
**BOYS AND GIRLS CLUBS OF
GREATER ST. LOUIS, INC.**
*FINANCIAL STATEMENTS
DECEMBER 31, 2020*



BOYS & GIRLS CLUBS
OF GREATER ST. LOUIS

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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 Boys and Girls Clubs of Greater St. Louis, Inc. (formerly known as 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, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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 Boys and Girls Clubs of Greater St. Louis, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June _____*, 2021 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, 2021

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

STATEMENT OF FINANCIAL POSITION**Assets**

	December 31,	
	2020	2019
Current Assets		
Cash and cash equivalents	\$ 759,911	\$ 226,601
Investments (Note 3)	3,364,224	3,139,182
Unconditional promises to give - current (Note 5)	2,160,050	1,934,490
Government contracts receivable (Note 2)	783,675	240,070
Prepaid insurance	35,843	40,303
Total Current Assets	7,103,703	5,580,646
Unconditional Promises To Give - Long-Term (Note 5)	1,031,416	1,813,451
Property And Equipment (Notes 6 And 7)	18,571,803	18,455,360
Assets Restricted For Permanent Endowment (Notes 3 And 9)	5,258,150	5,258,150
Total Assets	\$ 31,965,072	\$ 31,107,607

Liabilities And Net Assets

Current Liabilities		
Line of credit (Note 10)	\$ —	\$ 300,000
Accounts payable and accrued expenses (Note 13)	675,134	477,650
Total Current Liabilities	675,134	777,650
Long-Term Debt (Note 7)	2,231,218	1,930,861
Total Liabilities	2,906,352	2,708,511
Net Assets		
Without donor restrictions		
Operating	3,352,954	1,180,407
Invested in property and equipment	16,159,600	16,524,499
Total Net Assets Without Donor Restrictions	19,512,554	17,704,906
With donor restrictions		
Time and/or purpose restrictions (Note 8)	4,288,016	5,436,040
Perpetual in nature (Note 9)	5,258,150	5,258,150
Total Net Assets With Donor Restrictions	9,546,166	10,694,190
Total Net Assets	29,058,720	28,399,096
Total Liabilities And Net Assets	\$ 31,965,072	\$ 31,107,607

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

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions		Total
		Time And/Or Purpose Restrictions	Perpetual In Nature	
Revenues And Support				
Contributions and grants	\$ 4,926,050	\$ 1,914,425	\$ —	\$ 6,840,475
United Way (Note 5)	—	417,754	—	417,754
Membership and program fees	145,761	—	—	145,761
Fundraising event revenue (net of direct costs of benefits to donors of \$215,371)	478,871	—	—	478,871
Paycheck Protection Program loan forgiveness (Note 14)	939,034	—	—	939,034
Miscellaneous income	2,909	—	—	2,909
	6,492,625	2,332,179	—	8,824,804
Net assets released from restrictions (Note 8)	4,080,972	(4,080,972)	—	—
Total Revenues And Support	10,573,597	(1,748,793)	—	8,824,804
Expenses				
Herbert Hoover Club	2,063,375	—	—	2,063,375
Adams Park Club	944,549	—	—	944,549
South East Middle School Club	294,398	—	—	294,398
Hazelwood East High School	138,117	—	—	138,117
Hazelwood Elementary School Club	324,866	—	—	324,866
O'Fallon Park Club	391,875	—	—	391,875
Riverview Gardens Club	274,825	—	—	274,825
Lee Hamilton Elementary School Club	31,430	—	—	31,430
Roosevelt High School	172,386	—	—	172,386
Normandy High School	180,103	—	—	180,103
Mentor St. Louis	175,834	—	—	175,834
Ferguson Teen Center	1,609,631	—	—	1,609,631
St. Louis Internship Program	553,369	—	—	553,369
Total Program Services	7,154,758	—	—	7,154,758
General and administrative	1,049,009	—	—	1,049,009
Development and fundraising	687,331	—	—	687,331
Total Supporting Services	1,736,340	—	—	1,736,340
Total Expenses	8,891,098	—	—	8,891,098
Increase (Decrease) In Net Assets From Operations	1,682,499	(1,748,793)	—	(66,294)
Interest And Dividend Income, Net	46,213	188,745	—	234,958
Net Realized And Unrealized Gains On Investments (Note 3)	78,936	412,024	—	490,960
Increase (Decrease) In Net Assets	1,807,648	(1,148,024)	—	659,624
Net Assets - Beginning Of Year	17,704,906	5,436,040	5,258,150	28,399,096
Net Assets - End Of Year	\$ 19,512,554	\$ 4,288,016	\$ 5,258,150	\$ 29,058,720

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 \$293,789)	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 FUNCTIONAL EXPENSES For The Year Ended December 31, 2020

	Program Services							
	Herbert Hoover Club	Adams Park Club	South East Middle School Club	Hazelwood East High School	Hazelwood Elementary School Club	O'Fallon Park Club	Riverview Gardens Club	Lee Hamilton Elementary School Club
Personnel expenses	\$ 1,074,566	\$ 617,719	\$ 244,718	\$ 116,102	\$ 284,518	\$ 346,710	\$ 238,496	\$ 19,205
Advertising and promotions	2,840	528	155	73	171	237	145	17
Conferences, conventions and meetings	3,040	1,545	389	183	505	789	517	42
Contracted services and program supplies	68,583	30,131	15,323	8,320	17,447	15,550	8,955	53
Depreciation	377,777	159,506	—	—	—	—	—	—
Dues and subscriptions	3,346	1,313	430	218	472	563	404	43
Equipment rental and maintenance	40,187	15,896	3,368	135	3,503	3,879	3,346	3,086
Interest expense	47,925	—	—	—	—	—	—	—
Liability insurance	48,964	29,650	18,577	8,121	7,566	11,612	8,260	8,336
Occupancy	312,310	55,161	447	210	493	595	417	48
Office supplies	13,291	6,834	1,429	1,140	2,632	2,061	1,048	48
Other - bank and merchant fees	3,420	1,559	486	228	536	647	454	52
Postage and shipping	14	25	—	—	83	—	17	—
Fundraising event supplies	—	—	—	—	—	—	—	—
Printing and publishing	292	233	1,324	59	194	73	121	2
Professional fees	23,754	9,077	3,518	2,181	2,778	4,351	8,550	269
Telecommunication and technology	41,063	14,787	3,602	777	3,426	4,587	3,778	111
Travel	2,003	585	632	370	542	221	317	118
	\$ 2,063,375	\$ 944,549	\$ 294,398	\$ 138,117	\$ 324,866	\$ 391,875	\$ 274,825	\$ 31,430

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

STATEMENT OF FUNCTIONAL EXPENSES *(Continued)* For The Year Ended December 31, 2020

	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	\$ 151,591	\$ 162,377	\$ 160,942	\$ 1,018,442	\$ 435,338	\$ 4,870,724	\$ 570,506	\$ 641,118	\$ 1,211,624	\$ 6,082,348
Advertising and promotions	91	95	133	1,393	852	6,730	37,497	1,050	38,547	45,277
Conferences, conventions and meetings	471	700	318	2,506	2,943	13,948	12,125	559	12,684	26,632
Contracted services and program supplies	4,271	925	4,783	43,465	72,655	290,461	34,093	8,274	42,367	332,828
Depreciation	—	1	—	253,014	—	790,298	41,975	—	41,975	832,273
Dues and subscriptions	265	275	270	2,216	1,727	11,542	41,817	252	42,069	53,611
Equipment rental and maintenance	3,213	3,215	171	8,494	540	89,033	8,826	3,094	11,920	100,953
Interest expense	—	—	—	39,938	—	87,863	11,981	—	11,981	99,844
Liability insurance	5,163	5,171	3,171	21,940	1,602	178,133	17,696	—	17,696	195,829
Occupancy	262	273	267	146,734	840	518,057	22,446	—	22,446	540,503
Office supplies	925	680	529	18,729	1,547	50,893	36,652	753	37,405	88,298
Other - bank and merchant fees	285	297	290	2,658	914	11,826	45,327	—	45,327	57,153
Postage and shipping	110	—	—	13	330	592	563	171	734	1,326
Fundraising event supplies	—	—	—	—	—	—	—	7,980	7,980	7,980
Printing and publishing	57	57	53	690	2,301	5,456	3,860	397	4,257	9,713
Professional fees	1,474	1,540	1,504	14,084	27,642	100,722	110,493	7,181	117,674	218,396
Telecommunication and technology	3,870	4,104	1,155	34,492	3,964	119,716	49,522	16,080	65,602	185,318
Travel	338	393	2,248	823	174	8,764	3,630	422	4,052	12,816
	\$ 172,386	\$ 180,103	\$ 175,834	\$ 1,609,631	\$ 553,369	\$ 7,154,758	\$ 1,049,009	\$ 687,331	\$ 1,736,340	\$ 8,891,098

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	Hazelwood 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
Other - bank and merchant fees	—	—	—	—	—	—	—	—	—
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			
	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	Total
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 CASH FLOWS

	For The Years	
	Ended December 31,	
	2020	2019
Cash Flows From Operating Activities		
Increase in net assets	\$ 659,624	\$ 3,317,993
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation	832,273	617,903
Paycheck Protection Program loan forgiveness	(939,034)	—
Realized and unrealized gains on investments	(490,960)	(996,810)
Changes in assets and liabilities:		
Unconditional promises to give	556,475	(92,093)
Government contracts receivable	(543,605)	(72,095)
Prepaid insurance	4,460	8,824
Accounts payable and accrued expenses	16,499	48,842
Net Cash Provided By Operating Activities	95,732	2,832,564
Cash Flows From Investing Activities		
Proceeds from sale of investments	3,663,595	6,437,912
Purchases of investments	(3,397,677)	(3,004,376)
Purchases of property and equipment	(767,731)	(7,259,652)
Net Cash Used In Investing Activities	(501,813)	(3,826,116)
Cash Flows From Financing Activities		
Payments on long-term debt	(295,000)	(1,003,421)
Proceeds from long-term debt	595,357	1,930,861
Proceeds from line of credit	—	450,000
Payments on line of credit	(300,000)	(200,000)
Paycheck Protection Program loan proceeds	939,034	—
Net Cash Provided By Financing Activities	939,391	1,177,440
Net Increase In Cash And Cash Equivalents	533,310	183,888
Cash And Cash Equivalents - Beginning Of Year	226,601	42,713
Cash And Cash Equivalents - End Of Year	\$ 759,911	\$ 226,601
Supplemental Disclosure Of Cash Flow Information		
Interest paid	\$ 99,844	\$ 60,744
Property and equipment purchases included in accounts payable	180,985	—

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 And 2019

1. Operations

Boys and Girls Clubs of Greater St. Louis, Inc. (formerly known as 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, three of which it owns. The Organization also has agreements with various school districts to offer programs. See full list of club locations and programs in Description of Program Services and Supporting Activities section of Note 2.

On December 7, 2020, the Organization entered into a Combination Agreement and Plan of Merger with Matthews Dickey Boys' & Girls' Club and MD Conversion Sub, LLC (Conversion Sub), a Missouri limited liability company and wholly-owned subsidiary of the Organization. The parties desire to convert Matthews Dickey Boys' & Girls' Club into a limited liability company that is wholly-owned and operated by the Organization. In order to accomplish the desired structure, the parties have decided that Matthews Dickey Boys' & Girls' Club will merge with and into the Conversion Sub, with Conversion Sub being the surviving entity. Effective January 1, 2021, Matthews Dickey Boys' & Girls' Club merged with and into Conversion Sub, and the separate corporate existence of Matthews Dickey Boys' & Girls' Club has ceased; and Conversion Sub is the surviving entity and shall continue its corporate existence as a Missouri limited liability company with the Organization as its sole Member.

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.

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 are 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.

Government Contracts Receivable

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 government contracts receivable as of December 31, 2020 or 2019.

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.

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

Notes To Financial Statements (*Continued*)

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, 2020 and 2019, 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.

Paycheck Protection Program Loan

The Organization received a loan that was part of the Paycheck Protection Program (PPP) established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and administered by the U.S. Small Business Administration (SBA). In accordance with the requirements of the CARES Act, the Organization used the proceeds from the loan exclusively for qualified expenses under the PPP, mainly payroll costs, as further detailed in the CARES Act and applicable guidance issued by the SBA. The Organization considers the PPP loan to be debt, subject to the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 470, *Debt*.

Revenue And Revenue Recognition

Disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue streams that fall under *Revenue from Contracts with Customers (Topic 606)* 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.

The Organization has additional revenue streams that are not within the scope of *Revenue from Contracts with Customers (Topic 606)*:

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.

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

Notes To Financial Statements *(Continued)*

The Organization reports gifts of land and equipment as support without donor restrictions 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.

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 \$914,121 and \$819,542 that have not been recognized at December 31, 2020 and 2019, respectively, because qualifying expenditures have not yet been incurred. At December 31, 2020 and 2019, government contracts receivable in the statement of financial position include \$783,675 and \$240,070, respectively, of qualifying expenditures that have been incurred, but not yet reimbursed to the Organization.

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, materials, or equipment were received in 2020 or 2019.

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.

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

Notes To Financial Statements (*Continued*)

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.

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.

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

Notes To Financial Statements (*Continued*)

Hazelwood Elementary School Club

Hazelwood Elementary School Club, formerly Grannemann 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. Hazelwood Elementary School Club operates five days a week, sharing a library, cafeteria, computer lab and gymnasium with Grannemann Elementary School. Hazelwood Elementary School Club 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 offers a select number of programs and operates 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.

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, LHESC provides educational, recreational, and social activities. During 2020, LHESC was closed.

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

Notes To Financial Statements (*Continued*)

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.

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.

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

Notes To Financial Statements *(Continued)*

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.

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

<u>Natural Category</u>	<u>Method</u>
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, 2020.

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.

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

Notes To Financial Statements (Continued)

3. Investments

Investments consist of:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 118,774	\$ 118,774	\$ 137,917	\$ 137,917
Mutual funds	3,167,300	3,490,054	3,084,163	3,241,438
Government obligations	427,381	445,335	573,950	595,231
Corporate bonds	241,855	263,283	168,093	182,599
Corporate stocks	2,921,245	4,304,928	3,264,774	4,240,147
	<u>\$ 6,876,555</u>	<u>\$ 8,622,374</u>	<u>\$ 7,228,897</u>	<u>\$ 8,397,332</u>

For the years ended December 31, 2020 and 2019, unrealized gains of \$462,288 and \$1,018,274, respectively, were recorded to adjust investments to fair value. For the years ended December 31, 2020 and 2019, realized gains of \$28,672 and realized losses of \$21,464, respectively, were recorded from the sale of investments.

Investments are classified in several funds as follows:

	2020	2019
Amberg Fund	\$ 1,228,451	\$ 1,154,662
Endowment		
Perpetual in nature	5,258,150	5,258,150
Unappropriated earnings	1,287,686	891,890
Other funds and general investments	848,087	1,092,630
	<u>\$ 8,622,374</u>	<u>\$ 8,397,332</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.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.Notes To Financial Statements *(Continued)*

The following are the major categories of assets measured at fair value on a recurring basis at December 31, 2020 and 2019:

Description	December 31, 2020			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 118,774	\$ —	\$ —	\$ 118,774
Common stocks				
Financial services	698,734	—	—	698,734
Materials/consumer goods	843,063	—	—	843,063
Technology	1,065,425	—	—	1,065,425
Industrial	397,766	—	—	397,766
Healthcare	635,020	—	—	635,020
Communication	477,871	—	—	477,871
Energy	152,607	—	—	152,607
Real estate	34,442	—	—	34,442
Mutual funds				
Small-cap blend	183,028	—	—	183,028
Small-cap growth	167,318	—	—	167,318
Mid-cap growth	228,885	—	—	228,885
Mid-cap blend	251,411	—	—	251,411
Intermediate - core plus	509,479	—	—	509,479
Short term bond	393,694	—	—	393,694
Diversified emerging markets	1,756,239	—	—	1,756,239
Government obligations	—	445,335	—	445,335
Corporate bonds	—	263,283	—	263,283
Total Investments	\$ 7,913,756	\$ 708,618	\$ —	\$ 8,622,374

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.Notes To Financial Statements (*Continued*)

Description	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 137,917	\$ —	\$ —	\$ 137,917
Common stocks				
Financial services	838,813	—	—	838,813
Materials/consumer goods	874,671	—	—	874,671
Technology	819,820	—	—	819,820
Industrial	425,898	—	—	425,898
Healthcare	460,608	—	—	460,608
Communication	464,214	—	—	464,214
Energy	314,207	—	—	314,207
Real estate	41,916	—	—	41,916
Mutual funds				
Small-cap blend	146,066	—	—	146,066
Small-cap growth	148,204	—	—	148,204
Mid-cap growth	224,543	—	—	224,543
Mid-cap blend	220,521	—	—	220,521
Intermediate - core plus	403,702	—	—	403,702
Short term bond	311,126	—	—	311,126
Diversified emerging markets	1,787,276	—	—	1,787,276
Government obligations	—	595,231	—	595,231
Corporate bonds	—	182,599	—	182,599
Total Investments	\$ 7,619,502	\$ 777,830	\$ —	\$ 8,397,332

At December 31, 2020 and 2019, 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 2020 and 2019, there were no changes in the methods or assumptions utilized to derive the fair value of the Organization's assets.

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

Notes To Financial Statements (Continued)

5. Promises To Give

Short-term promises to give 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, 2020 and 2019, unconditional promises to give are expected to be collected as follows:

	<u>2020</u>	<u>2019</u>
Pledges due in less than one year	\$ 2,160,050	\$ 1,934,490
Pledges due in 1 - 5 years	1,088,786	1,918,305
	<u>3,248,836</u>	<u>3,852,795</u>
Less: Present value discount	<u>(57,370)</u>	<u>(104,854)</u>
	<u>\$ 3,191,466</u>	<u>\$ 3,747,941</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 2020 and 2019 of \$417,754 and \$522,192, respectively, were recorded as net assets with donor restrictions and related promises to give at December 31, 2020 and 2019, respectively (Note 8).

6. Property And Equipment

Property and equipment consist of:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,410,866	\$ 1,410,866
Land improvements	242,030	242,030
Buildings and improvements	25,283,041	24,657,603
Furniture and equipment	2,144,594	1,821,316
	<u>29,080,531</u>	<u>28,131,815</u>
Less: Accumulated depreciation	<u>10,508,728</u>	<u>9,676,455</u>
	<u>\$ 18,571,803</u>	<u>\$ 18,455,360</u>

On April 6, 2021, the Organization entered into an agreement with the Land Reutilization Authority of the City of St. Louis Missouri to purchase approximately six acres of land in consideration of the sum of ten dollars.

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

Notes To Financial Statements (Continued)

7. Long-Term Debt

Long-term debt consists of:

	<u>2020</u>	<u>2019</u>
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.	\$ 2,231,218	\$ 1,930,861

The Construction Loan contains restrictive covenants. At December 31, 2020 and 2019, the Organization is in compliance with all loan covenants.

The scheduled maturities of the long-term debt at December 31, 2020 are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ —
2022	160,281
2023	222,283
2024	232,494
2025	243,175
Thereafter	1,372,985
	<u>\$ 2,231,218</u>

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

Notes To Financial Statements (Continued)

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>2020</u>	<u>2019</u>
United Way - time restricted (Note 5)	\$ 417,754	\$ 522,192
Unappropriated endowment earnings	1,287,686	891,890
Adams Park programs	578,300	757,120
BE GREAT: Graduate programs	—	174,490
Education		
North County programs	200,000	530,000
Salaries	400,000	600,000
Teen center	1,404,276	1,860,348
Workforce Development program	—	100,000
	<u>\$ 4,288,016</u>	<u>\$ 5,436,040</u>

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

	<u>2020</u>	<u>2019</u>
Expiration of time restrictions - United Way	\$ 522,212	\$ 538,514
Appropriated endowment earnings	204,973	174,376
Adams Park programs	178,820	172,280
BE GREAT: Graduate programs	179,490	266,553
Capital improvements	244,961	93,667
Education programs	778,871	1,228,207
North County programs	330,000	743,965
Salaries	200,000	200,000
O'Fallon Park Club	100,000	100,000
Summer program	4,500	14,500
Teen center	1,034,607	6,271,547
Teen programs	97,562	50,000
Workforce Development program	200,000	—
Various programs	4,976	190,938
	<u>\$ 4,080,972</u>	<u>\$ 10,044,547</u>

9. Endowment Funds

The Organization's endowments consist of the following funds:

Endowment Fund	Purpose Restriction	Year Established
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.

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

Notes To Financial Statements (Continued)

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.

As of December 31, 2020 and 2019, the asset composition of the endowments is as follows:

	2020			
	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Taylor Fund	\$ —	\$ 362,868	\$ 1,000,000	\$ 1,362,868
Mentor St. Louis Fund	—	200,089	677,900	877,989
Emerson Fund	—	122,802	500,000	622,802
Mary Ann Lee Fund	—	254,522	1,000,000	1,254,522
Joan Silber Fund	—	11,601	30,250	41,851
Crawford Taylor Fund	—	320,642	2,000,000	2,320,642
DeHaven Fund	—	15,162	50,000	65,162
	\$ —	\$ 1,287,686	\$ 5,258,150	\$ 6,545,836

	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

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, 2020 and 2019 are as follows:

	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Balance - January 1, 2019	\$ —	\$ 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
Interest and dividends, net	—	188,745	—	188,745
Realized gains	—	27,760	—	27,760
Unrealized gains	—	384,264	—	384,264
Total investment return	—	600,769	—	600,769
Amounts appropriated for spending	—	(204,973)	—	(204,973)
Balance - December 31, 2020	\$ —	\$ 1,287,686	\$ 5,258,150	\$ 6,545,836

No endowment funds were underwater as of December 31, 2020 or 2019.

10. Line Of Credit

During January 2019, the Organization entered into a revolving line of credit agreement for up to \$300,000. This line of credit will be used to provide funding for general working capital needs of the Organization and is secured by a first deed of trust on the West Florissant Avenue property. The agreement, which renews annually in February unless terminated by either party, bears interest at the Prime rate less 1.0%, which was 2.25% and 3.75% at December 31, 2020 and 2019, respectively.

At December 31, 2020, the Organization had no amount outstanding on the line of credit. At December 31, 2019, the Organization had an outstanding line of credit balance of \$300,000.

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:

	2020	2019
Cash and cash equivalents	\$ 759,911	\$ 226,601
Investments	3,364,224	3,139,182
Unconditional promises to give - current	2,160,050	1,934,490
Government contracts receivable	783,675	240,070
Total financial assets	7,067,860	5,540,343
Less amounts not available to be used within one year:		
Donor purpose restrictions	840,280	2,609,660
Unappropriated earnings with purpose restrictions	1,287,686	891,890
Total financial assets not available to be used within one year	2,127,966	3,501,550
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,939,894	\$ 2,038,793

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 \$64,739 and \$73,813 for the years ended December 31, 2020 and 2019, respectively. In 2020 and 2019, the Organization offered a match equal to 2.5% of employee contributions. As of December 31, 2020 and 2019, the Organization had accrued contributions outstanding of \$52,796 and \$57,580, respectively, which are included in accounts payable and accrued expenses in the statement of financial position.

14. Paycheck Protection Program Loan

In April 2020, the Organization received \$939,034 as a PPP loan, which was unsecured and incurred interest at a rate of 1%, with principal and interest payments deferred for the first ten months after the date of the disbursement of the funds. The loan would mature in April 2022, if it was not forgiven under the terms of the PPP.

During 2020, the Organization applied for PPP Loan forgiveness. On November 6, 2020, the Organization received full approval of this application from the Small Business Administration. As the Organization received full legal release from the debt as of December 31, 2020, it has been recognized as debt forgiveness in the statement of activities.

In March 2021, the Organization received a second-round PPP loan in the amount of \$1,200,000. The second-round PPP loan is unsecured, matures in February 2026, 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.

15. Risks And Uncertainties

In March 2020, COVID-19 emerged and spread worldwide. The World Health Organization declared COVID-19 a pandemic resulting in federal, state and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay-at-home orders and advisories and quarantining of people who may have been exposed to the virus. Beginning in mid-March, in an effort to mitigate the spread of COVID-19, the Organization directed its employees to work remotely where possible and continued programming in a virtual environment. During 2020, the Organization brought back employees and members, as permitted, following all local and state guidelines. The Organization utilized the PPP loan proceeds to supplement the reduction in revenue for the shut down and reduced capacity for periods of time. As of December 31, 2020, the Organization is back to full operations and plans to operate at full capacity for 2021.

The Organization continues to monitor developments, including government requirements and recommendations at the national, state and local level to evaluate possible extensions to all or part of such restrictions. As the COVID-19 pandemic is complex and rapidly evolving, the Organization's plans described above may change. At this point, management cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on the Organization and its results of operations, financial position and cash flows.