National 4-H Council and Controlled Affiliates

Consolidated Financial Statements, Schedule of Expenditures of Federal Awards, and Independent Auditor's Reports Required by *Government Auditing Standards* and the Uniform Guidance

Year Ended February 28, 2021 (with comparative totals for the Year Ended February 29, 2020)

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

National 4-H Council and Controlled Affiliates

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Year Ended February 28, 2021 (with comparative totals for the Year Ended February 29, 2020)

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Independent Auditor's Report

To the Board of Trustees
National 4-H Council and Controlled Affiliates
Chevy Chase, Maryland

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **National 4-H Council and Controlled Affiliates** (Council), which comprise the consolidated statement of financial position as of February 28, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the **National 4-H Council and Controlled Affiliates** as of February 28, 2021, and the changes in their net assets and their 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Council 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Council's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Council'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Council's 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022, on our consideration of Council'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 Council'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 Council's internal control over financial reporting and compliance.

Report on Summarized Information

We have previously audited Council's 2020 consolidated financial statements, and as described in Note 1, expressed an unmodified opinion on those audited consolidated financial statements in our report dated January 12, 2021. In our opinion, the summarized information presented herein, and as described in Note 1 as of and for the year ended February 29, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

BDO USA, LLP

February 14, 2022

Consolidated Financial Statements

National 4-H Council and Controlled Affiliates

Consolidated Statements of Financial Position

As of February 28, 2021 (with summarized totals for February 29, 2020)

	Net assets without donor restrictions	Net assets with donor restrictions	2021 Total	2020 Total
Current assets				
Cash and cash equivalents	$ 11,462,413	$ 16,091,432	$ 27,553,845	$ 21,365,557
Short-term investments	5,558,172	4,643,977	10,202,149	9,100,807
Accounts receivable, net	2,548,310	-	2,548,310	823,546
Contributions receivable	-	3,584,680	3,584,680	10,401,793
Merchandise inventories, net	1,550,805	-	1,550,805	1,785,169
Other assets	401,860	-	401,860	195,210
Total current assets	21,521,560	24,320,089	45,841,649	43,672,082
Noncurrent assets				
Contribution receivable	-	2,712,226	2,712,226	3,225,000
Long-term investments	2,958,971	2,565,845	5,524,816	3,491,390
Property and equipment, net	5,150,825	-	5,150,825	6,010,177
Total noncurrent assets	8,109,796	5,278,071	13,387,867	12,726,567
Total assets	$ 29,631,356	$ 29,598,160	$ 59,229,516	$ 56,398,649

See accompanying notes to consolidated financial statements.

National 4-H Council and Controlled Affiliates

Consolidated Statements of Financial Position

As of February 28, 2021 (with summarized totals for February 29, 2020)

	Net assets without donor restrictions	**Net assets with donor restrictions**	**2021 Total**	2020 Total
Current liabilities				
Accounts payable and accrued expenses	**$ 5,588,896**	**$ -**	**$ 5,588,896**	$ 4,003,765
Line of credit	**-**	**-**	**-**	2,000,000
Accrued postretirement benefit liability	**75,851**	**-**	**75,851**	80,024
Deferred revenue and refundable advances	**2,031,530**	**-**	**2,031,530**	1,771,048
Agency funds and other	**470,424**	**-**	**470,424**	619,837
Total current liabilities	**8,166,701**	**-**	**8,166,701**	8,474,674
Noncurrent liabilities, net of current portion				
Accrued postretirement benefit liability	**2,976,445**	**-**	**2,976,445**	4,255,005
Notes payable	**10,000,000**	**-**	**10,000,000**	-
Deferred revenue	**-**	**-**	**-**	77,855
Unfunded pension liability	**4,088,622**	**-**	**4,088,622**	6,355,570
Total noncurrent liabilities	**17,065,067**	**-**	**17,065,067**	10,688,430
Total liabilities	**25,231,768**	**-**	**25,231,768**	19,163,104
Net assets				
Without donor restriction	**4,399,588**	**-**	**4,399,588**	323,592
With donor restriction	**-**	**29,598,160**	**29,598,160**	36,911,953
Total net assets	**4,399,588**	**29,598,160**	**33,997,748**	37,235,545
Total liabilities and net assets	**$ 29,631,356**	**$ 29,598,160**	**$ 59,229,516**	$ 56,398,649

See accompanying notes to consolidated financial statements.

National 4-H Council and Controlled Affiliates

Consolidated Statement of Activities

For the year ended February 28, 2021 (with summarized totals for the year ended February 29, 2020)

	Net assets without donor restrictions	Net assets with donor restrictions	2021 Total	2020 Total
Operating				
Revenue				
Contributions received from the public	$ 3,818,402	$ 12,926,972	$ 16,745,374	$ 34,394,785
Federal grant revenue	3,010,422	-	3,010,422	1,991,372
Registration fees and tuitions	-	-	-	433,365
National 4-H Center	395,083	-	395,083	10,680,734
National 4-H Supply Service	3,463,455	-	3,463,455	4,524,494
Investment return allocated to operations	223,904	33,452	257,356	393,288
Other	2,357,766	-	2,357,766	904,771
Net assets released from restrictions	20,651,058	(20,651,058)	-	-
Total revenue	33,920,090	(7,690,634)	26,229,456	53,322,809
Expenses				
Program services				
Education programs	20,782,112	-	20,782,112	24,148,584
Other programs				
National 4-H Center	2,226,425	-	2,226,425	8,154,058
National 4-H Supply Service	5,042,248	-	5,042,248	4,338,307
Total other programs	7,268,673	-	7,268,673	12,492,365
Total program services	$ 28,050,785	$ -	$ 28,050,785	$ 36,640,949

See accompanying notes to consolidated financial statements.

National 4-H Council and Controlled Affiliates

Consolidated Statement of Activities

For the year ended February 28, 2021 (with summarized totals for the year ended February 29, 2020)

	Net assets without donor restrictions	Net assets with donor restrictions	2021 Total	2020 Total
Supporting services				
Management and general	$ 4,688,749	$ -	$ 4,688,749	$ 5,001,030
Fundraising	2,772,673	-	2,772,673	2,537,730
Total supporting services	7,461,422	-	7,461,422	7,538,760
Total operating expenses	35,512,207	-	35,512,207	44,179,709
Change in net assets from operating activities	(1,592,117)	(7,690,634)	(9,282,751)	9,143,100
Nonoperating increase (decrease)				
Contributions	-	-	-	63,249
Investment return, net	2,473,378	376,841	2,850,219	147,593
Named fund spending	-	-	-	(8,321)
Net periodic postretirement benefit cost other than service cost	(14,205)	-	(14,205)	(71,427)
Net periodic pension benefit cost other than service cost	(728,154)	-	(728,154)	(444,295)
Postretirement related changes other than net periodic postretirement costs	1,443,035	-	1,443,035	(690,321)
Pension related changes other than net periodic pension cost	2,494,059	-	2,494,059	(2,868,397)
Change in net assets from nonoperating activities	5,668,113	376,841	6,044,954	(3,871,919)
Change in net assets	4,075,996	(7,313,793)	(3,237,797)	5,271,181
Net assets, beginning of year	323,592	36,911,953	37,235,545	31,964,364
Net assets, end of year	$ 4,399,588	$ 29,598,160	$ 33,997,748	$ 37,235,545

See accompanying notes to consolidated financial statements.

National 4-H Council and Controlled Affiliates

Consolidated Statement of Functional Expenses

For the year ended February 28, 2021 (with summarized totals for the year ended February 29, 2020)

	Program Services				Supporting Services				
	Education Programs	National 4-H Center	National 4-H Supply Service	Total Program Services	Management and General	Fundraising	Total Supporting Services	2021 Total	2020 Total
Salaries, taxes and benefits	$ 7,212,795	$ 1,678,430	$ 1,096,638	$ 9,987,863	$ 2,508,444	$ 2,336,931	$ 4,845,375	$ 14,833,238	$ 17,140,465
Awards, scholarships and grants	7,785,610	-	-	7,785,610	-	-	-	7,785,610	10,142,314
Professional fees	4,997,551	2,662	454,504	5,454,717	1,068,522	316,400	1,384,922	6,839,639	7,264,707
Cost of goods sold	-	58,261	1,663,473	1,721,734	-	-	-	1,721,734	2,738,574
Depreciation and amortization	33,487	2,881	872,566	908,934	50,593	3,799	54,392	963,326	1,064,692
Resources and office supplies	449,045	43,249	63,804	556,098	178,873	42,386	221,259	777,357	1,362,446
Utilities and telephone	45,106	422,997	45,159	513,262	47,322	23,217	70,539	583,801	781,808
Postage and shipping	40,628	-	363,699	404,327	7,627	2,001	9,628	413,955	437,225
Travel	109,618	9,010	16,034	134,662	14,687	2,621	17,308	151,970	1,599,591
Other	108,272	8,935	466,371	583,578	812,681	45,318	857,999	1,441,577	1,647,887
Total operating expenses	$ 20,782,112	$ 2,226,425	$ 5,042,248	$ 28,050,785	$ 4,688,749	$ 2,772,673	$ 7,461,422	$ 35,512,207	$ 44,179,709
Pension and Postretirement costs	366,785	91,617	53,129	511,531	109,998	120,830	230,828	742,359	515,722
Total expenses	$ 21,148,897	$ 2,318,042	$ 5,095,377	$ 28,562,316	$ 4,798,747	$ 2,893,503	$ 7,692,250	$ 36,254,566	$ 44,695,431

See accompanying notes to consolidated financial statements.

National 4-H Council and Controlled Affiliates

Consolidated Statements of Cash Flows

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	$ (3,237,797)	$ 5,271,181
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	963,326	1,064,692
Net unrealized and realized (gains) losses on investments	(2,940,493)	120,476
Loss on disposal of property and equipment	125,175	-
(Increase) decrease in assets		
Accounts receivable	(1,724,764)	343,483
Contributions receivable	7,329,887	(3,265,844)
Merchandise inventories	234,364	234,782
Other assets	(206,650)	5,507
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	1,585,131	(65,285)
Accrued postretirement benefit liability	(1,282,733)	866,500
Deferred revenue and refundable advances	182,627	(1,199,734)
Agency funds and other	(149,413)	129,890
Unfunded pension liability	(2,266,948)	2,854,653
Net cash (used in) provided by operating activities	(1,388,288)	6,360,301
Cash Flows from Investing Activities		
Purchases of property and equipment	(229,149)	(660,341)
Purchases of investments	(1,373,230)	(12,704,878)
Proceeds from sales of investments	1,178,955	12,108,236
Net cash used in investing activities	(423,424)	(1,256,983)
Cash Flows from Financing Activities		
Proceeds from notes payable	10,000,000	-
Borrowing from line of credit	-	2,000,000
Payments on line of credit	(2,000,000)	(2,000,000)
Net cash provided by financing activities	8,000,000	-
Increase in cash and cash equivalents	6,188,288	5,103,318
Cash and cash equivalents, beginning of year	21,365,557	16,262,239
Cash and cash equivalents, end of year	$ 27,553,845	$ 21,365,557

See accompanying notes to consolidated financial statements

1. Organization and Summary of Accounting Policies

Organization Purpose

National 4-H Council is an Ohio not-for-profit corporation that utilizes private and government resources in its efforts to advance the 4-H youth development movement to build a world in which youth and adults learn, grow and work together as catalysts for positive change. The 4-H program is the youth education program of the Cooperative Extension System of the State Land-Grant Universities and the U.S. Department of Agriculture.

National 4-H Activities Foundation (Activities Foundation) is an Ohio not-for-profit corporation that is a 501(c)(3) controlled affiliate of National 4-H Council. Activities Foundation was established in July 2000 to service the accounting and legal needs of nationally-operated 4-H initiatives.

National 4-H Congress Foundation (Congress Foundation) is an Ohio not-for-profit corporation that is a 501(c)(3) controlled affiliate of National 4-H Council. Congress Foundation was established in May 2011 to operate and provide assistance with the operations of National 4-H Congress.

Global Clover Network, Inc. (formerly National 4-H Foundation for Innovation, Inc.) is an Ohio not-for-profit corporation that is a 501(c)(3) controlled affiliate of National 4-H Council. Global Clover Network, Inc. was established in 2014 to increase investment and participation in high quality 4-H positive youth development globally.

In 2014, the Global Clover Network Innovation Fund, Inc., which is an Ohio not-for-profit corporation was established. There was no activity for this fund in 2021 and 2020.

Principles of Consolidation

The consolidated financial statements include the accounts of National 4-H Council, National 4-H Activities Foundation, National 4-H Congress Foundation and Global Clover Network, Inc. (collectively referred to as Council). All significant transactions between the organizations, including all inter-organization balances, have been eliminated in consolidation.

Summarized Financial Information for 2020

The consolidated financial statements include certain prior-year summarized information in total but not by net asset class in the consolidated statement of activities and by expense detail in the consolidated statements of functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Council's consolidated financial statements for the year ended February 29, 2020, from which the summarized information was derived.

Basis of Accounting

The consolidated financial statements of Council have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain 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 revenue and expenses during the reporting period. Significant estimates included in these financial statements include the retirement plan obligation and the postretirement plan obligation. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of operating cash accounts, petty cash and highly liquid, short-term instruments with original maturities of three months or less.

Investments

Investments consist of cash held as part of the investment portfolio, marketable securities and are carried at readily determinable fair values. Investment returns are included in the consolidated statement of activities. Long-term investments represent amounts designated by Council or donors for use in future years.

Financial Instruments and Credit Risk

Financial instruments which potentially subject Council to concentrations of credit risk consist principally of investments held at creditworthy financial institutions. By policy, these investments are kept within limits designed to prevent risks caused by concentration. Credit risk with respect to trade and other receivables is limited because Council deals with a large number of customers over a wide geographic area.

Accounts Receivable

Accounts receivable consists primarily of amounts due from the federal government under agreements with various federal agencies. The allowance method is used to determine the uncollectible amounts. The allowance is based upon prior years' experience and management's analysis of subsequent collections. Accounts receivable are written off if reasonable collection efforts prove unsuccessful.

Contributions Receivable

Contributions, which include unconditional promises to give, are recognized as revenue in the period received and recorded at their net realizable value. Management considers all promises to give to be fully collectible, therefore, no allowance for doubtful accounts has been established.

Merchandise Inventories

Inventory, consisting of Supply Service and Campus Shop merchandise and educational aids, is stated at the lower of cost or net realizable value. Inventory is valued using the standard cost method of inventory valuation.

Property and Equipment

Property and equipment are recorded at cost, or if donated, such assets are capitalized at the estimated fair market value at the date of receipt. Council capitalizes all expenditures for property and equipment over $1,000. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is recorded. Repairs and maintenance are charged to expense when incurred.

Council reports existing assets and gifts of property and equipment as support without donor restrictions

Impairment of Long-Lived Assets

Council reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a charge to the consolidated statements of activities, to its current fair value.

Deferred Revenue

Deferred revenue consists primarily of prepayments for services to be rendered or payments received on conditional contributions. Fees received in advance for programs and conferences to be held in the following fiscal year are recorded as deferred revenue until the related event has occurred. Amounts received under the Paycheck Protection Program (PPP) are also classified as deferred revenue. Refer to Note 10 for details.

Agency Funds

Council holds certain funds on behalf of others for which it acts in an administrative capacity. These agency funds are included as liabilities and related assets in the form of short-term investments and cash and cash equivalents in the accompanying consolidated statements of financial position. Short-term investments include approximately $135,193 and $314,291 of agency funds which are being held on behalf of others, as of February 28, 2021 and February 29, 2020, respectively. The activities involved in spending these funds are not included as revenue or expense in Council's consolidated statements of activities, as they are not expended on behalf of Council.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use in general operations. Board designated net assets consist of net assets without donor restrictions designated by the Board for a specific use.

Net Assets With Donor Restrictions

Net assets with donor restrictions result from contributions and other inflows of assets, the use of which by the organization is limited by donor-imposed time or purpose restrictions that are either temporary or permanent.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Contributions Received from the Public

Council recognizes unconditional promises to give as contributions receivable and contribution revenue in the period in which Council is notified by the donor of the underlying commitment. Conditional promises to give that is, those that are with a measurable performance or other barrier and the right of return and release, are not recognized until the conditions on which they depend have been met.

Council reports donor-restricted contributions and 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 and reported in the statement of activities as net assets released from restriction.

Federal Grant Revenue

Grants awarded by federal sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying reimbursable expenses have been incurred and conditions under the agreements are met.

All federal grants were considered conditional contributions for the years ended February 28, 2021, and February 29, 2020.

Council had approximately $10,716,000 and $1,311,000 in unrecognized conditional contributions related to federal awards as of February 28, 2021 and February 29, 2020, respectively. The revenue related to these awards is conditioned on incurring allowable expenditures under the terms of the respective agreements.

Registration Fees and Tuition

Registration Fees and Tuition revenue represents fees paid by participants of various educational programs offered by Council. Participants generally registered for events as part of the contract to use the Center space. The fees were based on fixed rates that were collected either in advance of the educational offering or at the time of the offering and recognized as revenue at the time of the program.

National 4-H Center

The National 4H Conference Center is a nonprofit hotel and conference center in Washington DC. The Conference Center provides accommodations, meeting and event services, tours of Washington DC, catering, and banquet services to members of the 4H community and others. The 4H Conference Center was closed in March of 2020 due to the COVID-19 pandemic and remained closed at February 28, 2021. National 4-H Center revenues include amounts paid by or on behalf of those who stayed at the Center in March 2020. The fees were based on fixed rates that were collected either in advance of the stay or at the time of the stay and are recognized as revenue at the time of the stay.

At February 28, 2021, there are no accounts receivable or deferred revenue balances associated with these revenues.

National 4-H Supply Service

National 4-H supply service revenues represent sales made through the Shop 4H website and includes curriculum, apparel, pins, and other 4-H branded accessories and tools. Council provides curriculum and supplies to customers based on price listings on the website or negotiated rates for significant sales. Customers pay at the time of purchase or are invoiced for purchases. Revenue from supply services sales is recognized in the period that the product is delivered to the customer.

Other Revenue

Other revenue includes forgiveness of the PPP loan for $2,156,636 and other revenue of $201,130. The PPP loan forgiveness was recognized as a contribution at the time Council met the measurable performance barriers of incurrence of legitimate costs allowed under the requirements of the SBA 7(a) loan. Other revenue is primarily associated with Council's extension engagement program whereby Council provides marketing materials and advice to the field offices in exchange for a fee. The fixed fees are set in agreements between each extension engagement partner and Council and are recognized over time in accordance with the pattern of delivery of the services to the partners.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and services benefited. The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Council. Those expenses include depreciation and amortization, insurance, technology costs, and the Office of the Chief Executive Officer. Council allocates expenses using a salary allocation based on the proportion of compensation expense directly attributed to the program as compared to the total organization.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Risks and Uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a new strain of coronavirus. As a result of the risks to the international community as the virus has spread globally beyond its point of origin, on March 11, 2020 the WHO declared the novel coronavirus a global pandemic.

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 Council's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"), which updates numerous requirements in U.S. GAAP, eliminates industry-specific guidance, and provides companies with a single model for recognizing revenue from contracts with customers. The core principle of the new standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASU 2014-09 requires companies to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time based on when control of goods and services transfers to a customer.

On March 1, 2020, Council adopted ASU 2014-09 using the modified retrospective method. Adoption of this guidance had no impact on Council's Consolidated Statement of Activities.

Accounting Pronouncements to be Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This update, along with ASU 2018-10, Codification Improvements to Topic 842: Leases, ASU 2018-11, Leases (Topic 842): Targeted Improvements and ASU 2018-20, Leases (Topic 842): Narrow-Scope Improvements for Lessors, establishes a comprehensive leasing standard. These updates require the recognition of lease assets and lease liabilities on the statement of financial position and disclosure of key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The guidance also expands the required quantitative and qualitative lease disclosures as well as provides entities with an additional (and optional) transition method to adopt the new standard. The ASU is effective for Council's fiscal year 2023. Management is currently evaluating the impact of these ASUs on the consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The ASU provides optional guidance for a limited period of time to ease the potential burden in accounting for or recognizing the effects of reference rate reform on financial reporting. The ASU applies only to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. The ASU is effective for Council as of March 12, 2020 through February 28, 2022. This guidance has been subsequently updated by ASU 2021-01. No amendments have been made to Council's contracts and hedging relationships that reference LIBOR and Council is evaluating the effect that adoption of this new standard will have on Council's consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU improves the transparency of contributed nonfinancial assets through enhancements to presentation and disclosures. The ASU requires that a nonprofit present contributed nonfinancial assets as a separate line item in the statement of activities apart from contributions of cash or other financial assets. Information that shows the contributed nonfinancial assets disaggregated by category will be required to be disclosed. In addition, the ASU requires that for each type of contributed nonfinancial asset the following will be disclosed: (a) policy (if any) on liquidating rather than using the contributed nonfinancial assets, (b) qualitative considerations on whether the contributed nonfinancial assets were liquidated or used during the reporting period and, if used, a description of how the asset was employed should be included, (c) any donor imposed restrictions related to contributed nonfinancial assets, (d) valuation methods and inputs utilized to determine a fair value measure at initial recognition, and (e) the principal or most advantageous market utilized to calculate fair value if it is a market in which the NFP is restricted by the donor from selling or utilizing the contributed nonfinancial assets. The amendments in the ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption of the ASU is permitted. Council is evaluating the effect that adoption of this new standard will have on Council's consolidated financial statements.

2. Tax Status

National 4-H Council has been granted exemption by the Internal Revenue Service (IRS) from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The IRS has also determined that National 4-H Council is not a private foundation. National 4-H Council is required to report unrelated business income to the IRS and the State of Maryland. National 4-H Council earns unrelated business income on facility rental and advertising. National 4-H Council incurred an immaterial amount of income tax expense for the years ended February 28, 2021 and February 29, 2020.

Activities Foundation has been granted exemption by the IRS from Federal income taxes under Section 501(c)(3) of the IRC. The IRS has also determined that Activities Foundation is not a private foundation. Activities Foundation is required to report unrelated business income to the IRS and the State of Maryland. Activities Foundation had no sources of unrelated business income for the years ended February 28, 2021 and February 29, 2020.

Congress Foundation has been granted exemption by the IRS from Federal income taxes under Section 501(c)(3) of the IRC. The IRS has also determined that Congress Foundation is not a private foundation. Congress Foundation is required to report unrelated business income to the IRS and the State of Maryland. Congress Foundation had no sources of unrelated business income for the years ended February 28, 2021 and February 29, 2020.

Global Clover Network, Inc. has been granted exemption by the IRS from Federal income taxes under Section 501(c)(3) of the IRC. The IRS has also determined that Global Clover Network, Inc. is not a private foundation. Global Clover Network, Inc. is required to report unrelated business income to the IRS and the State of Maryland. Global Clover Network, Inc. had no sources of unrelated business income for the years ended February 28, 2021 and February 29, 2020.

Council follows the provisions of FASB ASC 740. Under ASC 740, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. Council does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits.

Council has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, Council has filed IRS Form 990 and Form 990-T tax returns, as required, and all other applicable returns in jurisdictions where it is required. Council believes that it is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years prior to 2018. For the years ended February 28, 2021 and February 29, 2020, no interest or penalties were recorded or included in the consolidated statements of activities related to uncertain tax positions.

3. Concentration of Credit Risk

Council maintains cash balances, which, at times, may exceed federally insured limits. While the amounts in the bank accounts at times may exceed the amount guaranteed by federal agencies and therefore bear some risk, Council has not experienced any loss of funds.

4. Liquidity and Availability of Resources

Council's financial assets available within one year of the consolidated statements of financial position date for general expenditure without donor or other restrictions limiting their use are as follows at:

	February 28, 2021	February 29, 2020
Cash and cash equivalents	**$ 27,553,845**	$ 21,365,557
Accounts receivable, net	**2,548,310**	823,546
Contributions receivable	**3,584,680**	10,401,793
Investments	**10,202,149**	9,100,807
Total financial assets available with one year	**43,888,984**	41,691,703
Less: Amounts unavailable for general expenditures within one year, due to:		
Restrictions by donors with purpose or time restrictions	**(24,320,089)**	(33,451,556)
Amounts unavailable to management without Board's approval:		
Board designated net assets	**(6,058,363)**	(5,527,077)
Total financial assets available to management for general expenditure within one year	**$ 13,510,532**	$ 2,713,070

Council structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Excess cash is held in short-term investments but could be redeemed for general expenditure at any time.

To help manage liquidity needs Council has a line of credit in the amount of $5,000,000, which it draws upon for current operations. At February 28, 2021, $5,000,000 is available on the line of credit.

5. Accounts Receivable

Accounts receivable consist of the following at:

	February 28, 2021	February 29, 2020
Federal awards	$ 2,315,556	$ 494,969
National 4-H Center customers	-	59,026
National 4-H Supply Service customers	81,083	132,535
Other	151,671	178,767
	2,548,310	865,297
Less allowance for doubtful accounts	-	(41,751)
Accounts receivable, net	$ 2,548,310	$ 823,546

6. Contributions Receivable

Contributions receivable are due in the following years at:

	February 28, 2021	February 29, 2020
Amounts due in:		
Less than one year	$ 3,584,680	$ 10,401,793
One to five years	2,712,226	3,225,000
	6,296,906	13,626,793
Less: Long term contributions receivable	(2,712,226)	(3,225,000)
Short term contributions receivable	$ 3,584,680	$ 10,401,793

7. Investments and Fair Value Measurements

FASB Accounting Standards Codification (ASC) 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Basis of Fair Value Measurement

Level 1 Inputs: Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Inputs: Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is markets in which there are few transactions, prices are not current, or prices vary substantially over time.

Level 3 Inputs: Valuation based on inputs that are unobservable for an asset or liability and shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. This input therefore reflects Council's assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Mutual Funds and Exchange-Traded Funds:

Investments in mutual funds and exchange-traded funds (EFTs) represent units of participation in the respective funds and the fair value is determined by reference to the respective fund’s underlying assets, which are principally marketable equities and fixed income securities. Shares held in mutual funds and EFTs are traded on national securities exchanges and are valued at the net asset value. Investment income from the mutual funds in Council’s financial statements reflects earnings of the respective underlying funds, including investment income and investment return of the fair value of the investments. Council’s defined benefit pension plan trust also invests in mutual funds and ETFs (see Note 13).

Alternative Investments:

Council’s defined benefit pension plan trust invests in Aetos hedge funds, alternative investment (see Note 13). The fair value of alternative investments is estimated based on plan management’s estimates and assumptions using information provided to the plan by the investment manager. The values are based on estimates that require varying degrees of judgment and are classified at NAV. Individual holdings within the alternative investments may include investments in both nonmarketable and market-traded securities. Nonmarketable securities may include equity in private companies, real estate, thinly-traded securities, and other investment vehicles. The investments may directly expose the plan to the effects of securities lending, short sale of securities, and trading in futures and forward contracts, options, swap contracts, and other derivative products. While these financial instruments contain varying degrees of risk, the plan’s exposure with respect to each such investment is limited to its carrying amount (fair value as described above) in each investment. The financial statements of the investees are audited annually by a nationally recognized firm of independent auditors. The plan does not directly invest in the underlying securities of the investment fund and due to restrictions on transferability and timing of withdrawals from the funds, the amounts ultimately realized upon liquidation could differ from reported values that are based on current conditions.

Alternative investments are valued using the net asset value per share as determined by investment managers under the so called “practical expedient”. The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met. These investment funds are held as units for interest in hedge funds, which are stated at net asset value (NAV) or its equivalent. Council uses the NAV as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. These investments have not been categorized in levels within the fair value hierarchy table.

The following tables set forth by level within the fair value hierarchy Council's investment assets at fair value as of February 28, 2021 and February 29, 2020. As required by FASB ASC 820, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Investment Assets at Fair Value as of February 28, 2021

	Level 1	Level 2	Level 3	Total
Equity funds:				
Domestic large cap	$ 4,754,022	$ -	$ -	$ 4,754,022
Domestic mid cap	2,969,464	-	-	2,969,464
Domestic small cap	2,055,891	-	-	2,055,891
International large cap	622,674	-	-	622,674
International mid cap	297,543	-	-	297,543
Fixed income:				
Short-term investment	964,003	-	-	964,003
Intermediate-term investment	2,446,194	-	-	2,446,194
Long-term investment	1,457,033	-	-	1,457,033
Cash	160,141	-	-	160,141
Total investments at fair value	15,726,965	-	-	15,726,965
Less short-term investments	(10,202,149)	-	-	(10,202,149)
Long term investments	$ 5,524,816	$ -	$ -	$ 5,524,816

	Investment Assets at Fair Value as of February 29, 2020			
	Level 1	Level 2	Level 3	Total
Equity funds:				
Domestic large cap	$ 3,682,921	$ -	$ -	$ 3,682,921
Domestic mid cap	2,117,276	-	-	2,117,276
Domestic small cap	1,205,201	-	-	1,205,201
International large cap	826,547	-	-	826,547
International mid cap	197,639	-	-	197,639
Fixed income:				
Short-term investment	1,025,996	-	-	1,025,996
Intermediate-term investment	1,212,153	-	-	1,212,153
Long-term investment	1,688,675	-	-	1,688,675
International	208,766	-	-	208,766
Cash	427,023	-	-	427,023
Total investments at fair value	12,592,197	-	-	12,592,197
Less short-term investments	(9,100,807)	-	-	(9,100,807)
Long term investments	$ 3,491,390	$ -	$ -	$ 3,491,390

8. Property and Equipment

Property and equipment consists of the following at:

	February 28, 2021	February 29,2020
Buildings	**$ 23,097,709**	$ 30,708,729
Land	**300,000**	300,000
	23,397,709	31,008,729
Furniture and equipment	**2,177,564**	11,050,344
	25,575,273	42,059,073
Less accumulated depreciation and amortization	**(20,424,448)**	(36,048,896)
Property and equipment, net	**$ 5,150,825**	$ 6,010,177

Depreciation and amortization expense for the years ended February 28, 2021 and February 29, 2020 was $963,326 and $1,064,692, respectively. Council wrote off certain fully depreciated and disposed property and equipment in 2021. A loss on disposal in the amount of $125,175 was recorded to the write off the property and equipment.

9. Notes Payable

On November 19, 2020 Council obtained a $10,000,000 term loan and a $5,000,000 revolving loan through M&T Bank. Council used the proceeds from the loan and term loan to pay off the previous line of credit's outstanding balance of $2,000,000 and to fund working capital needs. Interest accrues on the outstanding principal of the $10,000,000 note at 2.51% points above the one-month LIBOR and the note is due in December 2025. Interest accrues on the outstanding line of credit balance each day at the LIBOR rate in effect for that day during each period in which the advances are outstanding. The line of credit has been terminated with the sale of Council's headquarters. The term loan was paid in full in December 2021 with the portion of the proceeds received from the sale of Council's headquarters.

10. Deferred Revenue and Refundable Advances

Deferred Revenue:

Deferred revenue represents amounts received by Council in advance, which will be recognized in future periods as they are earned.

Deferred revenue consists of the following at:

	February 28, 2021	February 29, 2020
National 4-H Center registration and housing fees paid in advance	$ -	$ 1,369,473
Sponsorship	-	250,993
Field Marketing Engagement Campaign	-	198,766
Supply	33,398	29,671
	33,398	1,848,903
Less short-term portion	(33,398)	(1,771,048)
Long-term deferred revenue	$ -	$ 77,855

Refundable Advances:

On March 27, 2020 the President of the United States, signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act" to provide certain relief as a result of the COVID-19 outbreak. In May 2020, Council received funds under the PPP totaling $2,156,636 and in November 2020, Council received an additional loan of $1,998,132. PPP is an SBA 7(a) loan to cover eligible expenses such as payroll, mortgage interest payments, rent, and utilities. This loan is for entities with fewer than 500 employees, has a 1% interest rate, and has up to 100% loan forgiveness, if certain criteria are met. Council submitted a PPP application to help recover some of the economic damages due to the COVID-19 pandemic. The application for these funds requires Council to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of Council. The forgiveness of the loan is dependent on Council's future adherence to the forgiveness criteria.

Council submitted for forgiveness of the first PPP loan in December 2020 and at that time met all the requirements to receive forgiveness and recognized the funds as other revenue. As Council had not met all the requirements for forgiveness under the 2nd loan at February 28, 2021, the full amount of $1,998,132 is recognized as a refundable advance liability as part of deferred revenue and refundable advances in the consolidated statements of financial position.

11. Net Assets with Donor Restrictions

Net assets that are perpetual in nature consist of cash and investments and are subject to donor-imposed stipulations that they be retained and invested permanently by Council. The donors require Council to use all or part of the investment return on these net assets for specified or unspecified purposes.

Net assets that are restricted by purpose or time consist of cash, investments and pledges receivable and subject to donor-imposed stipulations at February 28, 2021 and February 29, 2020.

Net asset balances with donor restrictions held for the following purposes at:

	February 28, 2021	February 29, 2020
Subject to Council's endowment spending policy and appropriation:		
Investment in perpetuity - Endowment	**$ 235,397**	$ 235,397
Subject to expenditures for specific purposes:		
Education program activities	**26,905,134**	34,643,460
Endowment	**2,457,629**	2,033,096
	29,362,763	36,676,556
	$ 29,598,160	$ 36,911,953

During the year ended February 28, 2021 and the year ended February 29, 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time, releasing time restrictions, as follows:

Year Ended	**February 28,2021**	February 29, 2020
Purpose restrictions:		
Education program activities	**$ 20,651,058**	$ 22,142,879

12. Endowment

Council's endowment consists of individual funds established for a variety of purposes as discussed in Note 11. Council's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment Net Asset Composition

The following table represents the composition of Council's endowment by net asset class at:

February 28, 2021	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	**Total**
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	**$ -**	**$ 235,397**	**$ 235,397**
Accumulated investment gains	**-**	**2,457,629**	**2,457,629**
Board-designated endowment funds	**6,058,363**	**-**	**6,058,363**
Total	**$ 6,058,363**	**$ 2,693,026**	**$ 8,751,389**

The following table represents the composition of Council's endowment by net asset class at:

February 29, 2020	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donors	$ -	$ 235,397	$ 235,397
Accumulated investment gains	-	2,033,096	2,033,096
Board-designated endowment funds	5,527,077	-	5,527,077
Total	$ 5,527,077	$ 2,268,493	$ 7,795,570

Changes in Endowment Net Assets

The following table represents the changes in endowment net assets during the year ended:

February 28, 2021:	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	**Total**
Endowment net assets, beginning of the year	**$ 5,527,077**	**$ 2,268,493**	**$ 7,795,570**
Investment return, net	**509,982**	**410,293**	**920,275**
Contributions	**21,304**	**23,804**	**45,108**
Amounts appropriated for expenses	**-**	**(9,564)**	**(9,564)**
Endowment net assets, end of the year	**$ 6,058,363**	**$ 2,693,026**	**$ 8,751,389**

The following table represents the changes in endowment net assets during the year ended:

February 29, 2020:	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Endowment net assets, beginning of the year	$ 5,412,009	$ 2,167,447	$ 7,579,456
Investment return, net	91,910	73,621	165,531
Contributions	23,158	39,833	62,991
Amounts appropriated for expenses	-	(12,408)	(12,408)
Endowment net assets, end of the year	$ 5,527,077	$ 2,268,493	$ 7,795,570

Return Objectives and Risk Parameters

By policy, Council investments are maintained in a balanced investment program. The primary objective is to provide maximum growth consistent with a policy of prudent investment and protection of assets. Growth will be attained through appreciation of assets, inclusion of additional funds when available, and from retention of earnings of the fund.

Under this policy, the invested assets achieve a long-term growth rate, which will surpass the long-run rate of inflation for a blended benchmark, whichever is greater according to the certain performance standards. Real growth will be measured by combining security price appreciation with earned income for a total return review and subsequently comparing this figure to the Consumer Price Index.

Spending Policy and How the Investment Objectives Relate to Spending Policy

In order to protect the endowments against losses and to ensure relative stability in its annual earnings the spending policy determines how much of the total return will be distributed to support programs. The spending policy aims to achieve a reasonable degree of stability and predictability in income available for current operations. The spending rule allows Council management to spend up to 5% of the average of the prior three years' beginning fiscal year unrestricted market value, excluding Plant Fund assets, for programmatic purposes, regardless of the current year's market performance or earnings in the form of dividends, interest, or capital appreciation/depreciation. The spending policy will be reviewed periodically to determine its impact on the investment portfolio and organizational net assets.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires Council to retain as a fund of perpetual duration. There were no endowment funds with deficiencies for February 28, 2021 and February 29, 2020.

13. Employee Retirement Plans and Postretirement Benefit Plan

Employee Retirement Plan

Council has a noncontributory, defined benefit pension plan (the Retirement Plan) that provides benefits for most of Council's employees upon attaining the age of 20 and one-half and completing at least 1,000 hours of service during their first year of employment or any subsequent plan year. The retirement plan was frozen effective June 30, 2009 and no additional benefits were earned by participants after that date. This plan freeze resulted in a curtailment accounting under FASB ASC 715. However, the gain, or reduction, in the projected benefit obligation (PBO) due to the freeze was less than the unrecognized net loss. Therefore, there is no immediate effect of the curtailment that needs to be recognized in the consolidated statements of activities. Rather, this reduction in PBO is recognized as a reduction in the unrecognized net loss on the Retirement Plan's statement of net assets available for benefits.

Council makes annual contributions to the Retirement Plan equal to the minimum funding standards of ERISA and accrues pension expense based upon actuarial cost methods. Contributions are intended to provide not only for benefits attributed to service prior to the plan being frozen but also those expected to be earned in the future. Council contributed $501,043 and $458,039 for the years ended February 28, 2021 and February 29, 2020, respectively, and is expected to contribute $648,920 during the 2022 fiscal year.

The reconciliation of the Retirement Plan's funded status to amounts recognized in the financial statements is as follows:

Year Ended	**February 28, 2021**	February 29, 2020
Benefit obligation, beginning of year	**$ (18,189,104)**	$ (15,452,181)
Interest cost	**(486,013)**	(634,422)
Actuarial gain/(loss)	**531,922**	(3,111,460)
Benefits paid	**1,046,736**	1,008,959
Benefit obligation, end of year	**$ (17,096,459)**	$ (18,189,104)

Year Ended	**February 28, 2021**	February 29, 2020
Change in plan assets:		
Fair value of plan assets, beginning of year	**$ 11,833,534**	$ 11,951,264
Actual return on plan assets	**1,719,996**	433,190
Employer contributions	**501,043**	458,039
Benefits paid	**(1,046,736)**	(1,008,959)
Fair value of plan assets, end of year	**$ 13,007,837**	$ 11,833,534
Funded status – in noncurrent liabilities	**$ (4,088,622)**	$ (6,355,570)

The accumulated benefit obligation is equal to the projected benefit obligation since the Retirement Plan is frozen.

The cumulative amounts recognized as changes in net assets without donor restrictions, but not yet reclassified as components of net periodic pension cost consist of the following:

Year Ended	**February 28,2021**	February 29, 2020
Actuarial loss	**$ 7,289,819**	$ 9,783,878

Components of net periodic benefit cost recognized in the accompanying consolidated statements of activities as nonoperating:

Year Ended	**February 28, 2021**	February 29, 2020
Interest cost	**$ 486,013**	$ 634,422
Expected return on plan assets	**(864,105)**	(869,907)
Amortization of actuarial loss	**1,106,246**	679,780
Net periodic benefit cost	**$ 728,154**	$ 444,295

Amounts of net gain recognized in the accompanying consolidated statement of activities apart from expenses:

Year Ended	**February 28, 2021**	February 29, 2020
Amount reclassified to net periodic benefit cost	**$ (1,106,246)**	$ (679,780)
Gain arising during the period	**(1,387,813)**	(2,188,617)
Total	**$ (2,494,059)**	$ (2,868,397)

During the year ended February 28, 2021, Council recognized an actuarial gain of $1,387,813 primarily due to the favorable returns on the investments held by the Retirement Plan trust in addition to the 25 basis point increase in the discount rate used to measure the Retirement Plan benefit obligation at February 28, 2021 as compared to February 29, 2020. During the year ended February 29, 2020, Council recognized an actuarial loss of $3,548,177 primarily due in the 150 basis point decrease in the discount rate used to measure the Retirement Plan benefit obligation at February 29, 2020 as compared to February 28, 2019.

The components of plan assets and the average asset allocations by asset category are as follows:

	February 28, 2021		February 29, 2020	
Equity mutual funds and ETFs	**$ 8,793,694**	**67%**	$ -	-%
Fixed income mutual funds and ETFs	**3,778,702**	**29%**	-	-%
Money market funds	**208,774**	**2%**	-	-%
Cash	**113,467**	**1%**	11,550,518	98%
Group annuity contract	**113,200**	**1%**	118,032	1%
Alternative Investments – Aetos Hedge Funds	**-**	**-%**	164,984	1%
Total plan assets	**$ 13,007,837**	**100%**	$ 11,833,534	100%

Council utilizes a target allocation of 50%-70% of the portfolio to be invested in equities with up to 30% of that to be invested in international equities. The fixed income target is 30%-50% of the total portfolio. Actual allocations may differ from target allocations from time due to economic conditions. Council's investment policy statement allows for discretion between upper and lower ranges.

The plan follows the same fair value measurement methods as Council (see Note 7). There have been no changes in the methodologies during the years ended February 28, 2021 and February 29, 2020.

The group annuity contract, consisting of an immediate participation guarantee (IPG) contract entered into during 1976, is stated at contract value. Contract value represents contributions made under the contract plus interest at the contract rate less funds used to provide retirement benefits and pay administration expenses charged by the insurance company and the group contract administrator, and approximates fair value. There are no reserves against contract value for credit risk of the contract issuers or others.

The following tables set forth, by level within the fair value hierarchy, the plan's investment assets that are measured at fair value on a recurring basis as of February 28, 2021 and February 29, 2020. As required by ASC 820, investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Investment Assets at Fair Value as of February 28, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Asset Category:				
Money market funds	**$ 208,774**	**$ -**	**$ -**	**$ 208,774**
Equity mutual funds and ETFs:				
Domestic small/mid-cap	**1,513,588**	**-**	**-**	**1,513,588**
Domestic large cap	**4,271,243**	**-**	**-**	**4,271,243**
International (developed countries)	**2,011,368**	**-**	**-**	**2,011,368**
International (emerging markets)	**511,043**	**-**	**-**	**511,043**
Real estate	**486,452**	**-**	**-**	**486,452**
Fixed income mutual funds and ETFs:				
Short-term	**764,868**	**-**	**-**	**764,868**
Intermediate	**3,013,834**	**-**	**-**	**3,013,834**
Total investments at fair value	**$ 12,781,170**	**$ -**	**$ -**	**$ 12,781,170**

	Investment Assets at Fair Value as of February 29, 2020				
	Level 1	Level 2	Level 3	Investments Reported at NAV*	Total
Asset Category:					
Aetos hedge funds:					
Long/Short Strategies Cayman Fund	$ -	$ -	$ -	$ 68,425	$ 68,425
Multi-Strategy Arbitrage Cayman Fund	-	-	-	63,046	63,046
Distressed Investment Strategy Cayman Fund	-	-	-	33,513	33,513
Total investments at fair value	$ -	$ -	$ -	$ 164,984	$ 164,984

* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

Cash funds associated with plan assets totaling $113,467 and $11,550,518 at February 28, 2021 and February 29, 2020, respectively, are not included in the tables above because they are recorded at cost. Group annuity contracts totaling $113,200 and $118,032 at February 28, 2021 and February 29, 2020, respectively, are not recorded in the tables above because they are recorded at contract value.

Weighted average assumptions used to determine the benefit obligation are as follows:

Year Ended	**February 28, 2021**	February 29, 2020
Discount rate	**3.00%**	2.75%
Rate of compensation increase	**N/A**	N/A
Expected return on plan assets	**7.50%**	7.50%
Measurement date	**2/28**	2/29

The assumptions disclosed at February 28, 2021 and February 29, 2020, respectively, are used to determine net periodic pension cost for the following year.

The following benefit payments are expected to be paid:

Years ending February 28,	
2022	$ 1,073,162
2023	1,018,571
2024	1,008,954
2025	982,797
2026	957,181
2027-2031	4,727,649
	$ 9,768,314

403(b) Plan

All employees are eligible to participate in a defined contribution retirement plan with Principal Trust Company after reaching the age of 21. Under the plan, Council contributes 2.5% of the employee's annual gross pay and 50 percent of the first 3 percent of eligible compensation deferred by participants. Employees may contribute up to 100 percent of their compensation not to exceed the annual maximum allowable amount under the IRC. Employee contributions may be in the form of a salary deduction or, more typically, a salary reduction whereby taxes on the contribution are deferred until retirement. Due to the impact of COVID-19, Council temporarily stopped contributions to the retirement plan for a period during the current fiscal year. Retirement expenses were $114,332 and $427,820 and for the years ended February 28, 2021 and February 29, 2020, respectively.

Postretirement Benefit Plan

Council also sponsors a postretirement health care benefit plan (the Postretirement Plan) that covers all full-time associates. The Postretirement Plan pays stated percentages of most necessary medical expenses incurred by retirees, after subtracting payments by Medicare or other providers and after a stated deductible has been met. Participants become eligible for these benefits if they retire from Council after reaching age 55 with 10 or more years of service. The Postretirement Plan is contributory, with retiree contributions adjusted annually. The accounting for the Postretirement Plan anticipates future cost-sharing changes that are consistent with Council's announced policy regarding retiree premium contributions. Eligible participant retirees pay an amount equal to 10% of the total individual premium and 50% of the total individual premium if they wish to have this health coverage for a spouse. Council made contributions of $70,565 and $79,469 for the for the years ended February 28, 2021 and February 29, 2020. Council expects to contribute $75,851 to its postretirement benefit plans in 2022.

The measures of the benefit obligation and net periodic postretirement benefit cost reflect the effects of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act). However, there is no effect on Council's plan due to the prescription drug benefit being ineligible for any federal subsidy.

The following table sets forth the Postretirement Plan's funded status and amounts recognized in Council's consolidated statements of financial position at:

	February 28, 2021	February 29,2020
Accumulated benefit obligation	**$ (3,052,296)**	$ (4,335,029)
Fair value of plan assets	**-**	-
Funded status - in liabilities	**$ (3,052,296)**	$ (4,335,029)
Accrued postretirement benefit - current	**$ (75,851)**	$ (80,024)
Accrued postretirement benefit - noncurrent	**(2,976,445)**	(4,255,005)
Total accrued postretirement benefit	**$ (3,052,296)**	$ (4,335,029)

The cumulative amounts recognized as changes in net assets without donor restrictions but not yet reclassified as a component of net periodic postretirement costs consist of the following:

Year Ended	**February 28,2021**	February 29, 2020
Actuarial gain	**$ 1,515,445**	$ 72,410

Components of net periodic postretirement cost recognized in the accompanying consolidated statement of activities:

	February 28, 2021	February 29,2020
Operating - Service cost	**$ 216,662**	$ 184,221
Nonoperating:		
Interest cost	**83,309**	130,273
Amortization of actuarial gain	**(69,104)**	(58,846)
Total nonoperating	**14,205**	71,427
Net periodic postretirement benefit cost	**$ 230,867**	$ 255,648

Amounts of net (gain) loss recognized in the accompanying consolidated statement of activities apart from expenses:

	February 28, 2021	February 29,2020
Amount reclassified to net periodic postretirement benefit cost	**$ 69,104**	$ 58,846
Gain arising during the period	**(1,512,139)**	631,475
Postretirement related changes other than net periodic postretirement cost	**$ (1,443,035)**	$ 690,231

During the year ended February 28, 2021, Council recognized an actuarial gain of $1,512,139 primarily due to the decrease in eligible plan participants in addition to the 25 basis point increase in the discount rate used to measure the Postretirement Plan benefit obligation at February 28, 2021 as compared to February 29, 2020. During the year ended February 29, 2020, Council recognized an actuarial loss of $631,475 primarily due in the 150 basis point decrease in the discount rate used to measure the Postretirement Plan benefit obligation at February 29, 2020 as compared to February 28, 2019.

Weighted average assumptions used to determine the postretirement benefit obligation are as follows:

	February 28, 2021	February 29,2020
Discount rate	**3.00%**	2.75%
Health care cost trend rate assumed for next year	**5.50%**	5.75%
Rate to which the cost trend is assumed to decline (ultimate trend rate)	**5.00%**	5.00%
Year the rate reaches the ultimate trend rate	**2023**	2023
Plan measurement date	**2/28**	2/29

The assumptions disclosed at February 28, 2021 and February 29, 2020, respectively, are used to determine net periodic postretirement benefit cost for the following year.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Years ending February 28,	
2022	$ 75,851
2023	78,069
2024	80,369
2025	79,574
2026	78,409
2027-2031	449,391
	$ 841,663

14. Commitments

Operating Leases

Council has commitments under operating leases for warehouse space through 2024. Some leases have scheduled rental increases and some contain options to renew.

Minimum rental payments under non-cancelable operating leases are as follows:

Years ending February 28,	
2022	$ 63,607
2023	65,515
2024	33,242
	$ 162,364

For the year ended February 28, 2021 and February 29, 2020, rental expense was $89,898 and $90,482, respectively.

Contingencies

At any given time, Council may be involved in various claims or administrative matters. Management believes that at February 28, 2021, any liability that results from resolving these matters will not materially impact Council's consolidated financial position.

15. Consolidated Financial Information

The following chart of operating revenue without donor restrictions, operating expenses and change in net assets from operating activities without donor restrictions is presented for purposes of additional analysis of the consolidated financial statements.

Year ended February 28, 2021	**National 4-H Council**	**National 4-H Activities Foundation**	**National 4-H Congress Foundation**	**Global Clover Network, Inc.**	**Total**
Revenue	**$ 33,912,756**	**$ 6,346**	**$ 988**	**$ -**	**$ 33,920,090**
Expenses	**35,385,236**	**-**	**126,971**	**-**	**35,512,207**
(Decrease) increase in net assets from operating activities	**$ (1,472,480)**	**$ 6,346**	**$ (125,983)**	**$ -**	**$ (1,592,117)**

Year ended February 29, 2020	**National 4-H Council**	**National 4-H Activities Foundation**	**National 4-H Congress Foundation**	**Global Clover Network, Inc.**	**Total**
Revenue	$ 44,707,199	$ 11,108	$ 508,887	$ -	$ 45,227,194
Expenses	43,705,534	2,674	471,501	-	44,179,709
Increase in net assets from operating activities	$ 1,001,665	$ 8,434	$ 37,386	$ -	$ 1,047,485

16. Subsequent Events

Council evaluated subsequent events through February 14, 2022, which is the date the consolidated financial statements were available to be issued.

Council made the determination in March 2021 to place the headquarters location in Maryland for sale. A buyer was subsequently located in June 2021. The sale was completed in December 2021 with a gain on sale of approximately $33,000,000. A portion of the proceeds was used to pay of the outstanding term of loan of approximately $10,000,000. Going forward, the National 4-H Center meeting and event services will be conducted at contracted venues.

Schedule of Expenditures of Federal Awards

National 4-H Council and Controlled Affiliates

Schedule of Expenditures of Federal Awards

Year ended February 28, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
United States Department of Agriculture				
National 4-H Conference Event	10.200	N/A	$ -	$ **70,486**
4-H at Home	10.310	N/A	-	**30,816**
				101,302
Pass-through Program:				
Kansas State				
CYFAR 4-H Military Partnership Professional Development and Technical Assistance Program	10.500	A00-0349-5001	-	**15,131**
Total United States Department of Agriculture Programs			-	**116,433**
United States Department of Justice				
Office of Juvenile Justice and Delinquency Prevention				
Juvenile Mentoring Program-4-H National Mentoring Program	16.726	N/A	**2,187,111**	**2,828,858**
Research and Development - Cluster				
Pass-through Program:				
National Science Foundation				
University of Nebraska- Lincoln				
Broadening Participation for Computing	47.070	25-6329-0154-002	**32,724**	**65,131**
Total Research and Development Cluster			**32,724**	**65,131**
Total Expenditures of Federal Awards			$ **2,219,835**	$ **3,010,422**

See Notes to Schedule of Expenditures of Federal Awards.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Council under programs of the federal government for the year ended February 28, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Council, it is not intended to and does not present the financial position, changes in net assets or cash flows of Council.

2. Indirect Cost Rate

Council has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Independent Auditor's Reports Required by *Government Auditing Standards* and the Uniform Guidance

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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 Trustees
National 4-H Council and Controlled Affiliates
Chevy Chase, Maryland

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 consolidated financial statements of **National 4-H Council and Controlled Affiliates** ("Council"), which comprise the consolidated statement of financial position as of February 28, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Council'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Council'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Council's consolidated 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. 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 or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Council's consolidated 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 consolidated 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*.

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 Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

February 14, 2022

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Independent Auditor's Report on Compliance For The Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees
National 4-H Council and Controlled Affiliates
Chevy Chase, Maryland

Report on Compliance

Opinion on Compliance for the Major Federal Program

We have audited **National 4-H Council and Controlled Affiliates** (Council) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Council's major federal program for the year ended February 28, 2021. Council's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended February 28, 2021.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Council's compliance with the types of compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Council's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Council's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Council's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Council's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

February 14, 2022

Section I - Summary of Auditor's Results

Consolidated Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ yes	X no
• Significant deficiency(ies) identified?	_____ yes	X none reported
Noncompliance material to financial statements noted?	_____ yes	X no

Federal Awards

Internal control over the major federal program:		
• Material weakness(es) identified?	_____ yes	X no
• Significant deficiency(ies) identified?	_____ yes	X none reported
Type of auditor's report issued on compliance for the major federal program:	Unmodified	
Any audit findings disclosed that are required to to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	X no

CFDA/Contract Number	Name of Federal Program or Cluster
16.726	Office of Juvenile Justice and Delinquency Prevention Juvenile Mentoring Program - 4-H National Mentoring Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	_____ yes	X no

Section II - Financial Statement Findings

There were no findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards (GAGAS).

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for Federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance that were required to be reported