

**BOYS AND GIRLS CLUB OF POPLAR BLUFF**

**AUDIT REPORT**

**DECEMBER 31, 2018**

**Table of Contents**

**Page**

Independent Auditor's Report

1

**Financial Statements**

Statement of Financial Position

2

Statement of Activities

3

Statement of Functional Expenses

4

Statement of Cash Flows

5

Notes to Financial Statements

6-8

**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, 2018, 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, 2018, 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 10, 2019

**BOYS & GIRLS CLUB OF POPLAR BLUFF  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018**

2

**ASSETS**

Current Assets:

|                                  |    |              |
|----------------------------------|----|--------------|
| Cash and cash equivalents        | \$ | 129,245      |
| Investments                      |    | 6,943        |
| Membership dues receivable (net) |    | 16,042       |
| Government funding receivable    |    | 56,223       |
| Special events receivable        |    | 2,150        |
| Other receivables                |    | <u>8,502</u> |

Total current assets 219,105

Capital Assets:

|                              |  |        |
|------------------------------|--|--------|
| Property and equipment (net) |  | 39,341 |
|------------------------------|--|--------|

Other Assets:

|                              |  |               |
|------------------------------|--|---------------|
| Building held for investment |  | <u>75,000</u> |
|------------------------------|--|---------------|

TOTAL ASSETS \$ 333,446

**LIABILITIES AND NET ASSETS**

Current Liabilities:

|                         |    |               |
|-------------------------|----|---------------|
| Accounts payable        | \$ | 33,475        |
| Credit cards payable    |    | 1,934         |
| Prepaid membership dues |    | 9,882         |
| Accrued expenses        |    | <u>23,698</u> |

Total current liabilities 68,989

Net Assets:

|                            |  |                |
|----------------------------|--|----------------|
| Without donor restrictions |  | <u>264,457</u> |
|----------------------------|--|----------------|

Total net assets 264,457

TOTAL LIABILITIES AND NET ASSETS \$ 333,446

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, 2018**

|                                    |                   |
|------------------------------------|-------------------|
| Change in unrestricted net assets: |                   |
| Support and Revenue:               |                   |
| Support:                           |                   |
| Government funding                 | \$ 643,776        |
| Contributions                      | 63,125            |
| In-kind donation                   | 17,000            |
| YOP campaign                       | 145,309           |
| Special events                     | 90,868            |
| Total support                      | <u>960,078</u>    |
| Revenue:                           |                   |
| Membership dues                    | 133,637           |
| Miscellaneous                      | 11,298            |
| Total revenue                      | <u>144,935</u>    |
| Total Support and Revenue          | <u>1,105,013</u>  |
| Expenses:                          |                   |
| Boys & Girls Club program          | 853,609           |
| Management and general             | 191,777           |
| Special events expense             | 62,305            |
| Total Expenses                     | <u>1,107,691</u>  |
| Change in unrestricted net assets  | (2,678)           |
| Net assets, beginning of year      | <u>267,135</u>    |
| Net assets, end of year            | <u>\$ 264,457</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, 2018**

|                               | <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              | \$ 461,307                         | \$ 76,855                     | \$ 37,661               | \$ 575,823          |                       |
| Employee benefits             | 63,894                             | 10,383                        | 5,590                   | 79,867              |                       |
| AmeriCorps                    | 45,384                             |                               |                         | 45,384              |                       |
| Building & facilities expense | 19,785                             |                               |                         | 19,785              |                       |
| Equipment                     |                                    |                               |                         | 0                   |                       |
| Depreciation                  | 9,004                              | 2,718                         |                         | 11,722              |                       |
| Food program                  | 135,047                            |                               |                         | 135,047             |                       |
| Special events expense        |                                    |                               | 19,054                  | 19,054              |                       |
| Purchased services            | 50,006                             |                               |                         | 50,006              |                       |
| Program expenses              | 59,932                             |                               |                         | 59,932              |                       |
| Administrative expenses       |                                    | 38,901                        |                         | 38,901              |                       |
| Auto expense                  | 9,250                              |                               |                         | 9,250               |                       |
| Telephone/communications      |                                    | 2,522                         |                         | 2,522               |                       |
| Professional development      |                                    | 17,494                        |                         | 17,494              |                       |
| Bad debts                     |                                    | 29,902                        |                         | 29,902              |                       |
| Investment expense            |                                    | 3,264                         |                         | 3,264               |                       |
| Main Street building expense  |                                    | 3,295                         |                         | 3,295               |                       |
| Miscellaneous                 |                                    | 6,443                         |                         | 6,443               |                       |
| Total                         | \$ <u>853,609</u>                  | \$ <u>191,777</u>             | \$ <u>62,305</u>        | \$ <u>1,107,691</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, 2018**

|   |                   |
|---|-------------------|
| Cash flows from operating activities:   | (2,678)           |
| Change in net assets  | \$                |
| Adjustments to reconcile change in net assets<br>to net cash provided (used) by operating activities: |                   |
| Depreciation  | 11,722            |
| Donation in kind  | (17,000)          |
| (Increase) decrease in accounts receivable  | (36,173)          |
| Increase (decrease) in prepaid dues   | 1,408             |
| Increase (decrease) in accounts payable and accrued expenses  | <u>3,573</u>      |
| Net cash provided (used) by operating activities  | <u>(39,148)</u>   |
| Cash flows from investing activities:   |                   |
| Cash payments for property and equipment  | (3,669)           |
| Investment activity-transfer from Ozark   | <u>42,011</u>     |
| Net cash provided (used) by investing activities  | <u>38,342</u>     |
| Cash flows from financing activities:   |                   |
| Proceeds from the issuance of debt  | 20,000            |
| Principal payments on notes payable   | <u>(20,000)</u>   |
| Net cash provided (used) by investing activities  | <u>0</u>          |
| Net increase (decrease) in cash and cash equivalents  | (806)             |
| Cash and cash equivalents--December 31, 2017  | 130,051           |
| Cash and cash equivalents--December 31, 2018  | <u>\$ 129,245</u> |
| Supplemental data:  |                   |
| Interest paid   | \$ 1,435          |
| 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, 2018**

**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, 2018.

**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, 2018:

|                                     |                  |
|-------------------------------------|------------------|
| Government funding receivable       |                  |
| Child and Adult Care Food Program   | \$ 14,464        |
| 21st Century                        | 20,730           |
| SOR Grant                           | 1,850            |
| Missouri Alliance-Meth SMART        | 4,000            |
| Missouri Alliance-Smart Girls       | 9,720            |
| Missouri Alliance-Smart Moves       | 5,459            |
| Total government funding receivable | <u>\$ 56,223</u> |

Membership dues receivable is composed of the following amounts due at December 31, 2018:

|                                      |                  |
|--------------------------------------|------------------|
| Membership dues receivable           | \$ 31,042        |
| Less allowance for doubtful accounts | (15,000)         |
| Net membership dues receivable       | <u>\$ 16,042</u> |

**NOTE 3. PROPERTY AND EQUIPMENT:**

Property and equipment consist of the following at December 31, 2018:

|                                | Balance at<br>Jan. 1,<br>2018 | Additions        | Disposals       | Balance at<br>Dec. 31,<br>2018 |
|--------------------------------|-------------------------------|------------------|-----------------|--------------------------------|
| Building Improvements          | \$ 813                        | \$ 0             | \$ 813          | \$ 0                           |
| Club equipment                 | 118,846                       | 22,625           | 2,696           | 138,775                        |
| Office Equipment               | 53,035                        | 0                | 0               | 53,035                         |
| Vehicle                        | 77,141                        | 0                | 0               | 77,141                         |
| Totals at historical cost      | <u>249,835</u>                | <u>22,625</u>    | <u>3,509</u>    | <u>268,951</u>                 |
| Less: accumulated depreciation | (219,441)                     | (11,722)         | (1,553)         | (229,610)                      |
| Property and equipment (net)   | <u>\$ 30,394</u>              | <u>\$ 10,903</u> | <u>\$ 1,956</u> | <u>\$ 39,341</u>               |

**BOYS & GIRLS CLUB OF POPLAR BLUFF  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

In 2015 the organization received a donation of a building located on Main Street. The building is valued at \$75,000 and is being held as an investment. This property is currently for sale.

**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, 2018, is as follows:

|            |    |       |
|------------|----|-------|
| Fair value | \$ | 6,943 |
|------------|----|-------|

**NOTE 7. CONCENTRATION OF CREDIT RISK:**

At December 31, 2018, the Organization had invested with the Community Foundation of the Ozarks \$6,943 which was unsecured. All other bank accounts are fully insured by the FDIC.

**NOTE 8. DATE OF MANAGEMENT REVIEW:**

Subsequent events have been evaluated through July 10, 2019, which is the date the financial statements were available to be issued.