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April 4, 2018

Board of Directors  
Boys and Girls Club of Huntington County, Inc.  
608 East State Street  
P.O. Box 673  
Huntington, IN 46750

We have reviewed the report prepared by Boys and Girls Club of Huntington County, Inc. and opined upon by David Culp & Co. LLP, Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Boys and Girls Club of Huntington County, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, David Culp & Co. LLP prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

  
Paul D. Joyce, CPA  
State Examiner

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

AUDIT REPORT

DECEMBER 31, 2016 AND 2015

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Independent Auditor's Report

To the Board of Directors  
Boys and Girls Club of Huntington County, Inc.  
Huntington, Indiana

We have audited the accompanying financial statements of Boys and Girls Club of Huntington County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys and Girls Club of Huntington County, Inc. as of December 31, 2016 and 2015, 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.

*David Culp & Co. LLP*

David Culp & Co. LLP  
Certified Public Accountants

Huntington, Indiana  
April 18, 2017

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

	<u>ASSETS</u>	
	<u>2016</u>	<u>2015</u>
<u>Current Assets:</u>		
Cash and cash equivalents - Note 1	\$ 794,743	\$ 681,422
Accounts receivable	51,421	52,322
Pledges receivable - Notes 1 and 2	197,969	294,287
Grant receivable	16,250	-
Total current assets	<u>1,060,383</u>	<u>1,028,031</u>
 <u>Fixed Assets - Note 1:</u>		
Vehicles	27,221	27,221
Equipment	134,103	119,132
Building	2,743,029	2,743,029
Furniture and fixtures	47,537	47,537
Land improvements	12,505	12,505
Land	366,008	366,008
	<u>3,330,403</u>	<u>3,315,432</u>
Less: Accumulated depreciation	246,766	147,493
Total fixed assets	<u>3,083,637</u>	<u>3,167,939</u>
 <u>Non-Current Assets:</u>		
Pledges receivable, net - Notes 1 and 2	<u>358,543</u>	<u>651,199</u>
Total assets	<u>\$4,502,563</u>	<u>\$4,847,169</u>
	<u>LIABILITIES AND NET ASSETS</u>	
<u>Current Liabilities:</u>		
Current maturity of long-term debt - Note 3	\$ 245,000	\$ 350,000
Accounts payable	6,044	6,675
Accrued payroll liabilities and withholdings	12,773	9,735
Accrued interest payable	24,374	22,796
Total current liabilities	288,191	389,206
 <u>Long-Term Liabilities:</u>		
Loan payable - Note 3	<u>489,761</u>	<u>734,761</u>
Total liabilities	<u>777,952</u>	<u>1,123,967</u>
 <u>Net Assets:</u>		
Unrestricted -		
Undesignated	3,146,334	789,107
Designated - Note 4	-	52,550
Total unrestricted net assets	3,146,334	841,657
Temporarily restricted - Note 5	<u>578,277</u>	<u>2,881,545</u>
Total net assets	<u>3,724,611</u>	<u>3,723,202</u>
Total liabilities and net assets	<u>\$4,502,563</u>	<u>\$4,847,169</u>

The accompanying notes are an integral part of these financial statements.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, gains and other support -</u>			
Contributions - Individuals	\$ 40,250	\$ -	\$ 40,250
Contributions - Corporate	29,310	-	29,310
Contributions - Organizations	3,733	-	3,733
United Way	16,250	32,500	48,750
Grants - Federal and state - Note 6	674,419	-	674,419
Grants - Other	51,576	10,800	62,376
Special events - Net of expenses of \$1,054	18,380	-	18,380
Dues	20,042	-	20,042
Capital campaign	-	14,675	14,675
Other income	2,318	-	2,318
Interest	135	2	137
	<hr/>	<hr/>	<hr/>
Total revenues, gains and other support before net assets released from restrictions	856,413	57,977	914,390
Net assets released from restrictions	<u>2,361,245</u>	<u>(2,361,245)</u>	<u>-</u>
Total revenues, gains and other support	<u>3,217,658</u>	<u>(2,303,268)</u>	<u>914,390</u>
<u>Expenses -</u>			
Program services	800,770	-	800,770
Management and general	94,482	-	94,482
Fundraising	17,729	-	17,729
	<hr/>	<hr/>	<hr/>
Total expenses	<u>912,981</u>	<u>-</u>	<u>912,981</u>
Change in net assets	2,304,677	(2,303,268)	1,409
<u>Net assets, beginning of year</u>	<u>841,657</u>	<u>2,881,545</u>	<u>3,723,202</u>
<u>Net assets, end of year</u>	<u>\$ 3,146,334</u>	<u>\$ 578,277</u>	<u>\$3,724,611</u>

The accompanying notes are an integral part of these financial statements.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues, gains and other support -</u>			
Contributions - Individuals	\$ 34,321	\$ -	\$ 34,321
Contributions - Corporate	4,424	-	4,424
Contributions - Organizations	4,461	-	4,461
United Way	30,550	-	30,550
Grants - Federal and state - Note 6	718,939	-	718,939
Grants - Other	71,928	7,951	79,879
Special events - Net of expenses of \$3,386	22,766	-	22,766
Dues	16,008	-	16,008
Capital campaign	-	164,765	164,765
Other income	15,015	-	15,015
(Loss) on disposal of assets	(1,232)	-	(1,232)
Interest	16	61	77
	<hr/>	<hr/>	<hr/>
Total revenues, gains and other support before net assets released from restrictions	917,196	172,777	1,089,973
Net assets released from restrictions	<hr/> 31,727	<hr/> (31,727)	<hr/> -
	<hr/>	<hr/>	<hr/>
Total revenues, gains and other support	948,923	141,050	1,089,973
	<hr/>	<hr/>	<hr/>
<u>Expenses -</u>			
Program services	836,921	-	836,921
Management and general	94,449	-	94,449
Fundraising	17,599	-	17,599
	<hr/>	<hr/>	<hr/>
Total expenses	948,969	-	948,969
	<hr/>	<hr/>	<hr/>
Change in net assets	(46)	141,050	141,004
<u>Net assets, beginning of year</u>	<hr/> 841,703	<hr/> 2,740,495	<hr/> 3,582,198
<u>Net assets, end of year</u>	<u>\$ 841,657</u>	<u>\$ 2,881,545</u>	<u>\$3,723,202</u>

The accompanying notes are an integral part of these financial statements.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Program Services</u>	<u>Manage- ment And General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and wages	\$334,845	\$ 38,488	\$11,546	\$384,879
Employee benefits - Note 8	15,756	1,811	543	18,110
Payroll tax expense	<u>21,982</u>	<u>2,527</u>	<u>758</u>	<u>25,267</u>
Total salaries and payroll expenses	372,583	42,826	12,847	428,256
Advertising - Note 1	-	-	4,841	4,841
Bank charges	-	365	41	406
Depreciation - Note 1	89,347	9,927	-	99,274
Direct program supplies	257,879	-	-	257,879
Dues and subscriptions	6,822	758	-	7,580
Insurance	14,593	1,621	-	16,214
Legal and professional	-	7,950	-	7,950
Office expense	6,227	692	-	6,919
Postage	1,572	175	-	1,747
Rent expense	-	-	-	-
Repairs and maintenance	4,058	451	-	4,509
Small equipment	-	-	-	-
Telephone	2,026	225	-	2,251
Training and education	13,794	-	-	13,794
Utilities	28,017	3,113	-	31,130
Vehicle expense	3,852	428	-	4,280
Interest expense	<u>-</u>	<u>25,951</u>	<u>-</u>	<u>25,951</u>
Total expenses	<u>\$800,770</u>	<u>\$ 94,482</u>	<u>\$17,729</u>	<u>\$912,981</u>

The accompanying notes are an integral part of these financial statements.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program Services</u>	<u>Manage- ment And General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and wages	\$328,811	\$ 37,794	\$11,338	\$377,943
Employee benefits - Note 8	23,455	2,696	809	26,960
Payroll tax expense	<u>24,167</u>	<u>2,778</u>	<u>833</u>	<u>27,778</u>
Total salaries and payroll expenses	376,433	43,268	12,980	432,681
Advertising - Note 1	-	-	3,970	3,970
Bank charges	-	1,366	152	1,518
Depreciation - Note 1	47,828	5,314	-	53,142
Direct program supplies	324,208	-	-	324,208
Dues and subscriptions	9,327	1,036	-	10,363
Insurance	14,513	1,613	-	16,126
Legal and professional	-	9,545	-	9,545
Office expense	964	107	497	1,568
Postage	1,517	169	-	1,686
Rent expense	-	4,973	-	4,973
Repairs and maintenance	2,480	276	-	2,756
Small equipment	6,389	-	-	6,389
Telephone	1,216	135	-	1,351
Training and education	20,824	-	-	20,824
Utilities	26,538	2,949	-	29,487
Vehicle expense	4,684	902	-	5,586
Interest expense	<u>-</u>	<u>22,796</u>	<u>-</u>	<u>22,796</u>
Total expenses	<u>\$836,921</u>	<u>\$ 94,449</u>	<u>\$17,599</u>	<u>\$948,969</u>

The accompanying notes are an integral part of these financial statements.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 1,409	\$ 141,004
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	99,274	53,142
Loss on disposal of assets	-	1,232
(Increase) Decrease in -		
Accounts receivable	901	31,610
Pledges receivable	388,974	444,706
Grant receivable	(16,250)	
Increase (Decrease) in -		
Accounts payable	(631)	(174,117)
Payroll withholding and accrual	3,038	(5,972)
Accrued interest payable	1,578	22,796
	<u>478,293</u>	<u>514,401</u>
 <u>Cash flows from investing activities:</u>		
Purchase of fixed assets	<u>(14,972)</u>	<u>(468,179)</u>
Net cash (used in) investing activities	<u>(14,972)</u>	<u>(468,179)</u>
 <u>Cash flows from financing activities:</u>		
Principal payments on long-term borrowings	<u>(350,000)</u>	<u>-</u>
Net cash (used in) financing activities	<u>(350,000)</u>	<u>-</u>
 <u>Net increase in cash and cash equivalents</u>	113,321	46,222
 <u>Cash and cash equivalents at beginning of year</u>	<u>681,422</u>	<u>635,200</u>
 <u>Cash and cash equivalents at end of year</u>	<u>\$ 794,743</u>	<u>\$ 681,422</u>
 <u>Non-cash transactions:</u>		
Loan proceeds to pay progress billings	<u>\$ -</u>	<u>\$1,084,761</u>

The accompanying notes are integral part of these financial statements.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

Note 1: Organization and summary of significant accounting policies -

Organization - The Boys and Girls Club of Huntington County, Inc. (the Organization) is a nonprofit corporation organized for the purpose of providing and supervising program activities in personal and educational development, citizenship and leadership development, cultural enrichment, health and physical education, social, recreation in outdoors, and environmental education for the youth of Huntington County, ages six through eighteen. The Organization strives to develop the qualities necessary for youth to become responsible citizens and leaders.

Basis of accounting - The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded when liabilities are incurred. Also, equipment purchased through grant awards is charged to expense in the period during which it is approved by funding sources and purchased. The equipment acquired is owned by the Organization while used in current or other future authorized programs. The funding sources have a reversionary interest in the equipment purchased with grant funds; therefore, its disposition as well as the ownership of any sale proceeds, is subject to funding source regulations.

Basis of presentation - The financial statements have been prepared in accordance with FASC 958, which requires, among other things, that the financial statements report the changes in, and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as unrestricted, temporarily restricted or permanently restricted and are detailed as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Donor-imposed stipulations are reported as unrestricted net assets if the stipulations expire in the reporting period in which the revenue is recognized.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

Note 1: Organization and summary of significant accounting policies  
(Continued) -

Basis of presentation (Continued) -

Temporarily restricted - Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by passage of time.

Permanently restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions requiring that the principal be invested in perpetuity and the income only be utilized for purposes specified by the donor. At December 31, 2016 and 2015, there were no permanently restricted net assets.

Cash and cash equivalents - For the purpose of reporting cash flows, the Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Pledges receivable - When a donor has unconditionally promised to contribute funds to the Organization in future periods, the Organization recognizes a pledge receivable. Pledges expected to be collected within one year are recorded as support and a receivable at net realizable value. Pledges expected to be collected in future years are recorded as support and a receivable at the present value of expected future cash flows.

Fixed assets - Fixed assets are stated at cost or, if donated, at fair value at the date of the gift. Items with a cost or value of \$500 or more and a useful life of one year or more are capitalized. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets.

Depreciation - Depreciation charged against income was \$99,274 and \$53,142 for the years ended December 31, 2016 and 2015, respectively.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

Note 1: Organization and summary of significant accounting policies  
(Continued) -

Depreciation (Continued) -

The Company depreciates assets over their estimated useful lives, using the straight-line method of computing depreciation for financial statement purposes. Estimated useful lives for computing depreciation were as follows:

<u>Assets</u>	<u>Years</u>
Building	20-40
Equipment	5- 7
Furniture and fixtures	5- 7
Land improvements	15
Vehicles	5

Contributions - Under FASC 958, all contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Gifts of cash and other assets are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions are recorded in the temporarily restricted class for restrictions expiring during the fiscal year, and then reclassified to the unrestricted class. By definition, permanently restricted support must be maintained in perpetuity. Restrictions on these net assets do not expire and no assets are reclassified in the statements of activities.

Income tax status - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation, and is not considered to be a private foundation under Section 509(a) of the Code.

The Organization has adopted the accounting standard on accounting for uncertainty in income taxes. This standard addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

Note 1: Organization and summary of significant accounting policies  
(Continued) -

Income tax status (Continued) -

on examination by taxing authorities, based on the technical merits of the position. The tax benefits that could be recognized in the financial statements from such positions would be measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods. At December 31, 2016 and 2015, there were no unrecognized tax benefits identified or recorded as liabilities. The Organization files Form 990 and the related state of Indiana return.

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 regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results could differ from those estimated.

Advertising - Advertising costs are charged to operations as incurred. Total advertising costs expensed during the years ended December 31, 2016 and 2015 was \$4,841 and \$3,970, respectively.

Note 2: Pledges receivable - Pledges due in periods greater than one year have been discounted using the five-year Treasury Bill rate of 1.76%, which has been deemed commensurate with the credit risk of the donors. Additionally, management does not believe an allowance for uncollectible pledges is necessary for the year ended December 31, 2016. Pledges receivable as of December 31, 2016 and 2015 are as follows:

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

Note 2: Pledges receivable (Continued) -

	<u>2016</u>	<u>2015</u>
Receivable in less than one year	\$ 197,969	\$ 294,287
Receivable in one to five years	<u>373,218</u>	<u>682,960</u>
Total pledges receivable	571,187	977,247
<u>Less</u> : Discount to net present value, at 1.76%	<u>( 14,675)</u>	<u>( 31,761)</u>
Total net present value of pledges receivable	556,512	945,486
Current portion of pledges receivable	<u>(197,969)</u>	<u>(294,287)</u>
Long-term portion of pledges receivable	<u>\$ 358,543</u>	<u>\$ 651,199</u>

As of December 31, 2016, the Organization had received pledges of approximately \$3,146,000. Approximately \$2,574,000 has been received.

Note 3: Loan payable - On September 26, 2014, the Organization secured a \$1,400,000 loan, payable in four annual installments beginning on January 15, 2015 at an interest rate of 3.49%. The note was collateralized by the building. As of January 28, 2015, no loan proceeds had been drawn on the account. Therefore, on January 28, 2015, the loan was modified requiring four annual installments of \$350,000 plus interest beginning on January 15, 2016. After the payment in January 2016, the loan was modified again on February 26, 2016. The future loan installments were adjusted to the amounts below:

2017	\$245,000
2018	245,000
2019	160,000
2020	<u>84,761</u>
	<u>\$734,761</u>

Note 4: Board designated - The Organization's designated fund consists of a fund set aside in a savings account by the Board of Directors for the purpose of building improvements. The fund was reported as a component of unrestricted net assets. The designation was prior to the construction of the new building. Therefore, the designated funds are no longer necessary.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

Note 5: Temporarily restricted net assets - Temporarily restricted net assets are available for the following purposes at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Keystone	\$ 2,228	\$ 394
Communities that care	3,287	3,286
Capital campaign	556,512	2,877,865
United Way	<u>16,250</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$578,277</u>	<u>\$2,881,545</u>

Net assets were released from donor restriction by incurring expenses satisfying the purpose of the restrictions as follows:

	<u>2016</u>	<u>2015</u>
Keystone	\$ 8,967	\$10,096
Capital campaign	2,321,353	21,631
United Way	<u>16,250</u>	<u>-</u>
Total net assets released from restrictions	<u>\$2,346,570</u>	<u>\$31,727</u>

Note 6: Government funding - During 2016 and 2015, the Organization received the following amounts from government entities:

<u>Agency Or Federal Grantor/ Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>2016</u>	<u>2015</u>
U.S. Department of Justice - Passed through Boys and Girls Club of America - Office of Justice Program Grant	16.541	\$ 19,613	\$ 13,987
U.S. Department of Education - Passed through State of Indiana - 21st CCLC Grant	10.559	290,605	389,195
Summer Food Service Program Grant	10.559	43,705	11,505
Child and Adult Care Food Program Grant	10.559	<u>147,001</u>	<u>119,645</u>
Total federal assistance		500,924	534,332
State of Indiana		<u>173,495</u>	<u>184,607</u>
		<u>\$674,419</u>	<u>\$718,939</u>

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2016 AND 2015

Note 7: Community Foundation funds - The Huntington County Community Foundation holds funds donated on behalf of Boys and Girls Club of Huntington County, Inc. totaling \$211,102 and \$208,076 at December 31, 2016 and 2015, respectively. This balance has not been recorded as an asset of the Organization because the Community Foundation has maintained variance power over these funds. A portion of the earnings from these funds is made available to the Organization each year. At December 31, 2016 and 2015, \$8,444 and \$8,323 was available for distribution.

Note 8: Employee benefits - In December 2009, the Organization adopted a tax deferred annuity plan under Internal Revenue Code Section 403(b). All salaried employees are eligible to contribute a portion of their eligible compensation to the Plan in accordance with plan provisions. The Plan required the Organization to match dollar-for-dollar employee contributions of up to 3% of pay. Total contributions made to the Plan by the Organization totaled \$4,384 and \$2,714 for the years ended December 31, 2016 and 2015, respectively.

Note 9: Related parties - The Organization utilized management and employment services from an affiliated Boys and Girls Club in the amount of \$27,090 and \$14,206 for the years ended December 31, 2016 and 2015, respectively.

Note 10: Line of credit - The Organization received an unsecured line of credit agreement with iAB Financial Bank on September 30, 2013. The line of credit provides for borrowings up to \$100,000 with an interest rate of 4.5%. The line of credit agreement was renewed on September 30, 2014 with the same provisions as the prior agreement. The line of credit ended on September 30, 2015 and was not renewed.

Note 11: Subsequent events - The Organization evaluated all events or transactions that occurred after December 31, 2016 up through April 18, 2017, which is the date the financial statements were available to be issued. During this period, management has determined that the Organization did not have any material recognizable or disclosable subsequent events.