

**BOYS AND GIRLS CLUB OF POPLAR BLUFF**  
**AUDIT REPORT**  
**DECEMBER 31, 2019**

**Table of Contents**

	<b><u>Page</u></b>
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, 2019, 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, 2019, 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*

August 28, 2020

**BOYS & GIRLS CLUB OF POPLAR BLUFF  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019**

**ASSETS**

Current Assets:

Cash and cash equivalents	\$	103,989
Investments		4,872
Membership dues receivable (net)		21,308
Government funding receivable		34,595
Special events receivable		1,175
Other receivables		290

Total current assets 166,229

Capital Assets:

Property and equipment (net)		32,397
------------------------------	--	--------

TOTAL ASSETS \$ 198,626

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts payable	\$	26,455
Credit cards payable		4,637
Prepaid membership dues		5,210
Notes payable		20,000
Accrued expenses		14,378

Total current liabilities 70,680

Net Assets:

Without donor restrictions 127,946

Total net assets 127,946

TOTAL LIABILITIES AND NET ASSETS \$ 198,626

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, 2019**

Change in unrestricted net assets:	
Support and Revenue:	
Support:	
Government funding	\$ 503,598
Contributions	85,027
YOP campaign	136,345
Special events	104,136
Total support	<u>829,106</u>
Revenue:	
Membership dues	126,110
Miscellaneous	9,560
Total revenue	<u>135,670</u>
 Total Support and Revenue	 <u>964,776</u>
 Expenses:	
Boys & Girls Club program	838,039
Management and general	194,167
Special events expense	62,352
Total Expenses	<u>1,094,558</u>
 Change in unrestricted net assets	 (129,782)
 Net assets, beginning of year	 264,457
Prior period adjustment	<u>(6,729)</u>
 Net assets, end of year	 \$ <u><u>127,946</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, 2019**

	<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	\$ 446,941		\$ 78,482	\$ 36,707	\$ 562,130
Employee benefits	59,363		10,424	4,875	74,662
AmeriCorps	49,127				49,127
Building & facilities expense	16,275				16,275
Equipment	4,590				4,590
Depreciation	7,070		1,597		8,667
Food program	159,066				159,066
Special events expense				20,770	20,770
Purchased services	45,372				45,372
Program expenses	41,633				41,633
Administrative expenses			41,627		41,627
Auto expense	8,602				8,602
Telephone/communications			2,100		2,100
Professional development			11,481		11,481
Bad debts			8,252		8,252
Investment expense			2,073		2,073
Loss on sale of assets			25,382		25,382
Loss on disposed assets			2,733		2,733
Interest expense			218		218
Miscellaneous			9,798		9,798
Total	\$ <u>838,039</u>		\$ <u>194,167</u>	\$ <u>62,352</u>	\$ <u>1,094,558</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, 2019**

Cash flows from operating activities:

Change in net assets	\$ (129,782)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	8,667
(Increase) decrease in accounts receivable	18,821
Increase (decrease) in prepaid dues	(4,672)
Increase (decrease) in accounts payable and accrued expenses	<u>(13,637)</u>
Net cash provided (used) by operating activities	<u>(120,603)</u>

Cash flows from investing activities:

Cash payments for property and equipment	(4,456)
Proceeds from disposal of property	49,617
(Gain) loss on disposal of property	28,115
Investment activity-Ozark	<u>2,071</u>
Net cash provided (used) by investing activities	<u>75,347</u>

Cash flows from financing activities:

Proceeds from the issuance of debt	20,000
Principal payments on notes payable	<u>0</u>
Net cash provided (used) by investing activities	<u>20,000</u>

Net increase (decrease) in cash and cash equivalents (25,256)

Cash and cash equivalents--December 31, 2018 129,245

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

Supplemental data:

Interest paid	\$ 218
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.

**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, 2019**

**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, 2019.

**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, 2019:

Government funding receivable		
Child and Adult Care Food Program	\$	13,543
Passport to Manhood		7,038
SOR Grant		2,346
Missouri Alliance-Smart Girls		6,120
Missouri Alliance-Smart Moves		5,548
Total government funding receivable	\$	<u>34,595</u>

Membership dues receivable is composed of the following amounts due at December 31, 2019:

Membership dues receivable	\$	36,308
Less allowance for doubtful accounts		(15,000)
Net membership dues receivable	\$	<u>21,308</u>

**NOTE 3. PROPERTY AND EQUIPMENT:**

Property and equipment consist of the following at December 31, 2019:

	<b>Balance at Jan. 1, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at Dec. 31, 2019</b>
Club equipment	\$ 138,775	\$ 0	21,637	117,138
Office Equipment	53,035	0	0	53,035
Vehicle	77,141	4,456	0	81,597
Totals at historical cost	<u>268,951</u>	<u>4,456</u>	<u>21,637</u>	<u>251,770</u>
Less: accumulated depreciation	(229,610)	8,667	(1,570)	(219,373)
Property and equipment (net)	<u>\$ 39,341</u>	<u>\$ 13,123</u>	<u>\$ 20,067</u>	<u>\$ 32,397</u>

**NOTE 4. BUILDING HELD FOR INVESTMENT:**

In 2015 the organization received a donation of a building located on Main Street. The building was valued at \$75,000 and was being held as an investment. The building was sold in 2019 for \$53,750.

**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, 2019, is as follows:

Fair value	\$	4,872
------------	----	-------

**NOTE 7. NOTES PAYABLE-CURRENT:**

At December 31, 2019, notes payable consisted of the following:

Notes payable, First Midwest Bank, payment including principal and interest at 5.25%, maturity date July 3, 2020, secured by seven commercial vehicles	\$	<u>20,000</u>
--	----	---------------

**NOTE 8. CONCENTRATION OF CREDIT RISK:**

At December 31, 2019, the Organization had invested with the Community Foundation of the Ozarks \$4,872 which was unsecured. All other bank accounts are fully insured by the FDIC.

**NOTE 9. PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was recorded to remove a government receivable recorded in error during 2018.

**BOYS & GIRLS CLUB OF POPLAR BLUFF  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 10. SUBSEQUENT EVENTS:**

On January 2nd, 2020, it was determined that the computer server was encrypted with ransomware. A QuickBooks backup had not be completed since October of 2019, so all the data passed this date had to be reentered.

The global pandemic Covid-19 cause the Organization to close from March 18, 2020 to June 8, 2020. An SBA grant was received to provide payroll funds during this time. The financial effect or range of loss due to COVID-19 can not be reasonably estimated at this time.

**NOTE 11. DATE OF MANAGEMENT REVIEW:**

Subsequent events have been evaluated through August 28, 2020, which is the date the financial statements were available to be issued.