

**BOYS HOPE GIRLS HOPE OF ST. LOUIS, INC.**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
YEAR ENDED JUNE 30, 2021  
(With comparative totals for 2020)**

# Contents

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## Independent Auditors' Report

Board of Directors  
Boys Hope Girls Hope of St. Louis, Inc.  
St. Louis, Missouri

We have audited the accompanying financial statements of Boys Hope Girls Hope of St. Louis, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys Hope Girls Hope of St. Louis, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Boys Hope Girls Hope of St. Louis, Inc.'s 2020 financial statements, and we expressed an unmodified opinion in our report dated November 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

 Anders Minkler Huber & Helms LLP

October 28, 2021

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Statement of Financial Position**  
**June 30, 2021**  
**(With comparative totals for 2020)**

**Assets**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
<b>Current Assets</b>				
Cash	\$ 683,206	\$ 164,087	\$ 847,293	\$ 516,913
Cash equivalents	40,566	-	40,566	23,194
Investments, at fair value	2,282,094	300,818	2,582,912	1,933,015
Unconditional promises to give	45,093	192,500	237,593	95,158
Prepaid expenses	4,788	-	4,788	5,613
Total Current Assets	3,055,747	657,405	3,713,152	2,573,893
Property and Equipment, net	3,665,398	-	3,665,398	3,759,390
Unconditional Promises to Give, net	-	316,809	316,809	30,000
Total Assets	<u>\$ 6,721,145</u>	<u>\$ 974,214</u>	<u>\$ 7,695,359</u>	<u>\$ 6,363,283</u>

**Liabilities and Net Assets**

<b>Current Liabilities</b>				
Current maturities of long-term debt	\$ -	\$ -	\$ -	\$ 27,539
Accounts payable	25,390	-	25,390	9,397
Accrued expenses and other current liabilities	110,938	-	110,938	96,280
Total Current Liabilities	136,328	-	136,328	133,216
Long-term Debt	-	-	-	161,961
Total Liabilities	136,328	-	136,328	295,177
<b>Net Assets</b>				
Without donor restrictions				
Available for general activities	6,334,817	-	6,334,817	5,441,134
Board designated	250,000	-	250,000	250,000
With donor restrictions	-	974,214	974,214	376,972
Total Net Assets	6,584,817	974,214	7,559,031	6,068,106
Total Liabilities and Net Assets	<u>\$ 6,721,145</u>	<u>\$ 974,214</u>	<u>\$ 7,695,359</u>	<u>\$ 6,363,283</u>

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Statement of Activities**  
**Year Ended June 30, 2021**  
**(With comparative totals for 2020)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
Revenue, Gains and Other Support				
Contributions - operating	\$ 598,477	\$ 885,996	\$ 1,484,473	\$ 700,402
In-kind donated materials and services	36,893	-	36,893	71,174
In-kind contributions - tuition	126,385	-	126,385	128,951
Interest and dividend income	38,591	-	38,591	44,915
Realized gain on investments	25,893	-	25,893	53,953
Net unrealized gain on investments	388,702	-	388,702	4,631
Other income	48,394	-	48,394	-
SBA grant through Paycheck Protection Program	379,000	-	379,000	-
Gain on disposition of property and equipment	1,747	-	1,747	-
	<u>1,644,082</u>	<u>885,996</u>	<u>2,530,078</u>	<u>1,004,026</u>
Gross fundraising revenue	886,376	-	886,376	1,058,662
Less cost of direct benefits to donors	(86,019)	-	(86,019)	(224,336)
Net Fundraising Events Revenue	<u>800,357</u>	<u>-</u>	<u>800,357</u>	<u>834,326</u>
Net assets released from restrictions				
Satisfaction of time and purpose restrictions	288,754	(288,754)	-	-
Total Revenues, Gains and Other Support	<u>2,733,193</u>	<u>597,242</u>	<u>3,330,435</u>	<u>1,838,352</u>
Expenses				
Program services	<u>1,471,721</u>	<u>-</u>	<u>1,471,721</u>	<u>1,364,922</u>
Supporting activities				
Management and general	180,274	-	180,274	157,515
Fundraising	187,515	-	187,515	191,976
Total Supporting Activities	<u>367,789</u>	<u>-</u>	<u>367,789</u>	<u>349,491</u>
Total Expenses	<u>1,839,510</u>	<u>-</u>	<u>1,839,510</u>	<u>1,714,413</u>
Change in Net Assets	893,683	597,242	1,490,925	123,939
Net Assets, Beginning of Year	<u>5,691,134</u>	<u>376,972</u>	<u>6,068,106</u>	<u>5,944,167</u>
Net Assets, End of Year	<u>\$ 6,584,817</u>	<u>\$ 974,214</u>	<u>\$ 7,559,031</u>	<u>\$ 6,068,106</u>

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Statement of Functional Expenses**  
**Years Ended June 30, 2021**  
**(With comparative totals for 2020)**

	Program Services	Supporting Activities			Total	
		Management and General	Fundraising	Total	2021	2020
Professional salaries	\$ 68,653	\$ 94,822	\$ 101,526	\$ 196,348	\$ 265,001	\$ 260,233
Support staff salaries	495,808	27,621	48,398	76,019	571,827	479,530
Total Salaries	<u>564,461</u>	<u>122,443</u>	<u>149,924</u>	<u>272,367</u>	<u>836,828</u>	<u>739,763</u>
Payroll taxes	36,620	7,944	9,726	17,670	54,290	55,335
Employee benefits	121,748	22,828	7,609	30,437	152,185	150,802
Total Related Expenses	<u>158,368</u>	<u>30,772</u>	<u>17,335</u>	<u>48,107</u>	<u>206,475</u>	<u>206,137</u>
Other Expenses						
Building expenses	99,585	-	-	-	99,585	46,842
Furnishings	9,412	-	-	-	9,412	8,011
Domestic supplies	10,123	-	-	-	10,123	7,358
Scholar Assistance						
Tuition and college aid	194,444	-	-	-	194,444	211,408
Living expense	101,121	-	-	-	101,121	96,602
Educational expense	32,860	-	-	-	32,860	30,621
Miscellaneous expense	14,260	-	-	-	14,260	10,814
Total Scholar Assistance	<u>342,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,685</u>	<u>349,445</u>
Transportation	23,499	-	-	-	23,499	26,569
Gifts in-kind	18,405	14,646	738	15,384	33,789	71,173
Uncollectible pledges	-	-	15,000	15,000	15,000	20,082
Administration	103,910	4,518	4,518	9,036	112,946	99,353
Assessments - National Program	30,817	5,438	-	5,438	36,255	28,921
Total Other Expenses	<u>638,436</u>	<u>24,602</u>	<u>20,256</u>	<u>44,858</u>	<u>683,294</u>	<u>657,754</u>
Total Expenses Before Depreciation	1,361,265	177,817	187,515	365,332	1,726,597	1,603,655
Depreciation	<u>110,456</u>	<u>2,457</u>	<u>-</u>	<u>2,457</u>	<u>112,913</u>	<u>110,758</u>
Total Expenses	<u>\$ 1,471,721</u>	<u>\$ 180,274</u>	<u>\$ 187,515</u>	<u>\$ 367,789</u>	<u>\$ 1,839,510</u>	<u>\$ 1,714,413</u>
	80.0 %	9.8 %	10.2 %	20.0 %	100.0 %	100.0 %

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Statement of Cash Flows**  
**Years Ended June 30, 2021 and 2020**

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	\$ 1,490,925	\$ 123,939
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	112,913	110,758
Realized gains from sales of investments	(25,893)	(53,953)
Unrealized gains on investments	(388,702)	(4,631)
Paycheck Protection Program debt forgiveness	(189,500)	-
(Increase) decrease in assets		
Unconditional promises to give, net	(429,244)	221,055
Prepaid expenses	825	383
Increase (decrease) in liabilities		
Accounts payable	15,993	(44,995)
Accrued expenses	14,658	8,688
Net Cash Provided by Operating Activities	601,975	361,244
Cash Flows From Investing Activities		
Purchases of investments	(370,894)	(119,326)
Proceeds from sales of investments	135,592	96,236
Purchases of property and equipment	(18,921)	(4,182)
Net Cash Used In Investing Activities	(254,223)	(27,272)
Cash Flows From Financing Activities		
Payments on line of credit	-	(100,000)
Proceeds from long-term debt	-	189,500
Net Cash Provided by Financing Activities	-	89,500
Net Increase in Cash and Cash Equivalents	347,752	423,472
Cash and Cash Equivalents, Beginning of Year	540,107	116,635
Cash and Cash Equivalents, End of Year	\$ 887,859	\$ 540,107
Cash	\$ 847,293	\$ 516,913
Cash Equivalents	40,566	23,194
Total Cash and Cash Equivalents	\$ 887,859	\$ 540,107
Supplemental Disclosures of Cash Flow Information		
Cash paid for Interest	\$ -	\$ 5,624



**Boys Hope Girls Hope of St. Louis, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**1. Nature of Operations and Basis of Presentation**

**Organization**

Boys Hope Girls Hope of St. Louis, Inc. (the "Organization") provides housing and educational assistance for academically capable and motivated children-in-need in the St. Louis metropolitan area. The organization provides a path to and through college with its three program platforms: a residential facility that provides a family-like environment for scholars, Hope Prep academy which currently offers college and career readiness programming in two St. Louis school districts, and collegian services to help ensure scholars persist to receive a college degree. The Organization provides family environments that allow scholars to mature and provide guidance to motivated young people in need to become well-educated, career-ready men and women for others.

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with the provisions of the Financial Accounting Standards Board ("FASB"), Accounting Standards Codification (the "FASB ASC"), which is the source of authoritative, non-governmental accounting principles generally accepted in the United States of America ("GAAP"). All references to authoritative accounting guidance contained in our disclosures are based on the general accounting topics within the FASB ASC.

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

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Board designated funds are established by the Board of Directors and represent net assets without donor restrictions that have been set aside for a particular purpose.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may be satisfied by specific activities or the passage of time, or are required to be maintained permanently by the Organization. The income earned on any related investments may be subject to donor-imposed stipulations.

The financial statements include certain prior-year summarized comparative information in total, but not by class of net assets. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**2. Summary of Significant Accounting Policies**

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fair Value Measurements**

The Organization follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach.

**Cash Equivalents**

The Organization considers all short-term investments with an original maturity of three months or less at the time of purchase to be cash equivalents. The balance includes money market accounts of \$40,566 and \$23,194 for the years ended June 30, 2021 and 2020, respectively.

**Investments**

The Organization carries investments at fair value with unrealized holding gains and losses included in earnings. Realized gains and losses are included in earnings and are derived using the average cost method for determining the cost of securities sold. Dividend and interest income is recognized when earned.

**Unconditional Promises to Give**

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free interest rates applicable to the years in which the promises are to be received.

The Organization provides an allowance for doubtful promises to give equal to the estimated losses that will be incurred in the collection of unconditional promises to give. This estimate is based on historical experience coupled with a review of the current status of existing promises. The allowance and associated promises are reduced when the promises are determined to be uncollectible. The Organization considers unconditional promises to give to be fully collectible; accordingly, no allowance for doubtful accounts is deemed necessary.

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Property and Equipment**

Property and equipment acquisitions with a cost in excess of \$2,500 are capitalized and recorded at cost, while maintenance and repairs are expensed as incurred. Donated assets are recorded at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose or period of time. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The estimated lives for computing depreciation on property and equipment are:

<u>Classification</u>	<u>Years</u>
Building and improvements	10-39
Furniture and fixtures	5-10
Automobiles	5

**Long-Lived Asset Impairment**

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2021 and 2020.

**Endowment Fund**

The State of Missouri enacted the State Prudent Management of Institutional Funds Act ("SPMIFA") effective August 28, 2009. The Organization follows FASB guidance on accounting for the net assets classification of restricted endowment funds for a not-for-profit organization that is subject to the enacted version of the SPMIFA. The Organization has determined that the net assets with donor restriction meet the definition of endowment funds under SPMIFA.

The Organization has interpreted the SPMIFA as requiring the preservation of the original gift amount. As a result of this interpretation, the Organization classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment. The remaining portion of funds are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Support and Revenue**

Contributions are recorded as received, and unconditional promises to give are recorded as the promise is made. All contributions are available for unrestricted use unless specifically restricted by the donor. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions with donor restrictions in which the restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

**Donated Materials and Services (In Kind)**

Donated noncash items are recorded as contributions at their fair values at the date of donation. The estimated fair values of donated items was approximately \$36,893 and \$71,173 for the years ended June 30, 2021 and 2020, respectively.

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Retention Incentive Plan**

The Organization maintains a retention incentive plan for all full-time and part-time employees in good standing. The plan provides that after three years of service, an employee will receive a lump-sum payment equal to 3 percent of his or her salary for those three years. This payment is payable within 60 days following the third year of eligible employment. Beginning the fourth year of employment, the employee is eligible for annual bonus payments equal to 3 percent of the previous 12 months' salary. For the years ended June 30, 2021 and 2020, expenses related to this plan were \$13,710 and \$15,276, respectively.

**Tuition and Fees**

Several of the schools attended by the scholars have provided tuition assistance. For the years ended June 30, 2021 and 2020, the Organization received tuition grants of \$126,385 and \$128,951, respectively. These amounts have been recorded in contributions, with offsetting expenses included in scholar assistance.

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**Functional Expense Allocation**

The costs of program services and supporting activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), except on net income derived from unrelated business activities as defined in the Code. Accordingly, the Organization files as a tax exempt organization under the national Boys Hope Girls Hope organization.

The Organization follows guidance issued by the FASB on accounting for income taxes and has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings, and believes that no provision for income taxes is necessary to cover any uncertain tax positions. The Organization's returns for tax years 2017 and later remain subject to examination by taxing authorities.

**Subsequent Events**

The Organization has evaluated subsequent events through October 28, 2021, the date the financial statements were available to be issued.

**3. Affiliate Agreements**

*National Organization*

The Organization is affiliated with Boys Hope Girls Hope (the "National Program"). The Organization is required, under mutual agreement with the National Program, to pay an assessment to the National Program for administrative and promotional services rendered on behalf of the Organization. The National Program determines the amounts due for each year of operation. The assessments totaled \$36,255 and \$28,921 for the years ended June 30, 2021 and 2020, respectively.

The National Program also administers certain group life and medical insurance plans for the Organization. The Organization is charged its allocated premiums by the National Program. The allocations for the years ended June 30, 2021 and 2020 were \$110,799 and \$104,132, respectively, and are included in employee benefits on the statement of functional expenses. In addition, the Organization carries certain other types of insurance under group policies administered by the National Program. The Organization pays premiums for these policies directly to the underwriters.

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

*Associate Board*

The Organization is supported by the Associate Board, which was established in fiscal year 2001. The Associate Board's purpose is to generate funds for the operation of the program. The Associate Board raises funds from special events. The revenue and expenses of the Associate Board are reflected in the Organization's statement of activities under net fundraising events revenue. For the years ended June 30, 2021 and 2020, revenues from these events were \$12,237 and \$22,682, respectively. Associated expenses at June 30, 2021 and 2020 were \$2,796 and \$3,797, respectively.

*Women of Hope*

The Organization is supported by the Women of Hope. The purpose of Women of Hope is to aid the management and staff of the Organization in providing housing and educational assistance. The Women of Hope raise funds from members' dues and special events. The revenue and expenses of the Women of Hope are reflected in the Organization's statement of activities under fundraising events, net. For the years ended June 30, 2021 and 2020, revenues from these events were \$29,716 and \$78,236 respectively. Associated expenses at June 30, 2021 and 2020 were \$1,468 and \$33,128, respectively.

**4. Fair Value Measurements**

The framework for measuring fair value establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into Levels 1, 2, and 3. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- |         |  |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets.  |
| Level 2 | Inputs to the valuation methodology to include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, inputs other than quoted prices that are observable for the instrument, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement.  |

The instruments' 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

Following is a description of the valuation methodologies used for instruments measured at fair value.

- Level 1 Instruments consist of equity securities and publicly traded mutual funds. These investments are traded on national exchanges and are stated at the last reported sales price on the day of valuation.
- Level 2 Instruments consist of U.S. Treasury securities, corporate bonds, and mortgage-backed securities. These securities are valued using evaluated pricing, which incorporates modeling techniques, information from extensive market sources, observed transaction data, credit quality information, perceived market movements, news, and other relevant information.

The following tables present the fair value measurements of instruments recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements are categorized at June 30, 2021 and 2020:

	2021			
	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Investments:				
Equity securities	\$ 2,397,674	\$ 2,397,674	\$ -	\$ -
U.S. Treasury securities	72,262	-	72,262	-
Corporate debt securities	90,495	-	90,495	-
Mortgage-backed securities	22,481	-	22,481	-
Total Investments	<u>\$ 2,582,912</u>	<u>\$ 2,397,674</u>	<u>\$ 185,238</u>	<u>\$ -</u>
	2020			
	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Investments:				
Equity securities	\$ 1,737,054	\$ 1,737,054	\$ -	\$ -
U.S. Treasury securities	75,186	-	75,186	-
Corporate debt securities	102,771	-	102,771	-
Mortgage-backed securities	18,004	-	18,004	-
Total Investments	<u>\$ 1,933,015</u>	<u>\$ 1,737,054</u>	<u>\$ 195,961</u>	<u>\$ -</u>

**Boys Hope Girls Hope of St. Louis, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

**5. Investments**

A summary of the cost and fair value of the Organization's investments as of June 30, is as follows:

	2021			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Equity securities	\$ 1,830,504	\$ 568,210	\$ (1,040)	\$ 2,397,674
U.S. Treasury securities	68,405	3,857	-	72,262
Corporate debt securities	86,850	3,645	-	90,495
Mortgage backed securities	22,241	240	-	22,481
	<u>\$ 2,008,000</u>	<u>\$ 575,952</u>	<u>\$ (1,040)</u>	<u>\$ 2,582,912</u>
	2020			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Equity securities	\$ 1,566,688	\$ 174,127	\$ (3,760)	\$ 1,737,055
U.S. Treasury securities	65,587	9,598	-	75,185
Corporate debt securities	97,226	5,545	-	102,771
Mortgage backed securities	17,303	701	-	18,004
	<u>\$ 1,746,804</u>	<u>\$ 189,971</u>	<u>\$ (3,760)</u>	<u>\$ 1,933,015</u>

**6. Unconditional Promises to Give**

Unconditional promises to give at June 30, are as follows:

	2021	2020
Less than one year	\$ 237,593	\$ 95,158
One to five years	325,000	30,000
	562,593	125,158
Less		
Unamortized discount	(8,191)	-
Net unconditional promises to give	<u>\$ 554,402</u>	<u>\$ 125,158</u>



**Boys Hope Girls Hope of St. Louis, Inc.**  
**Notes to Financial Statements**  
**June 30, 2021 and 2020**

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 0.8 percent each year. The amounts are classified on the statements of financial position as follows:

	2021	2020
Unconditional promises to give - current	\$ 237,593	\$ 95,158
Unconditional promises to give - long-term	316,809	30,000
	\$ 554,402	\$ 125,158

**7. Property and Equipment**

Property and equipment at June 30, is as follows:

	2021	2020
Land	\$ 471,210	\$ 471,210
Buildings	3,603,455	3,603,455
Automobiles	117,907	117,907
Furniture and fixtures	65,079	46,364
	4,257,651	4,238,936
Less accumulated depreciation	592,253	479,546
	\$ 3,665,398	\$ 3,759,390

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$112,913 and \$110,758, respectively.

**8. Line of Credit**

The Organization has a line of credit agreement (the "Agreement") of \$250,000 scheduled to expire on January 28, 2022. Borrowings are charged interest at the prime rate (3.25 percent at June 30, 2021), and are secured by the Organization's real property. There were no borrowings outstanding under the line of credit at June 30, 2021 and 2020.

**9. Debt - Paycheck Protection Program**

On April 6, 2020 and January 25, 2021 the Organization received loans in the amount of \$189,500 each under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loans may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The Organization applied for and has been notified that both loans for \$379,000 have been forgiven and were recorded as income in 2021.

**Boys Hope Girls Hope of St. Louis, Inc.**  
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**10. Liquidity and Availability of Financial Assets**

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:

	2021	2020
Cash and cash equivalents	\$ 887,859	\$ 540,107
Unconditional promises to give	554,402	95,158
Operating investments	2,282,094	1,632,197
Contractual or donor-imposed restrictions:		
Board designations	(250,000)	(250,000)
Other donor restrictions	(974,214)	(376,972)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 2,500,141	\$ 1,640,490

Our endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. Although we do not intend to spend from this board designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, CD's, money market funds, and a line of credit. Occasionally, the Board designates a portion of any operating surplus to its operating reserves.

**11. Net Assets With Donor Restrictions**

Net assets with donor restriction at June 30 are available for the following purposes or periods:

	2021	2020
Subject to expenditures for specified purpose	\$ 164,087	\$ 1,154
Subject to passage of time	509,309	60,000
Purpose restrictions - capital campaign	-	15,000
Investment in perpetuity, the income of which is available for general activities	300,818	300,818
	\$ 974,214	\$ 376,972

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Assets released from restrictions for the years ended June 30 are as follows:

	2021	2020
Released from purpose restrictions	\$ 96,254	\$ 79,282
Released from time restrictions	<u>192,500</u>	<u>180,000</u>
	<u>\$ 288,754</u>	<u>\$ 259,282</u>

**12. Endowment Funds**

The State of Missouri enacted the State Prudent Management of Institutional Funds Act ("SPMIFA") effective August 28, 2009. The Organization follows FASB guidance on accounting for the net assets classification of restricted endowment funds for a not-for-profit organization that is subject to the enacted version of the SPMIFA. The Organization has determined that the assets with donor restrictions meet the definition of endowment funds under SPMIFA.

The Organization has interpreted the SPMIFA as requiring the preservation of the original gift amount. As a result of this interpretation, the Organization classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. The remaining portion of funds are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

**13. Retirement Plan**

The Organization maintains a contributory retirement savings plan under Section 403(b) of the Internal Revenue Code covering substantially all employees who meet certain eligibility requirements. Participants are allowed to defer a fixed percentage of their salary (not to exceed statutory limits). The plan's provisions do not provide for the Organization to make matching contributions.

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**14. Fundraising Events**

During the years ended June 30, 2021 and 2020, the Organization engaged in several fundraising activities, which included the following:

	<u>2021</u>	<u>2020</u>
<b>Golf Tournament/Auction</b>		
Gross revenues	\$ 280,212	\$ -
Gross expenses	<u>75,491</u>	<u>-</u>
Net income from golf tournament/auction	<u>204,721</u>	<u>-</u>
<b>Dinner/Auction</b>		
Gross revenues	511,922	905,427
Gross expenses	<u>1,660</u>	<u>183,660</u>
Net income from dinner/auction	<u>510,262</u>	<u>721,767</u>
<b>Miscellaneous</b>		
Gross revenues	94,242	153,235
Gross expenses	<u>8,868</u>	<u>40,676</u>
Net income from miscellaneous	<u>85,374</u>	<u>112,559</u>
Total Support from Fundraising Events, net	<u>\$ 800,357</u>	<u>\$ 834,326</u>
 <b>Reconciliation to Statements of Activities</b>		
Gross fundraising events revenues	\$ 886,376	\$ 1,058,662
Less cost of direct benefits to donors	<u>(86,019)</u>	<u>(224,336)</u>
Net Fundraising Events Revenue	<u>\$ 800,357</u>	<u>\$ 834,326</u>

**15. Risks and Uncertainties**

**Concentrations**

Unconditional promises to give from one and three donors were approximately 88 and 80 percent of the Organization's unconditional promises to give at June 30, 2021 and 2020, respectively.

**Concentrations of Risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents, pledges receivable, and investments. The Organization maintains its cash primarily with one financial institution. Deposits at this bank are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2021, there were cash balances of \$622,904 in excess of FDIC limits at the bank. Organization performs ongoing credit evaluations of its payors and maintains allowances, as needed, for potential credit losses. Although the Organization is directly affected by the financial stability of its donor base, management does not believe significant credit risk exists at June 30, 2021. The Organization maintains its investments primarily with one brokerage firm. Securities held at this firm are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000. As of June 30, 2021, there were investment balances of \$2,082,912 in excess of SIPC limits at the brokerage firm.

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**Investments**

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