

IRONPIGS CHARITIES  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)



IRONPIGS CHARITIES  
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DECEMBER 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
IronPigs Charities  
Allentown, Pennsylvania

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of IronPigs Charities (a Pennsylvania nonprofit corporation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IronPigs Charities as of December 31, 2021, and the changes in 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**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IronPigs Charities and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 IronPigs Charities' 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**

Our 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 our 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, we:

- 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 IronPigs Charities' 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IronPigs Charities' ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

#### **Report on Summarized Comparative Information**

We have previously audited the IronPigs Charities' 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 1, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material aspects, with the audited financial statements from which it has been derived.

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and support on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Hill, Barth & King LLC*

Certified Public Accountants

May 8, 2023

IRONPIGS CHARITIES  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 376,973	\$ 284,887
Due from LV	-	106
Property and equipment, net	<u>-</u>	<u>719</u>
Total assets	<u>\$ 376,973</u>	<u>\$ 285,712</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 1,669	\$ -
Accrued expenses	75,546	475
Deferred revenues	<u>6,793</u>	<u>15,900</u>
	84,008	16,375
Net assets:		
Without donor restrictions	<u>292,965</u>	<u>269,337</u>
Total liabilities and net assets	<u>\$ 376,973</u>	<u>\$ 285,712</u>

See accompanying notes to financial statements

IRONPIGS CHARITIES  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEARS ENDED DECEMBER 31, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)

	2021		
	Without Donor Restrictions	2021	2020
Revenues, events, and other support:			
Contributions	\$ 32,344	\$ 32,344	\$ 68,123
Program revenues	3,486	3,486	41
Special events	192,030	192,030	84,095
Less direct benefit cost	(38,411)	(38,411)	-
In-kind contributions	15,212	15,212	-
Other revenue	189	189	521
	<u>204,850</u>	<u>204,850</u>	<u>152,780</u>
Expenses:			
Financial assistance to charitable organizations	67,602	67,602	73,345
Educational and recreational programs for children	7,599	7,599	8,572
Fundraising	87,301	87,301	65,543
Management and general	18,720	18,720	21,760
	<u>181,222</u>	<u>181,222</u>	<u>169,220</u>
Increase (Decrease) in net assests without donor restrictions	23,628	23,628	(16,440)
Net assets without donor restrictions, beginning of year	<u>269,337</u>	<u>269,337</u>	<u>285,777</u>
Net assets without donor restrictions, end of year	<u>\$ 292,965</u>	<u>\$ 292,965</u>	<u>\$ 269,337</u>

See accompanying notes to financial statements

IRONPIGS CHARITIES  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2021  
(WITH COMPARATIVE TOTALS FOR 2020)

	2021				2021	2020
	Financial Assistance to Charitable Organizations	Educational and Recreational Programs for Children	Fundraising	Management & General		
Board of Directors	\$ -	\$ -	\$ -	\$ 117	\$ 117	\$ 196
Donations	-	-	2,895	-	2,895	109
Golf tournament	-	-	9,421	-	9,421	7,321
Grants	60,100	-	-	-	60,100	37,400
IronPiggy Bank	-	-	300	-	300	-
Jersey Auctions	-	-	25,620	-	25,620	-
Office supplies	-	-	-	241	241	454
Phillies Caravan	-	-	3,309	-	3,309	39,820
Professional fees	-	-	-	6,202	6,202	5,030
Suites and Treats	-	2,044	-	-	2,044	1,761
50/50 Raffle	-	-	22,806	-	22,806	-
Game on Grants	-	-	-	-	-	27,200
Youth Sports Academy	-	1,804	-	-	1,804	2,438
Miscellaneous expense	-	-	-	150	150	-
Credit card fees	-	-	4,099	455	4,554	892
Salary	6,669	3,335	13,338	10,004	33,346	43,725
Salary-other	-	-	3,432	-	3,432	-
Insurance	833	416	2,081	832	4,162	-
Depreciation	-	-	-	719	719	2,874
	<u>67,602</u>	<u>7,599</u>	<u>87,301</u>	<u>18,720</u>	<u>181,222</u>	<u>169,220</u>
Special events expense	<u>-</u>	<u>-</u>	<u>38,411</u>	<u>-</u>	<u>38,411</u>	<u>-</u>
Total expenses	<u>\$ 67,602</u>	<u>\$ 7,599</u>	<u>\$ 125,712</u>	<u>\$ 18,720</u>	<u>\$ 219,633</u>	<u>\$ 169,220</u>

See accompanying notes to financial statements

IRONPIGS CHARITIES  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 23,628	\$ (16,440)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	719	2,874
(Increase) decrease in operating assets:		
Due from LV	106	(106)
Increase (decrease) in operating liabilities:		
Accounts payable	1,669	-
Accrued expenses	75,071	(52,925)
Deferred revenue	(9,107)	(8,297)
Net cash provided by (used in) operating activities	<u>92,086</u>	<u>(74,894)</u>
Net increase (decrease) in cash and cash equivalents	92,086	(74,894)
Cash and cash equivalents at beginning of year	<u>284,887</u>	<u>359,781</u>
Cash and cash equivalents at end of year	<u><u>\$ 376,973</u></u>	<u><u>\$ 284,887</u></u>

See accompanying notes to financial statements



IRONPIGS CHARITIES  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**1. Nature of activities and summary of significant accounting policies:**

Nature of activities:

IronPigs Charities (the “Charity”) is a Pennsylvania nonprofit corporation which was incorporated on May 9, 2007. The purpose of the Charity is to provide educational and recreational opportunities for children and provide financial assistance to charitable organizations in the area of the Lehigh Valley in Pennsylvania. The Charity is the affiliated non-profit organization of the minor league baseball franchise known as the Lehigh Valley IronPigs.

Basis of accounting:

The accounts of the Charity are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Adoption of New Accounting Standards:

On August 18, 2016, FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities for Contributed Nonfinancial Assets. The update addresses certain stakeholder’s concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profits, as well as the amount of those contributions used in a not-for-profits programs and other activities. The Charity applied the ASU retrospectively to all periods presented. The amendments of this Update resulted in \$15,212 in-kind contributions presented as a separate line item on the Statement of Activities, previously not recorded. Additional disclosures described in Note 4.

Support and revenue:

The Charity receives its support and revenue primarily through fund raising activities, which includes 50/50 raffles, winter banquets, auctions, donations, and other events.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise unless specifically required to be included in donor restricted net assets by the donor or by applicable state law.

All net assets of the Charity at December 31, 2021 were considered to be net assets without donor restrictions.

IRONPIGS CHARITIES  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**1. Nature of activities and summary of significant accounting policies (continued):**

Use of estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

For purposes of the statements of cash flows, the Charity considers all investments purchased with an original maturity of three months or less to be cash equivalents.

Comparative data:

The amounts shown for the year ended December 31, 2020, in the accompanying financial statements are included to provide basis for comparison with 2021 and present summarized totals only.

Accordingly, the 2020 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Charity's financial statements for the year ended December 31, 2020, from which the summarized information was derived

Concentrations of credit risks:

The Charity maintains its cash and cash equivalents in bank accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. The Charity has not experienced any losses in such accounts. As of December 31, 2021, the uninsured cash balance was \$130,643.

Promises to give:

Contributions are recognized when the donor makes an unconditional promise to give. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. There were no donor restricted net assets at December 31, 2021 and 2020.

Uncollectible amounts for unconditional promises to give are expected to be and have historically been immaterial. Accordingly, no provision has been made for the uncollectible amount.

IRONPIGS CHARITIES  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**1. Nature of activities and summary of significant accounting policies (continued):**

Property and equipment:

Property and equipment are stated at cost if purchased or fair value if contributed. Expenditures for major additions and improvements are capitalized. Minor replacements, maintenance, and repairs are charged to expense as incurred. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The estimated useful lives of property and equipment are 5 to 10 years.

Grants payable:

Grants payable represent unconditional grants that have been authorized prior to year-end but remain unpaid as of the statement of financial position date. A conditional grant is an expense and is considered payable in the period the conditions are substantially satisfied. There were no conditional grants as of December 31, 2021 and 2020.

Assets:

Net assets of the Charity and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions:*

Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or have been met.

*Net Assets With Donor Restrictions:*

Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Charity. Certain restrictions may need to be maintained in perpetuity. There are no net assets with donor restrictions as of December 31, 2021 and 2020.

Income tax exemption:

The Charity is a not-for-profit entity described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related activities pursuant to Section 509(a) of the code. In addition, the Charity was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes.

Reclassifications:

For comparability, certain prior-year amounts have been reclassified to conform with the 2021 presentation.

IRONPIGS CHARITIES  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**1. Nature of activities and summary of significant accounting policies (continued):**

Functional allocation of expenses:

The cost of program and supporting service activities has been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Most expenditures are identifiable as a direct cost to the program services and the Charity's specific events. Expenses not directly related are allocated based on estimated time and effort, as also outlined, and approved in the Charity's budget.

In-kind contributions:

The Charity receives support services and other miscellaneous items utilized in various programs. The in-kind contributions are recorded at the estimated fair value.

Risks and uncertainties:

The COVID-19 pandemic has caused business disruption through mandated and voluntary closings of many businesses. It has also caused significant layoffs and unemployment. As of December 31, 2020, the disruption had affected the Charity through multiple streams of revenue. The Charity was unable to host events such as Meet the Team or conduct the 50/50 at games, as there was no minor league baseball season.

The disruption, due to COVID-19, is anticipated to be temporary, however there is considerable uncertainty around the duration of the economic effect and the Charity expects this matter to continue impacting its operating results. Due to the nature of this disruption, the Charity is unable to reasonably estimate the duration nor financial impact on the Charity.

**2. Property and equipment:**

Property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
50/50 Raffle Kiosks	\$ 20,120	\$ 20,120
Less accumulated depreciation	<u>20,120</u>	<u>19,401</u>
Net Property and Equipment	<u>\$ -</u>	<u>\$ 719</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$719.

IRONPIGS CHARITIES  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**3. Contributed services:**

The Charity generally pays for services requiring specific expertise. However, certain administrative and bookkeeping services are provided by the Lehigh Valley IronPigs at no cost to the Charity.

Both parties determined that the value of the Charity's share for the services noted is de minimis and hence, no revenue and expense have been recorded on the books of the Charity for the years ended December 31, 2021 and 2020.

**4. In-kind contributions:**

The Charity received support services and other miscellaneous items utilized in various programs. The in-kind contributions are recorded at the estimated fair value.

Total in-kind contributions for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Executive Director's Insurance	\$ 4,162	\$ -
Fastnacht Caps	465	-
Canadian Tux Jerseys	2,622	-
Dog Jerseys	2,484	-
Sign Language Jerseys	2,623	-
Lagers Jerseys	2,856	-
Total In-kind contributions	<u>\$ 15,212</u>	<u>\$ -</u>

**5. Related party transactions:**

Five employees of the Lehigh Valley IronPigs sit on the Board of Directors of the Charity. These are volunteer positions. The Charity reimbursed the executive director's salary in full. The total amount of the executive director's salary reimbursed for the years ended December 31, 2021 and 2020 was \$33,346 and \$43,725, respectively.

The Charity also reimbursed all the wages of the Lehigh Valley IronPigs' employees who assisted in the 50/50 Raffle during home games. The total amount of salary reimbursed for the years ended December 31, 2021 and 2020 was \$3,432 and \$-, respectively.

**6. Compensated absences:**

The Charity reimbursed the Lehigh Valley IronPigs for salaries of employees who spent a portion of their time working for the Charity. It is not practical for the Charity to estimate the amount of compensation for future absences; accordingly, no liability for compensated absences has been recorded in the accompanying financial statements. The Charity's policy is to recognize the costs of compensated absences when actually paid to employees or reimbursed to the third party.

IRONPIGS CHARITIES  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

**7. Liquidity and availability:**

The Charity regularly monitors liquidity required to meet its operating needs. The Board of Directors approve the operating budget annually and strive to maintain sufficient liquid financial assets to cover their general expenditures. The following table reflects the Charity's financial assets at December 31, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash and cash equivalents	\$ 376,973	\$ 284,887
Less net assets with donor restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 376,973</u>	<u>\$ 284,887</u>

**7. Subsequent events:**

Management has evaluated all activity of the Charity through May 8, 2023, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

## **SUPPLEMENTARY INFORMATION**

IRONPIGS CHARITIES  
SCHEDULES OF REVENUES AND SUPPORT  
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Contributions:		
Donations	\$ 32,262	\$ 68,123
IronPiggy Bank	82	-
	<u>\$ 32,344</u>	<u>\$ 68,123</u>
Program revenues:		
Ballpark tours	\$ 68	\$ 41
Special announcements	3,418	-
	<u>\$ 3,486</u>	<u>\$ 41</u>
Special events:		
50/50 Raffle	\$ 103,790	\$ -
Golf tournament	22,394	26,183
Halloween	6,500	6,750
Jersey auctions	29,590	-
Phillies winter banquet	26,605	51,162
Bingo	3,151	-
	<u>\$ 192,030</u>	<u>\$ 84,095</u>
In-kind contributions	<u>\$ 15,212</u>	<u>\$ -</u>
Other revenue	<u>\$ 189</u>	<u>\$ 521</u>