

BOYS AND GIRLS CLUB OF IMPERIAL VALLEY
BRAWLEY, CALIFORNIA
(A NOT FOR PROFIT ORGANIZATION)

Financial Statements
with
Independent Auditor's Report

As of and for the Fiscal Year Ended
June 30, 2020

BOYS AND GIRLS CLUB OF IMPERIAL VALLEY
(A Not-for-Profit Organization)
For the Year Ended June 30, 2020

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Karina B. Alvarez, CPA

It's what you keep that matters

Se Habla Español

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boys and Girls Clubs of Imperial Valley

I have audited the accompanying financial statements of Boys and Girls Clubs of Imperial Valley (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys and Girls Clubs of Imperial Valley as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

El Centro, CA
May 3, 2021

BOYS & GIRLS CLUBS OF IMPERIAL VALLEY
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2020

ASSETS

Cash in Bank	\$ 129,484
Total Current Assets	129,484
Equipment, Net of Accumulated Depreciation	<u>68,874</u>
Total Assets	<u>\$ 198,358</u>

LIABILITIES

Accounts Payable	\$ 10,392
Payroll Taxes Payable	6,025
Other Current Liabilities	1,247
Long Term Liabilities	<u>26,500</u>
Total Liabilities	<u>44,164</u>

NET ASSETS

Net Assets With Donor Restrictions	-
Net Assets Without Donor Restrictions	<u>154,194</u>
Total Net Assets	<u>154,194</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>198,358</u></u>
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The accompanying notes to the financial statements
are an integral part of these statements.

BOYS & GIRLS CLUBS OF IMPERIAL VALLEY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

UNRESTRICTED NET ASSETS

SUPPORT

Contributions	\$ 24,987
Fundraising	141,446
Grants	178,012
Memberships	2,926
Program Income	39,604
Transportation Income	3,471
Interest Income	85
Other Income	<u>3,568</u>

Total Unrestricted Support	<u>394,099</u>
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FUNCTIONAL EXPENSES

Program Services	287,288
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Support Services:

Management and General	35,315
Fundraising	<u>56,333</u>

Total Functional Expenses	<u>378,936</u>
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INCREASE IN UNRESTRICTED NET ASSETS	15,163
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NET ASSETS, BEGINNING OF THE YEAR	<u>139,031</u>
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NET ASSETS, END OF THE YEAR	<u><u>\$ 154,194</u></u>
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The accompanying notes to the financial statements
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BOYS & GIRLS CLUBS OF IMPERIAL VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Management & General	Fund- Raising	Total Expenses
OPERATING EXPENSES:				
Salaries and Wages	\$ 177,518	\$ 19,724	\$ -0-	197,242
Payroll Taxes	19,499	2,167	-0-	21,666
Workers Compensation	9,164	1,018	-0-	10,182
Health Insurance	7,685	854	-0-	8,539
Disability and Dental Insurance	1,225	136	-0-	1,361
Insurance	17,223	1,914	-0-	19,137
Retirement Match	3,913	435	-0-	4,348
Miscellaneous Expense	26	3	-0-	29
Office Supplies	1,848	205	-0-	2,053
Rent	5,310	590	-0-	5,900
Telephone	2,635	293	-0-	2,928
Professional Fees	640	160	-0-	800
Building Maintenance	5,156	573	-0-	5,729
Travel	119	13	-0-	132
Electricity	4,674	519	-0-	5,193
Advertising	292	-0-	-0-	292
Marketing	870	153	-0-	1,023
Bank Charges	-0-	471	-0-	471
Dues and Subscriptions	3,248	573	-0-	3,821
Interest Expense	-0-	-0-	-0-	-0-
Legal and Accounting Expense	8,078	897	-0-	8,975
Board of Directors Expense	2,700	477	-0-	3,177
Office Expense	3,456	610	-0-	4,066
Postage	769	136	-0-	905
Property Tax	4	1	-0-	5
Taxes and Licenses	-0-	85	-0-	85
Water/Sewer/Trash	2,362	262	-0-	2,624
Memberships Expenses	23	2	-0-	25
Program Costs	-0-	-0-	-0-	-0-
Staff Development	704	78	-0-	782
Depreciation Expense	5,050	-0-	-0-	5,050
Combo Auction Expenses	-0-	655	12,436	13,091
Cultivation/Stewardship	-0-	21	393	414
Program Costs/Supplies	3,097	669	12,716	16,482
Derby Days	-0-	9	171	180
Youth Stipend	-0-	65	1,235	1,300
Clubs Fundraising	-0-	638	12,116	12,754
Mileage Reimbursement	-0-	146	2,764	2,910
Field Trip	-0-	51	969	1,020
Transportation	-0-	490	9,301	9,791
Other Fundraising Expense	-0-	-0-	-0-	-0-
T-ball program	-0-	182	3,459	3,641
Special Events	-0-	27	518	545
Concessions Expenses	-0-	13	255	268
TOTAL OPERATING EXPENSES	<u>287,288</u>	<u>35,315</u>	<u>56,333</u>	<u>378,936</u>

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

BOYS & GIRLS CLUBS OF IMPERIAL VALLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$	15,163
Cash Flows from Operating Activities		
to Net Cash Provided by Operating Activities:		
Depreciation and Amortization		5,050
Increase in Accounts Payable		6,037
Increase in Accrued Payroll - Direct Deposit		458
Decrease in Payroll Taxes Payable		(11)
Increase in 401 K Plan Payable		273
		11,807
Total Adjustments		11,807
Net Cash Provided (Used) by Operating Activities		26,970
Cash Flow from Financing Activities (PPP Loan)		26,500
Cash and Equivalents, Beginning of Year		76,014
Cash and Equivalents, End of Year	\$	129,484
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest Expense		-0-

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

BOYS AND GIRLS CLUB OF IMPERIAL VALLEY
(A Not-for-Profit Organization)
Notes to Financial Statements

For the Year Ended June 30, 2020

NOTE 1: ORGANIZATION

Background

The Boys and Girls Club of Imperial Valley, California is a local chapter of a national organization operating throughout the United States. It was incorporated on June 10, 1997 under the non-profit laws of the State of California.

The Boys and Girls Club of Imperial Valley's objective is to provide guidance to youths through various programs and activities. These activities include computer training, sports, recreation and fundraising. The organization has clubs in Brawley and Holtville.

Grants, contributions, fundraising efforts, and membership dues provide funding for such activities and programs.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables, and other liabilities. The revenues are recognized when they are earned, and the expenses are recognized when they are incurred.

The financial statements present information regarding the financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the board of directors (the board) are reported as net assets without donor restrictions, board designated.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that are more restrictive than the Club's mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other Donor-imposed restrictions are perpetual in nature, where donor stipulates that resources be maintained in perpetuity.

BOYS AND GIRLS CLUB OF IMPERIAL VALLEY
(A Not-for-Profit Organization)
Notes to Financial Statements

For the Year Ended June 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Cash

The Organization maintains some of its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

For purposes of the statement of cash flows, Boys and Girls Clubs of Imperial Valley considers all cash and cash investments with maturity of 90 days or less to be cash equivalents.

C. Fixed Assets

Property acquired is recorded at cost, at the date of acquisition, or fair value, at the date of donation, in the case of a gift. Provisions for depreciation are computed on a straight-line basis over the estimated useful lives of the respective assets. The following are the estimated useful lives:

Buildings and improvements	7-20 years
Equipment, furniture and fixtures	5-10 years

Costs incurred in connection with construction projects are accumulated until complete and put into service, at which time they are transferred in to the related property and equipment account and depreciated over the estimated useful life of the asset.

Expenditures for maintenance and repairs are charged to expense as incurred; betterments are capitalized. When assets are sold or retired, the related cost and accumulated depreciation are removed from the respective accounts.

Property and equipment acquired using a non-restricted fund is considered to be owned by Boys and Girls Club of Imperial Valley.

D. Public Support and Revenue

All public support and revenue are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. At its discretion, the Board of Directors may designate funds for specific purposes. If they were to designate such funds, they would be segregated in the current "Restricted Fund Balance". No such designated items are included in this year's financial statements.

BOYS AND GIRLS CLUB OF IMPERIAL VALLEY
(A Not-for-Profit Organization)
Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

D. Public Support and Revenue (Continued)

Restricted funds represent resources currently available for use, but expendable only for those operating purposes specified by the donor. No such restrictions are included in this year's financial statements.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

E. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting service classifications based on estimates made by management.

F. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: PROPERTY AND EQUIPMENT

Property acquired with federal grant supported funds is recorded at cost and is considered to be owned by the Boys and Girls Club of Imperial Valley while used in the program for which it was purchased or in other authorized programs. However, the granting agency has a reversionary interest in the property.

BOYS AND GIRLS CLUB OF IMPERIAL VALLEY
(A Not-for-Profit Organization)
Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

NOTE 3: PROPERTY AND EQUIPMENT (Continued)

Purchased property and equipment is capitalized at cost. Depreciation is charged to operations over the fixed asset's estimated useful lives generally as follows:

Building and improvements	20 to 40 years
Furniture and equipment	5 to 10 years
Vehicles	5 years

Property, plant and equipment are summarized by major classifications as follows:

Land	\$	20,000
Buildings		88,770
Furniture & Equipment		35,041
Leasehold Improvements		<u>154,313</u>
 Total Property, Plant and Equipment		 298,124
 Less Accumulated Depreciation		 <u>(229,250)</u>
 Net Property, Plant and Equipment	 \$	 <u><u>68,874</u></u>

NOTE 4: INCOME TAX STATUS

The Boys and Girls Club of Imperial Valley qualifies as a tax exempt organization under section 501(c) (3) of the internal revenue code and therefore, has no provision for federal income taxes.

The organization's tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years for California taxing authorities.

BOYS AND GIRLS CLUB OF IMPERIAL VALLEY
(A Not-for-Profit Organization)
Notes to Financial Statements (Continued)

For the Year Ended June 30, 2020

NOTE 5: PROGRAM FUNDING

Continuing program funding is contingent upon availability of funds from federal, state and county sources and project performance. The funds are awarded on a yearly basis upon receipt and approval of program applications. In addition, expenses submitted for reimbursement are subject to review and audit by the granting agency. Disallowed costs are required to be paid back as a result of government agency audits. The Boys and Girls Clubs of Brawley believe disallowed costs, if any, would be immaterial.

NOTE 6: EMPLOYEE BENEFIT PLAN

Simple-IRA Retirement Plan

The BOYS AND GIRLS CLUB OF IMPERIAL VALLEY has a Simple-IRA retirement plan available to its employees. Under the plan employees who chose to participate, make a salary reduction contribution and the Boys and Girls Clubs make a matching contribution equal to the employee's salary reductions contributions up to a limit of 3% of the employee's compensation for the year. Plan expenses incurred in fiscal year ending June 30, 2020 were \$ 4,348.

NOTE 7: SUBSEQUENT EVENTS

The management of the Club have reviewed the results of operations for the period of time from its year end June 30, 2020 through May 3, 2021, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.