

BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Boys & Girls Club of Greater Lowell, Inc.
657 Middlesex Street
Lowell, MA 01851

We have audited the accompanying financial statements of Boys & Girls Club of Greater Lowell, Inc., which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Club of Greater Lowell, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Shannon, Cullen & Associates LLC

Shannon, Cullen & Associates, LLC
Chelmsford, MA
February 25, 2019



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 and 2017

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets		
Cash	\$ 113,068	\$ 126,810
Accounts Receivable	165,918	105,349
Prepaid Expenses	<u>11,405</u>	<u>17,579</u>
Total Current Assets	<u>290,391</u>	<u>249,738</u>
Investments	<u>697,208</u>	<u>551,639</u>
Property and Equipment - Net	<u>981,024</u>	<u>989,122</u>
TOTAL ASSETS	<u>\$ 1,968,623</u>	<u>\$ 1,790,499</u>



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 and 2017

LIABILITIES

	<u>2018</u>	<u>2017</u>
Current Liabilities		
Mortgage Payable - Due on Demand	\$ 125,816	\$ 131,211
Demand Note Payable	95,500	72,000
Note Payable	7,393	11,098
Accounts Payable	68,220	96,256
Accrued Liabilities	86,337	96,307
Unearned Revenue	6,000	7,594
Other Liabilities	<u>16,591</u>	<u>-</u>
Total Current Liabilities	<u>405,857</u>	<u>414,466</u>

NET ASSETS

Without Donor Restrictions		
Undesignated	815,136	699,963
Designated for Endowment	<u>528,473</u>	<u>591,182</u>
Total Without Donor Restrictions	<u>1,343,609</u>	<u>1,291,145</u>
With Donor Restrictions		
Purpose Restricted	<u>219,157</u>	<u>84,888</u>
Total With Donor Restrictions	<u>219,157</u>	<u>84,888</u>
Total Net Assets	<u>1,562,766</u>	<u>1,376,033</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 1,968,623</u>	<u>\$ 1,790,499</u>



See Accompanying Notes to the Financial Statements

BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

	Without Donor Restrictions	With Donor Restrictions	2018	2017
Public Support and Revenue:				
Public Support:				
Contributions-General	564,208	\$ 27,752	\$ 591,960	\$ 279,083
Special Events	518,056	-	518,056	503,201
Grants	823,271	119,750	943,021	947,417
Bequests	22,701	-	22,701	104,226
Merrimack Valley United Fund, Inc.	39,591	-	39,591	41,532
Total Public Support	<u>1,967,827</u>	<u>147,502</u>	<u>2,115,329</u>	<u>1,875,459</u>
Revenue:				
Membership Dues	68,568	-	68,568	59,368
Investment Income	21,079	267	21,346	11,279
Program Service Fees	3,651	-	3,651	3,811
Rental Income	32,841	-	32,841	52,432
Miscellaneous Income	1,026	-	1,026	1,661
Total Revenue	<u>127,165</u>	<u>267</u>	<u>127,432</u>	<u>128,551</u>
Total Public Support and Revenue	<u>2,094,992</u>	<u>147,769</u>	<u>2,242,761</u>	<u>2,004,010</u>
Expenses:				
Program Services: (Schedule II)				
Academic Success	489,074	500	489,574	434,880
Healthy Lifestyles	652,027	500	652,527	611,022
Good Character and Citizenship	291,785	500	292,285	257,123
Total Program Services	<u>1,432,886</u>	<u>1,500</u>	<u>1,434,386</u>	<u>1,303,025</u>
Support Service (Schedule III)				
Management and General	231,421	-	231,421	206,284
Development	345,920	-	345,920	365,899
Total Support Services	<u>577,341</u>	<u>-</u>	<u>577,341</u>	<u>572,183</u>
Total Expenses	<u>2,010,227</u>	<u>1,500</u>	<u>2,011,727</u>	<u>1,875,208</u>
Change in Net Assets	84,765	146,269	231,034	128,802
Net Assets - Beginning of Year	1,291,145	84,888	1,376,033	1,186,195
Transfers Within Funds	12,000	(12,000)	-	-
Unrealized (Loss) Gain on Investments	(44,301)	-	(44,301)	61,036
Net Assets - End of Year	<u>\$ 1,343,609</u>	<u>\$ 219,157</u>	<u>\$ 1,562,766</u>	<u>\$ 1,376,033</u>

See Accompanying Notes to the Financial Statements

BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Cash Flows Provided By Operating Activities</u>		
Change in Net Assets	\$ 231,034	\$ 128,802
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	83,587	65,250
(Increase) Decrease in Assets:		
Accounts Receivable	(60,569)	(22,598)
Prepaid Expenses	6,174	2,135
Increase (Decrease) in Liabilities:		
Accounts Payable	(28,036)	57,857
Accrued Liabilities	(9,970)	(1,989)
Unearned Revenue	(1,594)	(12,032)
Other Liabilities	<u>16,591</u>	<u>-</u>
 Net Cash Flows Provided by Operating Activities	 <u>237,217</u>	 <u>217,425</u>
 <u>Cash Flows Used By Investing Activities</u>		
Unrealized Gain (Loss) on Investment Securities	(44,301)	61,036
Proceeds from Investments - Net	(145,569)	(41,121)
Purchase of Property and Equipment	<u>(75,489)</u>	<u>(156,959)</u>
 Net Cash Flows (Used By) Investing Activities	 <u>(265,359)</u>	 <u>(137,044)</u>
 <u>Cash Flows Provided By Financing Activities</u>		
Payment on Demand Notes Payable - Net of Advances ..	19,795	(16,606)
Payment on Mortgage	<u>(5,395)</u>	<u>(5,229)</u>
 Net Cash Flows Provided By (Used By) Financing Activities	 <u>14,400</u>	 <u>(21,835)</u>
 Net (Decrease) Increase in Cash	 (13,742)	 58,546
 CASH - BEGINNING	 <u>126,810</u>	 <u>68,264</u>
 CASH - ENDING	 <u>\$ 113,068</u>	 <u>\$ 126,810</u>



See Accompanying Notes to the Financial Statements

BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business and Organization

The Boys & Girls Club Of Greater Lowell, Inc. ("the Organization") is a non-profit organization which provides services primarily to promote the health, social, educational, vocational and character development of the youth in the Greater Lowell Area.

Basis of Financial Statement Presentation

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

The Organization reports information regarding its financial position and activities based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations are classified as without donor restrictions and those subject to the Organization's variance power and spending policy.

From time to time, the Board of Directors may vote to set aside a certain dollar amount or percentage of net assets without donor restrictions for use at a specific time, for a specific purpose, or to function as endowment as it sees fit. These board-designated net assets may become undesignated with the passage of time or when used for their intended purpose. In addition, the Board may undesignate these net assets at its discretion if the originally intended time period or purpose is deemed no longer relevant or applicable to the needs of the Organization.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time, are classified as net assets with donor 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 restrictions.



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Also included in this category are net assets subject to donor restrictions to be maintained in perpetuity as permanent assets of the Organization. Generally, all income and unrealized and realized net gains on investments related to these net assets can be made available for operations as the Organization appropriates its annual spending based on the use of a spending policy or in accordance with donor restrictions.

Fixed Assets & Depreciation

Expenditures for property and equipment including significant renewals and betterments are capitalized at cost; donated assets are capitalized at the fair market value at date of receipt and are reported as an assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed on the straight-line and double-declining balance methods over the estimated useful lives of the various assets. Costs of repairs and maintenance are charged to expense. Depreciation expense was \$83,587 and \$65,250 for the years ended December 31, 2018 and 2017, respectively.

Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for federal income taxes in the accompanying financial statements.

Contributed Services

No amounts have been reflected in the financial statements for donated services; no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fund raising campaigns.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at fair value and reported in the statement of financial position. The net increase or decrease in realized and unrealized appreciation or depreciation in the fair value of such investments has been included in the statement of activities in the appropriate net asset classification. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

New Accounting Pronouncements

In June 2018, the Financial Accounting Standards Board (FASB) issued ASB 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*," amending ASC 958-605. The new ASU clarifies the difference between an exchange transaction and a contribution and further defines when a contribution is considered conditional or unconditional. This will allow non-profit entities to identify when and how revenue should be recognized. For non-profit organizations without public debt, this ASU is effective for financial statements issued for annual periods beginning after December 15, 2018.

The Organization is currently evaluating the effect that the accounting pronouncements will have on the financial statements. There were no other accounting standards recently issued that had or are expected to have a material impact on the Organization's financial statements and associated disclosures.



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Adoption of Recent Accounting Pronouncements

During 2018, the Organization adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): "Presentation of Financial Statements for Not-for-Profit Entities."* This guidance is intended to improve the net assets classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts as net assets without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowments funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification. As a result of the adoption of this standard, during 2018, certain amounts from the prior year financial statements were reclassified to conform to current year presentation.

A recap of the net asset reclassifications driven by the adoption of ASU 2016-14 as of December 31, 2017 is as follows:

<u>Net Asset Classifications</u>	<u>ASU 2016-14 Classifications</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
As Previously Presented:			
Unrestricted	\$ 1,291,145	-	\$ 1,291,145
Permanently Restricted	-	84,888	84,888
Total Net Assets as Reclassified	\$ 1,291,145	\$ 84,888	\$ 1,376,033



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Fair Value Measurements

The Organization follows the provisions of ASC 820-10, "*Fair Value Measurements and Disclosures*." ASC 820-10 applies to reported balances that are required or permitted to be measured at fair value on a recurring basis under an existing accounting pronouncement. ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy consisting of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Quoted prices are available in active markets for identical Instruments as of the reporting date that the Organization has the ability to access.

Level 2 - Pricing inputs are other than quoted prices in active markets and are observable for the instrument, either directly or indirectly, as of the reporting date. Fair values for these instruments are estimated using pricing models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the instrument, which are typically based on the Organization's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement.



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Note 2 - INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2018 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Short-term Investments			
Liquid Investments	\$ <u>228,719</u>	\$ <u>-</u>	\$ <u>-</u>
Long-term Investments			
CSV-Life Insurance	23,598	-	-
Equities	296,996	-	-
Alternatives	10,423	-	-
Fixed Income-Taxable	<u>137,472</u>	<u>-</u>	<u>-</u>
Total long-term Investments	<u>468,489</u>	<u>-</u>	<u>-</u>
Total Investments	\$ <u>697,208</u>	\$ <u>-</u>	\$ <u>-</u>

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2017 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Short-term Investments			
Liquid Investments	\$ <u>23,016</u>	\$ <u>-</u>	\$ <u>-</u>
Long-term Investments			
CSV-Life Insurance	23,165	-	-
Equities	314,406	-	-
Alternatives	37,332	-	-
Fixed Income-Taxable	<u>153,720</u>	<u>-</u>	<u>-</u>
Total long-term Investments	<u>528,623</u>	<u>-</u>	<u>-</u>
Total Investments	\$ <u>551,639</u>	\$ <u>-</u>	\$ <u>-</u>



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Note 2 - INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT.)

Investment return on cash equivalents and investments consists of the following for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and Dividends	\$ 13,712	\$ 11,085
Realized Gains	7,634	194
Unrealized Gains (Losses)	<u>(44,301)</u>	<u>61,036</u>
Total	\$ <u>(22,955)</u>	\$ <u>72,315</u>

Note 3 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

	<u>December 31, 2018</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 133,018	\$ -	\$ 133,018
Buildings	2,883,000	2,185,516	697,484
Motor Vehicles	27,160	21,586	5,574
Furniture and Equipment	<u>539,207</u>	<u>394,259</u>	<u>144,948</u>
Total	\$ <u>3,582,385</u>	\$ <u>2,601,361</u>	\$ <u>981,024</u>

	<u>December 31, 2017</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 133,018	\$ -	\$ 133,018
Buildings	2,875,982	2,144,015	731,967
Motor Vehicles	27,160	17,870	9,290
Furniture and Equipment	<u>470,736</u>	<u>355,889</u>	<u>114,847</u>
Total	\$ <u>3,506,896</u>	\$ <u>2,517,774</u>	\$ <u>989,122</u>



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Note 4 - DEMAND NOTES PAYABLE - BANK

The Organization has a \$500,000 line-of-credit with a Bank, with an interest rate of 5.00% as of December 31, 2018. The line of credit is secured by certain investment accounts. The outstanding balance was \$95,500 and \$72,000 at December 31, 2018 and 2017, respectively.

Note 5 - MORTGAGE PAYABLE - DUE ON DEMAND

	<u>2018</u>	<u>2017</u>
The Organization has a mortgage payable in monthly installments of \$833, including principal and interest. The note bears interest at a rate of 4.01% through April 2022. The rate will be reviewed then and every five years thereafter and adjusted to 1.75% over the Federal Home Loan Bank Boston classic advance five year rate. This note is secured by property at 657 Middlesex Street and is payable on demand	\$ 125,816	\$ 131,211
Balance December 31,	125,816	131,211
Less: Current Maturities	(125,816)	(131,211)
Long-Term Portion	\$ _____ -	\$ _____ -

Note 6 - NOTE PAYABLE

	<u>2018</u>	<u>2017</u>
Installment note payable to a finance company at 2.74% interest, payable in monthly installments of \$330, due November 2020, secured by motor vehicle		
Balance December 31,	\$ <u>7,393</u>	\$ <u>11,098</u>

Note 7 - SUPPLEMENTAL DISCLOSURE REGARDING CASH FLOWS

Operating activities reflect interest paid of \$15,940 and \$13,030 for the years ended December 31, 2018 and 2017, respectively.



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Note 8 - NET ASSETS

Net assets consisted of the following at December 31, 2018 and 2017, respectively:

	<u>2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Other Undesignated Funds	\$ 815,136	-	\$ 815,136
Endowment Funds	528,473	-	528,473
Designated Operating Reserves	-	126,150	126,150
Scholarship Fund Reserve	-	93,007	93,007
Total Net Assets as Reclassified	<u>\$ 1,343,609</u>	<u>\$ 219,157</u>	<u>\$ 1,562,766</u>

	<u>2017</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Other Undesignated Funds	\$ 699,963	-	\$ 699,963
Endowment Funds	591,182	-	591,182
Designated Operating Reserves	-	12,000	12,000
Scholarship Fund Reserve	-	72,888	72,888
Total Net Assets as Reclassified	<u>\$ 1,291,145</u>	<u>\$ 84,888</u>	<u>\$ 1,376,033</u>

Note 9 - NET ASSETS WITH DONOR RESTRICTIONS-PURPOSE RESTRICTED

Net Assets With Donor Restrictions include, the income from which is expendable to support the Organization's program services. Balances of the funds at December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
W.M. Vrettas Scholarship Fund	\$ 26,029	\$ 26,414
J.D. Glazebrook Scholarship Fund	5,042	5,117
Arthur Koumantzelis Scholarship Fund ..	18,673	18,949
G. Laverty Memorial Fund	5,334	5,413
E. Andre Community Service Award Fund .	4,020	4,508
Gilmore Fund	17,864	-
C. Hungler Have An Awesome Day Fund ...	16,045	12,487
Designated Operating Reserve	<u>126,150</u>	<u>12,000</u>
Total	<u>\$ 219,157</u>	<u>\$ 84,888</u>



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

Note 10 - PENSION PLAN

The Organization has a non-contributory trusted pension plan covering eligible employees. The contribution by the Organization to the pension trust amounted to \$30,291 and \$20,792 for the years ended December 31, 2018 and 2017, respectively. The retirement plan, to which the Organization contributes, is a multi-employer plan and the separate actuarial valuations are not readily available with respect to each participating organization. In 2017, the Organization performed a self-audit on all years in which the pension plan was in place. The Organization has determined that there was additional liability due current and former employees related to the Organizations' contribution. These amounts were added to the expense for the prior year.

Note 11 - RELATED PARTY ACTIVITY

The Organization transacted business with a local bank in which certain officers of the bank also serve on the Organizations' Board of Directors. The aggregate amount of such business approximated \$683,600 and \$574,500 for the years ended December 31, 2018 and 2017, respectively.

Also during the year ending December 31, 2018 and 2017, the Organization paid \$5,841 and \$5,718, respectively, to the bank in investment management fees.

Note 12 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 25, 2019, the date the financial statements were issued.



BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Program Expenses	Support Expenses	2018 Grand Total	2017 Grand Total
Salaries and Wages	\$ 721,864	\$ 244,786	\$ 966,650	\$ 910,953
Payroll Taxes	73,028	19,904	92,932	81,239
Employee Benefits	66,942	25,557	92,499	76,905
Program Supplies and Expense	237,286	-	237,286	209,761
Repairs and Maintenance	59,238	11,766	71,004	68,320
Utilities	54,671	12,113	66,784	62,625
Telephone	13,501	10,241	23,742	21,731
Office Supplies and Expense	9,891	21,099	30,990	27,365
Advertising and Community Relations	-	13,519	13,519	13,670
Transportation	10,440	-	10,440	14,688
Professional Fees	14,680	90,506	105,186	97,446
Conferences and Conventions	10,791	3,640	14,431	17,616
Interest	13,900	2,040	15,940	13,030
Membership Dues	12,267	1,801	14,068	13,022
Insurance	56,670	8,319	64,989	64,414
Product Sales	4,828	-	4,828	4,035
Special Events	-	96,857	96,857	108,668
Awards & Grants	1,500	-	1,500	1,500
Miscellaneous	-	4,495	4,495	2,970
Total Expenses Before Depreciation	1,361,497	566,643	1,928,140	1,809,958
Depreciation of Property and Equipment	72,889	10,698	83,587	65,250
TOTAL FUNCTIONAL EXPENSES	\$ 1,434,386	\$ 577,341	\$ 2,011,727	\$ 1,875,208

BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

STATEMENT OF PROGRAM EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

	Academic Success	Healthy Lifestyles	Good Character and Citizenship	Total
Salaries and Wages	\$ 296,371	\$ 252,884	\$ 172,609	\$ 721,864
Payroll Taxes	29,634	25,506	17,888	73,028
Employee Benefits	32,995	23,846	10,101	66,942
Program Supplies and Expense ...	40,910	176,138	20,238	237,286
Repairs and Maintenance	12,907	39,062	7,269	59,238
Utilities	11,912	36,050	6,709	54,671
Telephone/Internet/Technology ..	4,501	4,500	4,500	13,501
Office Supplies and Expense	3,297	3,297	3,297	9,891
Transportation	3,480	3,480	3,480	10,440
Professional & Outside Services.	4,893	4,894	4,893	14,680
Conferences and Conventions	3,597	3,597	3,597	10,791
Interest	4,106	6,122	3,672	13,900
Membership Dues	4,089	4,089	4,089	12,267
Insurance	18,890	18,890	18,890	56,670
Product Sales	1,610	1,609	1,609	4,828
Awards and Grants	500	500	500	1,500
Total Expenses Before	473,692	604,464	283,341	1,361,497
Depreciation				
Depreciation of Property and Equipment	15,882	48,063	8,944	72,889
TOTAL FUNCTIONAL EXPENSES	\$ 489,574	\$ 652,527	\$ 292,285	\$ 1,434,386

BOYS & GIRLS CLUB OF GREATER LOWELL, INC.

STATEMENT OF SUPPORT EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

	Management and General	Development	Total
Salaries and Wages	\$ 112,163	\$ 132,623	\$ 244,786
Payroll Taxes	9,159	10,745	19,904
Employee Benefits	19,389	6,168	25,557
Repairs and Maintenance	11,223	543	11,766
Utilities	11,611	502	12,113
Telephone/Internet/Technology ..	5,361	4,880	10,241
Office Supplies and Expense	9,604	11,495	21,099
Marketing and Community Relations	4,731	8,788	13,519
Professional & Outside Services.	20,226	70,280	90,506
Conferences and Conventions ...	2,031	1,609	3,640
Interest	1,912	128	2,040
Membership Dues	1,688	113	1,801
Insurance	7,799	520	8,319
Special Events & Fundraising ...	-	96,857	96,857
Miscellaneous	4,495	-	4,495
Total Expenses Before Depreciation	221,392	345,251	566,643
Depreciation of Property and Equipment	10,029	669	10,698
TOTAL FUNCTIONAL EXPENSES	\$ 231,421	\$ 345,920	\$ 577,341