

THE BOYS & GIRLS CLUB OF GREATER FLINT  
FLINT, MICHIGAN  
REPORT FOR THE YEAR ENDED DECEMBER 31, 2021



October 18, 2022

INDEPENDENT AUDITOR'S REPORT

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

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of The Boys & Girls Club of Greater Flint (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Boys & Girls Club of Greater Flint as of December 31, 2021 and 2020, 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.

**Basis for Opinion**

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Boys & Girls Club of Greater Flint and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Boys & Girls Club of Greater Flint's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- \* Exercise professional judgment and maintain professional skepticism throughout the audit.
- \* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Boys & Girls Club of Greater Flint's internal control. Accordingly, no such opinion is expressed.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- \* Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Boys & Girls Club of Greater Flint's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with Government Auditing Standards, we have also issued our report dated October 18, 2022, on our consideration of The Boys & 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 solely 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 the effectiveness of The Boys & Girls Club of Greater Flint's 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 & Girls Club of Greater Flint's internal control over financial reporting and compliance.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprise the grant support, and percentage of income and expenses but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

*Lewis & Knopf, P.C.*

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, 2021 AND 2020

	<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents		\$1,059,819	\$880,726
Grants Receivable		27,862	73,000
Prepaid Expenses		3,390	1,810
Total Current Assets		<u>\$1,091,071</u>	<u>\$955,536</u>
<u>FIXED ASSETS - NET</u>		238,909	256,424
<u>OTHER ASSETS</u>			
Investments		<u>797,895</u>	<u>714,135</u>
<u>TOTAL ASSETS</u>		<u>\$2,127,875</u>	<u>\$1,926,095</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable		\$16,981	\$6,343
Accrued Payroll and Payroll Taxes		12,579	9,528
PPP Loan Payable		0	130,600
Total Current Liabilities		<u>\$29,560</u>	<u>\$146,471</u>
<u>DEFERRED REVENUE</u>		277,536	332,731
<u>NET ASSETS</u>			
Without Donor Restrictions		1,530,559	1,039,871
With Donor Restrictions		290,220	407,022
Total Net Assets		<u>\$1,820,779</u>	<u>\$1,446,893</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>		<u>\$2,127,875</u>	<u>\$1,926,095</u>

See accompanying notes and auditor's opinion.

BOYS & GIRLS CLUB OF GREATER FLINT  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
<u>REVENUE, GAINS, AND OTHER SUPPORT</u>			
<u>Support</u>			
Federal Grants	\$29,368	\$0	\$29,368
State Grants	58,325	0	58,325
Local Grants	309,302	148,599	457,901
Total Support	<u>\$396,995</u>	<u>\$148,599</u>	<u>\$545,594</u>
<u>Revenue</u>			
Program Revenue	14,150	0	14,150
Donations	618,595	0	618,595
Donated Goods	28,471	0	28,471
Special Events - Net	86,392	0	86,392
Investment Income, Net	63,439	27,874	91,313
PPP Loan Revenue	270,102	0	270,102
Miscellaneous	94	0	94
Total Revenue	<u>\$1,081,243</u>	<u>\$27,874</u>	<u>\$1,109,117</u>
Net Assets Released from Restrictions	293,275	(293,275)	0
Total Revenue, Gains and Other Support	<u>\$1,771,513</u>	<u>(\$116,802)</u>	<u>\$1,654,711</u>
<u>FUNCTIONAL EXPENSES</u>			
Program Services	962,882	0	962,882
Administrative Services	317,943	0	317,943
Total Functional Expenses	<u>\$1,280,825</u>	<u>\$0</u>	<u>\$1,280,825</u>
Change in Net Assets	\$490,688	(\$116,802)	\$373,886
<u>NET ASSETS - BEGINNING</u>	<u>1,039,871</u>	<u>407,022</u>	<u>1,446,893</u>
<u>NET ASSETS - ENDING</u>	<u>\$1,530,559</u>	<u>\$290,220</u>	<u>\$1,820,779</u>

See accompanying notes and auditor's opinion.

2020		
Without Donor Restrictions	With Donor Restrictions	Total
\$33,443	\$0	\$33,443
0	0	0
823,248	218,420	1,041,668
<u>\$856,691</u>	<u>\$218,420</u>	<u>\$1,075,111</u>
530	0	530
298,915	0	298,915
26,825	0	26,825
34,010	0	34,010
62,790	26,132	88,922
0	0	0
6,800	0	6,800
<u>\$429,870</u>	<u>\$26,132</u>	<u>\$456,002</u>
151,362	(151,362)	0
<u>\$1,437,923</u>	<u>\$93,190</u>	<u>\$1,531,113</u>
724,137	0	724,137
276,821	0	276,821
<u>\$1,000,958</u>	<u>\$0</u>	<u>\$1,000,958</u>
\$436,965	\$93,190	\$530,155
602,906	313,832	916,738
<u>\$1,039,871</u>	<u>\$407,022</u>	<u>\$1,446,893</u>



BOYS & GIRLS CLUB OF GREATER FLINT  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		Total
	Program Services	Administrative Services	
<b><u>FUNCTIONAL EXPENSES</u></b>			
Payroll Expense:			
Salaries and Wages	\$396,420	\$201,653	\$598,073
Benefits	389	44,955	45,344
Pension Expense	17,179	7,505	24,684
Payroll Taxes	31,380	15,878	47,258
Total Payroll Expense	<u>\$445,368</u>	<u>\$269,991</u>	<u>\$715,359</u>
Bank Fees	0	5,085	5,085
Conferences & Meetings	3,066	36	3,102
Contractual Services	146,470	26,118	172,588
Contributions	25,645	0	25,645
Copies	721	655	1,376
Donated Goods	28,471	0	28,471
Dues and Publications	1,565	10,067	11,632
Equipment	11,119	0	11,119
Field Trips	6,089	0	6,089
Food and Beverages	38,061	0	38,061
Fuel	1,436	0	1,436
Licenses and Permits	1,491	39	1,530
Insurance	25,123	3,663	28,786
Maintenance	59,971	0	59,971
Marketing	1,867	0	1,867
Miscellaneous	1,206	1,828	3,034
Postage	1,318	403	1,721
Supplies	83,759	0	83,759
Telephone	6,914	0	6,914
Tax	0	0	0
Transportation Services	125	58	183
Utilities	36,423	0	36,423
Total Expenses Before Depreciation	<u>\$926,208</u>	<u>\$317,943</u>	<u>\$1,244,151</u>
Depreciation Expense	<u>36,674</u>	<u>0</u>	<u>36,674</u>
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<u><u>\$962,882</u></u>	<u><u>\$317,943</u></u>	<u><u>\$1,280,825</u></u>

See accompanying notes and auditor's opinion.

2020		
Program Services	Administrative Services	Total
\$347,640	\$207,920	\$555,560
15,184	28,341	43,525
3,943	10,300	14,243
30,157	14,426	44,583
<u>\$396,924</u>	<u>\$260,987</u>	<u>\$657,911</u>
0	3,317	3,317
2,098	24	2,122
88,087	8,098	96,185
0	0	0
2,880	0	2,880
26,825	0	26,825
9,333	1,725	11,058
2,072	0	2,072
100	0	100
16,993	221	17,214
1,699	0	1,699
1,151	0	1,151
24,812	352	25,164
38,571	0	38,571
2,409	0	2,409
5,522	1,920	7,442
974	0	974
27,924	177	28,101
7,047	0	7,047
100	0	100
0	0	0
29,859	0	29,859
<u>\$685,380</u>	<u>\$276,821</u>	<u>\$962,201</u>
<u>38,757</u>	<u>0</u>	<u>38,757</u>
<u>\$724,137</u>	<u>\$276,821</u>	<u>\$1,000,958</u>

BOYS & GIRLS CLUB OF GREATER FLINT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$373,886	\$530,155
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Forgiveness of Paycheck Protection Program Loan	(270,102)	0
Depreciation	36,674	38,757
Realized (Gain) on Investments	(14,892)	(7,224)
Unrealized (Gain) on Investments	(59,877)	(68,161)
(Increase) Decrease in Assets:		
Grants Receivable	45,138	(52,704)
Prepaid Insurance	(1,580)	(1,287)
Increase (Decrease) in Liabilities:		
Accounts Payable	10,638	(4,587)
Accrued Payroll and Payroll Taxes	3,051	(20,827)
Deferred Revenue	(55,195)	124,743
	<u>\$67,741</u>	<u>\$538,865</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(19,159)	(190,634)
Net Proceeds (Purchase) of Investments and Dividends Reinvested	(8,991)	(5,535)
	<u>(\$28,150)</u>	<u>(\$196,169)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
PPP Loan Proceeds	139,502	130,600
	<u>\$179,093</u>	<u>\$473,296</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>		
Cash and Cash Equivalents at Beginning of Year	880,726	407,430
	<u>\$1,059,819</u>	<u>\$880,726</u>
<u>SUPPLEMENTAL INFORMATION - NON-CASH TRANSACTIONS</u>		
Donated Fixed Assets, Inventory, Supplies and Labor	\$57,839	\$60,268

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

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, 2021 and 2020.

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, 2021 and 2020, as any uncollectible amounts are considered immaterial.

REVENUE RECOGNITION

Grant revenue received for grants determined to be exchange transactions is recognized as services are provided. Revenue from conditional grant awards under expense reimbursement programs is recognized in the period during which the conditions are substantially met. In cases where the conditions are substantially met in advance of receiving the grant reimbursement, revenue and grants receivable are recorded. In cases where a grant advance is received prior to the conditions being substantially met, the advance is recorded as deferred revenue.

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, 2021 and 2020 were \$28,471 and \$26,825, respectively.

Donated services for the years ended December 31, 2021 and 2020 were \$29,368 and \$33,443, respectively. Services were donated through federal grants by Americorps Vista program volunteers. Services were valued by employee payroll records.

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.

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

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

CONCENTRATION OF CREDIT RISK

At December 31, 2021, the recorded balance of the Club's bank accounts was \$1,059,819 and the bank balance was \$1,068,800. \$369,362 of the bank balance was covered by federal depository insurance and \$699,438 was uninsured and uncollateralized. At December 31, 2020, the recorded balance of the Club's bank accounts was \$880,726 and the bank balance was \$895,641. \$315,063 of the bank balance was covered by federal depository insurance and \$580,578 was uninsured and uncollateralized. As of December 31, 2021 and 2020 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.

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2021 and 2020 are as follows:

	2021	
	Amortized Cost	Fair Market Value
Endowment - Community Foundation of Greater Flint	\$ 180,462	\$ 210,290
Mutual Funds	295,220	587,605
<u>TOTAL</u>	<u>\$ 475,682</u>	<u>\$ 797,895</u>
	2020	
	Amortized Cost	Fair Market Value
Endowment - Community Foundation of Greater Flint	\$ 170,042	\$ 189,969
Mutual Funds	281,757	524,166
<u>TOTAL</u>	<u>\$ 451,799</u>	<u>\$ 714,135</u>

Net investment return consists of the following:

	2021	2020
Realized Gains (Losses) for the Year	\$ 14,892	\$ 7,224
Interest and Dividend Income	16,544	13,537
Unrealized Gains (Losses) for the Year	59,877	68,161
<u>NET INVESTMENT RETURN</u>	<u>\$ 91,313</u>	<u>\$ 88,922</u>

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

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, 2021 for general expenditure that is without donor or other restrictions limiting their use comprise the following:

	2021	2020
Cash and Cash Equivalents	\$ 1,059,819	\$ 880,726
Money Market and Mutual Funds Held in Long-term Portfolio	797,895	714,135
Accounts Receivable	27,862	73,000
Less: Restricted	<u>(290,220)</u>	<u>(407,022)</u>
<u>TOTAL</u>	<u>\$ 1,595,356</u>	<u>\$ 1,260,839</u>

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:

	2021	2020	Depreciable Live (Years)
Computer Equipment	\$ 12,086	\$ 12,086	3 – 5
Office Equipment	15,143	20,128	5 – 7
Improvements	628,353	612,484	7 – 39
Program Equipment	<u>180,976</u>	<u>177,686</u>	5 – 7
Total Fixed Assets	\$ 863,558	\$ 823,384	
Less: Accumulated Depreciation	<u>597,649</u>	<u>565,960</u>	
<u>FIXED ASSETS – NET</u>	<u>\$ 238,909</u>	<u>\$ 256,424</u>	



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

5) FUNDS WITH DONOR RESTRICTIONS

As of December 31, 2021 and 2020, net assets of the funds with donor restrictions consist of the following funds:

Fund	2021			Ending	Purpose
	Beginning	Contributions/ Invest Income	Expenses		
3M Foundation	\$0	\$3,000	\$0	\$3,000	Art Programming
AG Bishop Trust	4,583	0	(4,583)	0	To fund Peak operations
Bishop Trust	14,095	0	(14,095)	0	To fund academic success programs
Bray Charitable Trust	10,857	0	(10,857)	0	To support after school holiday programs
Buffalo Wild Wings	10,000	0	(10,000)	0	To fund sports programming
Burroughs Memorial Fund	500	0	(500)	0	Funds held at Community Foundation of Greater Flint
Community Fdn Steel Drum	13,542	0	(13,542)	0	To fund the Steel Drum Program
Community Fdn - Eye See You	8,679	0	(8,679)	0	To fund female mental health programs
Community Fdn - YDPIT	500	0	(500)	0	To fund teen workforce development
Dollar General	0	4,000	(3,688)	312	Youth literacy programming
Endowment Fund	189,969	27,874	(7,553)	210,290	To fund healthy lifestyle programs for girls in the club
Fierce Females	5,445	0	(5,445)	0	To fund summer youth program
FRCC-SYI	5,940	0	(5,940)	0	STEM programming
GM Foundation	0	12,019	0	12,019	To fund summer youth program
Graff Family Foundation	1,320	0	(1,320)	0	To fund summer youth program
Isabel Foundation	40,000	0	(40,000)	0	To fund the Steel Drum Program
MACACA	1,040	10,000	(2,339)	8,701	To fund STEM programming for students
My Future	24,133	0	(24,133)	0	To fund youth mentoring program
OJP	7,592	0	(7,592)	0	To fund covid relief
Restart	10,000	0	(10,000)	0	To fund after school program
Rite Aid Foundation	10,000	0	(10,000)	0	To fund after school program
Taco Bell	19,143	26,980	(40,796)	5,327	To fund teen mentoring program
Target Corporation	2,280	2,600	(4,880)	0	To fund after school program
Tummala Foundation	15,805	0	(15,805)	0	To fund reading tutor salaries
United Way	9,599	90,000	(49,028)	50,571	To fund after school program and mindfulness station
West Flint Optimist	2,000	0	(2,000)	0	To fund transportation of kids
<b><u>TOTAL</u></b>	<b><u>\$407,022</u></b>	<b><u>\$176,473</u></b>	<b><u>(\$293,275)</u></b>	<b><u>\$290,220</u></b>	

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

5) FUNDS WITH DONOR RESTRICTIONS (Continued)

As of December 31, 2021 and 2020, net assets of the funds with donor restrictions consist of the following funds:

Fund	2020				Ending	Purpose
	Beginning	Contributions/ Invest Income	Expenses			
AG Bishop Trust	\$18,625	\$0	(\$14,042)	\$4,583	To fund Peak operations	
Bishop Trust	14,095	0	0	14,095	To fund academic success programs	
Bray Charitable Trust	6,857	4,000	0	10,857	To support after school holiday programs	
Buffalo Wild Wings	10,000	0	0	10,000	To fund sports programming	
Burroughs Memorial Fund	0	500	0	500	Funds held at Community Foundation of Greater Flint	
Community Fdn Steel Drum	4,873	8,950	(281)	13,542	To fund the Steel Drum Program	
Community Fdn - Eye See You	0	8,825	(146)	8,679	To fund female mental health programs	
Community Fdn - YDPIT	0	500	0	500	To fund teen workforce development	
Endowment Fund	171,636	26,132	(7,799)	189,969	To fund healthy lifestyle programs for girls in the club	
Fierce Females	5,445	0	0	5,445		
FRCC-SYI	5,940	0	0	5,940	To fund summer youth program	
Graff Family Foundation	5,724	0	(4,404)	1,320	To fund summer youth program	
Isabel Foundation	0	40,000	0	40,000	To fund summer youth program	
Loeb Charitable Trust	856	0	(856)	0	To fund after school program	
MACACA	0	11,125	(10,085)	1,040	To fund the Steel Drum Program	
My Future	16,193	10,000	(2,060)	24,133	To fund STEM programming for students	
OJP	2,577	5,020	(5)	7,592	To fund youth mentoring program	
Restart	0	10,000	0	10,000	To fund covid relief	
Rite Aid Foundation	28,973	10,000	(28,973)	10,000	To fund after school program	
Taco Bell	4,595	21,000	(6,452)	19,143	To fund teen mentoring program	
Target Corporation	2,780	2,500	(3,000)	2,280	To fund after school program	
Tummala Foundation	12,465	5,000	(1,660)	15,805	To fund reading tutor salaries	
United Way	998	80,000	(71,399)	9,599	To fund after school program and mindfulness station	
West Flint Optimist	1,200	1,000	(200)	2,000	To fund transportation of kids	
<b><u>TOTAL</u></b>	<b><u>\$313,832</u></b>	<b><u>\$244,552</u></b>	<b><u>(\$151,362)</u></b>	<b><u>\$407,022</u></b>		

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, 2021 and 2020 was \$24,684, and \$14,423, respectively.

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

7) FAIR VALUE MEASUREMENTS

As of December 31, 2021 and 2020, 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, 2021			Total
	Level 1	Level 2	Level 3	
Marketable Securities	\$ 587,605	\$ 0	\$ 210,290	\$ 797,895

  

	As of December 31, 2020			Total
	Level 1	Level 2	Level 3	
Marketable Securities	\$ 524,166	\$ 0	\$ 189,969	\$ 714,135

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

	Endowment
Balance as of December 31, 2020	\$ 189,969
Realized gains	14,892
Unrealized gains included in change in net assets	9,901
Dividends	3,081
Fees	(1,816)
Distributions	(5,737)
<u>Balance as of December 31, 2021</u>	<u>\$ 210,290</u>

8) SPECIAL EVENTS

During the years ended December 31, 2021 and 2020, the Club conducted various fundraisers. The fundraisers are as follows:

	2021	2020
<u>Golf Outing</u>		
Gross Receipts	\$47,295	\$33,289
Less: Expenses	(22,993)	(9,822)
<u>NET GOLF OUTING</u>	<u>\$24,302</u>	<u>\$23,467</u>
<u>Steak and Burger/Suits and Sauce</u>		
Gross Receipts	\$38,062	\$2,000
Less: Expenses	(728)	0
<u>NET STEAK AND BURGER/ SUITS AND SAUCE</u>	<u>\$37,334</u>	<u>\$2,000</u>
<u>Radiothon</u>		
Gross Receipts	\$11,955	\$0
Less: Expenses	(5,030)	0
<u>NET RADIOTHON</u>	<u>\$6,925</u>	<u>\$0</u>

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

8) SPECIAL EVENTS (Continued)

During the years ended December 31, 2021 and 2020, the Club conducted various fundraisers. The fundraisers are as follows:

	<u>2021</u>	<u>2020</u>
<u>Valentines Event</u>		
Gross Receipts	\$12,247	\$0
Less: Expenses	<u>(4,783)</u>	<u>0</u>
<u>NET DODGING FOR DOLLARS</u>	<u>\$7,464</u>	<u>\$0</u>
<u>Virtual 5k</u>		
Gross Receipts	\$0	\$4,866
Less: Expenses	<u>0</u>	<u>(329)</u>
<u>NET VIRTUAL 5K</u>	<u>\$0</u>	<u>\$4,537</u>
<u>Family Bowling Night</u>		
Gross Receipts	\$0	\$2,506
Less: Expenses	<u>0</u>	<u>0</u>
<u>NET FAMILY BOWLING NIGHT</u>	<u>\$0</u>	<u>\$2,506</u>
<u>YOY Breakfast</u>		
Gross Receipts	\$5,080	\$1,500
Less: Expenses	<u>(932)</u>	<u>0</u>
<u>NET YOY BREAKFAST</u>	<u>\$4,148</u>	<u>\$1,500</u>
<u>COCKTAILS AT THE CLUB</u>		
Gross Receipts	\$5,300	\$0
Less: Expenses	<u>(1,220)</u>	<u>0</u>
<u>NET COCKTAILS AT THE CLUB</u>	<u>\$4,080</u>	<u>\$0</u>
<u>MISCELLANEOUS</u>		
Gross Receipts	\$2,377	\$0
Less: Expenses	<u>(238)</u>	<u>0</u>
<u>NET MISCELLANEOUS</u>	<u>\$2,139</u>	<u>\$0</u>
<u>SPECIAL EVENTS - NET</u>	<u>\$86,392</u>	<u>\$34,010</u>

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

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9) PAYCHECK PROTECTION PROGRAM LOAN

In April 2020 and February 2021, the Club entered into a loan (the “PPP-1 Loan”) and (the “PPP-2 Loan”) with Huntington Bank (the “Lender”) evidencing an unsecured promissory note in the amount of \$130,600 and \$139,502, respectively (the “PPP Note”) pursuant to the Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Subject to the terms of the PPP Note, the PPP Loan bears interest at a fixed rate of 1% per year, with the first ten months of interest deferred, and payable over a term of two to five years. The PPP Loan is unsecured and guaranteed by the Small Business Administration.

The PPP Loans may be used for payroll costs, costs related to certain group health care benefits and insurance premiums, rent payments, utility payments, and also interest payments on any debt obligation that were entered into before February 15, 2021. PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under the PPP, with such forgiveness to be determined, subject to limitations, based on the use of the loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities.

The Club received forgiveness of the PPP-1 Loan in February 2021 and PPP-2 Loan in October 2021. Pursuant to the guidance under the Debt Topic of the Financial Accounting Standards Board Accounting Standards Codification (ASC) 470, the Club has recorded the loan as other income by analogy to International Accounting Standard (IAS) 20, Accounting for Government Grants and Disclosure of Government Assistance.

10) SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the accountant’s audit report, the date on which the financial statements were available to be issued.

11) UPCOMING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASU 2016-02 will require lessees to recognize most leases on their balance sheets as liabilities, with corresponding “right-of-use” assets. For income statement recognition purposes, leases will be classified as either a finance or an operating lease without relying upon the bright-line test under current U.S. GAAP. ASU 2021-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which was issued in June 2021, revised the effective date for this ASU to annual periods beginning on or after December 15, 2021. The Club is currently evaluating the impact of adopting the guidance.



October 18, 2022

**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  
The Boys & Girls Club of Greater Flint

We have audited, in accordance with the 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, 2021, 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 October 18, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The 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 The Boys & Girls Club of Greater Flint's internal control. Accordingly, we do not express an opinion on the effectiveness of The 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The 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*.

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**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