



October 23, 2020

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, 2019 and 2018, 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, 2019 and 2018, 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.



LEWIS & KNOFF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Lewis & Knopf, P.C.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2020, 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.

Other Reporting Required by *Government Auditing Standards*

FINANCIAL STATEMENTS

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BOYS & GIRLS CLUB OF GREATER PLINT
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

<u>ASSETS</u>		<u>LIABILITIES AND NET ASSETS</u>	
2019	2018	2019	2018
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	\$530,477	Accounts Payable	\$33,863
Grants Receivable	10,000	Accrued Payroll and Payroll Taxes	26,860
Prepaid Expenses	3,243	Total Current Liabilities	\$60,723
Total Current Assets	\$543,720	<u>DEFERRED REVENUE</u>	
		Without Donor Restrictions	221,515
		With Donor Restrictions	755,370
		Total Net Assets	\$978,827
		<u>NET ASSETS</u>	
		Fixed Assets - NET	207,988
		Other Assets	221,515
		Investments	221,515
		Total Assets	\$1,261,065
		<u>LIABILITIES AND NET ASSETS</u>	
		Current Liabilities	\$10,930
		Deferred Revenue	207,988
		Total Liabilities	218,918
		Net Assets	1,042,147
		Total Liabilities and Net Assets	\$1,261,065

EXHIBIT A

BOYS & GIRLS CLUB OF GREATER FLINT

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Memo Only
REVENUE, GAINS, AND OTHER SUPPORT				
Support				
Federal Grants	\$178,000	\$0	\$178,000	\$143,799
Local Grants	111,210	449,055	560,265	663,659
Total Support	\$289,210	\$449,055	\$738,265	\$807,458
Revenue				
Program Revenue	8,812	0	8,812	9,773
Donations	335,076	0	335,076	362,953
Donated Goods	22,721	0	22,721	56,088
Special Events - Net	107,982	0	107,982	97,799
Investment Income, Net	93,876	16,599	110,475	(34,388)
(Loss) on Sale of Assets	0	0	0	(9,289)
Miscellaneous	3,814	0	3,814	1,106
Total Revenue	\$572,281	\$16,599	\$588,880	\$484,042
Net Assets Released from Restrictions	375,279	(375,279)	0	0
Total Revenue, Gains and Other Support	\$1,236,770	\$90,375	\$1,327,145	\$1,291,500
FUNCTIONAL EXPENSES				
Program Services	1,178,746	0	1,178,746	967,309
Administrative Services	210,488	0	210,488	313,371
Total Functional Expenses	\$1,389,234	\$0	\$1,389,234	\$1,280,680
Change in Net Assets	(\$152,464)	\$90,375	(\$62,089)	\$10,820
NET ASSETS - BEGINNING	755,370	223,457	978,827	968,007
NET ASSETS - ENDING	\$602,906	\$313,832	\$916,738	\$978,827

See accompanying notes and auditor's opinion.

BOYS & GIRLS CLUB OF GREATER FLINT
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

2019	
Program Services	Administrative Services
\$515,846	\$132,713
Payroll Expense:	
Salaries and Wages	38,593
Benefits	13,777
Pension Expense	59,326
Payroll Taxes	11,154
Total Payroll Expense	\$181,476
0	5,249
Bank Fees	
Confereces & Meetings	209
Contractual Services	14,612
Contributions	306
Copies	250
Donated Goods	0
Dues and Publications	1,861
Equipment	0
Field Trips	0
Food and Beverages	1,851
Fuel	0
Licenses and Permits	0
Insurance	48
Maintenance	0
Marketing	0
Miscellaneous	1,182
Postage	64
Supplies	232
Telephone	0
Transportation Services	1,940
Utilities	0
Total Expenses Before Depreciation	\$209,280
37,075	1,208
Depreciation Expense	
\$1,178,746	\$210,488
\$1,389,234	\$1,350,951
TOTAL FUNCTIONAL EXPENSES	

See accompanying notes and auditor's opinion.

2018		
Program Services	Administrative Services	Total
\$417,303	\$140,727	\$558,030
8,549	30,365	38,914
6,928	8,757	15,685
37,085	14,639	51,724
\$469,865	\$194,488	\$664,353
0	4,574	4,574
950	9,322	10,272
232,479	10,626	243,105
0	0	0
1,984	1,717	3,701
56,088	0	56,088
0	8,542	8,542
41,764	2,012	43,776
10,071	0	10,071
11,537	2,319	13,856
453	2,434	2,887
0	753	753
6,543	16,068	22,611
33,451	39,686	73,137
583	0	583
1,533	1,504	3,037
51	941	992
32,636	4,435	37,071
2,796	2,897	5,693
1,682	2,789	4,471
29,075	6,878	35,953
\$933,541	\$311,985	\$1,245,526
33,768	1,386	35,154
\$967,309	\$313,371	\$1,280,680

EXHIBIT D

BOYS & GIRLS CLUB OF GREATER FLINT

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	(\$62,089)	\$10,820
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	38,283	35,154
Realized (Gain) on Investments	(25,676)	(5,634)
Unrealized (Gain) Loss on Investments	(70,268)	53,891
Loss on Sale of Assets	0	9,289
(Increase) Decrease in Assets:		
Grants Receivable	(10,296)	5,000
Repaid Insurance	2,720	11,500
Increase (Decrease) in Liabilities:		
Accounts Payable	(22,933)	26,142
Accrued Payroll and Payroll Taxes	3,495	5,840
Deferred Revenue	(13,527)	35,342
Net Cash Provided By (Used In) Operating Activities	(\$160,291)	\$187,344
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(21,355)	(23,292)
Net Proceeds (Purchase) of Investments and Dividends Reinvested	58,599	(5,898)
Net Cash Provided By (Used In) Investing Activities	\$37,244	(\$29,190)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(\$123,047)	\$158,154
Cash and Cash Equivalents at Beginning of Year	530,477	372,323
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$407,430</u>	<u>\$530,477</u>
SUPPLEMENTAL INFORMATION - NON-CASH TRANSACTIONS		
Donated Fixed Assets, Inventory, Supplies and Labor	\$200,721	\$199,887

See accompanying notes and auditor's opinion.

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

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

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing body has designated, from net assets without donor restrictions, net assets that are undesignated, net assets for an operating reserve, and board-designated assets.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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.

ENDOWMENT

The Club has established an endowment fund (the fund) that is perpetual in nature under the Community Foundation of Greater Flint (the CF) and has named Boys & Girls Club of Greater Flint as the beneficiary. The Club granted variance power to the CF, which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the CF for the Club's benefit and is reported at fair market value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

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, 2019 and 2018.

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

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, 2019 and 2018, 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, 2019 and 2018 were \$22,721 and \$56,088, respectively.

Donated services for the years ended December 31, 2019 and 2018 were \$178,000 and \$143,799, respectively. Services were donated through federal grants by AmeriCorps Vista 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.

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.

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019, the recorded balance of the Club's bank accounts was \$407,430 and the bank balance was \$423,987. \$324,368 of the bank balance was covered by federal depository insurance and \$99,619 was uninsured and uncollateralized. At December 31, 2018, the recorded balance of the Club's bank accounts was \$530,477 and the bank balance was \$558,175. \$314,149 of the bank balance was covered by federal depository insurance and \$244,026 was uninsured and uncollateralized. As of December 31, 2019 and 2018 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

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, 2019 and 2018 are as follows:

2019		2018	
Amortized Cost	Gross Unrealized Gains (Losses)	Amortized Cost	Gross Unrealized Gains (Losses)
\$ 168,514	\$ (15,672)	\$ 167,626	\$ (12,550)
Mutual Funds		Mutual Funds	
270,526	(54,596)	304,337	136,457
<u>TOTAL</u>	<u>\$ 439,040</u>	<u>\$ 471,963</u>	<u>\$ 123,907</u>
Endowment - Community Foundation of Greater Flint		Endowment - Community Foundation of Greater Flint	
\$ 171,636		\$ 155,076	
Fair Market Value		Fair Market Value	

2019		2018	
Amortized Cost	Gross Unrealized Gains (Losses)	Amortized Cost	Gross Unrealized Gains (Losses)
\$ 25,676	\$ 5,634	\$ 25,676	\$ 5,634
Interest and Dividend Income		Interest and Dividend Income	
14,531	13,869	14,531	13,869
Unrealized Gains (Losses) for the Year		Unrealized Gains (Losses) for the Year	
70,268	(53,891)	70,268	(53,891)
<u>NET INVESTMENT RETURN</u>	<u>\$ 110,475</u>	<u>\$ 110,475</u>	<u>\$ (34,388)</u>

Net investment return consists of the following:

3) LIQUIDITY AND AVAILABILITY

The investment policy is designed to ensure adequate financial assets are available to meet general operating expenditures, liabilities, and other obligations as they become due. The Club maintains easily liquidated investments in long-term portfolios to meet its financial obligations. Financial assets available within one year of December 31, 2019 for general expenditure that is without donor or other restrictions limiting their use comprise the following:

Cash and Cash Equivalents	\$ 407,430
Money Market and Mutual Funds Held in Long-term Portfolio	461,579
Accounts Receivable	20,296
<u>TOTAL</u>	<u>\$ 889,305</u>

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

3) LIQUIDITY AND AVAILABILITY (Continued)

As part of the Club's liquidity plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus for other future uses.

4) FIXED ASSETS

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

Depreciable Live (Years)	2019		2018	
	\$		\$	
3 - 5	12,086	\$	13,922	\$
5 - 7	20,128		26,344	
7 - 39	421,850		413,592	
5 - 7	178,686		174,921	
	\$ 632,750		\$ 628,779	
	Less: Accumulated Depreciation		528,203	
	\$ 104,547		\$ 121,475	

5) FUNDS WITH DONOR RESTRICTIONS

As of December 31, 2019, net assets of the funds with donor restrictions consist of the following funds:

Fund	Purpose	Restricted Net Assets
AG Bishop Trust	To fund Peak Operations	\$ 18,625
Bishop Trust	To fund academic success programs	14,095
Bray Charitable Trust	To support after school programs holiday programs	6,857
Buffalo Wild Wings	To support sports programming	10,000
Community Foundation Steel Drum	To fund the Steel Drum program	4,873
Endowment Fund	Funds held at Community Foundation of Greater Flint	171,676
Fierce Females	To fund healthy lifestyle programs for girls in the club	5,445
FRCC	To fund summer youth program	5,940
Graff Family Foundation	To fund summer youth program	5,724
Loeb Charitable Trust	To fund after school programs	856
My Future	To fund STEM programming for students	16,193
OJP	To fund youth mentoring	2,577
Rite Aid Foundation	To fund after school program	28,933
Taco Bell	To fund support teen programming	4,595
Target Corporation	To fund after school program	2,780
Tumala Foundation	To fund reading tutor salaries	12,465
United Way	To fund after school program	998
West Flint Optimist	To fund transportation	1,200
TOTAL		\$ 313,832

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

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 pension expense for the year ended December 31, 2019 and 2018 was \$13,777, and \$15,685, respectively.

7) FAIR VALUE MEASUREMENTS

As of December 31, 2019 and 2018, 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, 2019		As of December 31, 2018	
Level 1	Level 2	Level 2	Level 3
Marketable Securities	\$ 461,579	\$ 0	\$ 171,636
<u>Total</u>	<u>\$ 461,579</u>	<u>\$ 0</u>	<u>\$ 171,636</u>
Marketable Securities	\$ 440,793	\$ 0	\$ 155,077
<u>Total</u>	<u>\$ 440,793</u>	<u>\$ 0</u>	<u>\$ 155,077</u>

Changes in level 3 assets and liabilities measured at fair value on a recurring basis are:

Balance as of December 31, 2018		Balance as of December 31, 2019	
Unrealized gains and (losses) included in change in net assets	21,226	3,096	(1,802)
Dividends	3,096		
Fees			(5,961)
Distributions			
<u>Total</u>	<u>\$ 155,077</u>	<u>\$ 171,636</u>	<u>\$ 171,636</u>

8)

SPECIAL EVENTS

During the years ended December 31, 2019 and 2018, the Club conducted various fundraisers. The fundraisers are as follows:

NET GOLF OUTING		NET STEAK AND BURGER	
Golf Outing	\$54,137	\$66,848	\$54,654
Gross Receipts	\$54,137	\$72,230	\$60,800
Less: Expenses	(14,218)	(5,382)	(6,146)
<u>Total</u>	<u>\$39,919</u>	<u>\$37,541</u>	<u>\$54,654</u>
		Steak and Burger/Suits and Sauce	
		Gross Receipts	\$72,230
		Less: Expenses	(5,382)
		<u>Total</u>	<u>\$66,848</u>

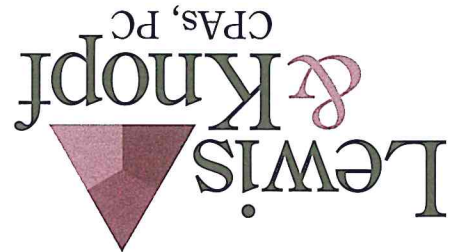
THE BOYS & GIRLS CLUB OF GREATER FLINT
NOTES TO FINANCIAL STATEMENTS

8) SPECIAL EVENTS (Continued)
During the years ended December 31, 2019 and 2018, the Club conducted various fundraisers. The fundraisers are as follows:

	<u>2019</u>	<u>2018</u>	
<u>Dodging for Dollars</u>	<u>\$2,540</u>	<u>\$0</u>	
Less: Expenses	(345)	0	
<u>NET DODGING FOR DOLLARS</u>	<u>\$2,195</u>	<u>\$0</u>	
<u>Family Bowling Night</u>	<u>\$0</u>	<u>\$4,212</u>	
Gross Receipts	0	(1,418)	
Less: Expenses	0	(1,418)	
<u>NET FAMILY BOWLING NIGHT</u>	<u>\$0</u>	<u>\$2,794</u>	
<u>YOY Breakfast</u>	<u>\$1,700</u>	<u>\$1,000</u>	
Gross Receipts	(302)	(568)	
Less: Expenses	(302)	(568)	
<u>NET YOY BREAKFAST</u>	<u>\$1,398</u>	<u>\$432</u>	
<u>SPECIAL EVENTS - NET</u>	<u>\$107,982</u>	<u>\$97,799</u>	

9) 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. The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. Many State Governors issued temporary Executive Orders that, among other stipulations, effectively prohibit in-person work activities for most industries and businesses, having the effect of suspending or severely curtailing operations. The Organization's management has been monitoring the situation and implementing certain changes in its operations and upcoming events in order to mitigate the impact of this pandemic. As of the date of the financial statements, the Organization has cancelled the Steak and Burger/Suits and Sauce event. At this time, resumption of normal commerce and the extent to which COVID-19 may impact the Organization's financial condition, results of operations, and timing and amounts of cash flows is highly uncertain. The extent of the ultimate impact of the pandemic on the organization's operational and financial performance will depend on various developments, including the duration and spread of the outbreak, impacts on the organization's funding, and access to safe working conditions, all of which cannot be reasonably predicted at this time.



October 23, 2020

**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, 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, and have issued our report thereon dated October 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boys & Girls Club of Greater Flint's internal control over financial reporting (internal control) as a basis for designing 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 financial statements. 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.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS