	<u>9,270</u>
 Total current liabilities	 <u>116,179</u>

Long-term Liabilities:

Notes payable	<u>38,467</u>
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Net Assets:

Without donor restrictions	
Undesignated	504,364
Board designated-endowment	<u>10,111</u>
 Total net assets	 <u>514,475</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>669,121</u></u>
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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, 2021**

Operating Support and Revenue:	
Support:	
Government funding	\$ 485,635
Contributions	209,282
COVID 19 funds-County Relief	64,167
Special events	118,139
Total support	<u>877,223</u>
Revenue:	
Membership dues	143,829
Miscellaneous	11,030
Total revenue	<u>154,859</u>
 Total Operating Support and Revenue	 <u>1,032,082</u>
 Operating Expenses:	
Program services	912,201
Management and general	152,320
Fundraising	65,138
Total Operating Expenses	<u>1,129,659</u>
 Change in operating net assets	 (97,577)
 Non-operating revenues:	
Gain on extinguishment of debt- Forgiveness of Payroll Protection Program Loan	 <u>259,600</u>
 Change in net assets	 162,023
 Net assets, beginning of year	 352,452
 Net assets, end of year	 <u>\$ 514,475</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, 2021**

	<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>Fundraising</u>		
Salaries & Wages	\$ 536,865	\$ 59,342	\$ 46,341	\$	\$ 642,548
Employee benefits	72,222	7,738	6,019		85,979
AmeriCorps	38,955				38,955
Building & facilities expense	16,448				16,448
Equipment	1,289				1,289
Depreciation	24,762	2,477			27,239
Food program	123,915				123,915
Special events expense			12,778		12,778
Purchased services	41,331				41,331
Program expenses	37,574				37,574
Administrative expenses		60,201			60,201
Auto expense	16,802				16,802
Telephone/communications	2,038				2,038
Professional development		4,502			4,502
Bad debts		11,402			11,402
Miscellaneous		6,658			6,658
Total	\$ <u>912,201</u>	\$ <u>152,320</u>	\$ <u>65,138</u>	\$	\$ <u>1,129,659</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, 2021**

Cash flows from operating activities:

Change in operating net assets	\$ (97,577)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	27,239
(Increase) decrease in accounts receivable	(57,212)
Increase (decrease) in prepaid dues	(5,028)
Increase (decrease) in accounts payable and accrued expenses	<u>56,017</u>
Net cash provided (used) by operating activities	<u>(76,561)</u>

Cash flows from investing activities:

Cash payments for property and equipment	(53,390)
Investment activity-Southern Bancorp	(28,753)
Investment activity-Ozark	<u>(76,123)</u>
Net cash provided (used) by investing activities	<u>(158,266)</u>

Cash flows from financing activities:

Proceeds from the issuance of debt	50,112
Payroll Protection Program Loan	129,800
Principal payments on notes payable	<u>(2,375)</u>
Net cash provided (used) by investing activities	<u>177,537</u>

Net increase (decrease) in cash and cash equivalents (57,290)

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

Cash and cash equivalents--December 31, 2021 \$ 38,918

Non-Cash Financing Activities

Forgiveness of Payroll Protection Loan Program \$ 259,600

Supplemental data:

Interest paid	\$ 737
Taxes	\$ 0

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

**BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 2021.

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, 2021**

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, 2021.

Cost Allocation:

The financial statements report certain categories of expenses that are attributable to more than 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, 2021:

Government funding receivable		
21st Century	\$	39,549
SAC Grant		34,530
SOR Grant		5,088
Smart Moves		1,849
Passport to Manhood		5,661
Missouri Alliance-Smart Girls		5,661
Total government funding receivable	\$	<u>92,338</u>

Membership dues receivable is composed of the following amounts due at December 31, 2021:

Membership dues receivable	\$	70,727
Less allowance for doubtful accounts		(15,000)
Net membership dues receivable	\$	<u>55,727</u>

NOTE 3. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at December 31, 2021:

	Balance at Jan. 1, 2021	Additions	Disposals	Balance at Dec. 31, 2021
Club equipment	\$ 124,828	\$		124,828
Office Equipment	53,035			53,035
Building	0	3,390		3,390
Land	290,000			290,000
Vehicle	94,597	50,000		144,597
Totals at historical cost	562,460	53,390		615,850
Less: accumulated depreciation	(227,663)	(27,239)		(254,902)
Property and equipment (net)	\$ <u>334,797</u>	\$ <u>26,151</u>	\$	\$ <u>360,948</u>

**BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 2021, no gifts in-kind were received.

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 at December 31, 2021 is as follows:

Community Foundation of the Ozarks	\$ 71,296
Community Foundation of the Ozarks-CFO Endowment	10,111
Stock-Southern Missouri Bancorp	<u>28,753</u>
	<u>\$ 110,160</u>

NOTE 7. LINE OF CREDIT:

The Organization maintained a line of credit with First Midwest Bank, with an interest rate of 4.75%. On July 8, 2021 the board voted to close the line of credit.

NOTE 8. NOTES PAYABLE:

At December 31, 2021, notes payable consisted of the following:

Notes payable original amount of \$50,112; dated 10/05/21; Payable to First Midwest Bank: 4.5% interest rate Maturity date 10/05/26	\$ <u>47,737</u>
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Changes in Notes Payable

	Balance 2020	Additions	Deductions	Balance 2021
Notes Payable	\$ <u>129,800</u>	\$ <u>179,912</u>	\$ <u>261,975</u>	\$ <u>47,737</u>

BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2021, are as follows:

Year ending	Principal	Interest
2022	\$ 9,270	\$ 1,959
2023	9,696	1,533
2024	10,141	1,087
2025	10,607	621
2026	8,023	145
	<u>\$ 47,737</u>	<u>\$ 5,345</u>

NOTE 9. CONCENTRATION OF CREDIT RISK:

At December 31, 2021, the Organization had invested with the Community Foundation of the Ozarks \$81,407 which was unsecured. All other bank accounts are fully insured by the FDIC.

NOTE 10. BUSINESS RISKS AND UNCERTAINTIES

On January 30, 2021 the World Health Organization (WHO) announced a global health emergency. (COVID-19) In March of 2021, 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. PAYCHECK PROTECTION PROGRAM

On April 4, 2021, 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 was recognized as revenue in 2021.

On February 22, 2021 the Organization received a second PPP loan in the amount of \$129,800. This was loan forgiven July 16, 2021 and was recognized as revenue in 2021.

**BOYS & GIRLS CLUB OF POPLAR BLUFF
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 12. SUBSEQUENT EVENTS:

The Organization plans to have a new site located at Twin Rivers School in the fall of 2022.

NOTE 13. DATE OF MANAGEMENT REVIEW:

Subsequent events have been evaluated through June 13, 2022, which is the date the financial statements were available to be issued.