

**BOYS & GIRLS CLUBS
OF OKLAHOMA COUNTY, INC.**

**Financial Statements and Report
of Independent Auditors**

June 30, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Boys & Girls Clubs of Oklahoma County, Inc.

We have audited the accompanying financial statements of Boys & Girls Clubs of Oklahoma County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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.

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. 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 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, 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 & Girls Clubs of Oklahoma County, Inc. as of June 30, 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.

Russell & Williams CPA's, P.C.

Russell & Williams CPA's, P.C.
Oklahoma City, Oklahoma
April 6, 2021

Boys & Girls Clubs of Oklahoma County, Inc.

Statement of Financial Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and Cash Equivalents	\$ 3,876,119	\$ 4,237,889
Grants Receivable	78,344	93,506
Accounts Receivable	119,486	258,665
Pledges Receivable, Net	1,124,923	1,739,266
Beneficial Interest in Assets Held by Others	559,762	266,973
Prepaid Expenses	36,330	19,884
Other Assets	28,339	23,186
Property and Equipment, Net	4,619,332	4,497,449
Total Assets	<u><u>\$ 10,442,635</u></u>	<u><u>\$ 11,136,818</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$ 44,990	\$ 59,742
Accrued Liabilities	386	3,737
Accrued Compensated Absences	39,013	36,143
PPP Loan	389,300	-
Total Liabilities	<u>473,689</u>	<u>99,622</u>
Net Assets		
Without Donor Restrictions		
Board Designated	3,752,738	5,244,566
General Use	686,805	721,076
Invested in Property & Equipment (Net of Debt)	4,619,332	4,497,449
Total Without Donor Restrictions	<u>9,058,875</u>	<u>10,463,091</u>
With Donor Restrictions	910,071	574,105
Total Net Assets	<u>9,968,946</u>	<u>11,037,196</u>
Total Liabilities and Net Assets	<u><u>\$ 10,442,635</u></u>	<u><u>\$ 11,136,818</u></u>

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

Boys & Girls Clubs of Oklahoma County, Inc.
Statement of Activities
For the Years Ending June 30, 2020 and 2019

	2020			2019		
	Without Donor	With Donor	Total	Without Donor	With Donor	Total
	Restrictions	Restrictions		Restrictions	Restrictions	
Revenues, Gains and Other Support						
Grants and Contributions	\$ 815,107	\$ 483,347	\$ 1,298,454	\$ 1,977,950	\$ 231,671	\$ 2,209,621
Government Grants	375,481	-	375,481	295,538	-	295,538
Program Service Fees	32,779	-	32,779	55,827	-	55,827
Special Events (Net of Donor Benefits of \$65,245 and \$82,214, respectively)	325,445	-	325,445	463,138	-	463,138
In-Kind Contributions	-	-	-	102	-	102
Other Income	3,756	-	3,756	3,191	-	3,191
Investment Income	55,905	9,683	65,588	79,689	4,886	84,575
Net Unrealized Gains (Losses)	(46)	-	(46)	1,542	-	1,542
Net Assets Released from Restrictions	157,064	(157,064)	-	257,968	(257,968)	-
Total Revenues, Gains and Other Support	<u>1,765,491</u>	<u>335,966</u>	<u>2,101,457</u>	<u>3,134,945</u>	<u>(21,411)</u>	<u>3,113,534</u>
Expenditures						
Program Expenses	2,753,420	-	2,753,420	2,376,358	-	2,376,358
Management and General	215,932	-	215,932	198,877	-	198,877
Fundraising	200,355	-	200,355	189,594	-	189,594
Total Expenditures	<u>3,169,707</u>	<u>-</u>	<u>3,169,707</u>	<u>2,764,829</u>	<u>-</u>	<u>2,764,829</u>
Change in Net Assets	(1,404,216)	335,966	(1,068,250)	370,116	(21,411)	348,705
Beginning Net Assets	<u>10,463,091</u>	<u>574,105</u>	<u>11,037,196</u>	<u>10,092,975</u>	<u>595,516</u>	<u>10,688,491</u>
Ending Net Assets	<u>\$ 9,058,875</u>	<u>\$ 910,071</u>	<u>\$ 9,968,946</u>	<u>\$ 10,463,091</u>	<u>\$ 574,105</u>	<u>\$ 11,037,196</u>

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

Boys & Girls Clubs of Oklahoma County, Inc.
Statement of Cash Flows
For the Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	\$ (1,068,247)	\$ 348,716
Adjustments to reconcile Net Income (Loss) to net Cash Provided by (used in) operating activities:		
Depreciation and Amortization	222,940	159,233
Unrealized Beneficial Interest Activity	(292,790)	(4,886)
Decrease (Increase) in Operating Assets		
Receivables	768,683	625,904
Others Assets	(5,155)	(8,151)
Prepaid Insurance	(16,446)	(1,368)
(Decrease) Increase in Operating Liabilities		
Accounts Payable	(14,752)	33,798
Accrued Liabilities	(3,350)	(5,319)
Accrued Compensated Absences	2,870	16,167
Total Adjustments	662,000	815,378
Net Cash Provided By (Used in) Operating Activities	(406,247)	1,164,094
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(344,823)	(1,425,987)
Net Cash Provided By (Used In) Investing Activities	(344,823)	(1,425,987)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan Proceeds	389,300	-
Net Cash Provided By (Used In) Financing Activities	389,300	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(361,770)	(261,893)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,237,889	4,499,782
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 3,876,119	\$ 4,237,889

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

Boys & Girls Clubs of Oklahoma County, Inc.
Statement of Functional Expense
For the Years Ending June 30, 2020 and 2019

	2020				2019			
	Program	Management & General	Fundraising	Total	Program	Management & General	Fundraising	Total
Salaries & Wages	\$ 1,667,458	\$ 85,807	\$ 106,472	\$ 1,859,737	\$ 1,389,821	\$ 93,411	\$ 116,941	\$ 1,600,173
Employee Benefits	120,221	8,518	12,593	141,332	148,607	12,230	12,475	173,312
Payroll Taxes	124,877	9,189	8,892	142,958	113,688	3,243	9,001	125,932
Total Personnel Costs	1,912,556	103,514	127,957	2,144,027	1,652,116	108,884	138,417	1,899,417
Depreciation	215,260	3,840	3,840	222,940	155,873	3,360	-	159,233
Dues	19,497	48	1,580	21,125	6,886	869	1,498	9,253
Insurance	110,200	3,663	1,979	115,842	88,334	2,517	844	91,695
Information Technology	9,829	1,404	6,205	17,438	8,097	691	4,435	13,223
Occupancy	103,501	11,152	10,689	125,342	81,532	13,212	13,915	108,659
Organized Activities	187,478	1,060	1,288	189,826	201,362	(509)	995	201,848
Office & Supplies	108,739	16,928	1,885	127,552	62,127	10,052	4,665	76,844
Printing & Postage	6,266	1,823	1,486	9,575	1,284	287	6,167	7,738
Professional Fees	9,421	63,050	35,669	108,140	38,090	51,366	9,248	98,704
Repairs & Maintenance	38,067	-	1,100	39,167	39,408	8	-	39,416
Seminars & Conferences	6,586	8,929	237	15,752	10,595	8,066	152	18,813
Other Fundraising Activities	2,245	135	6,440	8,820	-	74	9,258	9,332
Travel & Related Expenses	-	386	-	386	-	-	-	-
Vehicle Expense	23,775	-	-	23,775	30,654	-	-	30,654
Total Expenses	\$ 2,753,420	\$ 215,932	\$ 200,355	\$ 3,169,707	\$ 2,376,358	\$ 198,877	\$ 189,594	\$ 2,764,829

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

BOYS & GIRLS Clubs OF OKLAHOMA COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Boys & Girls Clubs of Oklahoma County, Inc. (the Clubs) is a non-profit, community-based organization devoted to providing the children of Oklahoma County with leadership development, cultural enrichment, sports and arts and crafts in a safe, supervised environment. The Clubs is primarily supported by individual and corporate donations and foundation grants.

BASIS OF PRESENTATION

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Organizations*. Under FASB ASU No. 2016-14, the Network is required to report information regarding its financial position and activities according to two classes of net assets; without donor restrictions and with donor restrictions. As of June 30, 2020, the Organization had net assets with and without donor restrictions.

ESTIMATES

The preparation of financial statements in conformity with USGAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure to contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates. It is at least reasonably possible that the significant estimates used will change within the next year.

The Clubs has estimated an allowance for uncollectible in the amount of \$310,042.

CASH AND CASH EQUIVALENTS

The Clubs considers highly liquid investments with original maturities of three months or less to be cash equivalents.

INVESTMENTS

The Clubs reports investments, if any, in equity securities with readily determinable market values and all investments in debt securities at fair value with gains and losses included in the statement of activities.

FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) Topic 820 requires the Clubs to disclose estimated fair values for all financial instruments and establishes a fair value hierarchy for inputs used in measuring fair value. The fair value hierarchy distinguishes between market participant assumptions

BOYS & GIRLS Clubs OF OKLAHOMA COUNTY, INC.

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based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Financial instruments in the statement of financial position have included investments and beneficial interests. Investments, if held, would consist of debt and equity securities, would be considered Level 1 assets and would be reported at fair value based on quoted prices in active markets for identical assets at the measurement date. The beneficial interest in assets held by others is considered a Level 2 asset and is reported at fair value based on the valuation provided by the fund manager.

PROPERTY AND EQUIPMENT

Purchased assets are recorded at cost, and donated assets are recorded at market value at the time of donation. Property and equipment with initial values of \$2,500 or more are capitalized and depreciated over their estimated useful lives of three to forty years on a straight-line basis.

CONTRIBUTIONS

Gifts of cash and other assets are reported as restricted support 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, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions. Contributions may be reported as unrestricted support if a time restriction ends or a purpose restriction is accomplished within the same reporting period. The Clubs reports gifts of land, buildings and equipment as without donor restriction support 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 restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Contributed materials are recorded at market value at the time of donation, and contributed services are recorded at the fair value of the services, provided they meet the following criteria:

- Create or enhance non-financial assets: or
- Require specialized skills, are provided by individuals possessing those skills and would typically be purchased if not provided by donation.

The Clubs receives services from volunteers who give significant amounts of their time to the Club's programs and fund-raising campaigns. No amounts have been reflected for these types of donated services, as they do not meet the criteria outlined above.

BOYS & GIRLS Clubs OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

FUNCTIONAL EXPENSES

Expenses are charged to each program based on direct expenditures incurred. Certain expenditures, which are not directly chargeable to a single function, are allocated based on applicable estimates.

INCOME TAXES

The Clubs is an exempt organization under Internal Revenue Service (IRS) Code Section 501(c)(3) and is not classified as a private foundation within the meaning of IRS Code Section 509(a). Therefore, no provision has been made in the financial statements for income taxes.

ENDOWMENT INVESTMENT AND SPENDING POLICIES

The Club's endowment consists of approximately one individual fund established for a variety of purposes. The endowment consists of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Clubs has interpreted the Oklahoma Prudent Management of Institutional Funds Act (OKPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment fund gift, absent explicit donor instructions to the contrary. As a result of this interpretation, the Clubs classifies as net assets with donor restriction (a) the original fair value of gifts to the permanent endowment, (b) the original fair value of any subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the explicit donor instructions at the time of the gift.

In accordance with OKPMIFA, the Clubs considered the following factors in making its determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Clubs and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation and depreciation of investments;
- Other resources of the Clubs; and
- The investment policy of the Clubs.

RECLASSIFICATION

Certain reclassifications have been made to the prior year presentation to conform to the current year presentation.

BOYS & GIRLS Clubs OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 2 – OKLAHOMA CITY COMMUNITY FOUNDATION

The Clubs and other donors have contributed to funds administered by the Oklahoma City Community Foundation, Inc. (OCCF) for the benefit of the Clubs. According to OCCF policy, the principal amounts of such contributions become the legal assets of OCCF.

Financial accounting standards provide that the value of reciprocal transfer assets, that is assets transferred by the Clubs to organizations raising or holding contributions for others, such as OCCF, be recognized as assets in the financial statements of the transferor. They also provide that the value of assets contributed by others to these types of organizations for the benefit of a specified beneficiary specifically not be recognized and recorded by the beneficiary. The Club's beneficial interest in reciprocal transfer assets was \$559,762 and \$266,973 as of June 30, 2020 and 2019, respectively.

The market value of assets contributed by others to OCCF for the benefit of the Clubs and, therefore, not recorded in the financial statements was \$398,724 and \$300,878 at June 30, 2020 and 2019, respectively. Annual distributions from income are made to the Clubs based on OCCF's spending policy, which is currently five percent of the average market value over the previous twelve quarters of all assets held for the benefit of the Clubs.

NOTE 3 – INCOME TAXES

On July 1, 2009, the Clubs adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles with no cumulative effect adjustment required. Income tax benefits would be recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position would more-likely-than-not be sustained upon examination by taxing authorities. The Clubs has analyzed tax positions taken for filing with the Internal Revenue Service and the Oklahoma Tax Commission. The Clubs believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Club's financial condition, results of operations or cash flows. Accordingly, the Clubs has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at June 30, 2020.

The Clubs is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Clubs believes it is no longer subject to income tax examinations for years prior to 2018.

NOTE 4 – CONCENTRATIONS

The Club's services are concentrated in the Oklahoma County area with its contributors almost exclusively individuals, businesses and foundations in the Central Oklahoma metropolitan area. As a result, the Club's support is highly dependent upon the general economic conditions in the area. However, the risk of near-term severe impact on the operations and mission of the Clubs due to these concentrations is limited by the diversity among entities making up the donor base.

BOYS & GIRLS Clubs OF OKLAHOMA COUNTY, INC.

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The Clubs is highly dependent on its relationship with certain schools in the Oklahoma City metropolitan area and a lease with the City of Oklahoma City to help house and facilitate its numerous programs.

NOTE 5 – AVAILABILITY OF RESOURCES AND LIQUIDITY

The Organization has \$1,446,134 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$1,248,304, contributions and grants receivable of \$197,830, and short-term investments of \$-0-. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to time restrictions but are expected to be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$528,285. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments including, certificate of deposits and short-term treasury instruments. The Organization also has \$3,752,738 of financial assets available within 1 year of the balance sheet date to meet cash needs for projects included in the Great Futures Comprehensive Campaign. These consist of cash of \$2,627,815, pledges receivable of \$1,124,923, and short-term investments of \$-0-. These monies are to be used solely for the Comprehensive Campaign projects.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and Equipment Consisted of the Following:

	2020	2019
Furniture and Fixtures	\$ 273,325	\$ 145,183
Office Equipment	52,924	52,924
Computer Equipment	464,630	347,799
Kitchen Equipment	89,659	89,659
Recreation Equipment	91,042	91,042
Vehicles	202,816	202,816
Building	5,568,667	4,078,828
Work-in-Process	-	1,389,990
Land and Improvements	41,189	41,189
	<u>6,784,251</u>	<u>6,439,429</u>
Less: Accumulated Depreciation	2,164,920	1,941,980
Total Property and Equipment, Net	<u>\$ 4,619,332</u>	<u>\$ 4,497,449</u>

BOYS & GIRLS Clubs OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 7 - ENDOWMENT

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Clubs holds a donor-restricted and board-designated endowment fund that is further described in Note 2 above.

Changes in Endowment Included:

	<u>2020</u>	<u>2019</u>
Endowment Net Assets, Beginning of Year	\$ 266,972	\$ 262,086
Investment Return (Loss)	12,560	17,907
Contributions	300,000	-
Appropriated for Expenditure	(19,770)	(13,021)
Endowment Net Assets, End of Year	<u>\$ 559,762</u>	<u>\$ 266,972</u>

By placing their endowment funds with the Oklahoma City Community Foundation, the Clubs hopes to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. This method of investing endowment assets is intended, over the long-term to:

- Enhance the total value of the endowment through appreciation and additions and/or the reinvestment of earnings in excess of spending appropriations;
- Preserve capital and avoid the risk of large loss

NOTE 8 – RETIREMENT PLAN

All part-time and full-time employees who work 1,000 hours or more a year are eligible to participate in the retirement plan after one year of employment. The Clubs makes contributions to the plan equal to 5% of employee compensation. During the year ended June 30, 2020 and 2019, the Clubs contributions to the plan totaled \$52,107 and \$43,585, respectively.

NOTE 9 – LEASES

The Clubs leases office space under a lease which expires November 30, 2020. Rent expense incurred under this lease in 2020 and 2019, was \$22,687 and \$23,331, and is allocated to various categories in the accompanying statement of functional expenses. Future minimum lease payments are due as follows:

Year Ending June 30:	
2021	\$ 9,453

BOYS & GIRLS Clubs OF OKLAHOMA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

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NOTE 10 – COMPREHENSIVE CAMPAIGN

In order to ensure the continued growth, impact, and sustainability of the Boys & Girls Clubs of Oklahoma County, a \$7.8MM Great Futures Comprehensive Campaign was begun during FY17. The campaign will support enhanced efforts through FY2022 that will allow us to reach more kids, more often, and with a deeper impact. Funds will go toward three general areas:

- 1) Capital and Infrastructure - Includes the construction of a new 6,000+ s.f. Teen Center, parking lot and safety improvements, and technology enhancements. This will allow us to increase our enrollment by about 500 teens.

- 2) Program Enhancements – Allows us to offer new and stronger programs that support key youth and teen outcomes. It includes enhanced STEAM (Science, Technology, Engineering, Arts, and Math) programming, career and college prep, and increased staff capacity and training.

- 3) Capacity & Sustainability – Ensures the sustainable operations, resources, and stability for our existing school sites, and allows us to open an additional Clubs site. It also allows for a modest increase in professional and administrative capacity in line with organizational growth.

Positive results from the Great Futures Campaign fundraising efforts can be seen in the financials with the increase in cash, receivables, pledges, and revenues. Cash received under the Great Futures Campaign is set aside by the Board and is held outside the operating account. This is reflected in the Statement of Position as Net Assets Without Donor Restrictions-Board Designated. These funds will be released in accordance with the Board-approved campaign budget, objectives, and timelines, and are monitored on a regular basis by the Board’s Finance Committee. As of June 30, 2020, campaign activity consisted of the following:

Total Pledged	\$ 8,003,070		
Expended:		Cash	\$ 2,627,815
Capital & Infrastructure	(1,792,022)	Pledge Receivables	1,124,923
Program Enhancements	(919,722)		<u>\$ 3,752,738</u>
Capacity & Sustainability	(1,538,588)		
Remaining To Be Expended	<u>\$ 3,752,738</u>		

NOTE 11 – SBA Paycheck Protection Loan

On April 10, 2020, the Organization received loan proceeds in the amount of approximately \$389,300 under the 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 twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll

BOYS & GIRLS Clubs OF OKLAHOMA COUNTY, INC.
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levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. As of July 31, 2020, the Organization had used all of the proceeds for payroll and payroll related benefits but had not applied for the loan forgiveness. The Organization fully anticipates the loan to be forgiven in full. In the event the PPP loan is not forgiven the Organization will have five years at an interest rate of 1% to payback the loan.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 6, 2021, which is the date the financial statements were available to be issued.