
**HERBERT HOOVER BOYS AND
GIRLS CLUB OF ST. LOUIS, INC.
(d/b/a BOYS AND GIRLS CLUBS OF
GREATER ST. LOUIS, INC.)**
FINANCIAL STATEMENTS
DECEMBER 31, 2019



**BOYS & GIRLS CLUBS
OF GREATER ST. LOUIS**

Contents

	Page
Independent Auditors' Report	1 - 2
 Financial Statements	
Statement Of Financial Position.....	3
Statements Of Activities	4 - 5
Statements Of Functional Expenses.....	6 - 9
Statement Of Cash Flows.....	10
Notes To Financial Statements.....	11 - 31



RubinBrown LLP
Certified Public Accountants &
Business Consultants

One North Brentwood
Saint Louis, MO 63105

T 314.290.3300
F 314.290.3400

W rubinbrown.com
E info@rubinbrown.com

Independent Auditors' Report

Board of Directors
Boys and Girls Clubs of Greater St. Louis, Inc.
St. Louis, Missouri

Report On Financial Statements

We have audited the accompanying financial statements of Herbert Hoover Boys and Girls Club of St. Louis, Inc. d/b/a Boys and Girls Clubs of Greater St. Louis, Inc. (the Organization), a not-for-profit organization, which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Herbert Hoover Boys and Girls Club of St. Louis, Inc. d/b/a Boys and Girls Clubs of Greater St. Louis, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2019, Herbert Hoover Boys and Girls Club of St. Louis, Inc. d/b/a Boys and Girls Clubs of Greater St. Louis, Inc. adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* and ASU No. 2018-08, *Not-For-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

RubinBrown LLP

June 30, 2020

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF FINANCIAL POSITION

Assets

	December 31,	
	2019	2018
Current Assets		
Cash and cash equivalents	\$ 226,601	\$ 42,713
Investments (Note 3)	3,139,182	5,575,908
Unconditional promises to give - current (Note 5)	1,934,490	1,753,786
Accounts and government contracts receivable (Note 2)	240,070	167,975
Prepaid insurance	40,303	49,127
Total Current Assets	5,580,646	7,589,509
Unconditional Promises To Give - Long-Term (Note 5)	1,813,451	1,902,062
Property And Equipment (Note 6)	18,455,360	11,979,142
Assets Restricted For Permanent Endowment (Notes 3 And 9)	5,258,150	5,258,150
Total Assets	\$ 31,107,607	\$ 26,728,863

Liabilities And Net Assets

Current Liabilities		
Line of credit (Note 10)	\$ 300,000	\$ 50,000
Current maturities of long-term debt (Note 7)	—	187,063
Accounts payable and accrued expenses (Note 13)	477,650	594,339
Total Current Liabilities	777,650	831,402
Long-Term Debt (Note 7)	1,930,861	816,358
Total Liabilities	2,708,511	1,647,760
Net Assets		
Without donor restrictions		
Operating	1,180,407	1,049,268
Invested in property and equipment	16,524,499	10,975,721
Total Net Assets Without Donor Restrictions	17,704,906	12,024,989
With donor restrictions		
Time and/or purpose restrictions (Note 8)	5,436,040	7,797,964
Perpetual in nature (Note 9)	5,258,150	5,258,150
Total Net Assets With Donor Restrictions	10,694,190	13,056,114
Total Net Assets	28,399,096	25,081,103
Total Liabilities And Net Assets	\$ 31,107,607	\$ 26,728,863

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions		Total
		Time And/Or Purpose Restrictions	Perpetual In Nature	
Revenues And Support				
Contributions and grants	\$ 2,190,868	\$ 6,161,159	\$ —	\$ 8,352,027
United Way (Note 5)	—	522,192	—	522,192
Membership and program fees	430,652	—	—	430,652
Fundraising event revenue (net of direct costs of benefits to donors of \$254,074)	781,707	—	—	781,707
Miscellaneous income	40,503	—	—	40,503
	3,443,730	6,683,351	—	10,127,081
Net assets released from restrictions (Note 8)	10,044,547	(10,044,547)	—	—
Total Revenues And Support	13,488,277	(3,361,196)	—	10,127,081
Expenses				
Herbert Hoover Club	2,150,290	—	—	2,150,290
Adams Park Club	877,059	—	—	877,059
South East Middle School Club	357,562	—	—	357,562
Hazelwood East High School	227,232	—	—	227,232
Grannemann Elementary School Club	537,549	—	—	537,549
O'Fallon Park Club	388,593	—	—	388,593
Ferguson Middle School Club	81,154	—	—	81,154
Riverview Gardens Club	466,433	—	—	466,433
Lee Hamilton Elementary School Club	244,815	—	—	244,815
Roosevelt High School	180,812	—	—	180,812
Normandy High School	292,517	—	—	292,517
Mentor St. Louis	237,613	—	—	237,613
Ferguson Teen Center	374,497	—	—	374,497
St. Louis Internship Program	99,461	—	—	99,461
Total Program Services	6,515,587	—	—	6,515,587
General and administrative	872,078	—	—	872,078
Development and fundraising	668,994	—	—	668,994
Total Supporting Services	1,541,072	—	—	1,541,072
Total Expenses	8,056,659	—	—	8,056,659
Increase (Decrease) In Net Assets From Operations	5,431,618	(3,361,196)	—	2,070,422
Interest And Dividend Income, Net	85,372	165,389	—	250,761
Net Realized And Unrealized Gains On Investments (Note 3)	162,927	833,883	—	996,810
Increase (Decrease) In Net Assets	5,679,917	(2,361,924)	—	3,317,993
Net Assets - Beginning Of Year	12,024,989	7,797,964	5,258,150	25,081,103
Net Assets - End Of Year	\$ 17,704,906	\$ 5,436,040	\$ 5,258,150	\$ 28,399,096

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions		Total
		Time And/Or Purpose Restrictions	Perpetual In Nature	
Revenues And Support				
Contributions and grants	\$ 2,743,263	\$ 4,993,420	\$ —	\$ 7,736,683
United Way (Note 5)	4,644	538,494	—	543,138
In-kind donations	35,597	—	—	35,597
Membership and program fees	477,541	—	—	477,541
Fundraising event revenue (net of direct costs of benefits to donors of \$293,789)	591,682	—	—	591,682
Miscellaneous income	90,317	—	—	90,317
	3,943,044	5,531,914	—	9,474,958
Net assets released from restrictions (Note 8)	4,354,120	(4,354,120)	—	—
Total Revenues And Support	8,297,164	1,177,794	—	9,474,958
Expenses				
Herbert Hoover Club	2,068,748	—	—	2,068,748
Adams Park Club	866,621	—	—	866,621
South East Middle School Club	355,345	—	—	355,345
Hazelwood East High School	178,047	—	—	178,047
Grannemann Elementary School Club	543,306	—	—	543,306
O'Fallon Park Club	377,214	—	—	377,214
Ferguson Middle School Club	165,714	—	—	165,714
Riverview Gardens Club	469,966	—	—	469,966
Lee Hamilton Elementary School Club	245,776	—	—	245,776
Roosevelt High School	249,665	—	—	249,665
Normandy High School	352,625	—	—	352,625
Mentor St. Louis	203,051	—	—	203,051
Total Program Services	6,076,078	—	—	6,076,078
General and administrative	809,240	—	—	809,240
Development and fundraising	773,898	—	—	773,898
Total Supporting Services	1,583,138	—	—	1,583,138
Total Expenses	7,659,216	—	—	7,659,216
Increase In Net Assets From Operations	637,948	1,177,794	—	1,815,742
Interest And Dividend Income, Net	68,026	134,293	—	202,319
Net Realized And Unrealized Losses On Investments (Note 3)	(132,015)	(485,505)	—	(617,520)
Increase In Net Assets	573,959	826,582	—	1,400,541
Net Assets - Beginning Of Year	11,451,030	6,971,382	5,258,150	23,680,562
Net Assets - End Of Year	\$ 12,024,989	\$ 7,797,964	\$ 5,258,150	\$ 25,081,103

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES For The Year Ended December 31, 2019

	Program Services								
	Herbert Hoover Club	Adams Park Club	South East Middle School Club	Hazelwood East High School	Grannemann Elementary School Club	O'Fallon Park Club	Ferguson Middle School Club	Riverview Gardens Club	Lee Hamilton Elementary School Club
Personnel expenses	\$ 1,098,929	\$ 530,527	\$ 264,772	\$ 184,873	\$ 449,972	\$ 325,657	\$ 57,300	\$ 379,797	\$ 208,297
Advertising and promotions	2,590	8	8	8	8	8	8	8	458
Conferences, conventions and meetings	1,072	572	419	342	815	370	294	881	412
Contracted services and program supplies	82,998	46,515	54,409	29,318	59,401	36,569	10,997	54,887	15,398
Depreciation	367,686	175,088	—	—	—	—	—	—	—
Dues and subscriptions	2,204	42	40	33	49	41	4	45	34
Equipment rental and maintenance	14,283	5,733	5,051	584	6,142	6,531	3,423	5,760	4,317
Interest expense	48,595	—	—	—	—	—	—	—	—
Liability insurance	47,148	28,488	18,025	7,749	9,977	8,610	3,142	8,064	9,972
Occupancy	394,996	59,942	300	190	941	890	68	391	205
Office supplies	27,447	8,122	3,488	2,045	4,471	3,393	4,770	4,785	2,594
Postage and shipping	—	23	58	—	—	—	—	28	—
Printing and publishing	834	60	714	371	446	60	23	300	397
Professional fees	13,929	341	138	88	207	150	31	5,380	94
Telecommunication and technology	34,883	20,237	7,522	465	3,457	5,766	491	2,893	913
Travel	12,696	1,361	2,618	1,166	1,663	548	603	3,214	1,724
	\$ 2,150,290	\$ 877,059	\$ 357,562	\$ 227,232	\$ 537,549	\$ 388,593	\$ 81,154	\$ 466,433	\$ 244,815

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES *(Continued)* For The Year Ended December 31, 2019

	Program Services <i>(continued)</i>						Supporting Services			Total
	Roosevelt High School	Normandy High School	Mentor St. Louis	Ferguson Teen Center	St. Louis Internship Program	Total Program Services	General And Administrative	Development And Fundraising	Total Supporting Services	
Personnel expenses	\$ 152,726	\$ 257,820	\$ 226,838	\$ 188,200	\$ 62,806	\$ 4,388,514	\$ 481,646	\$ 576,248	\$ 1,057,894	\$ 5,446,408
Advertising and promotions	8	8	8	1,258	2,258	6,644	42,486	21,331	63,817	70,461
Conferences, conventions and meetings	430	691	191	175	287	6,951	12,964	7,045	20,009	26,960
Contracted services and program supplies	13,589	15,393	1,111	23,670	6,517	450,772	47,111	2,314	49,425	500,197
Depreciation	—	1	—	34,274	—	577,049	40,854	—	40,854	617,903
Dues and subscriptions	31	36	34	469	5	3,067	37,055	2,407	39,462	42,529
Equipment rental and maintenance	3,812	4,079	610	1,168	256	61,749	4,319	3,390	7,709	69,458
Interest expense	—	—	—	—	—	48,595	12,149	—	12,149	60,744
Liability insurance	4,864	4,933	3,107	673	61	154,813	700	—	700	155,513
Occupancy	152	765	199	40,633	83	499,755	3,838	—	3,838	503,593
Office supplies	2,263	3,137	2,594	22,849	1,527	93,485	26,885	4,927	31,812	125,297
Other - bank and merchant fees	—	—	—	—	—	—	33,072	293	33,365	33,365
Postage and shipping	—	—	—	—	440	549	4,242	151	4,393	4,942
Printing and publishing	23	60	—	2,488	2,007	7,783	840	3,524	4,364	12,147
Professional fees	70	113	92	132	12,651	33,416	84,721	28,312	113,033	146,449
Telecommunication and technology	2,547	4,406	821	56,936	1,148	142,485	27,058	15,362	42,420	184,905
Travel	297	1,075	2,008	1,572	9,415	39,960	12,138	3,690	15,828	55,788
	\$ 180,812	\$ 292,517	\$ 237,613	\$ 374,497	\$ 99,461	\$ 6,515,587	\$ 872,078	\$ 668,994	\$ 1,541,072	\$ 8,056,659

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES For The Year Ended December 31, 2018

	Program Services								
	Herbert Hoover Club	Adams Park Club	South East Middle School Club	Hazelwood East High School	Grannemann Elementary School Club	O'Fallon Park Club	Ferguson Middle School Club	Riverview Gardens Club	Lee Hamilton Elementary School Club
Personnel expenses	\$ 1,026,288	\$ 538,935	\$ 261,876	\$ 139,264	\$ 443,544	\$ 307,032	\$ 124,846	\$ 363,374	\$ 203,936
Advertising and promotions	1,589	325	436	362	466	412	45	254	45
Conferences, conventions and meetings	397	478	299	101	631	40	134	420	53
Contracted services and program supplies	117,899	44,262	52,702	31,195	68,152	40,875	24,113	69,276	21,018
Depreciation	362,692	172,711	—	—	—	—	—	—	—
Dues and subscriptions	846	37	42	8	23	16	7	81	11
Equipment rental and maintenance	18,483	8,696	3,695	335	3,725	4,116	3,183	3,619	3,096
Interest expense	42,021	—	—	—	—	—	—	—	—
Liability insurance	50,435	30,600	19,358	303	12,021	7,916	5,324	10,716	8,564
Occupancy	347,980	35,615	334	167	510	354	156	4,641	231
Office supplies	48,677	8,997	4,122	2,882	4,198	7,284	1,864	7,555	2,259
Other - bank and merchant fees	—	—	—	—	—	—	—	—	—
Postage and shipping	5	2	239	—	13	1	18	217	18
Printing and publishing	2,285	538	430	119	283	137	264	333	137
Professional fees	—	—	—	—	—	—	—	—	—
Telecommunication and technology	38,210	23,995	8,454	1,900	7,462	7,570	5,454	5,748	5,215
Travel	10,941	1,430	3,358	1,411	2,278	1,461	306	3,732	1,193
	\$ 2,068,748	\$ 866,621	\$ 355,345	\$ 178,047	\$ 543,306	\$ 377,214	\$ 165,714	\$ 469,966	\$ 245,776

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES *(Continued)* For The Year Ended December 31, 2018

	Program Services <i>(continued)</i>				Supporting Services			
	Roosevelt High School	Normandy High School	Mentor St. Louis	Total Program Services	General And Administrative	Development And Fundraising	Total Supporting Services	Total
Personnel expenses	\$ 222,979	\$ 297,348	\$ 182,511	\$ 4,111,933	\$ 442,300	\$ 600,198	\$ 1,042,498	\$ 5,154,431
Advertising and promotions	252	167	2	4,355	29,025	24,959	53,984	58,339
Conferences, conventions and meetings	285	490	241	3,569	12,779	29,020	41,799	45,368
Contracted services and program supplies	14,246	40,854	4,032	528,624	22,090	4,225	26,315	554,939
Depreciation	—	—	—	535,403	40,299	—	40,299	575,702
Dues and subscriptions	11	15	54	1,151	33,902	—	33,902	35,053
Equipment rental and maintenance	2,724	3,145	382	55,199	5,075	2,994	8,069	63,268
Interest expense	—	—	—	42,021	4,669	—	4,669	46,690
Liability insurance	287	360	5,239	151,123	50	—	50	151,173
Occupancy	234	648	191	391,061	9,305	868	10,173	401,234
Office supplies	4,703	2,975	6,654	102,170	23,014	6,687	29,701	131,871
Other - bank and merchant fees	—	—	—	—	38,808	255	39,063	39,063
Postage and shipping	1	396	—	910	3,200	182	3,382	4,292
Printing and publishing	34	46	23	4,629	2,628	15,931	18,559	23,188
Professional fees	—	—	—	—	106,071	75,490	181,561	181,561
Telecommunication and technology	3,324	5,366	1,785	114,483	25,364	10,787	36,151	150,634
Travel	585	815	1,937	29,447	10,661	2,302	12,963	42,410
	\$ 249,665	\$ 352,625	\$ 203,051	\$ 6,076,078	\$ 809,240	\$ 773,898	\$ 1,583,138	\$ 7,659,216

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF CASH FLOWS

	For The Years	
	Ended December 31,	
	2019	2018
Cash Flows From Operating Activities		
Increase in net assets	\$ 3,317,993	\$ 1,400,541
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation	617,903	575,702
Realized and unrealized (gains) losses on investments	(996,810)	617,520
Changes in assets and liabilities:		
Unconditional promises to give	(92,093)	498,200
Accounts receivable	(72,095)	(69,932)
Decrease in prepaid insurance	8,824	6,417
Accounts payable and accrued expenses	48,842	63,448
Net Cash Provided By Operating Activities	2,832,564	3,091,896
Cash Flows From Investing Activities		
Proceeds from sale of investments	6,437,912	1,365,060
Purchases of investments	(3,004,376)	(7,076,976)
Purchases of property and equipment	(7,259,652)	(1,254,679)
Net Cash Used In Investing Activities	(3,826,116)	(6,966,595)
Cash Flows From Financing Activities		
Payments on long-term debt	(1,003,421)	(178,976)
Proceeds from long-term debt	1,930,861	—
Proceeds from line of credit	450,000	300,000
Payments on line of credit	(200,000)	(250,000)
Net Cash Provided By (Used In) Financing Activities	1,177,440	(128,976)
Net Increase (Decrease) In Cash And Cash Equivalents	183,888	(4,003,675)
Cash And Cash Equivalents - Beginning Of Year	42,713	4,046,388
Cash And Cash Equivalents - End Of Year	\$ 226,601	\$ 42,713
Supplemental Disclosure Of Cash Flow Information		
Interest paid	\$ 60,744	\$ 46,691
Property and equipment purchases included in accounts payable (Note 14)	—	165,531

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 And 2018

1. Operations

Herbert Hoover Boys and Girls Club of St. Louis, Inc. d/b/a Boys and Girls Clubs of Greater St. Louis, Inc. (the Organization) is a not-for-profit organization dedicated to providing recreational, athletic and educational facilities for youth in the metropolitan St. Louis area.

The Organization operates at several locations, two of which it owns. The Organization also has agreements with the various school districts to offer programs at South East Middle School, Hazelwood East High School, Grannemann Elementary School, Ferguson Middle School, Lee Hamilton Elementary School, Roosevelt High School, and Normandy High School.

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting. Income is recognized when earned and expenses are recognized when incurred.

Basis Of Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) for Not-for-Profit Organizations by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity and financial flexibility. As a result, the Organization is required to report its financial position and activities according to the following two classes of net assets:

Net Assets Without Donor Restrictions represent those net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. All contributions are considered to be without donor restrictions unless specifically restricted by the donor.

Net Assets With Donor Restrictions represent those net assets whose use has been limited by donor-imposed stipulations that either can be fulfilled or expire by the passage of time, as well as those net assets whose use has been limited by donor-imposed stipulations that will remain in effect in perpetuity.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements *(Continued)*

Estimates And Assumptions

Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for uncollectible receivables and promises to give.

Cash And Cash Equivalents

The Organization considers all balances without donor restrictions held in checking accounts, savings accounts and short-term investment accounts with original maturity dates of three months or less to be cash equivalents.

The Organization maintains its cash and cash equivalents at several banks and with several investment managers. At various times throughout the year, bank deposits may exceed federally insured limits. In addition, some cash equivalents consist of money market funds, which are not covered by the Federal Deposit Insurance Corporation (FDIC) but are covered by Securities Investor Protection Corporation (SIPC) insurable limits.

Investments

Investments are reported at fair value based on quoted prices in active markets for identical assets (Level 1) or on significant other observable inputs (Level 2) as described in Note 4. Gains or losses on sales of investments are determined on a specific cost identification method. Unrealized gains and losses are determined based on year-end fair value fluctuations. All investment income is reported as increases or decreases in net assets without donor restrictions unless a donor or law restricts the use of the income.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

Fair Value Of Financial Instruments

Various methods and assumptions were used to estimate the fair value of each class of financial instruments. Cash and cash equivalents are valued at their carrying amount due to their short maturities. Investments are reported at fair value based on quoted market prices or other significant inputs.

Accounts And Government Contracts Receivable

Accounts and government contracts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has determined that no valuation allowance is necessary for accounts and government contracts receivable as of December 31, 2019 or 2018.

Unconditional Promises To Give

Unconditional promises to give in future periods are recognized as support in the period in which the promises are received. Conditional promises to give, that is, those with a measurable performance or other barrier, are not recognized until conditions on which they depend on have been met.

The Organization provides an allowance for uncollectible promises equal to the estimated collection losses that will be incurred in the collection of all unconditional promises to give. The estimated losses are based on historical collection experience coupled with a review of the current status of the existing promises to give. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual balances. The balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. As of December 31, 2019 and 2018, no allowance was deemed necessary by management.

Property And Equipment

Property and equipment are carried at cost, if purchased, or at fair value, if donated, less accumulated depreciation computed using the straight-line method over periods ranging from 3 to 40 years.

Repairs and maintenance are charged to expense when incurred. Expenditures in excess of \$2,500 for major renewals and betterments that extend the useful life of an asset are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and the gain or loss, if any, is included in the statement of activities.

Revenue and Revenue Recognition

In May 2014, the FASB issues ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The pronouncement was issued to clarify the principles for recognizing revenue and to develop a common revenue standard and disclosure requirements for U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards. The Organization adopted ASU 2014-09 in the fiscal year 2019 financial statements. The implementation did not have a material impact on the Organization's financial statements other than additional disclosures.

Disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue streams that fall under this guidance are as follows:

Membership Fees – Membership fees for access to the Organization's support services, which include admittance into the facility, access to technology resources, and access to sports and recreational activities, which are nonrefundable, are recognized over the membership period of twelve consecutive months. Memberships are utilized for access to the Organization's support services, and as such, performance obligations include ensuring the Organization has educators and other resources available over time in order to have activities for which individuals who pay such fees are participating.

Program Fees – The Organization generates revenue from registration fees for after-school, teen, and summer programs, which are nonrefundable. Program fees are considered exchange transactions by nature and are recognized over the period the activity is provided.

Miscellaneous Income - Includes facility rentals, vending machine revenue, and other revenues which are recognized at the time of sale or the time of the event/activity.

Overall economic conditions can impact the nature, timing, and uncertainty of the Organization's revenues and cash flows.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (*Continued*)

The Organization has additional revenue streams that are not within the scope of ASU 2014-09:

Contributions and grants, including unconditional promises to give, are classified as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land and equipment as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In fiscal year 2019, the Organization also adopted FASB ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in evaluating whether transactions should be accounted for as contributions or reciprocal transactions. The implementation did not have a material impact on the Organization's financial statements.

The Organization receives some contributions, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as contribution revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the statement of financial position. The Organization had conditional contributions of \$819,542 that have not been recognized at December 31, 2019 because qualifying expenditures have not yet been incurred. At December 31, 2019 and 2018, accounts and government contracts receivable in the statement of financial position include \$240,070 and \$154,975, respectively, of qualifying expenditures that have been incurred, but not yet reimbursed to the Organization.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (*Continued*)

Net Asset Releases

The Organization has adopted the policy of reporting net assets released from restrictions upon completion of the donor purpose restriction, regardless of whether the related cash has been received.

Donated Property, Services And Materials

Various equipment, services and materials are donated to the Organization. Donated equipment, certain donated professional services and donated materials are recorded as contributions at their estimated fair value on the dates of the contributions. No donated services were received in 2019 or 2018.

From time to time, the Organization receives donated goods that it passes along to its members, but would not otherwise purchase. The Organization is not the ultimate beneficiary of these donated goods; therefore, revenue is not recorded. In addition, a substantial number of other volunteers have donated their time to the Organization's program services and fundraising activities. This volunteer time has not been recorded because it does not meet the criteria for recognition under generally accepted accounting principles.

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements:

Herbert Hoover Club

The Herbert Hoover Club (HHC) is our original facility located in North St. Louis City. HHC serves approximately 1,700 youth annually. The 78,000 square-foot state licensed facility houses a comprehensive Dental Clinic, Emerson Technology Center, Learning Center, MJL Aquatics Center, All-Star Baseball Field, art room, game room, teen center, performing arts studio, football field, fitness center and the administrative offices of the Club.

Adams Park Club

The Adams Park Club (APC) began operating in 2007 in South City at the Adams Park Community Center. APC serves approximately 600 youth annually. Located in the Forest Park Southeast neighborhood, the 21,348 square-foot state licensed center offers organized sports, fitness and recreation activities as well as teen and education programs.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (*Continued*)

South East Middle School Club

The Club's first school-based location, the South East Middle School Club (SMSC), which is located in the Hazelwood School District in the Spanish Lake area, opened in 2008. This site serves approximately 440 youth annually. SMSC operates five days a week. It is a partnership with Hazelwood School District and St. Louis County and shares a gymnasium, performance stage, library, technology center, cafeteria, art room and game room with the school.

Hazelwood East High School

Thanks to a 21st Century CCLC grant, a Project Learn PLUS program at Hazelwood East High School opened in 2017. This program offers a wide range of high energy activities designed to improve student academic achievement and address the multiple needs and interests of children and families. Members of the program receive homework assistance, access to a social worker and guidance counselor, college and career prep, tutoring, ACT prep, engage in sports and music activities and more.

Grannemann Elementary School Club

Grannemann Elementary School Club (GESC), formerly Twillman Elementary School Club, opened in the summer of 2013 and strengthened our partnerships with both the Hazelwood School District and the Spanish Lake community. This site serves approximately 295 youth annually. GESC operates five days a week, sharing a library, cafeteria, computer lab and gymnasium with Grannemann Elementary School. GESC provides educational, recreational, and social activities.

O'Fallon Park Club

O'Fallon Park Club (OFPC) located in North City opened in February of 2013 and is in partnership with the YMCA of Greater St. Louis and the City of St. Louis Department of Parks, Recreation and Forestry. This site serves approximately 770 youth annually. OFPC has offered a select number of programs and now operates at full capacity, 48 weeks a year, five days a week. The 79,000 square foot facility has a full-size double gymnasium - 12 basketball hoops plus volleyball nets, fitness center, elevated running/walking track, Teen Hub/game room, computer lab, 3 multipurpose rooms, classroom space, and indoor and outdoor pools.

Ferguson Middle School Club

Ferguson Middle School Club (FMSC) opened in the summer of 2015 to serve youth in Ferguson. This site serves approximately 690 youth annually. FMSC operates five days per week and is open year-round, offering both an after-school program and summer day camp. In partnership with the Ferguson-Florissant School District, the Club shares two gymnasiums, cafeteria, library, technology center, and offers a teen center with a fully operating music production studio. During 2019, this Club was closed.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (*Continued*)

Riverview Gardens Club

Riverview Gardens Club (RVGC) opened in the summer of 2016 and established our new partnerships with the Riverview Gardens School District and the community surrounding Highland Elementary School where the Club is located. This site serves approximately 235 youth annually. RVGC operates five days a week, sharing classroom space, a music room, cafeteria, a computer lab and gymnasium to provide educational, recreational, and social activities.

Lee Hamilton Elementary School Club

Lee Hamilton Elementary School Club (LHESC) opened in the fall of 2016 to serve elementary school youth in the Ferguson-Florissant School District. This site serves approximately 65 youth annually. LHESC operates five days per week and is open year-round, offering after-school and summer day camp. Sharing classroom space, the cafeteria and gymnasium, the Club provides educational, recreational, and social activities. During 2019, this Club was closed.

Roosevelt High School

The BE GREAT: Graduate program is offered at Roosevelt High School beginning in 2017. This program is a comprehensive, targeted dropout prevention intervention designed to enhance youths' engagement with learning by providing consistent support from caring and trusted adults to develop the academic, emotional and social skills necessary to achieve academic success.

Normandy High School

The BE GREAT: Graduate program is offered at Normandy High School beginning in 2017. This program is a comprehensive, targeted dropout prevention intervention designed to enhance youths' engagement with learning by providing consistent support from caring and trusted adults to develop the academic, emotional and social skills necessary to achieve academic success.

Mentor St. Louis

Mentor St. Louis (MSL) was founded in 1995 and matches caring adults with elementary school children to enhance literacy and reading skills, trigger discussions, creative thinking and build students' self-esteem. Annually, over 200 mentors through the Club's Mentor St. Louis Program mentor more than 300 elementary school-age members at five St. Louis Public Schools.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (*Continued*)

Ferguson Teen Center

Ferguson Teen Center (FTC) opened in the fall of 2019 and serves teens ages 12-18, giving them a safe environment structured around responsibility, belonging, and leadership modeling. This program has an emphasis on health & wellness, education & workforce development and leadership & civic engagement.

St. Louis Internship Program

The goal of the St. Louis Internship Program (SLIP) is to provide hope and opportunity for high school students through paid summer internships, intensive employability training, and year-round college and career planning. SLIP works in partnership with businesses and community organizations, to build the St. Louis community by developing motivated, well-trained, and talented youth for the workforce.

General And Administrative

General and administrative includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Organization's program strategy, secure proper administrative functioning of the Board of Directors, maintain competent legal services for the program administration of the Organization, and manage the financial and budgetary responsibilities of the Organization.

Development And Fundraising

The development and fundraising function provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations, as well as support from local, state, and federal government agencies.

Functional Expense Allocation

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as specific to that functional area. Expenses that benefit multiple functional or program areas have been allocated across programs and other supporting services based on time studies and estimated direct usage based on check request coding.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements *(Continued)*

See summary below for specific allocation methods used for various expenses:

Natural Category	Method
Personnel expenses	Time studies
Contracted services and program supplies	Direct charge and check request coding
Occupancy	Direct charge and check request coding
Professional fees	Direct charge and check request coding
Depreciation	Direct charge and check request coding

Tax Status

The Organization constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes. The Organization has a policy to evaluate tax positions, which may be considered uncertain and has determined that no uncertain tax positions exist as of December 31, 2019.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available for issue, which is the date of the Independent Auditors' Report.

In response to COVID-19, the Organization's employees are temporarily working remotely to continue to provide services. This closure is consistent with Center for Disease Control recommendations. The Organization is closely monitoring the status of COVID-19 in the eastern Missouri region and the United States, and regularly reassessing plans and procedures. The impact of this closure on future operations, grant funding, and donations is not yet known. Also, related to COVID-19, it is reasonably possible that changes in the market could affect the value of investments reported in the statement of financial position. The extent to which COVID-19 will impact the Organization will depend on future developments, which remain highly uncertain and cannot be predicted at this time.

In April 2020, the Organization received \$938,530 under the Paycheck Protection Program (PPP) that was signed into law as part of the CARES Act during the COVID-19 outbreak. The PPP loan is unsecured, matures in April 2022, incurs interest at a rate of 1%, and may also be eligible for tax-free forgiveness up to 100% of the loan value if certain criteria are met.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (Continued)

3. Investments

Investments consist of:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 137,917	\$ 137,917	\$ 2,333,751	\$ 2,333,751
Mutual funds	3,084,163	3,241,438	4,258,253	4,203,596
Government obligations	573,950	595,231	551,981	546,655
Corporate bonds	168,093	182,599	230,667	221,672
Corporate stocks	3,264,774	4,240,147	3,369,806	3,528,384
	<u>\$ 7,228,897</u>	<u>\$ 8,397,332</u>	<u>\$ 10,744,458</u>	<u>\$ 10,834,058</u>

For the years ended December 31, 2019 and 2018, unrealized gains of \$1,018,274 and unrealized losses of \$697,067, respectively, were recorded to adjust investments to fair value. For the years ended December 31, 2019 and 2018, realized losses of \$21,464 and realized gains of \$79,547, respectively, were recorded from the sale of investments.

Investments are classified in several funds as follows:

	2019	2018
Amberg Fund	\$ 1,154,662	\$ 1,081,510
Endowment		
Perpetual in nature	5,258,150	5,258,150
Unappropriated earnings	891,890	66,994
Other funds and general investments	1,092,630	4,427,404
	<u>\$ 8,397,332</u>	<u>\$ 10,834,058</u>

4. Fair Value

The Organization accounts for certain investments at fair value as required by generally accepted accounting principles. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (Continued)

There are three general valuation techniques that may be used to measure fair value, as described below:

- Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable asset or liabilities.
- Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset.
- Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts.

Investments measured and reported at fair value are classified and disclosed in one of the following three categories:

- Level 1* Quoted prices that are readily available in active markets/exchanges for identical investments.
- Level 2* Pricing inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3* Significant pricing inputs that are unobservable for the investment and includes investments for which there is little, if any, market activity for the investment.

The following are the major categories of assets measured at fair value on a recurring basis at December 31, 2019 and 2018:

	2019			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 137,917	\$ —	\$ —	\$ 137,917
Mutual funds	3,241,438	—	—	3,241,438
Government obligations	—	595,231	—	595,231
Corporate bonds	—	182,599	—	182,599
Corporate stocks	4,240,147	—	—	4,240,147
Total Assets	\$ 7,619,502	\$ 777,830	\$ —	\$ 8,397,332

	2018			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 2,333,751	\$ —	\$ —	\$ 2,333,751
Mutual funds	4,203,596	—	—	4,203,596
Government obligations	—	546,655	—	546,655
Corporate bonds	—	221,672	—	221,672
Corporate stocks	3,528,384	—	—	3,528,384
Total Assets	\$ 10,065,731	\$ 768,327	\$ —	\$ 10,834,058

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (Continued)

At December 31, 2019 and 2018, the Level 2 assets utilize the following valuation techniques and inputs:

Government Obligations: The fair value of investments in government agency obligations is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

Corporate Bonds: The fair value of investments in U.S. and international corporate bonds is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options.

During 2019 and 2018, there were no changes in the methods or assumptions utilized to derive the fair value of the Organization's assets.

5. Promises To Give

Short-term promises consist of unconditional pledges that had not yet been collected at year end and are due within one year. Long-term promises to give include unconditional promises to give that are payable over a period greater than one year. At December 31, 2019 and 2018, unconditional promises to give are expected to be collected as follows:

	<u>2019</u>	<u>2018</u>
Pledges due in less than one year	\$ 1,934,490	\$ 1,753,786
Pledges due in 1 - 5 years	1,918,305	2,044,490
	<u>3,852,795</u>	<u>3,798,276</u>
Less: Present value discount	<u>(104,854)</u>	<u>(142,428)</u>
	<u>\$ 3,747,941</u>	<u>\$ 3,655,848</u>

Promises to give receivable in more than one year are discounted at a rate of 3.8%.

The United Way of Greater St. Louis, Inc. (United Way) provides funding for the Organization's activities. Notification of the succeeding year's funding is received by the Organization in December. Accordingly, the amounts awarded during 2019 and 2018 of \$522,192 and \$538,494, respectively, were recorded as net assets with donor restrictions and related promises to give at December 31, 2019 and 2018, respectively (Note 8).

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements *(Continued)*

6. Property And Equipment

Property and equipment consist of:

	<u>2019</u>	<u>2018</u>
Land	\$ 1,410,866	\$ 674,206
Land improvements	242,030	242,030
Buildings and improvements	24,657,603	17,179,529
Furniture and equipment	1,821,316	1,524,617
	<u>28,131,815</u>	<u>19,620,382</u>
Less: Accumulated depreciation	9,676,455	9,079,654
	<u>18,455,360</u>	<u>10,540,728</u>
Construction in progress	—	1,438,414
	<u>\$ 18,455,360</u>	<u>\$ 11,979,142</u>

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (Continued)

7. Long-Term Debt

The following is a summary of long-term debt:

	<u>2019</u>	<u>2018</u>
Note payable - Illinois Facility Fund, principal and interest were payable monthly in equal installments of \$8,024 through July 1, 2024. The loan was secured by a first deed of trust on the property on North Grand. The note bore interest at 5.75% fixed rate through July 2014. As of July 2014, the note bore interest at 5.00%. Interest is recalculated every five years, so the interest rate was adjusted in July 2014. During January 2019, the Organization paid off the note through funding from construction loan.	\$ —	\$ 468,239
Note payable - Illinois Facility Fund, principal and interest were payable monthly in equal installments of \$5,476 through October 1, 2022. The loan was secured by a second deed of trust on the property on North Grand. The note bore interest at 6.00% fixed rate through October 2012 and 2.89% through September 2017. As of October 2017, the note bore interest at 3.17%. Interest is recalculated every five years, but will remain unchanged through maturity. During January 2019, the Organization paid off the note through funding from the construction loan.	—	236,235
Note payable - Illinois Facility Fund, principal and interest were payable monthly beginning in April 2014 in equal installments of \$5,201 through March 1, 2024. The loan was secured by an expanded first deed of trust on the property on North Grand. The note bears interest at 3.5% through the term of the loan. During January 2019, the Organization paid off the note through funding from the construction loan.	—	298,947
Construction Loan - Midwest BankCentre, interest only payments monthly beginning March 2019 through March 1, 2022, followed by 65 monthly installments of \$25,939 through July 1, 2027, when the note matures and all unpaid principal and accrued interest are due. The loan can be drawn up to \$4,100,000 and bears interest at 4% through March 1, 2022 with a conversion to 4.5% through the remaining term of the loan. The loan is secured by the first deed of trust on the property on West Florissant Avenue.	<u>1,930,861</u>	—
	<u>1,930,861</u>	1,003,421
Less: Current maturities of long-term debt	—	187,063
	<u>\$ 1,930,861</u>	<u>\$ 816,358</u>

The Construction Loan contains restrictive covenants. At December 31, 2019, the Organization is in compliance with all loan covenants.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (Continued)

The scheduled maturities of the long-term debt at December 31, 2019 are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ —
2021	—
2022	190,168
2023	237,799
2024	248,723
Thereafter	1,254,171
	<u>\$ 1,930,861</u>

Subsequent to year end, the Organization made additional draws on the Construction Loan in the amount of \$595,386.

8. Net Assets With Time And/Or Purpose Restrictions

Net assets with time and/or purpose restrictions consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
United Way - time restricted (Note 5)	\$ 522,192	\$ 538,494
Unappropriated endowment earnings	891,890	66,994
Adams Park programs	757,120	929,400
BE GREAT: Graduate programs	154,490	331,387
North County programs	530,000	258,902
Salaries	600,000	800,000
Teen center	1,860,348	4,711,966
Teen programs	—	50,000
Teen tech center	—	71,187
Time restrictions	20,000	39,634
Workforce Development Program	100,000	—
	<u>\$ 5,436,040</u>	<u>\$ 7,797,964</u>

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (Continued)

Net assets with time and purpose donor restrictions released from restrictions consist of the following:

	<u>2019</u>	<u>2018</u>
Expiration of time restrictions - United Way	\$ 538,514	\$ 552,401
Appropriated endowment earnings	174,376	144,117
Adams Park programs	172,280	250,000
BE GREAT: Graduate programs	266,553	203,055
Capital improvements	93,667	111,833
Education programs	1,228,207	458,000
North County programs	743,965	649,464
Salaries	200,000	200,000
O'Fallon Park Club	100,000	100,000
Summer program	14,500	65,000
Teen center	6,271,547	1,441,554
Teen programs	50,000	138,170
Various programs	190,938	40,526
	<u>\$ 10,044,547</u>	<u>\$ 4,354,120</u>

9. Endowment Funds

The Organization's endowments consist of the following funds:

<u>Endowment Fund</u>	<u>Purpose Restriction</u>	<u>Year Established</u>
Taylor Fund	Character and leadership programs	2006
Mentor St. Louis Fund	School-based mentoring programs	2009
Emerson Fund	Technology programs	2010
Mary Ann Lee Fund	Education and career development	2011
Joan Silber Fund	Scholarships	2015
Crawford Taylor Fund	Compensation for club professionals	2017
DeHaven Fund	Scholarships	2017

Return Objectives And Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that produce maximum long-term returns consistent with the account's allowed risk level. The Organization expects its endowment funds, over time, to provide an average rate of return to exceed the sum of the endowments' spending rates, anticipated inflation, investment management consulting fees, and administrative costs. To achieve the endowment objective, the endowment assets are invested to generate appreciation and/or dividend and interest income and are diversified among several asset classes. Actual returns in any given year may vary from this amount.

Strategies Employed For Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy And How The Investment Objectives Relate To Spending Policy

The investment policy includes a formal spending policy, which allows the Organization to distribute a maximum annual amount of 4% of the current market value of each endowment. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow on an annual basis. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return. The Organization has a policy that permits prudent spending from underwater endowments, unless otherwise precluded by donor intent or relevant laws and regulations.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (Continued)

As of December 31, 2019 and 2018, the asset composition of the endowments is as follows:

	2019			
	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Taylor Fund	\$ —	\$ 285,437	\$ 1,000,000	\$ 1,285,437
Mentor St. Louis Fund	—	159,127	677,900	837,027
Emerson Fund	—	87,452	500,000	587,452
Mary Ann Lee Fund	—	183,184	1,000,000	1,183,184
Joan Silber Fund	—	7,715	30,250	37,965
Crawford Taylor Fund	—	159,860	2,000,000	2,159,860
DeHaven Fund	—	9,115	50,000	59,115
	\$ —	\$ 891,890	\$ 5,258,150	\$ 6,150,040

	2018			
	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Taylor Fund	\$ —	\$ 124,670	\$ 1,000,000	\$ 1,124,670
Mentor St. Louis Fund	—	50,529	677,900	728,429
Emerson Fund	—	14,155	500,000	514,155
Mary Ann Lee Fund	—	35,290	1,000,000	1,035,290
Joan Silber Fund	—	1,682	30,250	31,932
Crawford Taylor Fund	—	(159,054)	2,000,000	1,840,946
DeHaven Fund	—	(278)	50,000	49,722
	\$ —	\$ 66,994	\$ 5,258,150	\$ 5,325,144

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (Continued)

The changes in the endowment assets for the years ended December 31, 2019 and 2018 are as follows:

	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Balance - January 1, 2018	\$ —	\$ 562,323	\$ 5,258,150	\$ 5,820,473
Interest and dividends, net	—	134,293	—	134,293
Realized gains	—	67,511	—	67,511
Unrealized losses	—	(553,016)	—	(553,016)
Total investment return	—	(351,212)	—	(351,212)
Amounts appropriated for spending	—	(144,117)	—	(144,117)
Balance - December 31, 2018	—	66,994	5,258,150	5,325,144
Interest and dividends, net	—	165,389	—	165,389
Realized losses	—	(14,847)	—	(14,847)
Unrealized gains	—	848,730	—	848,730
Total investment return	—	999,272	—	999,272
Amounts appropriated for spending	—	(174,376)	—	(174,376)
Balance - December 31, 2019	\$ —	\$ 891,890	\$ 5,258,150	\$ 6,150,040

No endowment funds were underwater as of December 31, 2019. Two endowment funds were underwater as of December 31, 2018.

10. Line Of Credit

During 2018, the Organization entered into a \$200,000 line of credit agreement, which expired on October 17, 2019, and was secured by substantially all of the Organization's assets and bore interest at the prime rate.

During January 2019, the Organization entered into a new line of credit agreement for up to \$300,000 with an interest rate of Prime plus 1.0%, which was 3.75% at December 31, 2019. This line of credit will be used to provide funding for general working capital needs of the Organization. The line of credit is secured by a first deed of trust on the West Florissant Avenue property and matures in January 2021.

At December 31, 2019 and 2018, the Organization had an outstanding line of credit balance of \$300,000 and \$50,000, respectively.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

Notes To Financial Statements (Continued)

11. Liquidity And Availability Of Financial Assets

The Organization's assets available within one year of the statement of financial position date for general expenditures are as follows:

	2019	2018
Cash and cash equivalents	\$ 226,601	\$ 42,713
Investments	3,139,182	5,575,908
Unconditional promises to give - current	1,934,490	1,753,786
Accounts and government contracts receivable	240,070	167,975
Total financial assets	5,540,343	7,540,382
Less amounts not available to be used within one year:		
Donor purpose restrictions	2,589,660	5,937,550
Unappropriated earnings with purpose restrictions	891,890	66,994
Total financial assets not available to be used within one year	3,481,550	6,004,544
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,058,793	\$ 1,535,838

The Organization regularly monitors liquidity required to meet its operating needs and contractual commitments. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and a line of credit.

12. Commitments

In connection with Adams Park Community Center, the Organization is party to several real estate land lease agreements with the City of St. Louis and the Board of Education of the City of St. Louis. Commitments under the lease arrangement are not material to the Organization's financial statements.

13. Defined Contribution Plan

The Organization maintains a Section 403(b) defined contribution plan covering substantially all full-time employees. Benefit plan expenses totaled \$73,813 and \$62,569 for the years ended December 31, 2019 and 2018, respectively. In 2019 and 2018, the Organization offered a match equal to 2.5% of employee contributions. As of December 31, 2019 and 2018, the Organization had accrued contributions outstanding of \$57,580 and \$60,049, respectively, which are included in accounts payable and accrued expenses in the statement of financial position.