

***BOYS AND GIRLS CLUBS
OF ADA COUNTY, IDAHO, INC.***

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

Boys and Girls Clubs of Ada County, Idaho, Inc.
Table of Contents
December 31, 2021

	<u>Section</u>
Financial Statements of the Boys and Girls Clubs of Ada County, Idaho as of December 31, 2021 and 2020 and for the Years Then Ended Together With Independent Auditor's Report	I
Supplementary Reports on the Federal Awards Programs Required by the Uniform Guidance for the Year Ended December 31, 2021 and Cost Certificate	II

SECTION I CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT.....	1
FINANCIAL STATEMENTS:	
Statements of financial position.....	4
Statements of activities and changes in net assets.....	6
Statement of functional expenses, year ended December 31, 2021.....	8
Statement of functional expenses, year ended December 31, 2020.....	10
Statements of cash flows.....	12
Notes to financial statements.....	13



INDEPENDENT AUDITORS' REPORT

Board of Directors
Boys and Girls Clubs of Ada County, Idaho, Inc.
Boise, Idaho

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Boys and Girls Clubs of Ada County, Idaho, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 Boys and Girls Clubs of Ada County, Idaho, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the year 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 Boys and Girls Clubs of Ada County, Idaho, Inc. 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 Boys and Girls Clubs of Ada County, Idaho, 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 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 Boys and Girls Clubs of Ada County, Idaho, 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 Clubs of Ada County, Idaho, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2022, on our consideration of Boys and Girls Clubs of Ada County, Idaho, Inc.'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 Boys and Girls Clubs of Ada County, Idaho, Inc.'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 Boys and Girls Clubs of Ada County, Idaho, Inc.'s internal control over financial reporting and compliance.

This report has been issued in accordance with, and is subject to, the terms of the engagement letter between Boys and Girls Clubs of Ada County, Idaho, Inc. and Wadsworth Reese, PLLC.

Boise, Idaho
August 9, 2022

Wadsworth Reese, PLLC

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,120,361	\$ 1,149,905
Marketable securities, including unrealized holdings gains/(losses) of \$303,365 and \$100,399, respectively	3,662,931	2,438,341
Accounts receivable, no allowance for doubtful accounts considered necessary	56,040	68,617
Other current assets	<u>6,963</u>	<u>23,978</u>
Total Current Assets	<u>4,846,295</u>	<u>3,680,841</u>
PROPERTY AND EQUIPMENT, at cost:		
Land, building and improvements	10,134,427	10,075,938
Club equipment and games	327,247	146,699
Club vehicles	165,415	137,036
Office furnishings and equipment	<u>120,769</u>	<u>140,868</u>
	10,747,858	10,500,541
Less accumulated depreciation	<u>2,757,917</u>	<u>2,531,022</u>
	<u>7,989,941</u>	<u>7,969,519</u>
	<u>\$ 12,836,236</u>	<u>\$ 11,650,360</u>

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2021 AND 2020

<u>LIABILITIES AND NET ASSETS</u>	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES:		
Line-of-credit payable		
Accounts payable	\$ 57,457	\$ 36,221
Accrued payroll related liabilities	211,884	189,506
Deposits	2,500	26,125
Note payable, current portion	<u>18,188</u>	<u>17,664</u>
Total Current Liabilities	<u>290,029</u>	<u>269,516</u>
NOTE PAYABLE, less current portion	<u>388,833</u>	<u>407,054</u>
NET ASSETS:		
Without donor restriction	12,153,886	10,946,290
With donor restriction	<u>3,488</u>	<u>27,500</u>
	<u>12,157,374</u>	<u>10,973,790</u>
	<u>\$ 12,836,236</u>	<u>\$ 11,650,360</u>

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

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Without Donor Restrictions</u>	
	<u>2021</u>	<u>2020</u>
SUPPORT:		
Special event revenue	\$ 136,220	\$ 516,160
Less cost of direct benefits to donors	<u>24,628</u>	<u>90,701</u>
Net revenues from special events	111,592	425,459
Donations	965,496	1,047,474
Government grants	1,547,824	1,175,216
Public and private grants	1,073,835	480,863
In-kind contributions	82,301	82,537
Membership dues	19	5,380
Program fees	1,003,707	712,887
Earned income	73,373	58,002
Net assets released from restrictions	<u>27,500</u>	<u>94,144</u>
Total Support	<u>4,885,647</u>	<u>4,081,962</u>
EXPENSES:		
Program costs:		
Academic success	658,880	584,430
Healthy lifestyle	1,608,466	1,489,479
Good character and citizenship	560,749	497,388
General	<u>378,506</u>	<u>335,737</u>
Total program costs	3,206,601	2,907,034
Fund-raising	275,848	245,705
Management and general	<u>457,290</u>	<u>411,269</u>
Total Expenses	<u>3,939,739</u>	<u>3,564,008</u>
OTHER REVENUE (EXPENSE):		
Interest and investment income	74,156	264,554
Other income/(expense)	(2,409)	(644)
Gain/(loss) on asset disposals	(829)	(1,283)
Unrealized gain/(loss) on investments	202,966	(120,126)
Interest expense	<u>(12,196)</u>	<u>(15,018)</u>
Total Other Revenue (Expense)	<u>261,688</u>	<u>127,483</u>
INCREASE IN NET ASSETS	1,207,596	645,437
NET ASSETS, Beginning of year	<u>10,946,290</u>	<u>10,300,853</u>
NET ASSETS, End of year	<u>\$ 12,153,886</u>	<u>\$ 10,946,290</u>

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

YEARS ENDED DECEMBER 31, 2021 AND 2020

<u>With Donor Restrictions</u>		<u>Total</u>	
<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
\$ -	\$ -	\$ 136,220	\$ 516,160
-	-	24,628	90,701
-	-	111,592	425,459
-	-	965,496	1,047,474
-	-	1,547,824	1,175,216
2,500	27,500	1,076,335	508,363
-	-	82,301	82,537
-	-	19	5,380
-	-	1,003,707	712,887
-	-	73,373	58,002
<u>(27,500)</u>	<u>(94,144)</u>	<u>-</u>	<u>-</u>
<u>(25,000)</u>	<u>(66,644)</u>	<u>4,860,647</u>	<u>4,015,318</u>
-	-	658,880	584,430
-	-	1,608,466	1,489,479
-	-	560,749	497,388
<u>-</u>	<u>-</u>	<u>378,506</u>	<u>335,737</u>
-	-	3,206,601	2,907,034
-	-	275,848	245,705
<u>-</u>	<u>-</u>	<u>457,290</u>	<u>411,269</u>
<u>-</u>	<u>-</u>	<u>3,939,739</u>	<u>3,564,008</u>
988	137	75,144	264,691
-	-	(2,409)	(644)
-	-	(829)	(1,283)
-	-	202,966	(120,126)
<u>-</u>	<u>-</u>	<u>(12,196)</u>	<u>(15,018)</u>
<u>988</u>	<u>137</u>	<u>262,676</u>	<u>127,620</u>
(24,012)	(66,507)	1,183,584	578,930
<u>27,500</u>	<u>94,007</u>	<u>10,973,790</u>	<u>10,394,860</u>
<u>\$ 3,488</u>	<u>\$ 27,500</u>	<u>\$ 12,157,374</u>	<u>\$ 10,973,790</u>

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

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>			
	<u>Academic Success</u>	<u>Healthy Lifestyle</u>	<u>Good Character & Citizenship</u>	<u>General Program</u>
Payroll and related costs	\$ 466,835	\$ 854,208	\$ 397,306	\$ 268,182
Supplies	47,810	490,335	40,689	27,465
In-kind expenses	17,259	31,580	14,688	9,915
Depreciation	59,171	108,271	50,359	33,992
Utilities	21,322	39,016	18,147	12,249
Professional fees	-	-	-	-
Repairs and maintenance	32,432	59,344	27,602	18,631
Insurance	12,405	22,698	10,557	7,126
Training and travel	523	957	445	300
Transportation expense	93	171	79	54
Marketing	-	-	-	-
Meetings	102	186	87	58
Postage	342	627	291	197
Printing	586	1,073	499	337
	<u>\$ 658,880</u>	<u>\$ 1,608,466</u>	<u>\$ 560,749</u>	<u>\$ 378,506</u>

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

<u>Support Services</u>		
<u>Fund-</u> <u>raising</u>	<u>Management</u> <u>and general</u>	<u>Total</u>
\$ 259,000	\$ 344,470	\$ 2,590,001
-	5,919	612,218
-	-	73,442
-	16,072	267,865
-	5,792	96,526
-	79,562	79,562
-	-	138,009
-	3,369	56,155
-	-	2,225
-	-	397
6,868	-	6,868
-	650	1,083
-	1,456	2,913
<u>9,980</u>	<u>-</u>	<u>12,475</u>
<u>\$ 275,848</u>	<u>\$ 457,290</u>	<u>\$ 3,939,739</u>

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

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>			
	<u>Academic Success</u>	<u>Healthy Lifestyle</u>	<u>Good Character & Citizenship</u>	<u>General Program</u>
Payroll and related costs	\$ 419,090	\$ 766,845	\$ 356,672	\$ 240,754
Supplies	28,630	472,483	24,366	16,447
In-kind expenses	18,143	33,199	15,441	10,423
Depreciation	61,437	112,417	52,287	35,294
Utilities	20,026	36,643	17,043	11,504
Professional fees	-	-	-	-
Repairs and maintenance	20,707	37,889	17,623	11,895
Insurance	13,439	24,590	11,437	7,720
Training and travel	888	1,625	756	510
Transportation expense	889	1,627	757	511
Marketing	-	-	-	-
Meetings	83	152	71	48
Postage	573	1,048	488	329
Printing	525	961	447	302
	<u>\$ 584,430</u>	<u>\$ 1,489,479</u>	<u>\$ 497,388</u>	<u>\$ 335,737</u>

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

YEAR ENDED DECEMBER 31, 2020

<u>Support Services</u>		
<u>Fund-</u> <u>raising</u>	<u>Management</u> <u>and general</u>	<u>Total</u>
\$ 232,511	\$ 309,240	\$ 2,325,112
-	3,627	545,553
-	-	77,206
-	16,687	278,122
-	5,439	90,655
-	69,657	69,657
-	-	88,114
-	3,650	60,836
-	-	3,779
-	-	3,784
4,253	-	4,253
-	532	886
-	2,437	4,875
<u>8,941</u>	<u>-</u>	<u>11,176</u>
<u>\$ 245,705</u>	<u>\$ 411,269</u>	<u>\$ 3,564,008</u>

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

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES:		
Increase in net assets	\$ 1,183,584	\$ 578,930
Adjustments to reconcile decrease in net assets to cash provided by (applied to) operating activities:		
Depreciation	267,865	278,121
Net loss (gain) on sale of assets	829	1,283
Net realized gain on investments	(9,652)	(213,509)
Net unrealized loss (gain) on investments	(202,966)	120,126
Decrease (increase) in accounts receivable	12,577	4,970
(Increase) in other current assets	17,015	(7,384)
Increase (decrease) in accounts payable	21,236	(7,037)
Increase (decrease) in accrued payroll liabilities	22,378	36,424
Increase (decrease) in deposits	(23,625)	26,125
	<u>1,289,241</u>	<u>818,049</u>
Cash Provided by Operating Activities		
INVESTING ACTIVITIES:		
Proceeds from the sale of marketable securities	303,140	2,231,651
Purchases of marketable securities	(1,315,112)	(2,339,536)
Proceeds from the sale of property and equipment	-	-
Payments for purchase of property and equipment	(289,116)	(2,982)
	<u>(1,301,088)</u>	<u>(110,867)</u>
Cash Applied to Investing Activities		
FINANCING ACTIVITIES:		
Proceeds from issuance of PPP loan payable	-	290,440
Principal payments on notes payable	(17,697)	(310,179)
	<u>(17,697)</u>	<u>(19,739)</u>
Cash Applied to Financing Activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	(29,544)	687,443
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,149,905</u>	<u>462,462</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,120,361</u>	<u>\$ 1,149,905</u>

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

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

A. Summary of Significant Accounting Policies:

1. Organization - Boys and Girls Clubs of Ada County, Idaho, Inc. was formed in 1995 as a non-profit corporation and began operations in January 1997. The Organization has facilities located in Garden City, Idaho, and Meridian, Idaho. The Organization is a youth development agency that is dedicated to providing all youth between six and eighteen years of age in Ada County with a sense of belonging, usefulness, influence and competence, with special concern for those who most need help. The Club is committed to providing high quality programs designed to develop the skills and talents needed to become responsible citizens and leaders.
2. Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.
3. Management Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
4. Fair Value of Financial Instruments - The Fair Value of Financial Instruments and Disclosures Topic of FASB Accounting Standards Codification (FASB ASC) defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The Organization's financial instruments are cash and cash equivalents, accounts receivable and accounts payable. The recorded values of these financial instruments approximate their fair values based on their short-term nature.
5. Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization has designated cash in checking, petty cash account, savings, and money market investments as cash equivalents.
6. Accounts Receivable - Accounts receivable consist of monies due from businesses and individuals. The Organization utilizes the direct write-off method for recognizing bad debts. This departure from the allowance method is deemed immaterial to the accompanying financial statements.
7. Property and Equipment - Property and equipment are stated at cost if purchased. Donated property and equipment are stated at the fair market value of the asset as determined by the donor at the date the donation is received. Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets.

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

A. Summary of Significant Accounting Policies (Continued):

8. The Organization follows the reporting guidance of FASB ASC 2016-14 for Not-for-Profit Entities. Under ASC 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: Without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions - The net assets not subject to donor-imposed restrictions include donations, transactions related to membership and program fees, and in-kind donations. These revenues are reported as increases in net assets without donor restrictions and the funds are used as directed by the board of directors and management.

Net Assets With Donor Restrictions - All contributions are considered to be available for use unless specifically restricted by the donor. Net assets with donor restrictions consist of contributions restricted due to time restrictions or donor-imposed purpose restrictions including scholarship, nutrition, sports, and education programs. When time or purpose restrictions are met, amounts are classified as unrestricted net assets. Restricted contributions and grants that are received and expended in the same calendar year are classified as without donor restrictions for financial reporting purposes

9. Income Taxes - The Organization is exempt from income taxes as defined by Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

The Organization has adopted the provisions of FASB Accounting Standards Codification Topic ASC 740-10 (previously Financial Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*), on January 1, 2009. The implementation of this standard had no impact on the financial statements. As of both the date of adoption and as of December 31, 2021, the unrecognized tax benefit accrual was zero.

The Organization will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Organization is subject to examinations by tax authorities for years 2018 through 2020.

10. Donated Services - Donated services, reported as in-kind contributions in the accompanying financial statements, have been recorded at fair market value as determined by the donor.
11. Reclassifications - For comparability, certain amounts in the 2020 financial statements have been reclassified, where appropriate, to conform with the financial presentation used in 2021.

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

A. Summary of Significant Accounting Policies (Continued):

12. Revenue Recognition – The Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, under the modified retrospective method. This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which entities expect to be entitled in exchange for those goods and services which are also known as exchange-type transactions. The exchange-type transactions the Organization entered into include membership dues, program fees, rental activities, meal service, and table sponsorships at fundraising events. Analysis of the various provisions of the new standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

Revenue not recognized under ASC 606 is accounted for in accordance with ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* on a modified prospective basis. This standard clarified and improved current guidance by providing criteria for determining whether a nonprofit is receiving commensurate value in return for the resources transferred and therefore can be appropriately classified as either a contribution or exchange-type transaction. Under this pronouncement the Organization recognizes revenue from individual and corporate donations, fundraising events, and government and private grants as contributions in which there is no exchange transaction. Under the prospective approach there is no material change to the revenue recognition.

13. Subsequent Events – Management has evaluated subsequent events through August 9, 2022, the date on which the financial statements were available to be issued. There are no other subsequent events that require disclosure as of the date above.

B. Marketable Securities:

On January 1, 2019 the Organization adopted FASB ASU No. 2016-01, “Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities” which requires accounting for equity investments under the fair value option with changes in fair value recognized in net income. The current year change in the unrealized gain or loss is recorded in the statement of activities as a component of “unrealized gains (loss) on investments.” Information regarding investments as of and for the years ended December 31, 2021 and 2020 is summarized as follows:

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

B. Marketable Securities (Continued):

Investments as of December 31, 2021

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Marketable Securities	\$1,822,106	\$2,137,953	\$2,137,953
Corporate / Government Bonds	1,548,524	1,524,978	1,524,978

Investments as of December 31, 2020

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Marketable Securities	\$1,094,152	\$1,203,586	\$1,203,586
Corporate / Government Bonds	1,225,276	1,234,755	1,234,755

Investment return is summarized as follows:

	<u>2021</u>	<u>2020</u>
Interest, dividend, and long-term capital gain income	\$ 70,047	\$ 55,086
Net realized gains/(losses)	9,652	213,509
Net unrealized gains/(losses)	<u>202,966</u>	<u>(120,126)</u>
Total investment income	<u>\$ 282,665</u>	<u>\$ 148,469</u>

C. Fair Value Measurements:

The Organizations investments are reported at fair value in the accompanying statement of net assets available for benefits.

FASB ASC 820, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The fair values of marketable securities and corporate / government bonds are based on quoted market prices. The fair value is measured using quoted prices in active markets for identical assets.

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

C. Fair Value Measurements (Continued):

<u>As of December 31, 2021</u>	<u>Fair Value</u>	<u>(Level 1)</u>
Marketable Securities	\$2,137,953	\$2,137,953
		<u>(Level 2)</u>
Corporate / Government Bonds	1,524,978	1,524,978
<u>As of December 31, 2020</u>	<u>Fair Value</u>	<u>(Level 1)</u>
Marketable Securities	\$1,203,586	\$1,203,586
		<u>(Level 2)</u>
Corporate / Government Bonds	1,234,755	1,234,755

D. Preferred Stock:

Preferred stock consists of uncertified shares of non-voting stock donated to the Club and is summarized as follows:

	<u>2021</u>	<u>2020</u>
One Share, Series A, Seventh Street Real Estate Investment Trust	\$ 1,000	\$ 1,000

E. Retirement Plan:

The Club sponsors, through Boys and Girls Clubs of America, a retirement plan under 403(b) of the Internal Revenue Code. On January 1, 2003, the Club changed their retirement plan with the Boys and Girls Clubs of America. The plan does not have employee deferrals and the Club contributes 10% of the salary of any vested employee. During the years ended December 31, 2021 and 2020, the Club contributed \$81,870 and \$104,625, respectively.

F. Concentrations of Credit Risk:

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash in checking accounts, money market accounts, certificates of deposit and unconditional promises to give. The Organization routinely maintains balances in excess of limits insured against loss by the Federal Deposit Insurance Corporation. Unconditional promises to give consist of promises obtained from various private foundations, businesses and individuals located in Southern Idaho. The Organization maintains cash accounts, securities, and bonds with a brokerage firm with amounts routinely in excess of either FDIC or SIPC limits.

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

G. Note Payable:

Note Payable at December 31, 2021 and 2020 is summarized as follows:

	<u>2021</u>	<u>2020</u>
Note payable to First Interstate Bank, refinanced on April 24, 2014, due in monthly payments of \$2,489 including interest at 2.93%, with one payment of \$364,523 due on May 5, 2024, secured by property in Meridian and Garden City, Idaho.	\$ 407,021	\$ 424,718

Estimated maturities of the note payable at December 31, 2020 are summarized as follows:

<u>Year ending</u> <u>December 31,</u>	
2022	\$ 18,188
2023	18,728
2023	<u>370,105</u>
	<u>\$ 407,021</u>

H. Paycheck Protection Program Loan

The Organization obtained a loan from its bank under the Paycheck Protection Program (“PPP Loan”) as established by the CARES Act, enacted March 27, 2020. The loan was granted on April 15, 2020 in the amount of \$290,440. The loan was used to pay for payroll costs and benefits, rents, and utilities over the covered period as defined by the loan agreement. On December 2, 2020 the Organization was formally forgiven of the loan and recorded the forgiveness as government grant income on the statement of activities.

I. Liquidity and Availability of Financial Resources

At December 31, 2021, the Organization has \$1,116,873 in unrestricted cash, \$3,662,931 of liquid investments, as well as \$56,040 in accounts receivable available to meet needs for general expenditures. None of the unrestricted cash, investments and receivables are subject to donor or other contractual restrictions. Accordingly, all such funds are available to meet the cash needs of the Organization in the next 12 months. The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due.

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

J. Net Assets Released from Restrictions

During 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, the passage of time, or by occurrence of other events satisfying restrictions specified by donors as follows:

	<u>2021</u>	<u>2020</u>
Purpose restrictions accomplished:		
Expenses for membership dues assistance	\$ -	\$ 28,007
Expenses for after-school, food, and sports programs	<u>27,500</u>	<u>66,137</u>
Net assets released from restrictions	<u>\$ 27,500</u>	<u>\$ 94,144</u>

***BOYS AND GIRLS CLUBS
OF ADA COUNTY, IDAHO, INC.***

***SUPPLEMENTARY REPORTS ON THE FEDERAL AWARDS PROGRAMS REQUIRED
BY THE UNIFORM GUIDANCE AND COST CERTIFICATE***

YEAR ENDED DECEMBER 31, 2021

SECTION II CONTENTS

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Over Compliance Required by <i>the Uniform Guidance</i>	3
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards.....	6
Schedule of Findings and Questioned Costs	7



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
Boys and Girls Clubs of Ada County, Idaho, Inc.
Boise, ID

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 Boys and Girls Clubs of Ada County, Idaho, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 9, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boys and Girls Clubs of Ada County, Idaho's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Clubs of Ada County, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of Boys and Girls Clubs of Ada County, Idaho's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boys and Girls Clubs of Ada County, Idaho's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Boise, Idaho
August 9, 2022

Wadsworth Reese, PLLC



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE

To the Board of Directors
Boys and Girls Clubs of Ada County, Idaho
Boise, ID

Report on Compliance for Each Major Federal Program

We have audited Boys and Girls Clubs of Ada County, Idaho's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Boys and Girls Clubs of Ada County, Idaho's major federal programs for the year ended December 31, 2021. Boys and Girls Clubs of Ada County, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Boys and Girls Clubs of Ada County, Idaho's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Boys and Girls Clubs of Ada County, Idaho's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Boys and Girls Clubs of Ada County, Idaho's compliance.

Opinion on Each Major Federal Program

In our opinion, Boys and Girls Clubs of Ada County, Idaho complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Other Matters

The results of our auditing procedures resulted in no instances of noncompliance.

Report on Internal Control Over Compliance

Management of Boys and Girls Clubs of Ada County, Idaho is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Boys and Girls Clubs of Ada County, Idaho's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Boys and Girls Clubs of Ada County, Idaho's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Boise, Idaho
August 9, 2022

Wadsworth Reese, PLLC

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2021

<u>FEDERAL GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Office of Justice Programs		
Mentoring Youth At-Risk Program	16.726	\$ 31,191
U.S. Department of Agriculture		
Child and Adult Care Food Program	10.558	276,518
Summer Food Services Program	10.559	461,032
U.S. Department of Housing and Urban Development		
Community Development Block Grant Program	14.218	24,811
U.S. Department of Health and Human Services		
Child Care and Development Fund Program	93.575	676,177
State Targeted Response to the Opioid Crisis Program	93.788	<u>66,561</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS		 <u>\$ 1,536,290</u>

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2021

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Boys and Girls Clubs of Ada County, Idaho, Inc. (the Organization) under programs of the federal government for the year ended December 31, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of Boys and Girls Clubs of Ada County, Idaho, Inc.

B. Summary of Significant Accounting Policies

Expenditures reported on this schedule are presented using the accrual basis of accounting as described in note A-2 to the Organization's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or are limited as to reimbursement.

The Organization has not elected to use the 10% de minimis cost rate.

C. Major Programs

The following programs represent all federal awards tested as major programs. Since the Organization is a high-risk auditee, coverage of at least 40 percent of federally awarded funds was required. Actual coverage was approximately 92 percent of total federally awarded expenditures.

<u>Federal Awards Tested as Major Programs</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Health and Human Services		
Child Care and Development Community Program Grant	93.575	\$ 676,177
U.S. Department of Agriculture		
Child and Adult Care Food Program	10.558	276,518
Summer Food Services Program	10.559	<u>461,032</u>
Total U.S. Department of Agriculture		<u>737,550</u>
Total Federal Awards Tested as Major Programs		<u>\$ 1,413,727</u>

D. Subrecipients

The Organization did not provide any grant funds to subrecipients for the year ended December 31, 2021.

BOYS AND GIRLS CLUBS OF ADA COUNTY, IDAHO, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses indentified?	No
Significant deficiencies identified no considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies indeitified not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.558	USDA - Child and Adult Care Food Program
10.559	USDA - Summer Food Services Program
93.575	HHS - Child Care and Development

Dollar threshold used to distinguish between Type A and Type B programs:	\$	750,000
Auditee qualifies as low-risk auditee?		No

Section II - Financial State Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported