BOYS HOPE GIRLS HOPE
OF GREATER CINCINNATI

FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

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For the Years Ended June 30, 2021 and 2020

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BOYS HOPE GIRLS HOPE
OF GREATER CINCINNATI

BOARD OF DIRECTORS

For the Year Ended June 30, 2021

Board of Directors

Executive Committee

Steven Arnold, Chair

John Succo, Vice Chair

Kelvin Stroupe, Treasurer

Noreen Hayes, Secretary

Carl Adkins	Julie Bristow
Melanie Burden	Michael Burke, Jr.
Mike Caudill	Mike Cinque
David Conway	Aaron Haslam
David Horn	Michelle Jones
Dr. Jean Margello	Graham Mercurio
Laura Mueller	Greg Scruggs
Chris Vollmer, Jr.	Dr. Patricia White

Executive Director

Missy Hendon Deters

Chamberlin Owen
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Boys Hope Girls Hope of Greater Cincinnati
Cincinnati, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Boys Hope Girls Hope of Greater Cincinnati (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 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 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 opinions.

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 Greater Cincinnati, as of June 30, 2021 and 2020, 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.

3216 Dixie Highway ■ Erlanger, KY ■ 41018 ■ Phone 859-431-0700 ■ www.cnocpa.com

Emphasis of a Matter – Implementation of New FASB Accounting Standard

As discussed in Note P to the financial statements, effective July 1, 2019 Boys Hope Girls Hope of Greater Cincinnati adopted Financial Accounting Standards Board Accounting Standards Update No. 2014-09, *Revenue From Contracts with Customers* (Topic 606) and 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Our opinions are not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2021, on our consideration of Boys Hope Girls Hope of Greater Cincinnati'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 solely 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 effectiveness of Boys Hope Girls Hope of Greater Cincinnati's 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 Boys Hope Girls Hope of Greater Cincinnati's internal control over financial reporting and compliance.

Chamberlin Owen & Co., Inc.

Chamberlin Owen & Co., Inc.
Erlanger, Kentucky
November 2, 2021

BOYS HOPE GIRLS HOPE OF GREATER CINCINNATI
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

Assets	**2021**	**2020**
Current assets		
Cash and cash equivalents	$ 191,126	$ 27,978
Investments	586,750	498,811
Investment - Endowment	101,419	-
Unconditional promises to give, net of allowance	300,000	541,547
Contributed rent receivable, current portion	2,530	2,409
Prepaid expenses	(1,445)	610
Deferred expenses	1,000	13,000
Total current assets	1,181,380	1,084,355
Non-current assets		
Contributed rent receivable, long-term portion	94,876	97,406
Capital assets		
Capital assets, net of depreciation	1,775,097	1,893,940
Total capital assets	1,775,097	1,893,940
Total assets	$ 3,051,353	$ 3,075,701
Liabilities and net assets		
Liabilities		
Accounts payable	$ 5,884	$ 723
Accrued liabilities	58,296	42,733
Deferred revenue	13,000	92,765
PPP loan	-	164,087
Line of credit	-	77,445
Total liabilities	77,180	377,753
Net assets		
Without donor restrictions		
Board designated	748,397	508,669
Undesignated	1,726,951	1,547,917
With donor restrictions	498,825	641,362
Total net assets	2,974,173	2,697,948
Total liabilities and net assets	$ 3,051,353	$ 3,075,701

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

BOYS HOPE GIRLS HOPE OF GREATER CINCINNATI
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total 2021**
Support and revenue			
Contributions	$ 930,662	$ 15,530	$ 946,192
Governmental grant	59,086	-	59,086
In-kind contributions	238,202	-	238,202
Investment return	15,119	-	15,119
Market value appreciation	79,843	-	79,843
Miscellaneous income	36,911	-	36,911
Special events revenue, net of direct expenses	496,336	-	496,336
Released from restrictions	158,067	(158,067)	-
Total support and revenue	2,014,226	(142,537)	1,871,689
Expenses			
Program services	1,286,571	-	1,286,571
Management and general	121,430	-	121,430
Fundraising	187,463	-	187,463
Total expenses	1,595,464	-	1,595,464
Change in net assets	418,762	(142,537)	276,225
Net assets at beginning of year	2,056,586	641,362	2,697,948
Net assets at end of year	$ 2,475,348	$ 498,825	$ 2,974,173

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

BOYS HOPE GIRLS HOPE OF GREATER CINCINNATI
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total 2020
Support and revenue			
Contributions	$ 616,909	$ 265,539	$ 882,448
Governmental grant	160,086	-	160,086
In-kind contributions	202,626	-	202,626
Investment return	14,631	-	14,631
Market value appreciation	8,909	-	8,909
Miscellaneous income	21,178	-	21,178
Special events revenue, net of direct expenses	22,633	-	22,633
Released from restrictions	202,833	(202,833)	-
Total support and revenue	1,249,805	62,706	1,312,511
Expenses			
Program services	1,282,641	-	1,282,641
Management and general	103,030	-	103,030
Fundraising	129,996	-	129,996
Total expenses	1,515,665	-	1,515,665
Change in net assets	(265,860)	62,706	(203,154)
Net assets at beginning of year	2,322,446	578,656	2,901,102
Net assets at end of year	$ 2,056,586	$ 641,362	$ 2,697,948

BOYS HOPE GIRLS HOPE OF GREATER CINCINNATI
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	Program Services	Support Services		
	Housing / Education Assistance	Management and General	Fund Raising	Total
Salaries	$ 496,291	$ 68,282	$ 92,824	$ 657,397
Benefits & payroll taxes	123,995	17,060	23,191	164,246
Total salaries and related costs	620,285	85,342	116,015	821,643
Buildings	63,837	-	-	63,837
Furnishings	804	-	-	804
Domestic supplies	3,181	-	-	3,181
Assistance to boys and girls	312,645	-	-	312,645
Transportation	19,340	-	-	19,340
Administration	68,051	29,417	11,717	109,185
Non-direct special event expenses	21,148	1,322	3,965	26,435
Human resources	2,017	403	269	2,689
Assistance - national organization	24,731	4,946	3,297	32,974
Uncollectible pledge expense	-	-	52,200	52,200
Total expenses before depreciation and imputed rent expense	1,136,040	121,430	187,463	1,444,933
Depreciation expense	143,131	-	-	143,131
Imputed rent expense	7,400	-	-	7,400
Total expenses	$ 1,286,571	$ 121,430	$ 187,463	$ 1,595,464

BOYS HOPE GIRLS HOPE OF GREATER CINCINNATI
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

	Program Services	Support Services		
	Housing / Education Assistance	Management and General	Fund Raising	Total
Salaries	$ 540,763	$ 56,512	$ 91,095	$ 688,370
Benefits & payroll taxes	125,177	13,081	21,087	159,345
Total salaries and related costs	665,940	69,593	112,182	847,715
Buildings	54,678	-	-	54,678
Furnishings	44	-	-	44
Domestic supplies	2,497	-	-	2,497
Assistance to boys and girls	310,706	-	-	310,706
Transportation	18,423	-	-	18,423
Administration	48,971	27,564	13,400	89,935
Non-direct special event expenses	3,426	214	642	4,283
Human resources	5,658	1,132	754	7,544
Assistance - national organization	22,628	4,526	3,017	30,171
Total expenses before depreciation and imputed rent expense	1,132,972	103,030	129,996	1,365,996
Depreciation expense	142,269	-	-	142,269
Imputed rent expense	7,400	-	-	7,400
Total expenses	$ 1,282,641	$ 103,030	$ 129,996	$ 1,515,665

BOYS HOPE GIRLS HOPE OF GREATER CINCINNATI
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 276,225	$ (203,154)
Adjustments to reconcile change in net assets to net cash used for (provided by) operating activities:		
Depreciation and amortization	143,131	142,269
Market value appreciation	(79,843)	(8,909)
Increase (decrease) in operating assets:		
Contributions receivable	241,547	(65,001)
Contributed rent receivable	2,409	2,295
Prepaid expenses	2,055	35
Deferred expenses	12,000	(13,000)
Increase (decrease) in operating liabilities:		
Accounts payable	5,161	(1,593)
Deferred revenue	(79,765)	92,765
Accrued liabilites	15,563	4,228
Net change in cash from operating activities	538,483	(50,065)
Cash flows from investing activities		
Purchases of investments	(109,515)	(27,123)
Purchase of capital assets	(24,288)	(9,995)
Net change in cash from investing activities	(133,803)	(37,118)
Cash flows from financing activities		
Payments on line of credit, net of proceeds	(77,445)	(93,717)
Payroll Protection Program funds received	-	164,087
Prior-year refunded advance forgiven - CARES Act	(164,087)	-
Net change in cash from financing activities	(241,532)	70,370
Net change in cash and cash equivalents	163,148	(16,813)
Beginning cash and cash equivalents	27,978	44,791
Ending cash and cash equivalents	$ 191,126	$ 27,978
Supplemental information		
Interest paid	$ 2,523	$ 7,510

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

ORGANIZATION

Founded in 1983 as an affiliate of an international organization, Boys Hope Girls Hope of Greater Cincinnati (Organization) is a not-for-profit corporation organized to nurture and guide motivated young people in need to become well-educated, career-ready men and women for others. Boys Hope Girls Hope, the international privately funded organization, was founded in 1977. The Organization opened its first boys' home in 1983, its second boys' home in 1987 and its girls' home in 1998.

The Organization is a non-profit organization exempt from tax under Internal Revenue Code Section 501(c) 3 and the Internal Revenue Service has determined the Organization is not a “private foundation” within the meaning of Section 509(a) of the Code.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

Under Statement of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205-45-4 (formerly SFAS No. 117) the Organization is required to present a complete set of financial statements. Net assets are required to be presented in two separate classes, as follows: net assets without donor restrictions and net assets with donor restrictions.

FASB ASC 958-225 provides specific guidance for the statement of activities. The statement reports the support, expenses, gains and losses that affect the Organization’s net assets.

FASB ASC 958-230 provides specific guidance for the statement of cash flows. The statement addresses whether certain transactions are operating, investing, or financial activities.

The statement of functional expenses shows, in a matrix format, how the natural expense classifications are allocated to significant program and supporting services. Salaries and related expenses are charged to program services based on the estimated time spent by personnel on the related programs. Direct expenses are charged to the program based on costs incurred when specifically, identifiable with a program. All other expenses are allocated to program services based upon budgeted amounts as allowed by the funding agency.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, the Organization considers all time deposits and other highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments in marketable equity and debt securities are reported at fair value. Fair value is determined using quoted market prices. Securities traded on a national securities exchange are valued at the last reported trading price on the last business day of the year. Realized gains or losses are determined by comparison of asset cost to net proceeds received. Unrealized gains or losses are determined by comparison of asset cost to market values at the end of the year. All realized gains and unrealized gains and losses are reported directly in the accompanying statement of activities. Investment income and gains and losses are recorded in the period incurred.

Concentration of Credit Risk

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

Interest Rate Risk

In accordance with the Organization's policy, interest rate risk is limited by investing in diversified portfolios with a combination of the highest rate of return and the lowest risk to ensure maximum security of principal. Investments are undertaken in a manner that seeks to ensure the preservation of capital in its portfolio.

Credit Risk

The Organization limits its investments to diversified, managed portfolios which contain funds with varying credit ratings applied. Because of the diversity of these funds, the credit risk of the investments, in the aggregate, is reduced to an acceptable level.

Contributions

Contributions received are recorded as "without donor restrictions" or "with donor restrictions" depending on the existence or nature of any donor restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as "with donor restrictions" which increases that net position class. When a restriction expires or is otherwise satisfied, amounts classified as "with donor restrictions" are released from restrictions and classified to "without donor restrictions" and reported in the statement of activities as net assets released from restrictions.

Amounts received that are restricted and designated for the current period, and the restrictions are satisfied in the current period, are listed as "without donor restrictions."

Allowance for Doubtful Accounts

On a periodic basis, the Organization reevaluates its receivables and determines the establishment of an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. Pledged receivables are shown net of an allowance of $0 and $81 at June 30, 2021 and June 30, 2020.

Capital Assets

Capital assets are stated at cost except for donated property, which is capitalized at the estimated fair value at the date of receipt. Depreciation is computed using the straight-line method over five to fifty years.

Functional Expense Allocation

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities, and accordingly, certain costs have been allocated between the program and supporting services.

In-Kind Tuition

In-kind tuition is recorded as support in the accompanying statements at its estimated fair value at the date of receipt. Donated services are recorded as support only if they create or enhance non-financial assets or require specialized services. In-kind tuition was $211,219 and $182,728 for the years ended June 30, 2021 and 2020, respectively.

NOTE B – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. As part of the Organization's liquidity management, it invests cash in investments, typically equity securities.

Financial assets available for general expenditure, without donor restrictions limiting their use, comprise the following at June 30, 2021 and 2020:

	2021	2020
Financial assets, at year end		
Cash and cash equivalents	$ 191,126	$ 27,978
Investments at market rate	586,750	498,811
Less: Investments held as collateral for open line of credit	-	(77,445)
Financial assets available to meet cash needs for general expenditures within one year:	$ 777,876	$ 449,344

NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS

During fiscal year 2020, the Organization moved its three investments accounts from PNC and Branch Banking and Trust Company (BB&T) to Fort Washington Investment. At June 30, 2021 and 2020, the fair value of these investments were $699,816 and $508,669, respectively, with $11,647 and $9,858, respectively, classified as cash and cash equivalents on the balance sheet.

The Organization follows FASB ASC 820-10, "Fair Value Measurements". Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Organization used various valuation approaches, which may include market, income and/or cost approaches. FASB ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

LEVEL 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Assets utilizing Level 1 inputs include exchange-traded equity securities and mutual funds that are actively traded.

LEVEL 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Assets utilizing Level 2 inputs include U.S. Government agency securities and corporate debentures.

LEVEL 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Unobservable input may be developed by outside third parties using marketing models based on information available to them. Unobservable inputs shall reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing. Unobservable input shall be developed based on the best information available in circumstances, which might include the reporting entity's own data. The Organization has no assets or liabilities valued using Level 3 inputs

The following tables present information fair value measurement information for financial instruments as of June 30, 2021 and 2020:

			Fair Value Measurements at Reporting Date Using:		
June 30, 2021	Cost	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Fort Washington Investments					
Cash equivalents	$ 11,647	$ 11,647	$ 11,647	$ -	$ -
Mutual funds	463,191	475,035	475,035	-	-
Exchange-Traded products	198,044	213,134	213,134	-	-
Total All Investment Fund Accounts	$ 672,882	$ 699,816	$ 699,816	$ -	$ -

			Fair Value Measurements at Reporting Date Using:		
June 30, 2020	Cost	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Fort Washington Investments					
Cash equivalents	$ 9,858	$ 9,858	$ 9,858	$ -	$ -
Mutual funds	316,145	317,676	317,676	-	-
Exchange-Traded products	169,881	181,135	181,135	-	-
Total All Investment Fund Accounts	$ 495,884	$ 508,669	$ 508,669	$ -	$ -

Net investment gains of $79,843 and $8,909 are included in the changes in net assets for the period ending June 30, 2021 and 2020, respectively.

NOTE D – ENDOWMENT

The Organization's endowment consists of one individual fund, established on September 3, 2020, to provide scholarship support for the Organization's scholars. The endowment includes a donor-restricted endowment fund. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization's governing body has interpreted the State of Ohio Uniform Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restriction to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of donor-restricted endowment funds is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Organization and the fund
3. General economic conditions
4. Possible effect of inflation and deflation

5. Expected total return from investment income and appreciation or depreciation of investments

6. Other resources of the Organization

7. Investment policies of Organization

The composition of net assets by endowment fund at June 30, 2021 were:

Net Assets with Donor Restrictions to be held in perpetuity

	FMV at June 30, 2020	Additions	Deletions	FMV at June 30, 2021
Endowment	$ -	$ 100,000	$ -	$ 100,000
Total Endowment	$ -	$ 100,000	$ -	$ 100,000

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Organization is required to retain as a fund of perpetual duration pursuant to donor stipulation. No deficiencies of this nature are reported June 30, 2020.

The Organization has adopted investment and spending policies for endowment assets which, similar to investment assets, attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Organization must hold in perpetuity. Under the Organization's policies, endowment assets are invested in a manner that is intended to produce results that exceed spending plus inflation while assuming a moderate level of investment risk. The Organization expects its endowment funds to provide an average rate of return of approximately 1.5% over time. Actual returns in any given year may vary from this amount.

NOTE E – CONTRIBUTIONS RECEIVABLE

The Organization has received unconditional promises to give cash from several unrelated donors. These contributions receivable have been included in the financial statements at the pledged value. Total contributions receivable net of allowance at June 30, 2021 and 2020 were $300,000 and $541,547 respectively.

NOTE F – CONTRIBUTED RENT RECEIVABLE

In 2008, the Organization entered into a lease agreement on a building located on the property of St. Xavier High School. Under this lease agreement, the annual lease payment was $1 and the lease was set to expire in June 2033. The Organization was required to pay for expenses, such as utilities, insurance, and repairs and maintenance associated with the facility.

The Organization recorded a receivable at the net present value for the estimated fair value of the contributed rent receivable determined annually at June 30. The annual fair value of the contributed rent had been estimated at $9,000. The net present value of the receivable, calculated utilizing a rate of 5%, had been included as a net asset with donor restrictions.

In 2018, the Organization, in cooperation with St. Xavier High School, ended the lease agreement noted above, and entered into a new agreement for the properties located at 7835 and 7837 View Place Drive. Under the new lease agreement, the annual lease payment is $1 and the lease expires in July 2115. The Organization is required to pay for expenses, such as utilities, insurance, and repairs and maintenance associated with the properties and structures.

The Organization will record a receivable at the net present value for the estimated fair value of the contributed rent receivable determined annually at June 30. The annual fair value of the contributed rent has been estimated at $7,400. The net present value of the receivable, calculated utilizing a rate of 5%, has been included as a net asset with donor restrictions.
The following is a summary of donated rent:

	2021	2020
Fair market value of contributed rent receivable	$ 158,000	$ 167,000
Less: interest portion	(60,594)	(67,185)
Net present value of contributed rent receivable	97,406	99,815
Less: current portion	(2,530)	(2,409)
Total	$ 94,876	$ 97,406

NOTE G – CAPITAL ASSETS

The Organization has elected to capitalize assets with a cost of $2,500 or more. Capital assets are depreciated using the straight-line method and charged as an expense against operations; and accumulated depreciation is reported on the statement of net position. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	25 years
Leasehold improvements	10-20 years
Vehicles	5 years
Furniture and equipment	5 years

Capital assets activity for the year ended June 30, 2021 was as follows:

Asset	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Assets not being depreciated				
Construction in progress	$ -	$ -	$ -	$ -
Subtotal	-	-	-	-
Other capital assets				
Buildings	2,120,222	-	-	2,120,222
Leasehold improvements	743,222	-	-	743,222
Vehicles	62,344	24,288	-	86,632
Furniture and equipment	178,535	-	-	178,535
Subtotal	3,104,323	24,288	-	3,128,611
Accumulated depreciation				
Buildings	(656,666)	(75,902)	-	(732,568)
Leasehold improvements	(416,443)	(29,802)	-	(446,245)
Vehicles	(28,333)	(14,898)	-	(43,231)
Furniture and equipment	(108,941)	(22,529)	-	(131,470)
Subtotal	(1,210,383)	(143,131)	-	(1,353,514)
Other capital assets, less depreciation	1,893,940	(118,843)	-	1,775,097
Capital assets, net	$ 1,893,940	$ (118,843)	$ -	$ 1,775,097

NOTE H – NET ASSETS

Resources are classified into two net asset categories according to the existence or absence of donor-imposed restrictions:

1) Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions:

Undesignated **-** Undesignated net assets include the assets and liabilities associated with the principal mission of the Organization, including its net property and equipment.

Board Designated - Board designated net assets include net assets which the board has determined should be invested for future building needs, scholarships and quasi endowments.

2) Net Assets with Donor Restrictions include grants and contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Organization and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity.

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of $498,825 and $641,362 at June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, funds classified as net assets with donor restrictions had the following balances:

Restricted Purpose	2020	Contributions	Restriction	2021
Unconditional promises to give, net of allowance	$ 541,547	$ 13,000	$ (254,547)	$ 300,000
Contibuted rent receivable, current portion	2,409	2,530	(2,409)	2,530
Contibuted rent receivable, long-term portion	97,406	-	(2,530)	94,876
Endowment	-	101,419	-	101,419
Totals	$ 641,362	$ 116,949	$ (259,486)	$ 498,825

NOTE J – COOPERATIVE AGREEMENT

Under the agreement with Boys Hope/Girls Hope, Inc. (International), a related party, the Organization is obligated to conduct its operations in accordance with certain by-laws, philosophies and policies as established by International. Additionally, the Organization is obligated to reimburse International for administrative services provided to the Organization. Administrative charges for the years ended June 30, 2021 and 2020 were $32,974 and $30,171, respectively.

NOTE K – RETIREMENT PLAN

During fiscal year 2016, the organization adopted an employee retirement plan under Section 401(K) of the Internal Revenue Code. Upon hire, eligible employees may contribute a portion of their salary to the plan. After one year in the plan, the Organization will equally match all participant contributions to the plan, up to 3% of the participant's compensation. The Organization's contribution to the plan for the years ended June 30, 2021 and 2020 was $14,146 and $10,218, respectively.

NOTE L – LEASE

On February 1, 2020, the Organization entered into a two-year lease agreement with United Way of Greater Cincinnati for $1,546 per month with the first month's rent (February 2020) at no charge. The lease terminates on December 31, 2022. Rent expense for the years ended June 30, 2021 and 2020 was $18,552 and $16,404, respectively.

NOTE M – C BANK LINE OF CREDIT

On February 21, 2020, the Organization renewed their existing commercial revolving line of credit with C Bank for $500,000, which is secured by the Gardner House and the Michael J. Burke and Cookie Crowley investment accounts. Interest is paid monthly at a variable rate of 2.75% at June 30, 2021, with principal due at maturity on November 13, 2021. At June 30, 2020, the total amount drawn on the line of credit was $77,445, leaving an available balance of $422,555. The balance of $77,445 was paid in full on October 7, 2020, and no additional draws were made the remainder of the fiscal year. At June 30, 2021 the amount drawn on the line of credit was $0, leaving an available balance of $500,000.

NOTE N – FUND RAISING

The Organization received total revenues of $534,641 and $31,670 from its fundraising activities and incurred direct, related expenses of $38,305 and $9,037 for the years ended June 30, 2021 and 2020, respectively, reported as *Special events revenue, net of direct expenses* on the Statements of Activities. The remaining $26,435 and $ 4,283 for the years ended June 30, 2021 and 2020, respectively, are reported as *non-direct special events expenses* on the Statements of Functional Expenses. Due to Covid-19, the Organization's Hearts for Hope Gala that was scheduled to take place in May 2020 was rescheduled to September 2020. The Gala will also be held in September in 2021.

NOTE O – DONATED SERVICES

The Organization receives services of volunteers who donate their time to administrative and oversight services to the Organization. These contributed services do not meet the requirements for recognition in the financial statements.

NOTE P – IMPLEMENTATION OF NEW FASB ACCOUNTING STANDARD

Effective July 1, 2019 Boys Hope Girls Hope of Greater Cincinnati adopted the requirements of Financial Accounting Standards Board Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) and Accounting Standards Update No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958).

Topic 606, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization has adjusted the presentation in these financial statements accordingly.

Topic 958 assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements.

The Organization adopted the requirements of this new guidance utilizing the modified retrospective method of transition. However, the adoption of this new guidance did not result in the Organization changing its policies for recognizing revenue and thus no cumulative adjustment to the Organization's net assets as of July 1, 2019 was required. The amounts reported in the financial statements for 2020 are the same amounts that would have been reported under the former guidance.

NOTE Q – FUTURE CHANGES IN ACCOUNTING STANDARDS

ASU 2016-02 – *Leases (Topic 842)* – Implementation has been delayed until FY 2022. This standard eliminates “operational leases” and requires entities to recognize, on the balance sheet, both a “right of use” asset that is amortized over the lease term and a long-term lease liability, initially measured at the present value of the future lease payments.

NOTE R - COVID-19 GLOBAL PANDEMIC

On January 30, 2020, the World Health Organization announced a global health emergency, later classified as a global pandemic, as a result of the COVID-19 outbreak. The outbreak and response have impacted financial and economic markets across the World and within the United States of America. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. The Organization’s Management and Board are actively monitoring the impact of the global pandemic on its financial condition, liquidity, operations, suppliers, and industry.

The primary effects on the Organization from the COVID-19 Global Pandemic was a significant decrease in the Organization’s investment account value in March of 2020. The investment account has fully recovered its’ market value as of the date of these financial statements. The 2021-22 fiscal-year budget has been passed to incorporate potential effects of the pandemic on the Organization’s financial condition.

NOTE S - PAYCHECK PROTECTION PROGRAM LOAN

In response to the COVID-19 Global Pandemic, Boys Hope Girls Hope of Greater Cincinnati has applied for and received a $164,087 Federal Paycheck Protection Program loan from a local bank. The proceeds of this loan are to be used for payroll costs, rent, and utilities during the pandemic. This loan may be fully forgiven if the qualifications for use are met. At June 30, 2020, as the proceeds were used, the transactions were recorded on the balance sheet as cash and loan payable. The PPP loan was forgiven in fiscal year 2021, the loan was closed, and revenue was recognized.

NOTE T – SUBSEQUENT EVENTS

The Organization’s management has evaluated events through November 2, 2021, the date on which the financial statements were available for issue. The Organization has no subsequent events from June 30, 2021 to the report date of November 2, 2021, to disclose.

Chamberlin Owen
Certified Public Accountants

INDEPENDENT AUDITOR'S 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*

To the Board of Directors
Boys Hope Girls Hope of Greater Cincinnati
Cincinnati, Ohio

We have audited, in accordance with the 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 Boys Hope Girls Hope of Greater Cincinnati (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Boys Hope Girls Hope of Greater Cincinnati's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boys Hope Girls Hope of Greater Cincinnati's internal control. Accordingly, we do not express an opinion on the effectiveness of Boys Hope Girls Hope of Greater Cincinnati'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and 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 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 Boys Hope Girls Hope of Greater Cincinnati'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 financial statements. 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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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 organization'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chamberlin Owen & Co., Inc.

Chamberlin Owen & Co., Inc.
Erlanger, Kentucky
November 2, 2021