



**Boys & Girls Clubs of Weld County, Inc.**

Financial Statements

For the Years Ended December 31, 2014 and 2013

# Boys & Girls Clubs of Weld County, Inc.

## Contents

---

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 11



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Boys & Girls Clubs of Weld County, Inc.  
Greeley, Colorado

We have audited the accompanying financial statements of the Boys & Girls Clubs of Weld County, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses 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 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 the Boys & Girls Clubs of Weld County, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

*Anton Collins Mitchell LLP*

Greeley, Colorado  
April 24, 2015

## Financial Statements

---

# Boys & Girls Clubs of Weld County, Inc.

## Statements of Financial Position

<i>December 31,</i>	2014	2013
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 477,402	\$ 305,882
Contributions receivable, net	107,034	56,610
Promises to give	15,125	71,750
Grants receivable	12,291	60,375
Prepaid insurance	7,117	4,385
<b>Total current assets</b>	<b>618,969</b>	<b>499,002</b>
<b>Property and equipment:</b>		
Buildings and improvements	3,559,724	3,502,413
Equipment and furniture	271,792	237,678
Vehicles	169,277	169,277
Land	239,251	239,251
	<b>4,240,044</b>	<b>4,148,619</b>
Less: accumulated depreciation	1,781,270	1,641,354
<b>Net property and equipment</b>	<b>2,458,774</b>	<b>2,507,265</b>
Cash restricted for building renovation	1,057	23,401
Promises to give, net of current portion above	19,000	1,000
<b>Total assets</b>	<b>\$ 3,097,800</b>	<b>\$ 3,030,668</b>
<b>Liabilities and net assets</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 33,338	\$ 18,220
Accrued liabilities	37,933	29,630
Other liabilities	3,940	727
<b>Total current liabilities</b>	<b>75,211</b>	<b>48,577</b>
<b>Commitments and Contingencies</b>		
<b>Net assets:</b>		
Unrestricted	2,791,164	2,845,808
Temporarily restricted	231,425	136,283
<b>Total net assets</b>	<b>3,022,589</b>	<b>2,982,091</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,097,800</b>	<b>\$ 3,030,668</b>

*The accompanying notes are an integral part of these financial statements.*

# Boys & Girls Clubs of Weld County, Inc.

## Statements of Activities

<i>Years ended December 31,</i>	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues, gains and other support:</b>						
Grants and contributions:						
United Way	\$ 57,281	\$ -	\$ 57,281	\$ 56,947	\$ -	\$ 56,947
Contributed investments	9,936	-	9,936	-	-	-
Other grants and contributions	616,924	297,559	914,483	582,552	63,533	646,085
Event revenues and expenses:						
Net annual dinner, raffle and auction revenues	214,188	-	214,188	175,040	-	175,040
Net calf auction revenues	170,684	-	170,684	130,542	-	130,542
Net other fund raising events	-	-	-	(1,503)	-	(1,503)
Membership dues	26,431	-	26,431	14,036	-	14,036
Other - miscellaneous	3,784	-	3,784	4,514	-	4,514
Oil and gas royalties	1,669	-	1,669	1,360	-	1,360
Investment earnings, net	(313)	-	(313)	276	-	276
Net assets released from restrictions	202,417	(202,417)	-	119,382	(119,382)	-
<b>Total revenues, gains and other support</b>	<b>1,303,001</b>	<b>95,142</b>	<b>1,398,143</b>	<b>1,083,146</b>	<b>(55,849)</b>	<b>1,027,297</b>
<b>Expenses:</b>						
Program services	1,003,628	-	1,003,628	770,488	-	770,488
Supporting services:						
General and administrative	247,655	-	247,655	208,621	-	208,621
Fundraising	106,362	-	106,362	96,535	-	96,535
Contributions made	-	-	-	60,000	-	60,000
<b>Total expenses</b>	<b>1,357,645</b>	<b>-</b>	<b>1,357,645</b>	<b>1,135,644</b>	<b>-</b>	<b>1,135,644</b>
Change in net assets	(54,644)	95,142	40,498	(52,498)	(55,849)	(108,347)
Net assets at beginning of year	2,845,808	136,283	2,982,091	2,898,306	192,132	3,090,438
Net assets at end of year	\$ 2,791,164	\$ 231,425	\$ 3,022,589	\$ 2,845,808	\$ 136,283	\$ 2,982,091

*The accompanying notes are an integral part of these financial statements.*

# Boys & Girls Clubs of Weld County, Inc.

## Statements of Functional Expenses

<i>Years ended December 31,</i>	2014				2013			
	Program Services	General and Administrative	Fund Raising	Total	Program Services	General and Administrative	Fund Raising	Total
<b>Personnel expenses:</b>								
Salaries	\$ 522,382	\$ 117,191	\$ 52,803	\$ 692,376	\$ 381,012	\$ 106,031	\$ 52,557	\$ 539,600
Payroll taxes	56,124	9,154	4,467	69,745	43,989	12,242	6,068	62,299
Employee benefits	53,823	12,425	9,592	75,840	38,014	10,579	5,244	53,837
Pension plan contributions	28,796	10,141	3,664	42,601	20,851	5,803	2,876	29,530
<b>Total personnel expenses</b>	<b>661,125</b>	<b>148,911</b>	<b>70,526</b>	<b>880,562</b>	<b>483,866</b>	<b>134,655</b>	<b>66,745</b>	<b>685,266</b>
<b>Other expenses, before depreciation:</b>								
Occupancy costs	81,171	22,589	11,197	114,957	78,211	21,765	10,789	110,765
Program costs	39,109	-	-	39,109	25,855	-	-	25,855
Professional fees	-	26,448	-	26,448	-	13,862	-	13,862
Travel	17,246	4,799	2,379	24,424	13,000	3,618	1,793	18,411
Office expenses	37,332	10,389	5,149	52,870	14,563	4,053	2,008	20,624
Dues and subscriptions	20,517	-	-	20,517	13,791	-	-	13,791
Miscellaneous	23,084	-	-	23,084	31,002	-	-	31,002
Member awards	18,402	5,121	2,538	26,061	6,019	1,675	830	8,524
Conferences and meetings	6,847	1,905	945	9,697	6,248	1,739	861	8,848
<b>Total other expenses</b>	<b>243,708</b>	<b>71,251</b>	<b>22,208</b>	<b>337,167</b>	<b>188,689</b>	<b>46,712</b>	<b>16,281</b>	<b>251,682</b>
<b>Total expenses before depreciation</b>	<b>904,833</b>	<b>220,162</b>	<b>92,734</b>	<b>1,217,729</b>	<b>672,555</b>	<b>181,367</b>	<b>83,026</b>	<b>936,948</b>
<b>Depreciation</b>	<b>98,795</b>	<b>27,493</b>	<b>13,628</b>	<b>139,916</b>	<b>97,933</b>	<b>27,254</b>	<b>13,509</b>	<b>138,696</b>
<b>Total expenses</b>	<b>\$ 1,003,628</b>	<b>\$ 247,655</b>	<b>\$ 106,362</b>	<b>\$ 1,357,645</b>	<b>\$ 770,488</b>	<b>\$ 208,621</b>	<b>\$ 96,535</b>	<b>\$ 1,075,644</b>

*The accompanying notes are an integral part of these financial statements.*

# Boys & Girls Clubs of Weld County, Inc.

## Statements of Cash Flows

<i>Years ended December 31,</i>	2014	2013
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 40,498	\$ (108,347)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	139,916	138,696
Bad debts	(2,695)	2,694
Contributed investments	(9,936)	-
Contributions restricted for building renovation	22,344	7,775
Net realized (gain) loss on investments	624	-
Decrease (increase) in:		
Contributions receivable	(50,424)	(39,545)
Grants and promises to give	89,404	(20,249)
Prepaid expenses	(2,732)	522
Increase (decrease) in:		
Accounts payable	15,118	7,552
Accrued liabilities and other	11,516	8,250
<b>Net cash flows from operating activities</b>	<b>253,633</b>	<b>(2,652)</b>
<b>Cash flows from investing activities</b>		
Redemption of investments	9,312	-
Purchase of property and equipment	(91,425)	(38,826)
<b>Net cash flows from investing activities</b>	<b>(82,113)</b>	<b>(38,826)</b>
<b>Cash flows from financing activities</b>		
Collection of contributions restricted for building renovation	-	120,382
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>120,382</b>
<b>Net change in cash and cash equivalents</b>	<b>171,520</b>	<b>78,904</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>305,882</b>	<b>226,978</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 477,402</b>	<b>\$ 305,882</b>
<b>Supplemental disclosure of non-cash investing activities:</b>		
Received donated investments	\$ 9,936	\$ -

*The accompanying notes are an integral part of these financial statements.*

**Boys & Girls Clubs of Weld County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

---

## 1. Nature of Organization and Significant Accounting Policies

### *Nature of the Organization*

Boys & Girls Clubs of Weld County, Inc., (the "Organization"), is a nonprofit organization established under the laws of the State of Colorado, to increase social, educational, physical, vocational, and character development of youth six to 18 years of age. The Organization conducts its activities from five locations throughout Weld County, Colorado: Pawl Clubhouse, Monfort Youth Center, Art Barker Clubhouse, Galeton Clubhouse and Windsor Clubhouse. The following provides information relating to the programs offered:

Academic Success programs enable youth to become proficient in basic educational disciplines and embrace technology to enhance their academic skills. Homework Hall and Project Learn are programs that target Academic Success. Homework Hall is a 30 minute period in which all members work on their homework, read, or help younger members with their work. Project Learn is a strategy that is utilized to create opportunities within all core programs for youth to participate in high-yield learning activities including: leisure reading, writing, public speaking, and math.

Good Character & Citizenship programs empower youth to support their club and community, and develop a positive self-image. Youth of the Year, Keystone & Torch Clubs, Jr. Staff & Cadets, Money Matters, and Cowboy Ethics are programs that target good character and citizenship. The Youth of the Year program promotes and celebrates service to club, community and family; academic performance; moral character; life goals; and poise and public speaking ability. Youth ages 14-18 who are in good standing at the clubs and in school are encouraged to participate in this program which entails writing seven essays, interviewing for the position, composing a speech, and speaking in front of a judging panel. The Keystone & Torch Clubs are middle and high school leadership clubs that allow youth to elect officers, participate in club and community service, and learn about small business concepts as they raise money for activities throughout the year. The Jr. Staff & Cadets programs are job ready programs that give club members a chance to learn basic employment skills in a safe and forgiving environment. Once a club member has successfully completed their Cadet training and has reached the age of employment they can seek a recommendation from staff for a paid position in the clubs and complete an interview process. The Money Matters program encouraged financial responsibility and independence among club members ages 10-18 by building their basic money management skills. Cowboy Ethics is an overall philosophy imbedded into our club's culture. In addition to the Cowboy Ethics philosophy, the Organization implements the program "The Code" for grade/gender specific groups (K-1, 2-4 boys & girls, 5-8 boys & girls, 9-12 boys & girls) which fosters character development, personal growth and leadership qualities.

Healthy Lifestyles programs engage youth in positive behaviors that nurture their own well-being. Triple Play, SMART Moves, SMART Girl, and Passport to Manhood are the programs that target healthy lifestyles. Triple Play is a program that takes a holistic approach to educate youth about good nutrition, making physical fitness a daily practice and developing individual strengths and good character. SMART Moves (Skills Mastery and Resistance Training) program engages youth in various activities designed to hone their decision-making and critical-thinking skills, all the while teaching youth to resist alcohol, tobacco, other drugs and premature sexual activity. SMART Girl is a small-group health, fitness, prevention-education and self-esteem enhancement program designed to meet the developmental needs of girls. Passport to Manhood is a small-group program that engages boys in discussions and activities that reinforce positive behavior. Each participant receives his own "passport" to underscore the notion that he is on a personal journey of maturation.

**Boys & Girls Clubs of Weld County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

---

*Financial Statement Presentation*

Financial statement presentation follows accounting principles generally accepted in the United States of America ("GAAP") promulgated by the Financial Accounting Standards Board ("FASB"). Under these principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*Revenue, Gains and Support*

Major sources of revenue are generated as follows: contributions from individuals, businesses, trusts and foundations; United Way allocations; grants; net proceeds from events, such as the annual raffle and auction, calf auction, and other fund raising events; and club member dues.

*Contributions*

Contributions are recognized when the donor transfers cash or other assets, or makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are recorded as temporarily restricted or permanently restricted depending on the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

*Grant Revenue Recognition*

The Organization records grant revenues over the period of the award and the provisions of the grant determine the timing of revenue recognition. Revenue derived from cost reimbursable grants is recognized as allowable costs are incurred. Reimbursement for costs incurred, yet not received, is included in grants receivable. Grant expenses are recognized when incurred.

*Cash and Cash Equivalents*

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less, which are neither restricted by donors nor held for long-term purposes, to be cash equivalents. Cash restricted for future facility improvements is reported as cash restricted for building renovation and excluded from this definition.

*Promises to Give*

Unconditional promises to give are multiple year pledges made by donors. Promises to give that are expected to be collected within one year are recorded at amount pledged. Promises to give should be recorded at net realizable value, however the adjustment for the present value of their expected future cash flows was not material to the financial statements. Conditional promises to give are not included as support until the conditions are substantially met.

Subsequent to initial recognition, management uses the allowance method to determine the uncollectible amounts. The allowance is based upon historical experience, assessment of the current economic environment, historical collection experience, and analysis of subsequent events. The Organization has determined that allowance of \$2,076 and \$4,771 was necessary as of December 31, 2014 and 2013, respectively. It is reasonably possible that the actual collections could differ from the estimate.

**Boys & Girls Clubs of Weld County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

---

*Concentrations of Credit Risk*

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash accounts and receivables.

The Organization places its temporary cash accounts with financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") and considered by management to be high-quality and creditworthy. The Organization had \$130,161 in excess of federally insured limits as of December 31, 2014 and at various times throughout the year. The Organization has not experienced any losses in any of these accounts.

Credit risk, with respect to receivables, is considered low due to past experience and the reputations of major contributors. Two customers comprised 10% or more of accounts receivable, and collectively comprised 34% of total accounts receivable at December 31, 2014. There were no individual customers that comprised 10% or more of accounts receivable at December 31, 2013. Four donors comprised 10% or more of promises to give, and collectively comprised 95% of total promises to give at December 31, 2014. Four donors comprised 77% or more of promises to give, and collectively comprised 95% of total promises to give at December 31, 2013. There were no individual sources of revenue that accounted for 10% or more of revenue.

*Property and Equipment*

Property and equipment has been stated at cost or, in the case of donated assets, at the fair value at the date of receipt. Depreciation is calculated using the straight-line method over three years for computers, five to ten years for personal property and ten to forty years for buildings and improvements.

Maintenance and repairs are charged to operations when incurred. Betterment and renewals are capitalized. When property and equipment is sold or otherwise disposed, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

*Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Long-Lived Assets*

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization evaluates the recoverability of its long-lived assets based on estimated undiscounted future cash flows and provides for impairment if such undiscounted cash flows are insufficient to recover the carrying amount of the long-lived asset. If impaired, the long-lived asset is written down to its estimated fair value. The Organization has determined no events which would indicate the carrying amount of the Organization's long-lived assets may not be recoverable have occurred during the years ended December 31, 2014 and 2013.

**Boys & Girls Clubs of Weld County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

---

*Income Taxes*

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified by the Internal Revenue Service as a nonprofit organization other than a private foundation. However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no income from business unrelated to the Organization's exempt purpose during the years ended December 31, 2014 and 2013. Since it has no income from business unrelated to its exempt purpose, no liability for federal income taxes has been recorded.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for federal recognition or disclosure in the financial statements. The Organization is no longer subject to U.S. federal, state, and local, or non-U.S. tax examinations by tax authorities for years before 2011.

*Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Functional expenses are also presented by natural classification in the Statements of Functional Expenses.

*Reclassification*

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications have no effect on previously reported change in net assets.

**2. Long-Term Land Lease**

The Organization leases, from The Community Foundation, serving Greeley and Weld County, the land where the Organization's Monfort Youth Center Unit building and improvements are located. The 99-year lease expires in 2073 and requires an annual payment of \$1.

**3. Contributed Services**

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs. The value of this contributed time is not reflected in the accompanying financial statements because the services do not require specialized skills. Donated professional services (which include accounting and legal services) would be reflected in the Statement of Activities at their estimated fair value. No such services were donated during the years ended December 31, 2014 and 2013.

**4. Temporarily Restricted Net Assets**

Temporarily restricted net assets as of December 31, 2014 and 2013 consisted of \$231,425 and \$136,283, respectively, restricted for time and purpose associated with grants for Healthy Lifestyles and performing arts in addition to long-term pledges relating to the renovation of the Monfort Youth Center.

**Boys & Girls Clubs of Weld County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

---

## 5. Related Party Transactions

### *The Boys Club of Greeley Foundation*

The Boys Club of Greeley Foundation (the "Foundation"), was organized in 1985 for the purpose of making distributions that exclusively benefit and carry out the charitable and educational purposes of the Organization. The Foundation is managed and controlled by a board of directors consisting of five members, two of which are also board members of the Organization. The remaining three members are independent of the Organization. The policy of the Organization's Board of Directors is to direct all memorials and bequests over \$1,000 to the Foundation with earnings available for the Organization's operations. The Organization received contributions from the Foundation during 2014 and 2013 totaling \$42,000 and \$20,000, respectively. During 2013, \$60,000 was returned by the Organization to be retained by the Foundation for long-term investment purposes.

The financial statements of the Foundation were compiled by an Independent Certified Public Accountant for the years ended March 31, 2014 and 2013. The Statements of Financial Position reported unrestricted net assets of \$965,759 and \$822,765 as of March 31, 2014 and 2013, respectively. For the years ended March 31, 2014 and 2013, the Statements of Activities reported revenues and other support of \$172,095 and \$149,849, respectively; and expenses of \$29,101 and \$110,967, respectively; resulting in an increase in unrestricted net assets of \$142,994 in 2014 and a decrease in unrestricted net assets of \$38,882 in 2013.

### *Other*

The Organization, from time to time in the ordinary course of business and within the guidelines of its conflict of interest policy, has entered into transactions with companies for which certain members of the companies' management also serve on the Board of Directors of the Organization. Management believes that amounts paid by the Organization in these transactions are immaterial individually, and in the aggregate.

## 6. Defined Contribution Retirement Plan

The Organization participates as a member organization in the Pension Trust of Boys & Girls Clubs of America ("Pension Trust" or "Plan"). An employee is eligible for participation in the Plan when they have reached 21 years of age and have completed one year of service. The Pension Trust is a "defined contribution money purchase plan" in which the Organization contributes 10% of eligible employees' compensation for the 12 months prior to the plan year. Under the Plan, employee accounts are 20% vested after 2 years, 40% after 3 years, 60% after 5 years, and 100% after 6 years of service.

Contributions to the Plan amounted to \$42,601 and \$29,530 in 2014 and 2013, respectively.

**Boys & Girls Clubs of Weld County, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014 and 2013**

---

## **7. Subsequent Events**

Management of the Organization has evaluated subsequent events through April 24, 2015, the date the financial statements were available to be issued. There were no events or transactions discovered during the evaluation that require recognition of disclosure in the financial statements other than as described below.

On October 6, 2014, the Organization entered into a Memorandum of Understanding (“MOU”) with the Thompson Rivers Parks and Recreation District (“the District”). The District intends to construct a multi-purpose shared use facility in Milliken and the Organization has agreed to contribute up to \$180 per square foot for construction of the facility in return for dedicated space of the facility for the Organization’s exclusive use for programs. No formal contract has been reached and construction is not expected until 2015. There were no additional transactions or events identified that would require adjustment to or disclosure in the financial statements.

In January of 2015, the Organization opened the Fort Lupton Clubhouse, which is their sixth location.