Boys & Girls Club of Greater Lowell, Inc.
Financial Statements
For the Years Ended
December 31, 2019 and 2018

Table of Contents

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Boys & Girls Club of Greater Lowell, Inc.

We have audited the accompanying financial statements of Boys & Girls Club of Greater Lowell, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

AUDIT
TAX
ADVISORY SERVICES
PRINCETON CORPORATE CENTRE • 1115 WESTFORD STREET • LOWELL, MA 01851
P 978-452-2500 • F 978-458-0425 • WWW.ANSTISSCPA.COM

Other Matters

Prior Period Financial Statements

The financial statements of Boys & Girls Club of Greater Lowell, Inc. as of and for the year ended December 31, 2018 were audited by other auditors whose report dated February 25, 2019 expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021, on our consideration of Boys & Girls Club of Greater Lowell, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boys & Girls Club of Greater Lowell, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boys & Girls Club of Greater Lowell, Inc.'s internal control over financial reporting and compliance.

Emphasis of a Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2019, the Organization adopted Accounting Standards Update (ASU) 2014-09, *"Revenue from Contracts with Customers,"* and ASU 2018-08, *"Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made."* Our opinion is not modified with respect to these matters.

Anstiss & Co., P.C.

Anstiss & Co., P.C.
Lowell, MA
March 10, 2021

Boys & Girls Club of Greater Lowell, Inc.
Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	$ 79,351	$ 17,061
Accounts receivable	46,963	59,903
Pledges receivable - current	238,324	166,015
Prepaid expenses and other current assets	16,972	13,245
Total current assets	381,610	256,224
Long-term assets		
Cash and cash equivalents held for long-term purposes	26,130	45,048
Short-term investments held for long-term purposes	51,112	50,959
Pledges receivable - long term	181,251	50,000
Pledges receivable - capital campaign	901,451	-
Endowment investments	1,746,018	673,610
Beneficial interest in insurance investments held for endowment	23,790	23,598
Property and equipment, net	1,048,333	981,024
Total long-term assets	3,978,085	1,824,239
Total assets	$ 4,359,695	$ 2,080,463
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	$ 175,662	$ 117,243
Payroll liabilities	47,122	37,314
Deferred revenue	4,751	6,000
Line of credit	134,679	95,500
Notes payable - current	9,509	9,426
Other current liabilities	-	16,591
Total current liabilities	371,723	282,074
Notes payable - long term	114,275	123,783
Total liabilities	485,998	405,857
Net assets		
Without donor restrictions		
Undesignated	342,688	539,225
Total without donor restrictions	342,688	539,225
With donor restrictions		
Restricted in perpetuity	364,759	364,759
Restricted for time or purpose	3,166,250	770,622
Total with donor restrictions	3,531,009	1,135,381
Total net assets	3,873,697	1,674,606
Total liabilities and net assets	$ 4,359,695	$ 2,080,463

See the accompanying notes to these financial statements.

Boys & Girls Club of Greater Lowell, Inc.
Statements of Activities
For the Years Ending December 31, 2019 and 2018

	2019 Without Donor Restrictions	2019 With Donor Restrictions	2019 Total	2018 Without Donor Restrictions	2018 With Donor Restrictions	2018 Total
Support and revenue						
Contributions, grants and gifts	$ 950,117	$ 2,464,212	$ 3,414,329	$ 810,789	$ 586,926	$ 1,397,715
Contract revenue	292,447	-	292,447	290,162		290,162
Fundraising revenue	524,615	-	524,615	518,056	-	518,056
Miscellaneous income	67,741	-	67,741	69,594	-	69,594
Rental income	30,533	-	30,533	32,841	-	32,841
Contributed goods	72,396	-	72,396	15,693	-	15,693
Contributed services	-	-	-	3,703	-	3,703
Program service fees	2,367	-	2,367	3,651	-	3,651
Investment return	9	108,880	108,889	(9,807)	(18,989)	(28,796)
Total support and revenue	1,940,225	2,573,092	4,513,317	1,734,682	567,937	2,302,619
Net assets released from restrictions						
Satisfaction of program restrictions	177,464	(177,464)	-	13,500	(13,500)	-
Total released from restrictions	177,464	(177,464)	-	13,500	(13,500)	-
Support, revenue, and releases	2,117,689	2,395,628	4,513,317	1,748,182	554,437	2,302,619
Operating expenses						
Program services	1,524,321	-	1,524,321	1,434,386	-	1,434,386
Management and general	268,992	-	268,992	223,740	-	223,740
Fundraising	360,020	-	360,020	345,920	-	345,920
Capital Campaign	160,893	-	160,893	-	-	-
Total operating expenses	1,954,206	-	2,314,226	1,658,126	-	2,004,046
Changes in net assets	163,483	2,395,628	2,199,091	90,056	554,437	298,573
Net assets at beginning of year	539,225	1,135,381	1,674,606	795,089	580,944	1,376,033
Net assets at end of year	$ 702,708	$ 3,531,009	$ 3,873,697	$ 885,145	$ 1,135,381	$ 1,674,606

See the accompanying notes to these financial statements.

Boys & Girls Club of Greater Lowell, Inc.
Statement of Functional Expenses
For the Year Ending December 31, 2019

	Academic Success	Healthy Lifestyles	Good Character and Citizenship	Total Program Services	Management and General	Fundraising	Capital Campaign	Total 2019
Payroll and related	$ 404,140	$ 315,956	$ 220,349	$ 940,445	$ 137,240	$ 150,614	$ -	$ 1,228,299
Program expenses	28,098	185,518	24,784	238,400	-	-	-	238,400
Repairs and maintenance	19,667	44,828	14,242	78,737	15,282	4,217	-	98,236
Utilities	11,060	33,471	6,229	50,760	10,293	466	-	61,519
Office expenses	3,547	3,548	3,547	10,642	12,770	11,103	-	34,515
Marketing	-	-	-	-	800	6,989	-	7,789
Travel	-	-	-	-	104	-	-	104
Professional fees	-	-	-	-	15,771	75,651	-	91,422
Conferences and seminars	91	90	91	272	2,629	-	-	2,901
Interest expense	6,138	8,068	5,722	19,928	2,742	183	-	22,853
Dues and subscriptions	4,219	4,220	4,219	12,658	1,742	116	-	14,516
Insurance	19,549	19,549	19,549	58,647	8,071	1,116	-	67,834
Other expenses	5,381	5,381	5,381	16,143	5,363	1,040	-	22,546
Donated goods/services	6,709	6,708	6,709	20,126	-	2,125	-	22,251
Depreciation	16,903	51,178	9,482	77,563	10,766	722	-	89,051
Capital campaign expenses	-	-	-	-	-	-	160,893	160,893
Fundraising expense	-	-	-	-	-	105,678	-	105,678
Bad debt	-	-	-	-	1,926	-	-	1,926
Loss on disposal of fixed assets	-	-	-	-	43,493	-	-	43,493
Total functional expenses	$ 525,502	$ 678,515	$ 320,304	$ 1,524,321	$ 268,992	$ 360,020	$ 160,893	$ 2,314,226

See the accompanying notes to these financial statements.

Boys & Girls Club of Greater Lowell, Inc.
Statement of Functional Expenses
For the Year Ending December 31, 2018

	Academic Success	Healthy Lifestyles	Good Character and Citizenship	Total Program Services	Management and General	Fundraising	Capital Campaign	Total 2018
Payroll and related	$ 359,000	$ 302,236	$ 200,598	$ 861,834	$ 140,711	$ 149,536	$ -	$ 1,152,081
Program expenses	40,910	176,138	20,238	237,286	-	-	-	237,286
Repairs and maintenance	12,907	39,062	7,269	59,238	11,223	543	-	71,004
Utilities	11,912	36,050	6,709	54,671	11,611	502	-	66,784
Office expenses	7,798	7,797	7,797	23,392	14,965	16,375	-	54,732
Marketing	-	-	-	-	4,731	8,788	-	13,519
Travel	-	-	-	-	-	-	-	-
Professional fees	4,893	4,894	4,893	14,680	14,385	70,280	-	99,345
Conferences and seminars	3,597	3,597	3,597	10,791	2,031	1,609	-	14,431
Interest expense	4,106	6,122	3,672	13,900	1,912	128	-	15,940
Dues and subscriptions	4,089	4,089	4,089	12,267	1,688	113	-	14,068
Insurance	18,890	18,890	18,890	56,670	7,799	520	-	64,989
Other expenses	5,590	5,589	5,589	16,768	2,655	-	-	19,423
Donated goods/services	-	-	-	-	-	-	-	-
Depreciation	15,882	48,063	8,944	72,889	10,029	669	-	83,587
Campaign expenses	-	-	-	-	-	-	-	-
Fundraising expenses	-	-	-	-	-	96,857	-	96,857
Bad debt	-	-	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-
Total functional expenses	$ 489,574	$ 652,527	$ 292,285	$ 1,434,386	$ 223,740	$ 345,920	$ -	$ 2,004,046

See the accompanying notes to these financial statements.

Boys & Girls Club of Greater Lowell, Inc.
Statements of Cash Flows
For the Years Ending December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	$ 2,199,091	$ 298,573
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	89,051	83,587
Loss on disposal of fixed assets	43,493	-
Realized and unrealized (gain) loss on investments - net	(97,834)	36,667
Change in beneficial interest in insurance investments	(192)	(432)
Contributions restricted to endowment	(1,000,000)	(207,574)
Decrease in accounts receivable	12,940	45,446
Increase in pledges receivable	(1,105,011)	(216,015)
(Increase) decrease in prepaid expenses and other current assets	(3,727)	4,334
Increase (decrease) in accounts payable and accrued expenses	68,227	(38,006)
Decrease in deferred revenue	(1,249)	(1,594)
(Decrease) increase other current liabilities	(16,591)	16,591
Net cash provided by operating activities	188,198	21,577
Cash flows from investing activities		
Purchase of property and equipment	(199,853)	(75,489)
Purchase of investments	(1,423,901)	(182,079)
Proceeds from sale of investments	449,174	-
Net cash used by investing activities	(1,174,580)	(257,568)
Cash flows from financing activities		
Collection of contributions restricted to endowment	1,000,000	207,574
Proceeds from notes payable	100,000	-
Proceeds from line of credit	884,000	611,000
Payments on line of credit	(844,821)	(587,500)
Payments on notes payable	(109,425)	(9,100)
Net cash provided by financing activities	1,029,754	221,974
Increase (decrease) in cash and cash equivalents	43,372	(14,017)
Cash and cash equivalents at beginning of year	62,109	76,126
Cash and cash equivalents at end of year	105,481	62,109
Less cash and cash equivalents held for long-term purposes	26,130	45,048
Net cash and cash equivalents at end of year	$ 79,351	$ 17,061

Supplemental cash flow information		
Interest paid	$ 22,853	$ 15,940
In-kind contributions	$ 72,396	$ 15,693

See the accompanying notes to these financial statements.

Note 1 - Nature of the Organization

Boys & Girls Club of Greater Lowell, Inc. (the "Organization") is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code. The Organization's mission is to inspire and enable young people, especially those who need us most, to realize their full potential as productive, responsible, and caring citizens by promoting the health, social, education, vocational, and character development of the youth in the Greater Lowell Area.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization 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.

In addition, the Board 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. 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 the 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.

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 are considered time or purpose restricted. These funds can be made available for expenditure as the Organization appropriates its annual spending or in accordance with donor restrictions. For the years ended December 31, 2019 and 2018, the Organization had net assets with donor restrictions to be maintained in perpetuity of $364,759.

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents
The Organization considers all cash, time deposits, certificates of deposit, and other highly liquid financial instruments purchased with original maturities of three months or less, which are neither held nor restricted by donors for long-term purposes, to be cash equivalents. Cash, time deposits, certificates of deposit, and other highly liquid financial instruments restricted to long-term purposes are excluded from this definition.

Fair Value Measurements
GAAP defines fair value measurements applied to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. Under GAAP, 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 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

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 in its entirety. The carrying amounts in the accompanying statements of financial position for cash and cash equivalents, accounts receivable, pledges receivable, prepaid expenses, and accounts payable and accrued expenses approximate fair value due to their short-term nature.

ASC 825-10, "*Financial Instruments*," permits an entity to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis. The Organization has not adopted any of the additional fair value options allowed under the standard.

Investments
The Organization invests its assets in a manner intended to achieve a total rate of return sufficient to replace assets spent and recoup any value lost due to inflation. To minimize risk, the Organization diversifies its investments among various financial instruments and asset categories and uses multiple investment strategies. Significant investment decisions are made by the Board of Trustees, which has oversight responsibility for the Organization's investments. The Organization's portfolio is managed by outside investment managers who invest according to the investment guidelines recommended and approved by the Board of Trustees.

Note 2 - Summary of Significant Accounting Policies (continued)

Investments (continued)

Investments in marketable securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position and are included in level 1 of the fair value hierarchy. Fair value is based on market value which is based upon quotes from the principal exchanges on which the securities are traded. Investment return (including realized and unrealized gains and losses, interest, dividends, and external and direct internal investment expenses) is included in the current year change in net assets. Realized and unrealized gains or losses are determined by comparison of the difference between market values and average cost, respectively. Dividend and interest income is recognized when earned.

Accounts Receivable

Accounts receivable are accounted for at established rates on the accrual basis, less an allowance for contractual, charitable, and other arrangements for services provided at less than established rates. The Organization does not accrue interest on trade receivables. The Organization records its accounts receivable at the outstanding principal amount less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts based on the history of write-offs, collections, and current credit conditions. There was no allowance for doubtful accounts as of December 31, 2019 and 2018 as all amount were considered fully collectible.

Pledges Receivable

Pledges receivable expected to be collected within one year are recorded at net realizable value. Pledges receivable due in more than twelve months are recognized initially at fair value in the period the promise is made by the donor. The fair value of a pledge is estimated based on anticipated future cash receipts net of an allowance for uncollectible amounts, discounted using a risk adjusted rate of 4% applicable to the years in which the promises are to be received. In subsequent periods, amortization of the discount rate is included in contribution revenue in the statements of activities. The allowance for uncollectible pledges is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Pledges are written off when deemed uncollectible. Outstanding pledges as of December 31, 2019 and 2018 were $1,321,026 and $216,015, respectively.

Beneficial Interests

The Organization has a beneficial interest in five life insurance policies. In accordance with GAAP, the interests have been reported as an asset of the Organization. The asset is stated at the cash surrender value of the policies. As of December 31, 2019 and 2018, the beneficial interest in life insurance investments was $23,790 and $23,598, respectively.

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment

The Organization capitalizes major purchases of fixed assets of $750 or more which are not in the nature of replacements or repairs. Minor equipment purchases, replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are charged to expense as incurred. Capitalized fixed assets are recorded at cost if purchased or constructed, or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets capitalized as follows:

	Years
Buildings and improvements	10-39
Equipment	5-7
Vehicles	5

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by comparison to the future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Revenue Recognition

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. There were no refundable advances as of December 31, 2019 and 2018.

Membership fees are recognized when delivery of services has occurred. Amounts billed or collected in advance are recorded as deferred revenue until the services period are performed. As of December 31, 2019 and 2018, there were $4,751 and $6,000 in membership fees collected in advance and recorded as deferred revenue, respectively.

Grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Gifts of assets other than cash are recorded at their estimated fair value on the date of the gift. Pledges receivable are stated at the estimated net present value, net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Investment return (including realized and unrealized gains and losses on investments, interest, dividends and external and direct internal investment expenses) is included in the current year change in net assets. Realized and unrealized gains or losses are determined by comparison of the difference between market values and average cost, respectively. Dividend and interest income is recognized when earned.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

During 2019, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended, and ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, as management believes the standards improve the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of these standards resulted in no significant changes in the way the Organization recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis as a result of the adoption of this standard. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

In-kind Contributions

Donated goods, services, and fixed assets are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted contributions. The Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service. There were in-kind contributions of goods or fixed assets for \$72,396 and \$15,693 for the years ended December 31, 2019 and 2018, respectively.

The Organization receives services from volunteers in various aspects of its operations, however the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP. Contributed professional services are recorded at the respective fair values of the services received. There were no in-kind contributions of professional services for the year ended December 31, 2019. There were in-kind contributions of professional services of \$3,703 for the year ended December 31, 2018.

Functional Allocation of Expenses

The cost of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement of functional expenses is required to present the natural classification detail of expenses by function allocated on a reasonable basis that is consistently applied. Expenses that can be identified with a specific program and support services are allocated directly. Based on management's estimates, certain costs have been allocated among major classes of program services and supporting activities. Salaries and wages, benefits, payroll taxes, and certain other expenses are allocated based on estimates of time and effort. Other expenses that are common to several functions are allocated as appropriate. Supporting costs such as general administration and overhead and fundraising are reported as management and general or fundraising, respectively.

Advertising

The Organization expenses advertising costs as incurred.

Use of Estimates

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

Note 2 - Summary of Significant Accounting Policies (continued)

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization places its cash and cash equivalents with high quality financial institutions. Such deposits are covered by Federal Deposit Insurance Commission (FDIC) insurance and by state level insurance for balances exceeding FDIC limits. To minimize risk, management routinely assesses the financial strength of the institutions.

Investments are exposed to various risks such as market and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in values in the near term could materially affect investment balances and the amounts reported in the financial statements.

Income Taxes and Uncertain Tax Positions

The Organization, incorporated under Chapter 180 of the Massachusetts General Laws as a tax-exempt entity, has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3) and is classified as other than a private foundation as defined by section 590(a) of the IRC. Therefore, it is generally exempt from federal and state income taxes except for tax on unrelated business income, if any. Management has determined that substantially all of the Organization's income, expenditures, and activities relate to its exempt purpose, therefore, the Organization is not subject to unrelated business income taxes and will continue to qualify as a tax-exempt entity. Accordingly, no provision for income taxes has been provided for in the accompanying financial statements.

The Organization is required to evaluate and disclose tax positions that could have an effect on the Organization's financial statements. There are no uncertain tax positions considered to be material. The Organization reports its activities to the Internal Revenue Service and to the Commonwealth of Massachusetts on an annual basis. The informational returns are generally subject to audit and review by the governmental agencies for a period of three years after filing. Management believes it is no longer subject to review by taxing authorities for periods prior to 2016.

Accounting Updates

In February 2016, the FASB issued ASU 2016-02, *"Leases,"* amending Financial Accounting Standards Board Accounting Standards Codification (ASC) by adding topic 842. The new ASU requires that lessees recognize on the statement of financial position the assets and liabilities for the rights and obligations created by all leases with terms of more than twelve months, regardless of their classification as either operating or capital leases. For non-profit organizations without public debt, this ASU takes effect for annual periods beginning after December 15, 2021.

The Organization is currently evaluating the effect that this accounting pronouncement 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.

Note 3 – Liquidity and Availability

Financial assets available within one year for general expenditure were as follows for the years ending December 31st:

	2019	2018
Cash and cash equivalents	$ 79,351	$ 17,061
Accounts receivable	46,963	59,903
Pledges receivable – current	238,324	166,015
Total financial assets available	$ 364,638	$ 242,979

To manage liquidity, the Organization strives to maintain three months of operating reserves on hand to meet current liquidity needs and address shortfalls in cash flows caused by seasonal revenue cycles. To help manage unanticipated liquidity needs, the Organization has a committed line of credit secured by Endowments, in the amount of $1,250,000. Additionally, the Organization has significant equity in its building to use as collateral should the need ever arise.

Endowments are maintained in investment accounts along with amounts designated for programs and scholarships. The amount appropriated annually from the endowment has historically been 5% of the endowment balance and is reviewed and approved each year.

Note 4 – Pledges Receivable

Pledges receivable consisted of the following as of December 31st:

	2019	2018
Receivable in less than one year	$ 582,246	$ 166,015
Receivable in one to five years	799,835	50,000
Total unconditional promises to give	1,382,081	216,015
Less: discounts to net present value	61,055	-
Net pledges receivable	$ 1,321,026	$ 216,015

Note 5 - Property and Equipment

Property and equipment consisted of the following at December 31st:

	2019	2018
Land	$ 133,018	$ 133,018
Buildings	2,587,369	2,883,000
Motor vehicles	27,160	27,160
Furniture and Equipment	422,146	539,207
Total property and equipment	3,169,693	3,582,385
Less: Accumulated depreciation	(2,121,360)	(2,601,361)
Property and equipment - net	$ 1,048,333	$ 981,024

Depreciation expense was $89,051 and $83,587 for the years ended December 31, 2019 and 2018, respectively.

Note 6 - Fair Value of Investments

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures (see Note 2). The following table presents the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31st:

2019	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash equivalents	$ 1,073,407	$ 1,073,407	$ -	$ -
Equity funds	500,707	500,707	-	-
Fixed income ETFs	206,143	206,143	-	-
Alternative ETFs	16,873	16,873	-	-
Life insurance – CSV	23,790	23,790	-	-
Total	$ 1,820,920	$ 1,820,920	$ -	$ -

2018	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Cash equivalents	$ 279,678	$ 279,678	$ -	$ -
Equity funds	296,996	296,996	-	-
Fixed income ETFs	137,472	137,472	-	-
Alternative ETFs	10,423	10,423	-	-
Life insurance - CSV	23,598	23,598	-	
Total	$ 748,167	$ 748,167	$ -	$ -

Note 7 – Investment Return

Investment return consisted of the following for the years ended December 31st:

	2019	2018
Interest and dividend income	$ 17,917	$ 13,712
Unrealized gains (losses)	26,221	(44,301)
Realized gains	71,613	7,634
Investment management fees	(6,862)	(5,841)
Total	$ 108,889	$ (28,796)

Note 8 – Endowment Funds

The Organization's endowment funds were established for a variety of purposes including:

- The facilities endowment to provide funds to the Organization for maintenance of Club facilities, capital improvements, or special needs as designated by the Trustees.
- The art endowment to provide funds to the Organization in support of arts programming.
- Endowment established in response to the comprehensive campaign to support post expansion operations as part of the Organization's sustainability planning.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies net assets with donor restrictions that are perpetual in nature as (a) the original value of gifts donated to the perpetual endowment, (b) the original value of the subsequent gifts donated to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted perpetual endowment fund that is not classified as perpetual endowment is classified with other net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. General economic conditions
2. The possible effect of inflation and deflation
3. The expected tax consequences, if any, of investment decisions
4. The role that each investment or course of action plays within the overall investment portfolio of the fund
5. The expected total return from income and appreciation of investments
6. Other resources of the Organization
7. The needs of the Organization and the fund to make distributions and to preserve capital
8. An asset's special relationship or special value, if any, to the charitable purposes of the Organization
9. The duration and preservation of the fund
10. The Organization's investment policy

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 UPMIFA requires the Organization to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations that occur in newer endowment funds, shortly after the investment of new perpetual endowment contributions or when there was continued appropriation for certain programs that were deemed prudent by the Board of Trustees. There were no deficiencies of this nature as of December 31, 2019 and 2018. As of December 31, 2019 and 2018, perpetual endowment funds with original gift values of $364,759 and fair values of $519,610 and $462,632, were reported in net assets with donor restrictions, respectively.

Note 8 – Endowment Funds (continued)

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that conform to the Total Return Concept while assuming a moderate level of investment risk. The primary long-term investment objective for the assets is preservation of principal with a secondary goal of growth. Under the Organization's investment policy, up to 60% of endowment assets are invested in cash equivalents and equity funds, and 40% in fixed income and other funds. Actual allocations in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places greater emphasis on equity-based investment to achieve its long-term return objectives within prudent risk constraints.

Each year the Board of Trustees reviews and approves the appropriation from the endowment which has historically been 5% of the value of the endowment annually. In making its appropriation, the Organization considers the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the current spending rate to allow its endowments to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional growth through new gifts and investment return.

Net asset composition by endowment type as of December 31, 2019 and 2018 was:

	2019 Without Donor Restrictions	With Donor Restrictions	Total
Donor created endowment	$ -	$ 1,769,808	$ 1,769,808
Board created endowment	-	-	-
Total	$ -	$ 1,769,808	$ 1,769,808

	2018 Without Donor Restrictions	With Donor Restrictions	Total
Donor created endowment	$ -	$ 697,209	$ 697,209
Board created endowment	-	-	-
Total	$ -	$ 697,209	$ 697,209

Note 8 – Endowment Funds (continued)

Changes in endowment net assets for the year ended December 31, 2019 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 697,209	$ 697,209
Investment return			
Investment income	-	82,423	82,423
Appreciation/depreciation	-	26,221	26,221
Total investment return	-	108,644	108,644
Contributions	-	1,000,000	1,000,000
Appropriations for expenditure	-	(36,045)	(36,045)
Other changes	-	-	-
Endowment net assets, end of year	$ -	$ 1,769,808	$ 1,769,808

Changes in endowment net assets for the year ended December 31, 2018 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 496,056	$ 496,056
Investment return			
Investment income	-	28,910	28,910
Appreciation/depreciation	-	(35,331)	(35,331)
Total investment return	-	(6,421)	(6,421)
Contributions	-	207,574	207,574
Appropriations for expenditure	-	-	-
Other changes	-	-	-
Endowment net assets, end of year	$ -	$ 697,209	$ 697,209

Note 9 – Line of Credit

The Organization has a $1,250,000 line of credit available from Enterprise Bank & Trust Company with a variable interest rate applied to the outstanding balance. The interest rate was 4.25% and 5% as of December 31, 2019 and 2018. The line of credit is secured by all the assets of the Organization and is subject to annual renewal. The outstanding amount on the line of credit was $134,679 and $95,500 as of December 31, 2019 and 2018, respectively.

Note 10 – Notes Payable

	2019	2018
Mortgage Payable to Enterprise Bank at an interest rate of 4.01% through April 2022 and monthly payments of $886. The interest rate will be reviewed then and every five years thereafter and adjusted to 1.75% over the Federal Home Loan five-year rate. This loan matures on March 1, 2035 and is secured by the property at 657 Middlesex Street	$ 120,199	$ 125,816
Note Payable to JDCU at 2.74% interest rate with monthly payments of $330. This loan matures on November 30, 2020 and is secured by a motor vehicle	3,585	7,393
	123,784	133,209
Less: current portion	9,509	9,426
	$ 114,275	$ 123,783

Future maturities on notes payable are as follows for the years ending December 31st:

2020	$ 9,509
2021	6,166
2022	6,418
2023	6,680
2024	6,953
Thereafter	88,058
Total	$ 123,784

Note 11 - Net Assets

Net assets consisted of the following at December 31st:

	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating funds	$ 342,688	$ -	$ 342,688	$ 539,225	$ -	$ 539,225
Pledges receivable	-	1,321,026	1,321,026	-	216,015	216,015
Scholarships	-	60,856	60,856	-	79,962	79,962
Other	-	379,319	379,319	-	142,195	142,195
Endowment	-	1,769,808	1,769,808	-	697,209	697,209
	$ 342,688	$ 3,531,009	$3,873,697	$ 539,225	$ 1,135,381	$ 1,674,606

Note 11 - Net Assets (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the passage of time or other events specified by the donors as follows for the years ended December 31st:

	2019	2018
Expiration of time restrictions	$ 60,000	$ -
Satisfaction of purpose restrictions	117,464	13,500
Total net assets released from restrictions	$ 177,464	$ 13,500

As of December 31, 2019 and 2018, net assets with donor restrictions included net assets of $364,759 which must be held by the Organization in perpetuity. Earnings on perpetual endowment funds with purpose restrictions consist of funds restricted for a variety of uses which meet the charitable needs of the community.

In addition, there were net assets with donor restrictions consisting of contributions whose restrictions can be satisfied through purpose spending or time and that resulted from earnings on perpetual endowment funds under UPMIFA as adopted by the Commonwealth of Massachusetts as follows:

	2019	2018
Cumulative earnings - perpetual endowment funds		
Without purpose restrictions	$ -	$ -
With purpose restrictions	154,851	97,873
Subtotal	154,851	97,873
Other funds temporarily restricted for purpose	1,423,954	363,385
Other funds temporarily restricted for time	1,587,445	309,364
Total	$3,166,250	$ 770,622

Net assets with donor restrictions consisted of the following as of and for the years ended December 31st:

	2019	2018
Unrestricted endowment	$ 1,026,587	$ 23,598
Special needs endowment	259,805	231,316
Capital needs endowment	259,805	231,316
Arts programming endowment	223,611	210,978
Eric's Shoebox	14,100	6,400
Capital improvements	205,470	50,000
Have an Awesome Day Fund	18,465	16,045
Scholarships	60,856	79,962
Program grants	141,283	69,750
Pledges restricted for capital improvement	901,451	-
Other pledges restricted as to time	419,576	216,016
Total net assets with donor restrictions	$ 3,531,009	$ 1,135,381

Note 12 – Prior Period Adjustment

During the fiscal year ended December 31, 2019, it was determined that certain contributions were recorded in the wrong accounting period. In addition, there was an unrecorded overpayment of Unrelated Business Income Tax in 2018 in the amount of $1,840. The net effect on the change in net assets for the year ending December 31, 2018 was an increase of $111,840. Net assets as of December 31, 2018 were restated as follows:

	As Previously Stated	Reclassifications	Adjustment	As Restated
Without donor restrictions	$ 1,343,609	$ (806,224)	$ -	$ 539,225
With donor restrictions	219,157	806,224	111,840	1,343,609
Total	$ 1,562,766	$ -	$ 111,840	$ 1,882,834

As of and for the year ended December 31, 2018, the following amounts have been restated as a result of the prior period adjustment:

	As Previously Stated	Reclassifications	Adjustment	As Restated
Statement of financial position:				
Pledges receivable - current	$ -	106,015	60,000	$ 166,015
Pledges receivables – long term	$ -	-	50,000	$ 50,000
Prepaid expenses and other current assets	$ 11,405	-	1,840	$ 13,245
Net assets without donor restrictions – undesignated	$ 815,136	(277,751)	1,840	$ 539,225
Net assets without donor restrictions – designated for endowment	$ 528,473	(528,473)	-	-
Total net assets without donor restrictions	$1,343,609	(806,224)	1,840	$ 539,225
Net assets with donor restrictions – time or purpose restrictions	$ 219,157	441,465	110,000	$ 770,622
Net assets with donor restrictions – perpetual endowment	$ -	364,759	-	$ 364,759
Total net assets with donor restrictions	$ 219,157	806,224	110,000	$1,135,381
Total net assets	$1,562,766	-	111,840	$1,674,606
Statement of activities:				
Contributions, grants, and gifts	$1,287,715	-	110,000	$1,397,715
Management and general expenses	$ 231,421	(5,841)	(1,840)	$ 223,740
Change in net assets	$ 186,733	-	111,840	$ 298,573
Statement of functional expenses:				
Other expenses	$ 4,495	-	(1,840)	$ 2,655
Statement of cash flows:				
Change in net assets	$ 186,733	-	111,840	$ 298,573
Increase in pledges receivable	$ -	(106,015)	(110,000)	$ (216,015)
Increase in prepaid expenses and other current assets	$ 6,174	-	(1,840)	$ 4,334

Note 13 - Retirement Plan

The Organization maintains an Internal Revenue Service qualified 401(k) defined contribution, salary reduction plan covering all qualified employees. Employees may make discretionary contributions to the plan, which are not subject to a match by the Organization. The Organization contributes five percent, comprised of a three percent Safe Harbor that is one hundred percent vested immediately, and a two percent discretionary contribution that is subject to a two to six-year vesting schedule. The two percent discretionary contribution may be modified annually by the Board of Directors upon recommendation from the Executive Director and the Board President. Employer contributions for the years ended December 31, 2019 and 2018 was $33,634 and $30,291, respectively.

Note 14 - Reclassifications

During 2019, certain amounts from prior year financial statement were reclassified to conform to current year presentation.

Note 15 - Subsequent Events

ASC 855-10, "*Subsequent Events*", defines further disclosure requirements for events that occur after the statement of financial position date but before financial statements are issued. In accordance with GAAP, the Organization's management has evaluated events subsequent to December 31, 2019 through March 10, 2021, which is the date the financial statements were available to be issued.

As of March 10, 2021, the Organization continues to be impacted by COVID-19, which was characterized as a pandemic by the World Health Organization on March 11, 2020. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. The extent of the impact of the COVID-19 pandemic on the Organization's operational and financial performance will depend on future developments, including the duration and spread of the outbreak. Future potential impacts may include disruptions or restrictions on employees' ability to work, donors' ability to contribute, or the Organization's ability to fundraise. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

As a result of the pandemic, major U.S., and foreign stock indices, including the Dow Jones, S&P, and NASDAQ, have experienced significant volatility. The Organization is monitoring investment market conditions and the impact such volatility is having on the Organization 's investment portfolio. Due to the volatility of the U.S. and world financial markets as of the date of this report, there is uncertainty regarding the impact the current volatility will have on the Organization's investment portfolio.

On April 5, 2020, the Organization received loan proceeds in the amount of $249,200 under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), enacted by the U.S. Government on March 27, 2020 to help small businesses retain employees during the pandemic and economic downturn. The PPP provides for loans to qualifying business for amounts up to two- and one-half times the average monthly allowable payroll costs incurred during the year prior to the loan date. The loan and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan

Note 15 - Subsequent Events (continued)

proceeds for eligible expenditures, including payroll, benefits, rent, and utilities, and maintains its payroll levels. No more than 40% of the amounts expended can be for non-payroll costs and the amount of loan forgiveness will be reduced if the borrower terminates employees or reduces wages paid to employees by more than 25% during the twenty-four-week period. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%. If the forgiveness application is submitted within 10 months after the end of the covered period, payments will be deferred until the SBA remits the loan forgiveness amount to the lender or notifies the lender that no loan forgiveness is allowed. The Organization applied for and received notification of the PPP loan forgiveness on December 4, 2020.

There were no material events noted during this period that would either impact the results reflected in this report or the Organization's results going forward.

ANSTISS | CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Boys & Girls Club of Greater Lowell, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Boys & Girls Club of Greater Lowell, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boys & Girls Club of Greater Lowell, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boys & Girls Club of Greater Lowell, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Boys & Girls Club of Greater Lowell, Inc.'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 the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described below that we consider to be significant deficiencies.

Pledges Receivable

Audit procedures identified a pledge receivable from 2018 in the amount of $110,000 that was not recorded in the proper accounting period. As a result, a prior period adjustment was required. Under GAAP, unconditional pledges should be recognized and reported in full in the period the promise is made. Procedures should be implemented to ensure that receipt of pledges is tracked, and they are recorded in the proper accounting period.

Conditional Contributions

Under GAAP, here is a contingency when there is both a measurable hurdle to achieve and a right of return/recapture. Revenue can only be recognized on a contingent contribution once the contingency has been met. Audit procedures identified a conditional grant that was recognized based on the receipt of payments instead of when the conditions were met. Procedures should be implemented to ensure that revenue is recognized on conditional grants only when the contingencies are met.

Management's Response:

We agree with the findings as presented by Anstiss & Co., P.C. and noted that they are not of a recurring nature. With that in mind, however, we have changed internal procedures to reduce the likelihood of future occurrences.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boys & Girls Club of Greater Lowell, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Boys &Girls Club of Greater Lowell, Inc.'s Response to Findings

Boys & Girls Club of Greater Lowell, Inc.'s response to the findings identified in our audit is described above. Boys & Girls Club of Greater Lowell, Inc's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anstiss + Co., P.C.

Anstiss & Co., P.C.
Lowell, MA
March 10, 2021