



April 18, 2016

To the Board of Directors of the  
Boys & Girls Club of Greater Flint

We have audited the financial statements of the Boys & Girls Club of Greater Flint for the year ended December 31, 2015, and have issued our report thereon dated April 18, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 22, 2015. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Boys & Girls Club of Greater Flint are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

Management's estimate of the value of in-kind contributions is based on management's estimation of like kind purchases at market prices. We evaluated the key factors and assumptions used to determine the value of in-kind contributions in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's determination of the estimated life span of capital assets. We evaluated the key factors and assumptions used to develop the estimated life span of capital assets used by management in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Boys & Girls Club of Greater Flint  
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April 18, 2016

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated April 18, 2016.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Boys & Girls Club of Greater Flint and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



LEWIS & KNOPF, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS



THE BOYS & GIRLS CLUB OF GREATER FLINT  
FLINT, MICHIGAN  
REPORT FOR THE YEAR ENDED DECEMBER 31, 2015



April 18, 2016

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
the Boys & Girls Club of Greater Flint

We have audited the accompanying financial statements of the Boys & Girls Club of Greater Flint (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits containing in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Boys & Girls Club of Greater Flint as of December 31, 2015 and 2014, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2016, on our consideration of the Boys and Girls Club of Greater Flint'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 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 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 the Boys and Girls Club of Greater Flint's internal control over financial reporting and compliance.



LEWIS & KNOPF, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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BOYS & GIRLS CLUB OF GREATER FLINT  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2015 AND 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents, Including Agency Funds	\$343,931	\$588,464
Grants Receivable	17,764	15,222
Prepaid Expenses	10,125	5,317
Total Current Assets	<u>\$371,820</u>	<u>\$609,003</u>
<u>FIXED ASSETS - NET</u>	260,724	318,192
<u>OTHER ASSETS</u>		
Investments	<u>531,122</u>	<u>545,018</u>
<u>TOTAL ASSETS</u>	<u>\$1,163,666</u>	<u>\$1,472,213</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$14,612	\$8,254
Accrued Payroll and Payroll Taxes	18,154	19,608
Agency Funds Held for Others	3,178	93,560
Total Current Liabilities	<u>\$35,944</u>	<u>\$121,422</u>
<u>DEFERRED REVENUE</u>	275,250	425,000
<u>NET ASSETS</u>		
Unrestricted	662,604	667,003
Temporarily Restricted	66,764	127,438
Permanently Restricted	123,104	131,350
Total Net Assets	<u>\$852,472</u>	<u>\$925,791</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$1,163,666</u>	<u>\$1,472,213</u>

See accompanying notes and auditor's opinion.

**BOYS & GIRLS CLUB OF GREATER FLINT**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015 (WITH MEMO ONLY TOTAL FOR 2014)**

	2015			2014	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Memo Only Total
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>					
<b>Support</b>					
Federal Grants	\$31,902	\$85,026	\$0	\$116,928	\$137,805
Local Grants	368,903	119,175	0	488,078	565,444
Total Support	400,805	204,201	0	605,006	703,249
<b>Revenue</b>					
Program Revenue	4,582	0	0	4,582	13,907
Donations	427,332	2,392	0	429,724	363,880
Donated Goods and Services	48,339	0	0	48,339	161,206
Special Events - Net	81,940	0	0	81,940	66,742
Retail Sales - Net	848	0	0	848	180
Interest and Dividend Income	12,092	0	0	12,092	12,993
Realized Gain on Investments	510	0	0	510	4,694
Unrealized Gain (Loss) on Investments	(9,445)	0	(8,246)	(17,691)	18,735
Miscellaneous	15,804	0	0	15,804	34,739
Total Revenue	\$582,002	\$2,392	(\$8,246)	\$576,148	\$677,076
Net Assets Released from Restrictions	267,267	(267,267)	0	0	0
Total Revenue, Gains and Other Support	\$1,250,074	(\$60,674)	(\$8,246)	\$1,181,154	\$1,380,325
<b>EXPENSES</b>					
<b>Functional Expenses:</b>					
Program Services	931,531	0	0	931,531	1,329,971
Administrative Services	322,942	0	0	322,942	234,779
Total Expenses	\$1,254,473	\$0	\$0	\$1,254,473	\$1,564,750
Change in Net Assets	(\$4,399)	(\$60,674)	(\$8,246)	(\$73,319)	(\$184,425)
<b>NET ASSETS - BEGINNING, (AS RESTATED - NOTE 10)</b>					
	667,003	127,438	131,350	925,791	1,110,216
<b>NET ASSETS - ENDING</b>					
	\$662,604	\$66,764	\$123,104	\$852,472	\$925,791

See accompanying notes and auditor's opinion.



BOYS & GIRLS CLUB OF GREATER FLINT  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015 (WITH MEMO ONLY TOTAL FOR 2014)

	2015			2014
	Program Services	Administrative Services	Total	Memo Only Total
Payroll Expense:				
Salaries and Wages	\$344,049	\$189,778	\$533,827	\$606,112
Benefits	33,893	9,065	42,958	50,023
Pension Expense	7,507	8,036	15,543	16,493
Payroll Taxes	33,033	15,700	48,733	56,852
Total Payroll Expense	<u>\$418,482</u>	<u>\$222,579</u>	<u>\$641,061</u>	<u>\$729,480</u>
Bank Fees	0	6,917	6,917	4,857
Conferences & Meetings	18,697	1,638	20,335	31,790
Contractual Services	212,965	26,672	239,637	307,328
Contributions	0	650	650	315
Copies	720	1,554	2,274	8,043
Donated Goods	48,339	0	48,339	161,206
Dues and Publications	8,295	12,585	20,880	12,250
Equipment	5,662	1,069	6,731	7,225
Field Trips	7,599	0	7,599	14,453
Food and Beverages	8,523	556	9,079	13,873
Fuel	1,330	4,407	5,737	0
Licenses and Permits	459	0	459	1,100
Insurance	25,548	5,884	31,432	30,779
Maintenance	33,913	7,504	41,417	49,328
Marketing	2,525	0	2,525	1,103
Miscellaneous	1,192	3,372	4,564	8,011
Postage	436	1,876	2,312	2,220
Rent	8,000	0	8,000	0
Supplies	35,428	3,267	38,695	51,148
Telephone	400	4,974	5,374	7,500
Transportation Services	5,767	746	6,513	13,313
Utilities	28,846	13,546	42,392	46,411
Total Expenses Before Depreciation	<u>\$873,126</u>	<u>\$319,796</u>	<u>\$1,192,922</u>	<u>\$1,501,733</u>
Depreciation Expense	<u>58,405</u>	<u>3,146</u>	<u>61,551</u>	<u>63,017</u>
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>\$931,531</u></b>	<b><u>\$322,942</u></b>	<b><u>\$1,254,473</u></b>	<b><u>\$1,564,750</u></b>

See accompanying notes and auditor's opinion.

BOYS & GIRLS CLUB OF GREATER FLINT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	(\$73,319)	(\$184,425)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	61,551	63,017
Realized (Gain) on Investments	(510)	(4,694)
Unrealized (Gain) Loss on Investments	17,691	(18,735)
(Increase) Decrease in Assets:		
Agency funds Held for Others	0	2,230
Grants Receivable	(2,542)	29,035
Prepaid Insurance	(4,808)	(5,300)
Increase (Decrease) in Liabilities:		
Accounts Payable	6,358	(18,287)
Accrued Payroll and Payroll Taxes	(1,454)	2,382
Deferred Revenue	(149,750)	160,369
Agency funds Held for Others	(90,382)	93,560
Net Cash Provided By (Used In) Operating Activities	(\$237,165)	\$119,152
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Investments and Dividends Reinvested	(3,285)	(5,339)
Purchase of Furniture and Equipment	(4,083)	0
Net Cash (Used In) Investing Activities	(\$7,368)	(\$5,339)
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(\$244,533)	\$113,813
Cash and Cash Equivalents at Beginning of Year	588,464	474,651
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$343,931</u>	<u>\$588,464</u>
<u>SUPPLEMENTAL INFORMATION - NON-CASH INVESTING ACTIVITIES</u>		
Donated Fixed Assets, Inventory, Supplies and Labor	\$80,241	\$218,031

See accompanying notes and auditor's opinion.

THE BOYS & GIRLS CLUB OF GREATER FLINT  
NOTES TO FINANCIAL STATEMENTS

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

The Boys & Girls Club of Greater Flint (the Club) is an organization created to provide behavior guidance and promote health, social, educational and vocational issues for boys and girls. It is the local chapter of the national Boys & Girls Club of America organization.

FINANCIAL STATEMENT PRESENTATION

Under the presentation of financial statements subtopic for not-for-profit entities of the FASB Accounting Standards Codification (FASB ASC 958-205), the Club is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Club is required to present a statement of cash flows.

As permitted by this statement, the Club has reclassified its financial statements to present the three classes of net assets required. Under FASB ASC 958-205, such receipts are reported as temporarily restricted revenue and are then reclassified to unrestricted net assets upon expiration of the time restriction. At December 31, 2015 and 2014, the Club had temporarily restricted net assets of \$66,764 and \$127,438, respectively.

The Club had permanently restricted net assets of \$123,104 and \$131,350 as of December 31, 2015 and 2014, respectively. This represents the Club's beneficial interest in the net assets of Community Foundation of Greater Flint ("Foundation"). Contributions to the Foundation are held, in perpetuity, by the Foundation with income earned to be distributed, at least annually, to the Club for the support of the Club's operations. During the years ended December 31, 2015 and 2014 the Club received distributions of income of \$8,394 and \$5,752, respectively.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the Club considers all highly liquid investments available for current use with a maturity date of ninety days or less at the date of purchase to be cash and cash equivalents.

INVESTMENTS

Under the investments subtopic for not-for-profit entities of the FASB Accounting Standards Codification (FASB ASC 958-320), investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included as part of investment income in the change in net assets. Interest and dividends, net of advisory fees, also are reported as part of investment income. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

CONTRIBUTIONS AND PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give the organization, that is, in substance, unconditional. Contributions, restricted by the donor, are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of these restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Club had no unconditional promises receivable as of December 31, 2015 and 2014.

THE BOYS & GIRLS CLUB OF GREATER FLINT  
NOTES TO FINANCIAL STATEMENTS

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Club provides an allowance for doubtful accounts equal to the estimated losses that will be incurred in the collection of all receivables. The estimated losses are based on a review of the current status of the existing receivables. An allowance for doubtful accounts has not been established at December 31, 2015 and 2014, as any uncollectible amounts are considered immaterial.

FIXED ASSETS

Fixed assets are recorded at cost or, if donated, at fair market value at the date of the gift. The Club provides for depreciation of these assets using the straight-line method based upon acquisition cost and estimated useful lives of the assets.

The cost of maintenance and repairs is charged to operations as incurred. Renewals, betterments, and additions over \$2,500 are capitalized. When capital assets are retired or disposed of, the cost of the asset and accumulated depreciation is eliminated from the accounts, and the resulting gain or loss from such disposition is credited or charged to income. Except in the instance where assets are traded in for new equipment, any gain or loss is applied as an adjustment to the cost of the asset acquired.

On December 17, 2003, the Club purchased their main facility from Flint Community Schools for \$1. As part of the purchase agreement, Flint Community Schools retains the right of first refusal to repurchase the property, at the price of \$1, if the Club decides to lease or sell the property.

FUNCTIONAL EXPENSES

The Club allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated on various statistical basis in accordance with grantor guidelines.

DONATED MATERIALS, EQUIPMENT, AND SERVICES

Donated materials and equipment of significant value are reflected as contributions in the accompanying statements at their estimated values at date of receipt. Materials, for which values cannot reasonably be determined, such as small tools and small furniture are not recorded as contributions. Donated materials for the years ended December 31, 2015 and 2014 were \$48,339 and \$181,259.

Donated services for the years ended December 31, 2015 and 2014 were \$31,902 and \$56,825. Services were donated through federal grants by Americorps Vista and Baker College program volunteers. Services were valued by employee payroll records.

INCOME TAXES

The Boys & Girls Club of Greater Flint is a Michigan organization that qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and classified by the Internal Revenue Service as other than a private foundation. Generally, the Club's federal tax returns remain open for three years for income tax examination.

The Club does not have any accruals or uncertain tax positions that materially impact the financial statements. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within the next twelve months of the reporting date.

THE BOYS & GIRLS CLUB OF GREATER FLINT  
NOTES TO FINANCIAL STATEMENTS

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SALES TAXES

The Club collects and remits sales tax on all sales. Sales tax collected is not included in revenues and remittances are not included in costs. Sales tax collected is recorded as a liability, with the liability relieved upon payment.

FINANCIAL INSTRUMENTS

The Club's financial instruments consist of investments, certificates of deposit, and bank deposit accounts. Unless otherwise noted, the fair values of these financial instruments are the market values of these financial instruments, and approximate their carrying value.

CONCENTRATION OF CREDIT RISK

At December 31, 2015, the recorded balance of the Club's bank accounts was \$343,837 and the bank balance was \$369,380. \$338,929 of the bank balance was covered by federal depository insurance and \$30,451 was uninsured and uncollateralized. At December 31, 2014, the recorded balance of the Club's bank accounts was \$494,841 and the bank balance was \$635,396. \$492,986 of the bank balance was covered by federal depository insurance and \$142,410 was uninsured and uncollateralized. As of December 31, 2015 and 2014 the Club had no significant concentrations of credit risk related to accounts receivable.

COMPENSATED ABSENCES

Employees of the Club are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. The amount of compensation for future absences is immaterial and accordingly, no liability has been recorded in the accompanying financial statements. The Club's policy is to recognize the cost of compensated absences when actually paid to employees.

FAIR VALUE OF FINANCIAL STATEMENTS

The Club adopted FASB Accounting Standards Codification 820 (FASB ASC 820), *Fair Value Measurements and Disclosures*, for assets and liabilities that are measured at fair value on a recurring basis.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework for measuring fair value looks at how fair value should be determined by providing a fair value hierarchy consisting of three levels - levels 1, 2, and 3 - generally ranging from the most objective determination of fair value to the most subjective. The levels vary depending on the objectivity of the information used in valuation techniques to determine fair value. Fair value measurements generally should be based on the most objective information available.

Level 1	Inputs are quoted prices in active markets for identical assets or liabilities.
Level 2	Inputs generally are available indirect information, such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.
Level 3	Inputs are the most subjective, are generally based on the Club's own assumptions on how knowledgeable parties would price assets or liabilities, and are developed using the best information available in the circumstances.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

THE BOYS & GIRLS CLUB OF GREATER FLINT  
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY RELATIONSHIP

During 2013, the Club became the fiduciary for another organization that provided basketball camp activities for area youth. All activity for this entity was accounted for by the Club and during the years ended December 31, 2015 and December 31, 2014, the entity has unspent funds of \$3,178 and \$30, respectively, for cash shortfalls. This amount is shown as a part of Agency Funds Held for Others on the Club's statement of financial position.

During 2014, the Club became the fiduciary for another organization named Hero Town Flint that recognizes individuals in the area for making a difference for the area youth. All activity for this entity was accounted for by the Club and during the years ended December 31, 2015 and 2014, the entity has unspent funds of \$0 and \$93,530, respectively. This amount is shown as part of Agency Funds Held for Others on the Club's statement of financial position. This fiduciary relationship ended in 2015.

2) INVESTMENTS

Investments are held under an organization agreement and are recorded at fair market value as determined by the organization with which the investments are held. Unrealized gains and losses are included in the change in net assets.

The amortized cost, gross realized gains, gross unrealized losses and approximate market value of investment securities as of December 31, 2015 and 2014 are as follows:

	2015		
	Amortized Cost	Gross Unrealized Gains (Losses)	Fair Market Value
Endowment - Community Foundation of Greater Flint	\$168,426	(\$17,113)	\$151,313
Mutual Funds	272,831	106,978	379,809
<u>TOTAL</u>	<u>\$441,257</u>	<u>\$89,865</u>	<u>\$531,122</u>
	2014		
	Amortized Cost	Gross Unrealized Gains (Losses)	Fair Market Value
Endowment - Community Foundation of Greater Flint	\$173,638	(\$8,837)	\$164,801
Mutual Funds	263,825	116,392	380,217
<u>TOTAL</u>	<u>\$437,463</u>	<u>\$107,555</u>	<u>\$545,018</u>

THE BOYS & GIRLS CLUB OF GREATER FLINT  
NOTES TO FINANCIAL STATEMENTS

3) FIXED ASSETS

Major classifications of fixed assets and their respective depreciable lives are summarized below:

	2015	2014	Depreciable Live (Years)
Computer Equipment	\$70,321	\$66,238	3 – 5
Office Equipment	36,521	36,521	5 – 7
Improvements	461,825	461,825	7 – 39
Program Equipment	207,434	207,434	5 – 7
Total Fixed Assets	<u>\$776,101</u>	<u>\$772,018</u>	
Less: Accumulated Depreciation	<u>515,377</u>	<u>453,826</u>	
 <u>FIXED ASSETS – NET</u>	 <u>\$260,724</u>	 <u>\$318,192</u>	

4) TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following periods:

	2015	2014
December 31,	<u>\$66,764</u>	<u>\$127,438</u>
These funds are comprised of:		
Donation for Berston	\$50,217	\$50,149
Donation for Education	13,631	13,631
Donation for Emergency Fund	0	25,673
Donation for Gym Floor	0	26,279
Donation for Youth Scholarship	0	11,706
Hank Aaron Scholarship	<u>2,916</u>	<u>0</u>
 <u>TOTAL</u>	 <u>\$66,764</u>	 <u>\$127,438</u>

5) PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of an endowment fund with the Community Foundation of Greater Flint. Amounts permanently restricted are the original investment (corpus) plus any gifts to the corpus plus or minus the effect of market value fluctuations.

	2015	2014
Beginning of Year Corpus	\$131,350	\$134,950
Valuation Adjustments	<u>(8,246)</u>	<u>(3,600)</u>
 <u>END OF YEAR CORPUS</u>	 <u>\$123,104</u>	 <u>\$131,350</u>

6) PENSION PLAN

The pension plan was replaced by a 401(k) plan effective January 1, 2012. All pension account balances were transferred to the 401(k) at that date. The Club contributed 3% of an eligible employee's annual compensation during 2012. At January 1, 2013, the Club contributed an additional 2% of an eligible employee's annual compensation for a total contribution of 5%. The pension expense for the year ended December 31, 2015 and 2014 was \$15,543, and \$16,493, respectively.

THE BOYS & GIRLS CLUB OF GREATER FLINT  
NOTES TO FINANCIAL STATEMENTS

7) SPECIAL EVENTS

During the years ended December 31, 2015 and 2014, the Club conducted various fundraisers. The fundraisers are as follows:

	<u>2015</u>	<u>2014</u>
<u>Golf Outing</u>		
Gross Receipts	\$40,641	\$33,737
Less: Expenses	<u>(13,052)</u>	<u>(11,011)</u>
<u>NET GOLF OUTING</u>	<u>\$27,589</u>	<u>\$22,726</u>
 <u>Steak and Burger/Suits and Sauce</u>		
Gross Receipts	\$50,705	\$59,058
Less: Expenses	<u>(3,382)</u>	<u>(22,973)</u>
<u>NET STEAK AND BURGER</u>	<u>\$47,323</u>	<u>\$36,085</u>
 <u>Burgers, Brews &amp; Dudes</u>		
Gross Receipts	\$0	\$1,575
Less: Expenses	<u>0</u>	<u>(292)</u>
<u>NET BURGERS, BREWS &amp; DUDES</u>	<u>\$0</u>	<u>\$1,283</u>
 <u>Wine, Women &amp; Chocolate</u>		
Gross Receipts	\$4,598	\$5,697
Less: Expenses	<u>(500)</u>	<u>(95)</u>
<u>NET WINE, WOMEN &amp; CHOCOLATE</u>	<u>\$4,098</u>	<u>\$5,602</u>
 <u>Dodging for Dollars</u>		
Gross Receipts	\$3,650	\$3,122
Less: Expenses	<u>(720)</u>	<u>(2,076)</u>
<u>NET DODGING FOR DOLLARS</u>	<u>\$2,930</u>	<u>\$1,046</u>
 <u>SPECIAL EVENTS - NET</u>	<u>\$81,940</u>	<u>\$66,742</u>



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8) FAIR VALUE MEASUREMENTS

As of December 31, 2015 and 2014, the Club held certain financial assets that are required to be measured at fair value on a recurring basis. The following table presents information on these assets as well as the fair value hierarchy used to determine their fair value:

	As of December 31, 2015			Total
	Level 1	Level 2	Level 3	
Marketable Securities	\$531,122	\$0	\$0	\$531,122

  

	As of December 31, 2014			Total
	Level 1	Level 2	Level 3	
Marketable Securities	\$545,018	\$0	\$0	\$545,018

9) AGENCY FUNDS

The Mateen Cleaves Basketball Camp (the Camp) has appointed the Club as the agent to hold their funds. The Club receives funds from various vendors for the Camp and pays vendors according to the Camp's directive. The following table presents information on the activity of the Camp:

	2015	2014
Balance January 1,	\$30	(\$2,230)
Gross Receipts	278,861	242,748
Less Expenses	(275,713)	(240,488)
Balance December 31,	\$3,178	\$30

Hero Town Flint has appointed the Club as the agent to hold their funds. The Club receives funds and donations from various vendors and pays vendors accordingly to Hero Town Flint's directive. The following table presents information on the activity of Hero Town Flint:

	2015	2014
Balance January 1,	\$93,530	\$0
Gross Receipts	500	149,270
Less Expenses	(94,030)	(55,740)
Balance December 31,	\$0	\$93,530

10) NET ASSET RESTATEMENT

Unrestricted net assets as of December 31, 2013 have been restated as follows:

Net Assets, December 31, 2013	\$1,335,216
Adjustment for 2013 Deferred Revenue	(225,000)
Net Assets as Restated, December 31, 2013	\$1,110,216

11) SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the auditor's opinion, the date on which the financial statements were available to be issued.

In January 2016, the Club terminated its relationship with the Haskell Youth Center.



April 18, 2016

**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 the  
Boys & Girls Club of Greater Flint

We have audited, in accordance with 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 the Boys & Girls Club of Greater Flint (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 18, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered Boys & Girls Club of Greater Flint's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boys & Girls Club of Greater Flint's internal control. Accordingly, we do not express an opinion on the effectiveness of Boys & Girls Club of Greater Flint'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 a 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. 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 Boys & Girls Club of Greater Flint'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LEWIS & KNOPF, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS