

BOYS & GIRLS CLUBS OF GREATER SALT LAKE

**Financial Statements with
Federal Grant Awards (Uniform Guidance)
and
Independent Auditor's Report**

**For the Year Ended June 30, 2021
With Summarized Comparative Information for the
Year Ended June 30, 2020**

HBME

CERTIFIED PUBLIC ACCOUNTANTS

BOYS & GIRLS CLUBS OF GREATER SALT LAKE

Table of Contents

	Page
Independent Auditor's Report.....	1-2
Financial Statements:	
Statements of Financial Position.....	3
Statement of Activities and Changes in Net Assets.....	4
Statement of Functional Expenses.....	5
Statements of Cash Flows.....	6
Notes to the Financial Statements.....	7-19
Supplemental Information:	
Federal Single Audit:	
Report on Internal Control over Financial Reporting and on Compliance And Others Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	21-22
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with <i>the Uniform Guidance</i>	23-24
Schedule of Expenditures of Federal Awards.....	25
Notes to the Schedule of Expenditures of Federal Awards.....	26-27
Schedule of Findings, Questioned Costs, and Recommendations	28



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
ACCOUNTANTS**

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Boys & Girls Clubs of Greater Salt Lake
Murray, Utah

Report on the Financial Statements

We have audited the accompanying statements of financial position of Boys & Girls Clubs of Greater Salt Lake (the Club) (a nonprofit organization) as of June 30, 2021 and 2020 and the related statements of activities and functional expenses for the year ended June 30, 2021, and the statements of cash flows for the years ended June 30, 2021 and 2020 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

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 audits 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 auditors consider internal control relevant to the Club'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 Club'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 the Boys & Girls Clubs of Greater Salt Lake as of June 30, 2021 and 2020 and the related statements of activities and functional expenses for the year ended June 30, 2021, and the statements of cash flows for the years ended June 30, 2021 and 2020, 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 December 14, 2021 on our consideration of the Club'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 the 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 Club's internal control over financial reporting and compliance.

Other Matters

Other Information

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

The prior year summarized comparative information has been derived from the Boys & Girls Clubs of Greater Salt Lake's June 30, 2020 financial statements and, in our report dated November 21, 2019, we expressed an unmodified opinion on those financial statements.

HBMC, LLC

December 14, 2021

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 986,495	\$ 1,609,127
Cash and cash equivalents, restricted	520,977	1,313,333
Investments	13,569	502
Pledge receivable (no allowance necessary)	271,647	672,434
Accounts and grants receivable (no allowance necessary)	184,957	265,175
Contract assets	13,828	20,556
Assets held in endowment	269,472	93,780
Deposits	3,337	11,755
Total current assets	2,264,282	3,986,662
Noncurrent assets:		
Long term pledge receivable (no allowance necessary)	466,019	388,350
Property and equipment, net	11,834,790	12,232,180
Total noncurrent assets	12,300,809	12,620,530
Total assets	\$ 14,565,091	\$ 16,607,192
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 151,740	\$ 138,892
Accrued liabilities	229,472	219,655
Scholarships payable	146,758	134,265
Contract liabilities	41,016	20,087
Line of credit	187,332	241,069
Notes payable, current portion	53,898	766,063
Deferred gain on sale-leaseback transactions	11,441	11,441
Total current liabilities	821,657	1,531,472
Noncurrent liabilities:		
Construction notes payable	-	3,229,121
Notes payable	1,093,267	7,536
Deferred gain on sale-leaseback transactions	154,450	165,890
Total noncurrent liabilities	1,247,717	3,402,547
Total liabilities	2,069,374	4,934,019
Net assets:		
Without donor restrictions:		
Undesignated	10,380,905	9,496,322
With donor restrictions:		
Purpose restrictions	1,343,994	1,625,173
Perpetual in nature	562,578	498,777
Time-restricted for future periods	208,240	52,901
Total net assets	12,495,717	11,673,173
Total liabilities and net assets	\$ 14,565,091	\$ 16,607,192

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

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Statement of Activities
For the Year Ended June 30, 2021

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	(summarized info)
<u>REVENUES</u>				
Public support:				
Government support	\$ 1,580,338	\$ 1,000	\$ 1,581,338	\$ 1,219,060
Individual and corporate contributions	2,113,804	1,211,144	3,324,948	3,798,202
Total public support	3,694,142	1,212,144	4,906,286	5,017,262
Other revenue:				
Program fees and membership dues	701,419	-	701,419	1,079,264
Debt forgiveness income - PPP loan	643,800	-	643,800	-
Miscellaneous and in-kind revenue	5,568	-	5,568	6,249
Net investment return	22,124	45,664	67,788	49,519
Recognized gain on sale-leaseback transaction	2,244	-	2,244	661,275
Net assets released from restrictions	1,319,847	(1,319,847)	-	-
Total other revenue	2,695,002	(1,274,183)	1,420,819	1,796,307
Total public support and other revenues	6,389,144	(62,039)	6,327,105	6,813,569
<u>EXPENSES</u>				
Program services:				
Youth programs	4,556,586	-	4,556,586	4,177,623
Capital campaign	36,802	-	36,802	80,409
Total program services	4,593,388	-	4,593,388	4,258,032
Supporting services:				
Administration	587,423	-	587,423	718,170
Marketing and fund-raising	323,750	-	323,750	272,461
Total supporting services	911,173	-	911,173	990,631
Total expenses	5,504,561	-	5,504,561	5,248,663
Changes in net assets	884,583	(62,039)	822,544	1,564,906
Net assets at beginning of year, as restated	9,496,322	2,176,851	11,673,173	10,108,267
Net assets at end of year	<u>\$ 10,380,905</u>	<u>\$ 2,114,812</u>	<u>\$ 12,495,717</u>	<u>\$ 11,673,173</u>

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

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services			Supporting Services			2020	
	Youth Programs	Capital Campaign	Total	Administration	Marketing and Fundraising	Total		Total Expenses
Salaries and wages	\$ 2,424,016	\$ -	\$ 2,424,016	\$ 280,804	\$ 197,975	\$ 478,779	\$ 2,902,795	\$ 2,745,616
Payroll taxes and employee benefits	389,074	-	389,074	67,828	44,728	112,556	501,630	498,491
Building maintenance and expense	514,917	1,374	516,291	49,895	-	49,895	566,186	504,201
Meals and snacks	69,113	-	69,113	-	-	-	69,113	105,256
Other program supplies	134,037	-	134,037	-	1,383	1,383	135,420	91,637
Equipment rental and expense	83,127	7,294	90,421	7,304	8,318	15,622	106,043	127,586
Travel and training	16,895	-	16,895	8,957	1,455	10,412	27,307	49,751
Office supplies and expense	38,723	341	39,064	16,634	4,159	20,793	59,857	76,571
Insurance expense	105,835	-	105,835	-	-	-	105,835	104,500
Professional fees	151,903	-	151,903	52,504	1,472	53,976	205,879	194,382
Interest and other financial	95,479	27,603	123,082	19,642	6,002	25,644	148,726	82,980
Scholarships	6,674	-	6,674	-	-	-	6,674	3,755
Events	-	190	190	-	58,258	58,258	58,448	31,128
Bad debt recoveries	(2,366)	-	(2,366)	-	-	-	(2,366)	(174)
Other expenses	-	-	-	8,886	-	8,886	8,886	13,972
Total expenses	4,027,427	36,802	4,064,229	512,454	323,750	836,204	4,900,433	4,629,652
before non-cash expenses								
Non-cash expenses:								
Depreciation and amortization	529,159	-	529,159	25,969	-	25,969	555,128	570,011
In-kind expenses	-	-	-	49,000	-	49,000	49,000	49,000
	529,159	-	529,159	74,969	-	74,969	604,128	619,011
Total expenses	\$ 4,556,586	\$ 36,802	\$ 4,593,388	\$ 587,423	\$ 323,750	\$ 911,173	\$ 5,504,561	\$ 5,248,663

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

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements
June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 822,544	\$ 1,564,906
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	555,128	570,011
Recognized gain on sale leaseback	(11,440)	(661,275)
Unrealized (gain) loss on investments	(2,604)	(42,425)
Unrealized (gain) loss on endowment	(34,519)	6,324
Gain on sale of fixed assets	9,198	-
Debt forgiveness income - PPP loan	(643,800)	-
Changes in assets and liabilities:		
Pledge receivable	323,118	672,310
Accounts and grants receivable	80,218	(142,393)
Contract assets	6,728	(303)
Prepaid expenses and deposits	8,418	(9,345)
Accounts payable	12,848	(346,924)
Accrued liabilities	9,817	(49,056)
Scholarships payable	12,493	5,346
Contract liabilities	20,929	(72,173)
Net cash provided by operating activities	1,169,076	1,495,003
Cash flows from financing activities:		
Proceeds from construction note payable	-	2,635,000
Principal payments on construction notes payable	(3,345,356)	(47,955)
Proceeds from notes payable	1,139,629	643,800
Principal payments on notes payable	(6,028)	(6,028)
Increase (decrease) in line of credit	(53,737)	241,069
Net cash provided (used) by financing activities	(2,265,492)	3,465,886
Cash flows from investing activities:		
Increase in assets held in endowment	(149,792)	(100,000)
Purchase of investments	(9,310)	(699,458)
Net realized (gain) loss on investment	(1,153)	(12,464)
Net realized gain on endowment	(5,560)	(853)
Proceeds from sale of building	-	756,392
Proceeds from sale of assets held in endowment	14,179	8,290
Purchase of property	(166,936)	(3,952,145)
Net cash used by investing activities	(318,572)	(4,000,238)
Net increase (decrease) in cash and cash equivalents	(1,414,988)	960,651
Cash and cash equivalents at beginning of year	2,922,460	1,961,809
Cash and cash equivalents at end of year	\$ 1,507,472	\$ 2,922,460
Cash and cash equivalents, as reported:		
Cash and cash equivalents	\$ 986,495	\$ 1,609,127
Cash and cash equivalents, restricted	520,977	1,313,333
	\$ 1,507,472	\$ 2,922,460
Non-cash supplemental disclosures:		
Cash paid for interest	\$ 148,726	\$ 82,980

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements
June 30, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Boys & Girls Clubs of Greater Salt Lake (the Club) was organized by various cities and civic clubs in the Salt Lake Valley to provide recreation, learning activities, and behavior guidance to promote the health, social, educational, vocational and character development of young boys and girls. The Club relies primarily upon public support, membership dues and revenues from the Club's child care program for its continued existence, serving over 7,000 youth throughout the Greater Salt Lake area.

Basis of presentation and net assets

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. From time-to-time, the governing board may designate, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor- or certain grantor-imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. When applicable, gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

The Club reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Functional allocation of expenses

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. All direct costs are charged to the functional area to which they pertain. Indirect costs are charged to programs and supporting services based on estimates made by management considering the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Club.

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

In preparing financial statements in conformity with accounting standards generally accepted in the United States of America (U.S. GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates, and those differences could be material.

Cash and cash equivalents

The Club considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition, when applicable. As of June 30, 2021, cash and cash equivalents consist of the following:

Cash	\$ 866,569
Money market funds	640,304
Bond sweep account	<u>599</u>
	<u><u>\$ 1,507,472</u></u>

Investments

Investments in marketable debt and equity securities are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Grants and accounts receivable

Grants and accounts receivable are recorded at the invoiced amount and do not bear interest. An allowance for doubtful accounts is recorded when the Club determines, based on historical experience and collection efforts, that an account is uncollectible. The Club reviews its allowance for doubtful accounts periodically. Account balances are charged off after all means of collection have been exhausted and the potential for recovery is considered remote.

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and pledges receivable

Contributions and pledges receivable that are to be collected within one year are recorded at net realizable value. When applicable, significant contributions or pledges receivable that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give using a present value discount technique. In periods after initial recognition, contributions receivable is reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition.

The discount rate determined at the initial recognition of the contribution receivable is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Club's past collection experience and its policies concerning the enforcement of contributions receivable, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectability. The Club uses the allowance method to determine uncollectible contributions. The allowance is based on historical experience and management's analysis of specific balances.

Assets held in endowment

Amounts reported as assets held in endowment are managed by Elevated Private Wealth Advisors (PWA) and represent the net cumulative contributions made to PWA for investment, as well as earnings thereon. PWA invests the funds on behalf of the Club and has variance power to modify any restriction or condition on the distribution of funds if, at the sole discretion of PWA, the specified charitable purpose becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the Club.

Revenue and revenue recognition

Revenue is recognized when earned. childcare fees, program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in accounting principle

In May 2014, FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. Subsequently, FASB created Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, and Subtopic 340-40, *Other Assets and Deferred Costs— Contracts with Customers*. In 2019, the Club adopted this Standard, which requires a principle-based approach for determining revenue recognition. An entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, in accordance with the core principle by applying the following steps: 1) Identify the contract(s) with a customer; 2) Identify the performance obligations in the contract; 3) Determine the transaction price; 4) Allocate the transaction price to the performance obligations in the contract; and 5) Recognize revenue when (or as) the entity satisfies a performance obligation.

Management has determined that its current revenue recognition methodology is in line with the discussed above, and therefore, has not amended these financial statements for the year ended June 30, 2020.

Public support and revenues

The Club derives its revenues from program fees, government contracts and grants, contributions and grants, and miscellaneous sources. Childcare and program revenue is recognized in the period to which the service or activity relates.

The Club conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable objective means exists to demonstrate otherwise, the fair market value of meals and entertainment provided at special events is measured at actual cost to the Club. The direct costs of the special events, which ultimately benefit the donor rather than the Club, are recorded as costs of direct donor benefits.

Grants and other contributions of cash and other assets are reported at fair value at the date the written promise to give is received. Conditional promises to give or indications of intentions to give are not reported until the condition(s) are met. Restricted gifts are recorded as revenue when cash is received, or a written promise is given by a donor.

Contributions of donated non-cash assets are recorded at their fair market values when received. A substantial number of volunteers have donated significant amounts of time and services to the Club's program operations and fund-raising efforts. However, such contributed services do not meet the criteria for recognition of contributed services contained in U.S. GAAP and, accordingly, are not reflected in the accompanying financial statements. Other 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 market values when received.

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public support and revenues (continued)

The land on which the Murray Club building was originally constructed is leased from Murray City Corporation through the year 2046 for \$1 per year. Also, the land on which the Sugarhouse Club was originally constructed is leased from Salt Lake City Corporation through the year 2027 for \$1 per year. Neither the donee nor the donor is able to determine the fair value of the leases; therefore, the related revenues and expenses are not recognized in these financial statements.

Income taxes

The Club is organized as a Utah nonprofit corporation and has been recognized by the IRS as exempt from federal (and state) income taxes under Section 501(c)(3) of the Internal Revenue Code. The Club is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Club is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. Management has determined that the Club is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Club does not believe it has any material uncertain tax positions. The Club's 2018 and future tax returns, though not currently under audit, are subject to examination by both the Internal Revenue Service and applicable state tax commissions.

Fair value measurements

FASB ASC 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- *Level 1:* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Club has the ability to access.
- *Level 2:* Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- *Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As of June 30, 2021, all investments were considered Level 1.

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed when incurred. Advertising expense for the year ended June 30, 2021 was \$23,953. Advertising expenses are included in marketing and fund-raising on the Statement of Activities.

Property and equipment

Purchases of property and equipment are recorded at cost. Donated property and equipment are capitalized at its fair value at the date of donation. Depreciation is provided on the straight-line method over estimated useful lives of 40 years for buildings and improvements, three to eight years for equipment and vehicles or over the lease term where applicable.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash, cash equivalents, and investments	\$ 1,000,064
Grants, accounts, and contributions receivable, net	184,957
Contract assets	13,828
Deposits	<u>3,337</u>
	<u><u>\$ 1,202,186</u></u>

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, except for the amounts available for general use, when applicable. Donor-restricted endowment funds are not available for general expenditure.

As part of the liquidity management plan, management invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve. No amounts were designated as of June 30, 2021.

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

3. PLEDGES RECEIVABLE

Pledges receivable consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Amounts due in:		
Less than one year	\$ 271,647	\$ 672,434
Between one and five years	<u>466,019</u>	<u>388,350</u>
Total contributions receivable	737,666	1,060,784
Less: allowance for uncollectible pledges	<u>-</u>	<u>-</u>
Total contributions receivable	<u>\$ 737,666</u>	<u>\$ 1,060,784</u>

Long-term pledges receivable at June 30, 2021 are expected to be collected as follows:

<u>Year</u>	<u>Undiscounted pledge</u>	<u>Discount at 3 percent</u>	<u>Discounted pledge</u>
2023	\$ 280,000	\$ 8,155	\$ 271,845
2024	100,000	2,913	97,087
2025	<u>100,000</u>	<u>2,913</u>	<u>97,087</u>
	<u>\$ 480,000</u>	<u>\$ 13,981</u>	<u>\$ 466,019</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following, at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 165,000	\$ 165,000
Building and improvements	15,522,278	15,392,030
Equipment	1,176,580	1,157,741
Vehicles	<u>455,126</u>	<u>455,126</u>
	17,318,984	17,169,897
Less: accumulated depreciation	<u>(5,484,194)</u>	<u>(4,937,717)</u>
Net property and equipment	<u>\$ 11,834,790</u>	<u>\$ 12,232,180</u>

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

5. COMMITMENT AND CONTINGENCIES

Operating leases

The Club is obligated under certain operating leases for vehicles, equipment and office space. Total lease expense for these operating leases for the year ended June 30, 2021 was approximately \$101,900, including in-kind rental benefit of \$49,000 for the Administrative Office. A lease agreement was signed during August 2020 for building use in Price, Utah, for a 2-year term, wherein the Club pays \$1,750 per month for the duration of the lease. At the end of the lease, the Club has the option to purchase the building for \$260,000 or continue month-to-month for \$1,800. Management intends to remain in the building for the foreseeable future.

Legal proceedings

Management is not currently aware of claims or threatened claims that reasonably would be expected to exceed insurance limits, or otherwise have a material adverse effect upon the Club's financial position or activities.

6. LONG-TERM DEBT

Building sale-leaseback agreements

Midvale building

In January 2013, the Club entered into a sale-leaseback agreement with Midvale City, Utah, wherein the City purchased the Midvale Building for \$1,050,000. Future minimum monthly payments consist of \$5,859, for a period of 23 years, commencing February 2013. This lease is accounted for as an operating lease. Approximately \$848,000 of the proceeds were used to pay off the note payable and line of credit with a local financial institution. The agreement was established to assist the Club in increasing its cash flow position and re-finance the note on the building. Lease expense totaled \$70,308 during the fiscal year ended June 30, 2021.

The agreement resulted in a gain on sale of the building and land of \$263,137, including an offset of \$7,513 in closing costs. Financial Accounting Standards Codification Topic 840, *Leases*, requires that the seller-lessee shall recognize any profit over the life of the lease. The Club recognized \$11,441 of the gain during the fiscal year ended June 30, 2021. \$154,450 remains as of June 30, 2021.

Capitol West building

In May 2019, the Club entered into a sale-leaseback agreement with an unrelated entity, wherein the entity purchased the Capitol West building for \$930,000, who then immediately leased the building to the Club for a period of 6 months, commencing May 2019 and terminating in December 2019. The lease agreement was accounted for as an operating lease. The agreement resulted in a gain on sale of the building and land of \$779,801. Financial Accounting Standards Codification Topic 840, *Leases*, requires that the seller-lessee shall recognize any profit over the life of the lease. The Club recognized the remaining \$649,834 of the gain during the fiscal year ended June 30, 2020.

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

6. LONG-TERM DEBT (CONTINUED)

A rollforward of long-term debt balances are as follows for the year ended June 30 2021:

	June 30, 2020	Proceeds	Payments	June 30, 2021	Current Portion
Construction notes:					
Salt Lake City	\$ 2,613,788	\$ -	\$ (2,613,788)	\$ -	\$ -
Murray	731,568	-	(731,568)	-	-
Notes payable:					
Mortgage refinance	-	1,139,629	-	1,139,629	47,870
SBA - Payroll Protection Program	643,800	-	(643,800)	-	-
Vehicle	13,564	-	(6,028)	7,536	6,028
	<u>\$ 4,002,720</u>	<u>\$ 1,139,629</u>	<u>\$ (3,995,184)</u>	<u>\$ 1,147,165</u>	<u>\$ 53,898</u>

Future maturities of the long-term debt balances are as follows for the years ended June 30:

	Note payable - Mortgage	Note Payable - Vehicle	Total
2022	\$ 47,870	\$ 6,028	\$ 53,898
2023	59,537	1,508	61,045
2024	67,176	-	67,176
2025	64,372	-	64,372
Thereafter	900,674	-	900,674
	<u>\$ 1,139,629</u>	<u>\$ 7,536</u>	<u>\$ 1,147,165</u>

Notes payable – Construction and Improvement Projects

During April 2019, the Club entered into two construction notes payable: (1) for \$2,650,000, for the purpose of building a new club in Salt Lake City, Utah, and (2) for \$760,000, for the purpose of making improvements to the building in Murray, Utah. The interest rate for each note was fixed at 4.25%, with a monthly payment of \$16,306 and \$4,740, respectively, including interest. During the year ended June 30, 2021, payments of \$1,449,925 and \$731,568, respectively, were made, using proceeds from the capital campaign.

Note payable – Mortgage

During June 2021, the Club entered into a mortgage loan for \$1,139,629, for the purpose of refinancing the remaining balance of the construction note (see above) into permanent financing. The interest rate is fixed at 3.91%, with monthly payments of \$8,430, including interest, until maturity in July 2031.

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

6. LONG-TERM DEBT (CONTINUED)

Note payable - Paycheck Protection Program (Small Business Administration)

In April 2020, the Club received loan proceeds in the amount of \$643,800 under the Small Business Administration (SBA) Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness is reduced if the borrower terminates employees or reduces salaries during the 24-week period. During 2021, the entire PPP loan was forgiven by the Small Business Administration.

Note payable – Vehicle

During October 2016, the Club entered into a note payable of \$36,169 with Ford Motor Company to purchase a passenger van for the purpose of transporting kids. The agreement calls for monthly payments of \$503, with 0% interest, through maturity in September 2022. As of June 30, 2021, the outstanding balance was \$7,536.

Line of credit

The Club entered into an agreement with a local financial institution to establish a line of credit totaling up to \$250,000. The interest rate is variable, based on the 30-day LIBOR. As of June 30, 2021, the rate was 4.99%, and the account balance was \$241,069. The line is unsecured.

7. ASSETS HELD IN ENDOWMENT

Community Foundation of Utah (CFU)

The Club entered into an agreement with this local not-for-profit foundation many years ago, wherein the CFU unconditionally donated \$2,500 to establish an endowment fund for the benefit of the Club. During the fiscal year ended June 30, 2020, CFU released all funds from restrictions and authorized the Club to withdraw the entire balance. As of June 30, 2020, \$7,230 was withdrawn from the account. During 2021, the Club closed the account with CFU.

Dee Operations Endowment

The Club entered into an agreement with a donor, who is a member of the Board of Directors, during 2020 wherein the donor unconditionally pledged to donate \$100,000 each year for five years, totaling \$500,000. The purpose of the donation is to establish the Dee Operations Endowment for the Boys and Girls Clubs of Greater Salt Lake (The Dee Endowment). The Dee Endowment will provide a permanent, self-sustaining source of funding for the Club's programs and operations that directly serve club members. The Club is authorized to only distribute and spend earnings on the endowment. The endowment is held and managed by Elevated Private Wealth Advisors. This multi-year pledge was recorded at a discount for the amounts to be received during years 3 through 5. See Note 3 for details.

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of cash, accounts receivable and unappropriated earnings on permanent endowments as of June 30, 2021 and 2020 that are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Capital campaign	\$ 451,248	\$ 1,483,371
Educational scholarships	146,758	134,265
Youth development programs	610,798	-
Other	135,190	7,537
	<u>1,343,994</u>	<u>1,625,173</u>
Subject to the passage of time:		
Grant receivable	184,957	50,000
Other	23,283	2,901
	<u>208,240</u>	<u>52,901</u>
Perpetual in nature:		
Dee Operations Endowment	557,578	493,777
Educational scholarships	5,000	5,000
	<u>562,578</u>	<u>498,777</u>
Total net assets with donor restrictions	<u>\$ 2,114,812</u>	<u>\$ 2,176,851</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Expiration of time restrictions	\$ 50,000	\$ 167,030
Satisfaction of purpose restrictions:		
Capital campaign	1,234,123	2,322,840
Educational scholarships	31,307	38,278
Other	4,417	11,964
	<u>1,269,847</u>	<u>2,373,082</u>
	<u>\$ 1,319,847</u>	<u>\$ 2,540,112</u>

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

9. CAPITAL CAMPAIGN

A Capital Campaign was initiated during 2017 by the Board of Directors to increase the scope and reach of Boys & Girls Clubs services to youth in two of Salt Lake County's fastest growing neighborhoods – the Murray and the Fair Park community – where youth are particularly at risk. The goal was to raise \$7,000,000 for the acquisition and construction of a new club for the Fair Park community and for the expansion and remodel of the Murray Club. These two clubs were operating at capacity, with waiting lists for admission. Together, these two projects enabled the Club to provide daily services to at least 200 additional kids and their families every day. The Campaign concluded in June 2020. The total revenue received throughout the campaign was approximately \$8,500,000. The remaining balance available to be spent on the capital campaign through June 30, 2020, was \$1,483,371, which was used to pay off the construction notes payable during 2021, as discussed in Note 6.

10. RETIREMENT PLAN

The Club sponsors and maintains a 401(k) profit-sharing plan (the Plan). The Plan covers qualifying employees age 21 or older who work 1,000 hours or more per year and complete one year of employment. The Club's contributions to the Plan totaled approximately \$42,000 for the year ended June 30, 2021, \$2,046 of which remained payable at June 30, 2021, and is included with accrued liabilities on the balance sheet.

11. RELATED PARTY TRANSACTIONS

The Club pays dues to Boys and Girls Clubs of America. Payments were \$15,591 for the year ending June 30, 2021.

Donations received from various members of the Board of Directors were approximately \$148,300, during the year ended June 30, 2021, including a board member who made an unconditional 5-year pledge of \$500,000 to establish *The Dee Endowment* during 2020 (see Note 7), of which \$300,000 is receivable as of June 30, 2021.

12. DISAGGREGATION OF REVENUES FROM CONTRACTS WITH CUSTOMERS

Revenues from performance obligations satisfied at a point in time as well as satisfied over time consist of childcare fees. The Club satisfies its performance obligations in contracts with customers by providing childcare services. The Club recognizes revenues ratably over the specified contract with the customer based on childcare provided to the customer. Generally, payment is due from customers within a week or a month of the invoice date and the contracts do not have significant financing components. As the Club satisfies their performance obligations it is entitled to the amount of consideration expected in exchange for the services performed, generally weekly or monthly contractual billings. The Club is generally directly responsible for fulfilling its performance obligations in contracts with customers and does not rely on another party to fulfill its promise.

BOYS & GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Financial Statements (Continued)
June 30, 2021 and 2020

12. DISAGGREGATION OF REVENUES FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The disaggregation of the Club’s revenue based on the timing of satisfaction of performance obligations for the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Performance obligations satisfied at a point in time	\$ 491,840	\$ 898,323
Performance obligations satisfied over time	41,016	20,087
Total revenues	\$ 532,856	\$ 918,410

13. CONTRACT BALANCES

Upon receipt of a prepayment from a customer, the Club recognizes a contract liability in the amount of the prepayment for its performance obligation to provide services in the future. At June 30, 2021, the Club has recorded a liability in the amount of \$49,361, which the Club expects to recognize as revenue during 2022, when it provides services and, therefore, satisfies its performance obligation to the customer.

Contract receivables and contract liabilities with customers were as follows for the years ended December 31, 2021, 2020, and 2019:

	2021	2020	2019
Contract (accounts) receivable	\$ 13,828	\$ 20,556	\$ 20,253
Contract liabilities	41,016	20,087	92,260

14. ECONOMIC IMPACT OF CORONAVIRUS PANDEMIC

Operational Impact and Going Concern – During March 2020, the Governor of Utah declared a health emergency and issued an order to modify essential businesses operations until further notice, which included the Club. Therefore, the Club modified certain elements of its operations.

Although the complete financial impact on the Club is not entirely known at this time, a slight decrease in 2021 non-governmental revenue, and program expenses resulted. During April 2021, the Utah legislature lifted most of the significant restrictions, which allowed all in-person operational activities to proceed. Normal operations are expected for all of fiscal year 2022. With the easing of COVID-19 related restrictions, as well as with Federal, State and Local financial assistance, the Club continues to be a going concern.

15. SUBSEQUENT EVENTS

Management has evaluated for other subsequent events through December 14, 2021, the date which these financial statements were available to be issued.

SUPPLEMENTAL INFORMATION
FEDERAL SINGLE AUDIT



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
ACCOUNTANTS**

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

To the Board of Directors
Boys and Girls Clubs of Greater Salt Lake

We have audited, 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, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Boys and Girls Clubs of Greater Salt Lake (the Club) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Club's basic financial statements, and have issued our report thereon dated December 14, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Club's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control. Accordingly, we do not express an opinion on the effectiveness of the Club's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Club's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

ABMC, LLC

December 14, 2021



COMMITTED. EXPERIENCED. TRUSTED

CERTIFIED PUBLIC ACCOUNTANTS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH *THE UNIFORM GUIDANCE***

Independent Auditor's Report

To the Board of Directors
Boys and Girls Clubs of Greater Salt Lake

We have audited the Boys & Girls Clubs of Greater Salt Lake's (the Club) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Club's major federal programs for the year ended June 30, 2021. The Club's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Club's compliance.

Opinion on Each Major Federal Program

In our opinion, the Boys & Girls Clubs of Greater Salt Lake's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

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

Purpose of This Report

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

ABMC, LLC

December 14, 2021

BOYS AND GIRLS CLUBS OF GREATER SALT LAKE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Award Grant Number	Expenditures		
				From Pass-Through Awards	From Direct Awards	Passed Through to Subrecipient
U.S. Department of Agriculture (Utah State Board of Education)	Food Service Program	10.558		\$ 59,216	\$ -	\$ -
		Total U.S. Department of Agriculture		59,216	-	59,216
& Delinquency Prevention (Boys & Girls Clubs of America)	Juvenile Mentoring Program	16.726		15,098	-	15,098
		Total U.S. Department of Justice		15,098	-	15,098
U.S. Department of Treasury (Utah State Division of Multicultural Affairs)	COVID-19 Coronavirus Relief Fund	21.019		50,000	-	50,000
		Total U.S. Department of Justice		50,000	-	50,000
U.S. Department of Health and Human Services (Utah Department of Health) (Salt Lake County)	Sexual Risk Avoidance Education	92.235		28,729	-	28,729
	Sexual Risk Avoidance Education	93.235		27,193	-	27,193
	Personal Responsibility Education Program	93.092		32,869	-	32,869
	Personal Responsibility Education Program	93.092		52,864	-	52,864
	Rape Prevention and Education Program	93.136		35,204	-	35,204
	Child Care and Development Block Grant					
	Afterschool Program	93.575		15,000	-	15,000
	One Utah Child Care System/Emergency Care Center	93.575		24,240	-	24,240
	Afterschool Program	93.575		217,583	-	217,583
	Summer 2020 Supplemental Grant	93.575		598,500	-	598,500
	School-age Program	93.575		79,725	-	79,725
	School-age Program	93.575		88,206	-	88,206
	School-age Program	93.575		66,996	-	66,996
	School-age Program Summer Expansion	93.575		31,562	-	31,562
	Temporary Assistance for Needy Families	93.558		45,221	-	45,221
	Social Services Block Grant	93.667		15,000	-	15,000
	Substance Abuse Program	93.959		49,915	-	49,915
		Total U.S. Department of Health and Human Services		1,408,807	-	1,408,807
		TOTAL FEDERAL AWARDS EXPENDED		\$ 1,533,121	\$ -	\$ 1,533,121

BOYS AND GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

1. PURPOSE OF THIS SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Boys and Girls Clubs of Greater Salt Lake (the Club) under programs of the federal government for the year ended June 30, 2021.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Club, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Club.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Basis of Presentation

The accompanying schedule includes the federal grant activity of the Club. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Federal Financial Assistance Pursuant to the Single Audit Act of 1984; the Single Audit Act Amendments of 2004, and the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, endowments, or direct appropriations. Federal financial assistance does not include direct federal cash assistance to individuals.

Catalog of Federal Domestic Assistance (CFDA) - The Uniform Guidance requires the Schedule to show the total expenditures for each of the Club's federal financial assistance programs as identified in the CFDA. The CFDA is a government-wide summary of individual federal programs. Each program included in the CFDA is assigned a five-digit program identification number which is reflected in the Schedule. Federal financial assistance programs and contracts which have not been assigned a CFDA number have been identified as Unknown in the CFDA Column of the schedule.

Type A and Type B Programs - The Single Audit Act of 1984 (as amended in 2004) and the Uniform Guidance establish the levels to be used in defining Type A and Type B federal programs. Type A programs for The Club are those programs that exceeded \$750,000 in the federal awards expended for the fiscal year ended June 30, 2021. All other programs are classified as Type B programs by the Club.

3. FEDERAL DE MINIMIS INDIRECT RATE

The Club has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

BOYS AND GIRLS CLUBS OF GREATER SALT LAKE
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

4. NON-CASH ASSISTANCE

No non-cash assistance is reported in the schedule for the year ended June 30, 2021.

5. LOAN AND LOAN GUARANTEE PROGRAMS

No loan or loan guarantee programs were expended during, nor did any exist as of, the fiscal year ended June 30, 2021.

BOYS AND GIRLS CLUBS OF GREATER SALT LAKE
Schedule of Findings, Questioned Costs, and Recommendations
For the Year Ended June 30, 2021

A. Summary of Auditor's Results

1.	Type of Report Issued:	Unmodified
2.	Internal Control over Financial Reporting:	
	Material Weaknesses Identified:	None
	Significant Deficiencies Identified that were not Considered to be Material Weaknesses:	None
3.	Non-compliance Material to Financial Statements Noted:	None
4.	Internal Control over Major Programs:	
	Material Weaknesses Identified:	None
	Significant Deficiencies Identified that were not Considered to be Material Weaknesses:	None reported
5.	Type of Auditor's Report Issued on Compliance for Major Programs:	Unmodified
6.	Any Audit Findings Disclosed That Are Required to be Reported in Accordance with the Uniform Guidance:	None
7.	Federal Programs Tested as Major Programs:	
	CCDF Cluster	CFDA # 93.575
8.	Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$750,000
9.	Auditee Qualification as High or Low Risk:	Low
	#	

B. Findings Related to the Financial Statements Required to be Reported in Accordance with Government Auditing Standards:

None.

C. Findings and Questioned Costs Related to Federal Awards Required to be Reported in Accordance with the Uniform Guidance:

None.