



STATE OF INDIANA
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March 8, 2023

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

We have reviewed the audit report of Boys & Girls Club of Huntington County, Inc. dba Boys & Girls Club of Huntington which was opined upon by David Culp & Co., Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. 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 as of December 31, 2020, 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. prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

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


Tammy White, CPA
Deputy State Examiner

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

AUDIT REPORT

DECEMBER 31, 2020 AND 2019

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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 United Way of Huntington County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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 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, 2020 and 2019, 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 Boys and Girls Club of Huntington County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Boys and Girls Club of Huntington County, Inc.'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 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, including omissions, 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, 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 Boys and Girls Club of Huntington County, Inc.'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 Boys and Girls Club of Huntington County, Inc.'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.

Culp CPA Group

Culp CPA Group
Certified Public Accountants

Huntington, Indiana
April 27, 2021

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<u>Current Assets:</u>		
Cash and cash equivalents - Notes 1 and 2	\$1,079,716	\$ 667,187
Accounts receivable	116,061	84,774
Pledges receivable, net of allowance for uncollectible pledges of \$6,000 in 2019 - Notes 1 and 3	-	104,020
Grant receivable	19,225	17,500
Investments - Notes 4 and 7	101,336	100,000
Prepaid insurance	-	4,517
	<u>1,316,338</u>	<u>977,998</u>
<u>Total current assets</u>		
<u>Fixed Assets - Note 1:</u>		
Vehicles	27,221	27,221
Equipment	150,534	146,005
Building	2,799,304	2,743,029
Furniture and fixtures	47,537	47,537
Land improvements	99,456	98,956
Land	411,349	405,948
	<u>3,535,401</u>	<u>3,468,696</u>
<u>Less: Accumulated depreciation</u>	<u>648,800</u>	<u>549,003</u>
	<u>2,886,601</u>	<u>2,919,693</u>
<u>Total fixed assets</u>		
<u>Total assets</u>	<u>\$4,202,939</u>	<u>\$3,897,691</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u>		
Accounts payable	\$ 7,720	4,704
Accrued payroll liabilities and withholdings	7,764	21,208
Deferred revenue - Note 5	89,844	-
	<u>105,328</u>	<u>25,912</u>
<u>Total current liabilities</u>		
<u>Total liabilities</u>	<u>105,328</u>	<u>25,912</u>
<u>Net Assets:</u>		
Without donor restrictions	4,072,195	3,744,563
With donor restrictions - Note 6	25,416	127,216
	<u>4,097,611</u>	<u>3,871,779</u>
<u>Total net assets</u>		
<u>Total liabilities and net assets</u>	<u>\$4,202,939</u>	<u>\$3,897,691</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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues, gains and other support -</u>			
Contributions - Individuals	\$ 54,015	\$ -	\$ 54,015
Contributions - Corporate	33,367	-	33,367
Contributions - Organizations	16,168	-	16,168
Contributions - Warren United Way	1,813	-	1,813
Grants - Federal and state - Note 8	-	38,450	38,450
Grants - Other	849,685	-	849,685
Special events - Net of expenses of \$856	223,629	1,896	225,525
Dues	35,529	-	35,529
PPP loan forgiveness - Note 10	36,298	-	36,298
Capital campaign	101,800	-	101,800
Other income	-	50	50
Interest	2,214	-	2,214
	<u>1,417</u>	<u>28</u>	<u>1,445</u>
 Total revenues, gains and other support before net assets released from restrictions	 1,355,935	 40,424	 1,396,359
 Net assets released from restrictions	 <u>142,224</u>	 <u>(142,224)</u>	 <u>-</u>
 Total revenues, gains and other support	 <u>1,498,159</u>	 <u>(101,800)</u>	 <u>1,396,359</u>
 <u>Expenses -</u>			
Program services	1,047,549	-	1,047,549
Management and general	98,246	-	98,246
Fundraising	24,732	-	24,732
 Total expenses	 <u>1,170,527</u>	 <u>-</u>	 <u>1,170,527</u>
 Change in net assets	 327,632	 (101,800)	 225,832
 <u>Net assets, beginning of year</u>	 <u>3,744,563</u>	 <u>127,216</u>	 <u>3,871,779</u>
 <u>Net assets, end of year</u>	 <u>\$ 4,072,195</u>	 <u>\$ 25,416</u>	 <u>\$4,097,611</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, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues, gains and other support -</u>			
Contributions - Individuals	\$ 53,239	\$ -	\$ 53,239
Contributions - Corporate	26,307	-	26,307
Contributions - Organizations	5,294	-	5,294
United Way	-	35,000	35,000
Grants - Federal and state - Note 8	862,064	-	862,064
Grants - Other	136,707	13,217	149,924
Special events - Net of expenses of \$407	59,250	-	59,250
Dues	46,397	-	46,397
Capital campaign	-	(3,235)	(3,235)
Other income	5,151	-	5,151
Interest	<u>95</u>	<u>28</u>	<u>123</u>
 Total revenues, gains and other support before net assets released from restrictions	 1,194,504	 45,010	 1,239,514
 Net assets released from restrictions	 <u>166,588</u>	 <u>(166,588)</u>	 <u>-</u>
 Total revenues, gains and other support	 <u>1,361,092</u>	 <u>(121,578)</u>	 <u>1,239,514</u>
 <u>Expenses -</u>			
Program services	1,014,815	-	1,014,815
Management and general	89,875	-	89,875
Fundraising	<u>21,821</u>	<u>-</u>	<u>21,821</u>
 Total expenses	 <u>1,126,511</u>	 <u>-</u>	 <u>1,126,511</u>
 Change in net assets	 234,581	 (121,578)	 113,003
 <u>Net assets, beginning of year</u>	 <u>3,509,982</u>	 <u>248,794</u>	 <u>3,758,776</u>
 <u>Net assets, end of year</u>	 <u>\$ 3,744,563</u>	 <u>\$ 127,216</u>	 <u>\$3,871,779</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, 2020

	<u>Program Services</u>	<u>Manage- ment and General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and wages	\$ 513,858	\$ 59,064	\$17,719	\$ 590,641
Employee benefits - Note 11	24,447	2,810	843	28,100
Payroll tax expense	<u>37,224</u>	<u>4,279</u>	<u>1,282</u>	<u>42,785</u>
 Total salaries and payroll expenses	 575,529	 66,153	 19,844	 661,526
Accounting services	9,240	1,027	-	10,267
Advertising and marketing - Note 1	-	-	4,791	4,791
Bank charges	-	880	97	977
Bad debt expense	-	1,292	-	1,292
COVID-19 expense	3,435	382	-	3,817
Depreciation - Note 1	89,817	9,980	-	99,797
Direct program supplies	278,105	-	-	278,105
Dues and subscriptions	8,596	955	-	9,551
Insurance	19,735	2,193	-	21,928
Interest expense	-	73	-	73
Legal and professional	-	8,885	-	8,885
Office expense	10,357	1,151	-	11,508
Postage	872	97	-	969
Repairs and maintenance	23,128	2,570	-	25,698
Telephone	1,092	121	-	1,213
Training and education	5,256	-	-	5,256
Utilities	21,434	2,381	-	23,815
Vehicle expense	<u>953</u>	<u>106</u>	<u>-</u>	<u>1,059</u>
 Total expenses	 <u>\$1,047,549</u>	 <u>\$ 98,246</u>	 <u>\$24,732</u>	 <u>\$1,170,527</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, 2019

	<u>Program Services</u>	<u>Manage- ment and General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries and wages	\$ 466,292	\$ 53,597	\$16,079	\$ 535,968
Employee benefits - Note 11	25,209	2,898	869	28,976
Payroll tax expense	<u>33,957</u>	<u>3,903</u>	<u>1,170</u>	<u>39,030</u>
 Total salaries and payroll expenses	 525,458	 60,398	 18,118	 603,974
 Accounting services	 9,265	 1,029	 -	 10,294
Advertising and marketing - Note 1	-	-	3,544	3,544
Bank charges	-	1,442	159	1,601
Depreciation - Note 1	90,991	10,110	-	101,101
Direct program supplies	301,397	-	-	301,397
Dues and subscriptions	10,977	1,220	-	12,197
Insurance	17,573	1,953	-	19,526
Interest expense	-	335	-	335
Legal and professional	-	8,480	-	8,480
Office expense	6,924	769	-	7,693
Postage	1,232	137	-	1,369
Repairs and maintenance	8,427	936	-	9,363
Telephone	1,351	150	-	1,501
Training and education	14,975	-	-	14,975
Utilities	23,823	2,647	-	26,470
Vehicle expense	<u>2,422</u>	<u>269</u>	<u>-</u>	<u>2,691</u>
 Total expenses	 <u>\$1,014,815</u>	 <u>\$ 89,875</u>	 <u>\$21,821</u>	 <u>\$1,126,511</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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 225,832	\$ 113,003
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	99,797	101,101
Interest added to investments - Certificate of deposits	(1,336)	-
(Increase) Decrease in -		
Accounts receivable	(31,287)	(13,386)
Pledges receivable	104,020	114,861
Grant receivable	(1,725)	1,625
Prepaid insurance	4,517	(4,517)
Increase (Decrease) in -		
Accounts payable	3,016	(4,008)
Payroll withholding and accrual	(13,444)	(1,115)
Accrued interest payable	-	(5,539)
Deferred revenue	<u>89,844</u>	<u>-</u>
Net cash provided by operating activities	<u>479,234</u>	<u>302,025</u>
<u>Cash flows from investing activities:</u>		
Purchase of fixed assets	(66,705)	(28,213)
Purchase of certificates of deposit	<u>-</u>	<u>(100,000)</u>
Net cash (used in) investing activities	<u>(66,705)</u>	<u>(128,213)</u>
<u>Cash flows from financing activities:</u>		
Principal payment on loan payable	<u>-</u>	<u>(165,353)</u>
Net cash (used in) financing activities	<u>-</u>	<u>(165,353)</u>
<u>Net increase in cash and cash equivalents</u>	412,529	8,459
<u>Cash and cash equivalents at beginning of year</u>	<u>667,187</u>	<u>658,728</u>
<u>Cash and cash equivalents at end of year</u>	<u>\$1,079,716</u>	<u>\$ 667,187</u>
<u>Supplemental disclosures of cash flow information:</u>		
Cash paid during the year for -		
Interest	<u>\$ 73</u>	<u>\$ 5,874</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, 2020 AND 2019

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 - Financial statement presentation follows Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU No. 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Net assets that are not are not subject to donor-imposed stipulations. Net assets without donor restrictions 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 net assets without donor restrictions if the stipulations expire in the reporting period in which the revenue is recognized.

With donor restrictions - 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. Also, net assets include amounts whose use is limited by donor-imposed restrictions which stipulate that resources be maintained permanently, but permits the Organization to expend part or all of the income derived from the donated assets. Resources arising from the results of operations or assets set aside by the Board of Directors are not considered to be donor restricted.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020 AND 2019

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

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.

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 \$99,797 and \$101,101 for the years ended December 31, 2020 and 2019, respectively.

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 use unless specifically restricted by the donor. Gifts of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit their use. When a donor restriction expires, these net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020 AND 2019

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

Income tax status (Continued) -

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 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, 2020 and 2019, 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, 2020 and 2019 was \$4,791 and \$3,544, respectively.

Liquidity and funds available - The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. All current assets are available to meet cash needs for general expenditures within one year.

Note 2: Credit risk and concentrations - The Organization maintains its cash accounts at local banks. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At December 31, 2020 and 2019, deposits in excess of the insured amount totaled \$640,651 and \$342,128, respectively.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020 AND 2019

Note 3: Pledges receivable - Pledges due in periods greater than one year were discounted using the five-year Treasury Bill rate of 1.76%, which has been deemed commensurate with the credit risk of the donors. The Organization has provided an allowance for uncollectible pledges, which are determined to be uncollectible based on a review of collection history by management. The allowance for uncollectible pledges was \$6,000 as at December 31, 2019. Pledges receivable as of December 31, 2019 are as follows:

	<u>2019</u>
Receivable in less than one year	\$ 110,020
Receivable in one to two years	<u>-</u>
Total pledges receivable	110,020
<u>Less:</u> Discount to net present value, at 1.76%	<u>-</u>
Total net present value of pledges receivable	110,020
<u>Less:</u> Allowance for uncollectible pledges	<u>(6,000)</u>
	<u>\$ 104,020</u>

As of December 31, 2020, the Organization had received pledges of approximately \$3,146,000. Approximately \$3,139,000 of those pledges were paid.

Note 4: Investments - The Organization's investments consist of four certificates of deposit. The certificates of deposit are with local financial institutions with maturity dates that exceed three months. The Organization's investments are recorded at fair value.

The certificates of deposit are all short-term and bear interest at rates between .05% and 1.55%.

Note 5: Lilly Grant - On November 17, 2020, the Organization was awarded a grant of \$102,000 from Lilly Endowment, Inc. to fund Indiana youth programs impacted by COVID-19. The Organization received the entire amount on December 4, 2020. The grant proceeds have been recorded as deferred revenue and will be released at expense occurrence. Written reports for both the program and financial activity are due on October 31, 2021. Expenses for the year ended December 31, 2020 were \$12,156.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020 AND 2019

Note 6: Net assets with donor restrictions - Net assets with donor restrictions are available for the following purposes at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Keystone	\$ 6,191	\$ 5,696
Capital campaign	-	104,020
United Way	<u>19,225</u>	<u>17,500</u>
Total	<u>\$ 25,416</u>	<u>\$127,216</u>

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

	<u>2020</u>	<u>2019</u>
Keystone	\$ 1,401	\$ 11,802
Communities That Care	-	6,506
Capital campaign	104,098	111,655
United Way	<u>36,725</u>	<u>36,625</u>
Total net assets released from restrictions	<u>\$142,224</u>	<u>\$166,588</u>

Note 7: Fair value of financial instruments - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a particular date. A fair value hierarchy has been established which requires an organization to maximize observable inputs when measuring fair value. Three levels of inputs may be used to measure fair value as follows:

Level 1 Inputs: Quoted market prices in active markets for identical assets or liabilities.

Level 2 Inputs: Significant other observable inputs, other than quoted market prices included in Level 1 prices, for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Inputs: Significant unobservable inputs that reflect an Organization's assumptions about assumptions that market participants would use in pricing an asset or liability.

The Organization values certificates of deposit at fair value based upon similar investments with the same terms (Level 2).

Assets measured at fair value on a recurring basis are summarized as follows by the three levels of hierarchy:

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020 AND 2019

Note 7: Fair value of financial instruments (Continued) -

	<u>December 31, 2020</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	<u>\$ -</u>	<u>\$ 101,336</u>	<u>\$ -</u>

	<u>December 31, 2019</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>

Note 8: Government funding - During 2020 and 2019, the Organization received the following amounts from government entities:

<u>Agency Or Federal Grantor/ Pass-Through Grantor</u>	<u>2020</u>	<u>2019</u>
U.S. Department of Justice - Passed through Boys and Girls Club of America - Office of Justice Program Grant	\$ 9,322	\$ 9,254
U.S. Department of Education - Passed through State of Indiana - 21st CCLC Grant	463,474	449,728
Summer Food Service Program Grant	39,436	50,297
Child and Adult Care Food Program Grant	<u>127,000</u>	<u>167,437</u>
Total federal assistance	639,232	676,716
State of Indiana	<u>210,453</u>	<u>185,348</u>
	<u>\$849,685</u>	<u>\$862,064</u>

Note 9: Community Foundation funds - The Huntington County Community Foundation holds funds donated on behalf of Boys and Girls Club of Huntington County, Inc. totaling \$263,226 and \$240,340 at December 31, 2020 and 2019, 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, 2020 and 2019, \$8,946 and \$8,808 was available for distribution.

BOYS AND GIRLS CLUB OF HUNTINGTON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020 AND 2019

Note 10: PPP loan forgiveness - On April 11, 2020, the Organization received loan proceeds in the amount of \$111,800 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 8 to 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 8 to 24 week period.

The Organization used the proceeds for purposes consistent with the PPP and met the conditions for forgiveness. Of the loan proceeds, \$101,800 was forgiven. The unforgiven portion of \$10,000 was due to the Organization receiving an additional \$10,000 under the Economic Injury Disaster Loan Advance ("EIDLA") program (located in the other grants account). The EIDLA, established by the Small Business Administration, is available for any entity that is in a federal disaster zone. The unforgiven portion of the PPP loan was payable over five years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization paid the unforgiven portion in December 2020. In 2021, due to changes in the relationship between the PPP and the EIDLA, the Organization subsequently received back the \$10,000 unforgiven portion.

Note 11: Employee benefits - The Organization has 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 \$5,372 and \$4,877 for the years ended December 31, 2020 and 2019, respectively.

Note 12: Related parties - The Organization utilized management and employment services from affiliated Boys and Girls Clubs in the amount of \$41,013 and \$34,963 for the years ended December 31, 2020 and 2019, respectively.

Note 13: Subsequent events - Management has evaluated the activities and transactions subsequent to December 31, 2020 for potential recognition and/or disclosure within the audited financial statements for the year ended December 31, 2020. This analysis was performed through April 27, 2021, the date the financial statements were available to be issued.