

**BOYS & GIRLS CLUB  
OF ELIZABETHTON/CARTER COUNTY, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2024**

**BOYS & GIRLS CLUB OF ELIZABETHTON/CARTER COUNTY, INC.**  
**ELIZABETHTON, TENNESSEE**  
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**December 31, 2024**

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*Member, American Institute of  
Certified Public Accountants*

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Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of the Boys & Girls Club of Elizabethton/Carter County, Inc.

**Opinion**

I have audited the accompanying financial statements of the Boys & Girls Club of Elizabethton/Carter County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Club of Elizabethton/Carter County, Inc. as of December 31, 2024, 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.

**Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Boys & Girls Club of Elizabethton/Carter County, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Boys & Girls Club of Elizabethton/Carter County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Boys & Girls Club of Elizabethton/Carter County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Boys & Girls Club of Elizabethton/Carter County, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.



Greeneville, Tennessee  
May 29, 2025

**BOYS & GIRLS CLUB OF ELIZABETHTON/CARTER COUNTY, INC.**  
**ELIZABETHTON, TENNESSEE**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2024**

ASSETS

Current Assets		
Cash and cash equivalents	\$ 370,103	
Certificates of deposit	742,650	
Prepaid insurance	4,670	
Prepaid expenses	30,201	
Merritt Family Scholarship	103,097	
Investments	291,827	
Total Current Assets		\$1,542,548
Property and Equipment		
Leasehold improvements	308,028	
Equipment	61,499	
Vehicles	25,442	
Furniture and fixtures	70,162	
Accumulated depreciation	(214,300)	
Total Property and Equipment		250,831
Other Assets		
Endowment Fund - Board Designated	122,772	
Total Other Assets		122,772
Total Assets		<u>\$1,916,151</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Credit cards payable	\$ 5,679	
Deferred grant revenue	16,846	
Accounts payable	12,204	
Wages payable	5,892	
Deferred revenue	5,000	
Payroll liabilities	451	
Total Current Liabilities		46,072
Long-Term Liabilities		
Merritt Family Scholarship Fund	102,796	
Total Long-Term Liabilities		102,796
Net Assets		
Net assets without donor restrictions:		
Undesignated	1,590,393	
Board Designated	122,772	
Net assets with donor restrictions	54,118	
Total Net Assets		1,767,283
Total Liabilities and Net Assets		<u>\$1,916,151</u>

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

**BOYS & GIRLS CLUB OF ELIZABETHTON/CARTER COUNTY, INC.**  
**ELIZABETHTON, TENNESSEE**  
**STATEMENT OF ACTIVITIES**  
**For the year ended December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT</b>			
Contributions	\$ 106,256	\$ 30,000	\$ 136,256
United Way	23,750	-	23,750
Government appropriations	52,500	-	52,500
In-kind contributions	232,758	-	232,758
Grants	521,133	-	521,133
Total Public Support	<u>936,397</u>	<u>30,000</u>	<u>966,397</u>
<b>REVENUE</b>			
Program fees and income	164,736	-	164,736
Fundraising and special events (net of \$28,995 expenses)	72,600	-	72,600
Interest income	45,179	-	45,179
Net realized and unrealized gains/(losses) on investments	30,010	-	30,010
Other income	24,195	-	24,195
Total Revenue	<u>336,720</u>	<u>-</u>	<u>336,720</u>
Items released from restriction	<u>9,817</u>	<u>(9,817)</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	1,282,934	20,183	1,303,117
<b>EXPENSES</b>			
Program services	946,949	-	946,949
Supporting services			
General and administrative	173,653	-	173,653
Fundraising	9,032	-	9,032
<b>TOTAL EXPENSES</b>	<u>1,129,634</u>	<u>-</u>	<u>1,129,634</u>
<b>CHANGE IN NET ASSETS</b>	153,300	20,183	173,483
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,559,865</u>	<u>33,935</u>	<u>1,593,800</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$1,713,165</u>	<u>\$ 54,118</u>	<u>\$ 1,767,283</u>

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

**BOYS & GIRLS CLUB OF ELIZABETHTON/CARTER COUNTY**  
**ELIZABETHTON, TENNESSEE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the year ended December 31, 2024**

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
<u>Employee Compensation</u>				
Salaries & wages	\$ 441,542	\$ 60,902	\$ 5,076	\$ 507,520
Payroll taxes	33,832	4,666	389	38,887
Employee benefits	59,029	8,142	678	67,849
Total Employee Compensation	534,403	73,710	6,143	614,256
<u>Other Expenses</u>				
Program Expense	81,172	-	-	81,172
Professional Fees	-	30,051	-	30,051
Insurance	13,039	1,798	150	14,987
Dues and Other	15,794	-	-	15,794
Occupancy	213,382	29,432	2,453	245,267
Technology and Office	-	15,524	-	15,524
Repairs and Maintenance	-	11,252	-	11,252
Conferences and Meetings	-	8,454	-	8,454
Athletic Expenses	53,692	-	-	53,692
Transportation	9,698	-	-	9,698
Donor/Volunteer Appreciation	889	-	-	889
Depreciation	24,880	3,432	286	28,598
				-
	<u>\$ 946,949</u>	<u>\$ 173,653</u>	<u>\$ 9,032</u>	<u>\$ 1,129,634</u>

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

**BOYS & GIRLS CLUB OF ELIZABETHTON/CARTER COUNTY, INC.**  
**ELIZABETHTON, TENNESSEE**  
**STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2024**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in Net Assets	\$ 173,483
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	28,598
(Increase)/decrease in operating assets:	
Accounts receivable	13,252
Prepaid expenses	(9,195)
Increase/(decrease) in operating liabilities:	
Accounts payable	5,951
Wages payable	818
Deferred grant revenue	(27,794)
Deferred revenue	(7,500)
Accrued expenses	<u>63</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>177,676</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Leasehold Improvements	(67,992)
Purchase of equipment	<u>(24,966)</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(92,958)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Increase in endowment fund	(13,841)
Change in scholarship	(301)
Increase in investments	<u>56,533</u>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b><u>42,391</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>127,109</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b><u>242,994</u></b>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b><u><u>\$ 370,103</u></u></b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>	
Interest Paid	-

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

**BOYS & GIRLS CLUB OF ELIZABETHTON/CARTER COUNTY, INC.**  
**ELIZABETHTON, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 1 – NATURE OF ACTIVITIES**

Boys & Girls Club of Elizabethton/Carter County, Inc. (the Club) is a nonprofit organization located in Elizabethton, Tennessee. It is a joint venture of various civic, governmental, business, industrial and private organizations and individuals working together to promote the physical, mental, emotional and moral well-being of boys and girls aged six to eighteen years of age by providing guidance, leadership, education, recreation, character development and a safe haven so youth may become responsible citizens and leaders.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. 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 Club and changes therein are classified and reported as follows:

**Net Assets with Donor Restrictions** - Net assets subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

**Net Assets without Donor Restrictions** - Net assets not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

**Contributions**

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are classified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are due in the next year are recorded at their net realizable value. All other contributions are recorded as received.

Contributions of noncash assets are recorded at their fair values in the period received. Contributions of services that require specialized skills that are provided by individuals possessing those skills and that would typically need to be purchased if not provided by donation are recorded at their fair value in the period received.

**BOYS & GIRLS CLUB OF ELIZABETHTON/CARTER COUNTY, INC.**  
**ELIZABETHTON, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**Capitalization and Depreciation**

Fixed assets are recorded at cost if purchased or fair value if donated and depreciated over estimated useful lives using the straight-line method. Furnishings, equipment, and computers donated to the Club are recorded when received if the value is determinable and material. Once assets are recorded, applicable lives and conventions are used to calculate depreciation expense.

**Cash Equivalents**

For purposes of the statement of cash flows, the Club considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

**Functional Expenses**

The costs of providing program and supporting activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated between program services and supporting services based on an analysis of those costs identifiable with a specific function or based on an analysis of personnel time and/or space utilized for the related service.

**Estimates**

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

**Concentration of Credit Risk**

The Club maintains checking accounts and CDs at various banks. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year the balance in certain accounts may be in excess of federally insured limits. At December 31, 2024, the Club had \$506,090 of deposits in excess of limits of insurance.

**NOTE 3 – INCOME TAXES**

The Club is exempt from federal income taxes under Internal Revenue Code Section 501 (c) (3) and therefore has made no provision for federal income taxes.

**NOTE 4 – CONCENTRATION OF SUPPORT**

Donors to the Club are located in the Tri-Cities, Tennessee area and the amount of donations received could be affected by economic conditions in the area.

**BOYS & GIRLS CLUB OF ELIZABETHTON/CARTER COUNTY, INC.**  
**ELIZABETHTON, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 5 – IN-KIND CONTRIBUTIONS**

The following in-kind contributions were received during the current fiscal year:

Building occupancy rent	\$ 195,000
Building utilities	32,518
Professional fees	<u>5,240</u>
 Total In-Kind Contributions	 <u>\$ 232,758</u>

The Club donated the land and building to the City of Elizabethton in 2003 and the City allows the Club to use the property rent free. The Club is responsible for all maintenance items under \$500 and the City provides for all utilities of the facility.

The Club receives donated services from unpaid volunteers who assist with program activities and fundraising. When the criteria for recognition under ASC 958-605-15 has been satisfied, the in-kind contributions are recorded at fair value.

**NOTE 6 – PROPERTY AND EQUIPMENT**

		<u>Estimated Useful Life</u>
Leasehold Improvements	\$ 308,028	15-39 years
Equipment	61,499	5-7 years
Vehicles	25,442	5 years
Furniture and Fixtures	<u>70,162</u>	5-30 years
	465,131	
Accumulated Depreciation	<u>214,300</u>	
	<u>\$ 250,831</u>	

Depreciation expense for the year totaled \$28,598.

**NOTE 7 – RETIREMENT PLAN**

For qualified participants, the Club contributes 3% of the eligible employee's compensation to a 401(k) and an additional 2% if the employee contributes 2%. Plan expenses recorded by the Club during the year ending December 31, 2024, were \$9,954.

**BOYS & GIRLS CLUB OF ELIZABETHTON/CARTER COUNTY, INC.**  
**ELIZABETHTON, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**NOTE 8 – RELATED PARTY TRANSACTIONS**

The Club paid a total of \$8,149 in annual dues to the Boys and Girls Club of America and the Tennessee Alliance of Boys and Girls Clubs. In addition to receiving administrative and training support from these organizations, the Club is a sub-recipient of grant proceeds acquired by those organizations.

**NOTE 9 – UNCERTAIN TAX POSITIONS**

The Club follows the FASB *Accounting Standards Codification* which provides guidance on accounting for uncertainty in income taxes recognized in an organization's financial statements. As of December 31, 2024, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the Organization's financial statements.

**NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Club's financial assets as of the statement of financial position date. All are available to meet general obligations within one year, which are estimated to consist of operations expenses and contributions.

Financial assets at year-end:	
Cash	\$ 370,103
Certificates of deposit	742,650
Investments	291,827
Merritt Family Scholarship	<u>103,097</u>
Total financial assets	\$ 1,507,677
Less: internal designations	<u>\$ 394,924</u>
Financial assets available to meet cash needs for general expenditures within one year.	<u><u>\$ 1,112,753</u></u>

**NOTE 11 – ENDOWMENT FUNDS**

The Club's endowment is an agreement made and entered into by the East Tennessee Foundation and the Boys & Girls Club of Elizabethton to function as an endowment fund of the Foundation. The purpose of the endowment is to benefit the Club and to further or carry out the charitable, cultural, or educational purposes of that organization. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**BOYS & GIRLS CLUB OF ELIZABETHTON/CARTER COUNTY, INC.**  
**ELIZABETHTON, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

**Spending policy:** Distributions from the endowment are based upon the “Distribution Policy” adopted annually by the Foundation. At any time and from time to time, the Foundation may elect to reinvest the “Distribution Policy” amount in whole or in part.

**Investment return objective, risk parameter and strategies:** The goal of the Fund is to exist in perpetuity, and therefore, provide for fund making in perpetuity. If, at any time during the Fund’s existence, its charitable purpose, in the sole judgment of the board of directors of the Foundation, becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community it serves, the board of directors has the sole power to modify any condition or restriction on the distribution of funds and alter the manner in which the fund is administered.

Changes in endowment net assets as of December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$ 108,931	\$ -	\$ 108,931
Contributions	1,500	-	1,500
Administrative fees	(1,799)	-	(1,799)
Investment income	14,176	-	14,176
Credit card fees	(44)	-	(44)
Taxes	8	-	8
	<hr/>	<hr/>	<hr/>
Endowment net assets, end of year	\$ 122,772	\$ -	\$ 122,772

**NOTE 12 – MERRITT FAMILY SCHOLARSHIP FUND**

The Merritt Family Scholarship honors the legacy of Randall "Randy" Merritt—an Elizabethton native and former Board Member of the Boys & Girls Club of Elizabethton/Carter County. The fund was established in 2024 and provides scholarships to rising seniors enrolled in an Elizabethton or Carter County high school.

**NOTE 13 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Club has evaluated events and transactions for potential recognition or disclosure through May 29, 2025, the date the financial statements were available to be issued.