

**BOYS & GIRLS CLUB OF BURBANK
AND GREATER EAST VALLEY, INC.**

Financial Statements and
Independent Auditor's Report

June 30, 2019 and 2018

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Independent Auditor's Report

To the Board of Directors
Boys & Girls Club of Burbank and Greater East Valley, Inc.

We have audited the accompanying financial statements of Boys & Girls Club of Burbank and Greater East Valley, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to 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 audits 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 Burbank and Greater East Valley, Inc. as of June 30, 2019 and 2018, 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.

JLK Rosenberg, LLP

Glendale, California
January 13, 2020

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Statements of Financial Position
As of June 30, 2019 and 2018

	2019	2018
	<u> </u>	<u> </u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,080,854	\$ 107,193
Investments	1,084	1,936
Promises to give, net of allowance for doubtful accounts of \$26,922 and \$24,172	383,971	441,359
Prepaid expenses and other assets	39,010	39,791
Total current assets	<u>1,504,919</u>	<u>590,279</u>
Property and equipment, net	441,714	345,536
Beneficial interest in endowment fund	216,424	224,032
Total assets	<u><u>\$ 2,163,057</u></u>	<u><u>\$ 1,159,847</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 136,311	\$ 127,579
Compensated absences	29,720	16,699
Line of credit	80,000	-
Deferred support	42,430	36,516
Total current liabilities	<u>288,461</u>	<u>180,794</u>
Net assets:		
Without donor restrictions	488,941	596,203
With donor restrictions	1,385,655	382,850
Total net assets	<u>1,874,596</u>	<u>979,053</u>
Total liabilities and net assets	<u><u>\$ 2,163,057</u></u>	<u><u>\$ 1,159,847</u></u>

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

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Statements of Activities
For the Years Ended June 30, 2019 and 2018

	2019	2018
Changes in unrestricted net assets:		
Unrestricted support:		
Contributions	\$ 345,252	\$ 202,247
Program services	2,278,673	1,808,487
Special events revenue, net	142,705	125,059
Fundraising revenue	171,704	145,961
Donated materials, services and facilities	470,129	279,811
Net (depreciation) appreciation in beneficial interest in endowment fund	(7,608)	11,321
Investment gain	3,609	785
Total unrestricted support	<u>3,404,464</u>	<u>2,573,671</u>
Net assets released from donor restrictions:		
Satisfaction of program restrictions	266,714	369,099
Total unrestricted support and other support	<u>3,671,178</u>	<u>2,942,770</u>
Expenses:		
Program services	3,084,212	2,602,589
Support services:		
Management and general	348,644	266,397
Fundraising	337,739	263,838
Total unrestricted expenses	<u>3,770,595</u>	<u>3,132,824</u>
Decrease in unrestricted net assets	<u>(99,417)</u>	<u>(190,054)</u>
Changes in donor restricted net assets:		
Capital campaign contributions	1,010,522	367,289
Contributions, net	251,152	384,660
Net assets released from donor restrictions	(266,714)	(369,099)
Increase in donor restricted net assets	<u>994,960</u>	<u>382,850</u>
Increase in net assets	895,543	192,796
Net assets, beginning of year	979,053	786,257
Net assets, end of year	<u>\$ 1,874,596</u>	<u>\$ 979,053</u>

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

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Statements of Functional Expenses
For the Year Ended June 30, 2019

	2019			
	Program Services	Management and General	Fund Raising	Total
Personnel expenses:				
Salaries	\$ 1,896,380	\$ 248,994	\$ 169,361	\$ 2,314,735
Payroll taxes and employee benefits	275,215	36,136	24,579	335,930
Total personnel expenses	2,171,595	285,130	193,940	2,650,665
Operating expenses:				
Facilities rent	289,226	14,453	9,831	313,510
Facilities operating	103,647	13,609	9,257	126,513
Supplies and materials	263,969	-	83,624	347,593
Membership and dues	15,199	1,464	5,043	21,706
Insurance	21,611	2,838	1,930	26,379
Professional services	7,290	7,290	18,397	32,977
Vehicle expense	29,650	-	-	29,650
Postage and printing	4,068	534	1,177	5,779
Telephone	6,158	808	550	7,516
Office supplies	-	11,114	639	11,753
Workshops and training	30,555	4,012	2,729	37,296
Other	107,200	3,636	8,067	118,903
Depreciation	34,044	3,756	2,555	40,355
Total expenses	\$ 3,084,212	\$ 348,644	\$ 337,739	\$ 3,770,595

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

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Statements of Functional Expenses (Continued)
For the Year Ended June 30, 2018

	2018			
	Program Services	Management and General	Fund Raising	Total
Personnel expenses:				
Salaries	\$ 1,607,390	\$ 183,669	\$ 108,385	\$ 1,899,444
Payroll taxes and employee benefits	247,241	28,251	16,671	292,163
Total personnel expenses	<u>1,854,631</u>	<u>211,920</u>	<u>125,056</u>	<u>2,191,607</u>
Operating expenses:				
Facilities rent	172,214	9,430	5,565	187,209
Facilities operating	60,233	6,883	4,061	71,177
Supplies and materials	230,718	-	59,772	290,490
Membership and dues	14,841	1,161	5,362	21,364
Insurance	18,839	2,153	1,270	22,262
Professional services	6,388	6,388	16,401	29,177
Vehicle expense	23,958	-	-	23,958
Postage and printing	4,228	483	285	4,996
Telephone	9,163	1,047	618	10,828
Office supplies	-	9,594	1,267	10,861
Workshops and training	34,357	3,926	2,317	40,600
Other	139,976	10,305	40,030	190,311
Depreciation	33,043	3,107	1,834	37,984
Total expenses	<u>\$ 2,602,589</u>	<u>\$ 266,397</u>	<u>\$ 263,838</u>	<u>\$ 3,132,824</u>

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

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Increase in net assets	\$ 895,543	\$ 192,796
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Unrealized (gain) loss on investments	(4,723)	504
Realized (gain) on marketable securities	-	(652)
Community fund endowment return	(3,860)	(11,320)
Depreciation	40,355	37,984
Bad debt expense	8,300	-
Donations - marketable securities	-	(15,259)
Changes in assets and liabilities:		
Promises to give	49,088	(357,030)
Prepaid expenses and other assets	781	(255)
Accounts payable and accrued expenses	8,732	6,632
Compensated absences	13,021	(1,306)
Deferred support	5,914	569
Net cash provided by (used in) operating activities	<u>1,013,151</u>	<u>(147,337)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(136,533)	(131,349)
Distribution from endowment fund	17,043	-
Proceeds from sale of marketable securities	-	15,911
Net cash used in investing activities	<u>(119,490)</u>	<u>(115,438)</u>
Cash flows from financing activities:		
Proceeds from line of credit	80,000	-
Net cash provided in financing activities	<u>80,000</u>	<u>-</u>
Net increase (decrease) in cash	973,661	(262,775)
Cash and cash equivalents at beginning of year	107,193	369,968
Cash and cash equivalents at end of year	<u>\$ 1,080,854</u>	<u>\$ 107,193</u>
Non-cash investing activities:		
Donations received, marketable securities	\$ -	\$ 15,259

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

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Notes to Financial Statements June 30, 2019 and 2018

1. Summary of Significant Accounting Policies

Nature of Activities

The Boys & Girls Club of Burbank and Greater East Valley, Inc. (the “Organization”), headquartered in Burbank, California, is a member of Boys & Girls Clubs of America (“BGCA”). The primary mission of BGCA is to assure and enhance the quality of life for youth as participating members of a richly diverse urban society. With special concern for the disadvantaged, Boys & Girls Clubs help youths realize their potential for growth and development. The Organization is concentrated in Burbank, California, and the surrounding communities. The Organization provides services, based on principles and behavioral guidance, which will achieve the health, social, educational, vocational, character, and leadership development of their member. The Organization is supported primarily through program services, donor contributions, and fundraising events.

The Organization has a policy where no child is turned away for an inability to pay. Low income families can apply for financial aid and may qualify for a reduced tuition. For the years ended June 30, 2019 and 2018, the Organization offered approximately \$495,000 and \$349,000, respectively, of financial aid in the form of reduced tuition to families in need.

Basis of Presentation

These financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates

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

Net Assets

Net assets, 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. These assets are available to support the Organization’s activities and operations at the direction of the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that will be met by actions of the donor, the Organization, and/or the passage of time.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Notes to Financial Statements (Continued)
June 30, 2019 and 2018

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization maintains most of its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

The Organization also carries significant cash amounts in certificates of deposit, with original maturities of three months or less at the date of purchase, and are carried at cost, which approximates fair value.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization uses the allowance method to determine uncollectible unconditional promises receivable.

Concentration of credit risk with respect to promises to give are limited generally due to no right of return on the asset after it has been pledged to the organization. The organization started a capital campaign to raise \$6 million for a new main facility during fiscal year 2018. For the years ending June 30, 2019 and 2018, one donor accounted for approximately 99% and three donors accounted for approximately 74% of total capital campaign contribution, respectively. Approximately 68% of the capital campaign receivable were from three donors as of June 30, 2019 and 2018.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Realized gains or losses are recognized based on the difference between the investment's fair value and the sales proceeds less the unrealized gain or loss previously recognized.

Fair Value Measurements

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). Accordingly, when market observable data is not readily available, the Organization's own assumptions are set to reflect those that market participants would be presumed to use in pricing the asset or liability at the measurement date. Financial assets and financial liabilities recorded in the balance sheets at fair value are categorized based on the reliability of inputs to the valuation techniques as follows:

Level 1 - Financial assets and financial liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets that the Organization can access.

Level 2 - Financial assets and financial liabilities whose values are based on (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in non-active markets, or (c) valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Notes to Financial Statements (Continued)
June 30, 2019 and 2018

1. Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

Level 3 - Financial assets and financial liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect the Organization's estimates of the assumptions that market participants would use in valuing the financial assets and financial liabilities.

Property and Equipment

Property and equipment are carried at cost if purchased and estimated fair market value if contributed, less accumulated depreciation and amortization. Property and equipment are depreciated on a straight-line basis over their estimated service lives, which range from five to seven years. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful life of the asset or the remaining lease term.

Deferred Support

The Organization recognizes support revenues with respect to fundraising events in the period the event occurs. Accordingly, payments received in advance are deferred until the time of the event.

Contributions

Contributions received are recorded as unrestricted or restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Program Services

The Organization collects registration and other fees from its members to help offset the costs associated with the registration process and certain elective programs. Such fees are recorded as unrestricted support and reported as program services in the statement of activities. Payments received in advance are deferred until earned.

Donated Assets and Services

Donations of non-cash assets are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as an increase in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Notes to Financial Statements (Continued)
June 30, 2019 and 2018

1. Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing 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.

Income Tax Status

The Organization is a public charity that has obtained an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California state income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision has been made for federal or state income taxes. The Organization is subject, however, to Federal and California income taxes on unrelated business income as stipulated in Internal Revenue Code Section 511 and Regulation Section 1.511. For the fiscal year ended June 30, 2019, the Organization had no unrelated business income.

New Accounting Pronouncements

On August 18, 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update amends the current reporting model for non-profit organizations and enhances their required disclosures. The major changes relate to the presentation of net asset classification, statement of functional expenses, disclosure of quantitative and qualitative information regarding liquidity and availability of resources, the presentation of underwater endowment funds and related disclosures, recognition of the expirations of restriction on gifts used to acquire or construct long-lived assets absent explicit donor stipulations, and a few minor changes. The Organization has adjusted the presentation of these statements accordingly.

2. Investments

Investments consisted of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Equity securities	\$ 1,084	\$ 1,936
Total	<u>\$ 1,084</u>	<u>\$ 1,936</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 922	\$ 382
Realized losses	-	(292)
Unrealized gains	2,687	695
Total	<u>\$ 3,609</u>	<u>\$ 785</u>

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Notes to Financial Statements (Continued) June 30, 2019 and 2018

3. Fair Value Measurements

The following table sets forth by level within fair value hierarchy the Organization's invested assets as of June 30:

	Level 1	Level 2	Level 3	Total
2019				
Equity securities	\$ 1,084	\$ -	\$ -	\$ 1,084
Beneficial interest in endowment fund	-	-	216,424	216,424
Total	\$ 1,084	\$ -	\$ 216,424	\$ 217,508
2018				
Equity securities	\$ 1,936	\$ -	\$ -	\$ 1,936
Beneficial interest in endowment fund	-	-	224,032	224,032
Total	\$ 1,936	\$ -	\$ 224,032	\$ 225,968

See Note 6 for summary of changes in the fair value of the endowment fund (level 3 asset) for the years ended June 30, 2019 and 2018.

4. Promises to Give

Unconditional promises to give are due in one year and consisted of the following as of June 30:

	2019	2018
Unrestricted, net of allowance for doubtful account of \$7,500 and \$0	\$ 201,460	\$ 192,792
Donor restricted - deaf and hard of hearing	-	25,000
Donor restricted - capital campaign, net of discount of \$10,917 and \$18,761 and allowance for doubtful account of \$19,422 and \$24,172	182,511	223,567
Total	\$ 383,971	\$ 441,359

During 2018 fiscal year the Organization started a capital campaign to raise \$6 million for a new main facility. Certain promises to give were commitments over time (3 – 5 years) and as such the donations were discounted using the Organizations cost of funds (as determined by the line of credit interest of 6.50% at June 30, 2019). Additionally, an allowance for doubtful accounts was recorded against these receivables for donations that may not be received for various reasons. The gross amount of the capital campaign receivable was \$212,850 and \$266,500 on June 30, 2019 and 2018, respectively.

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Notes to Financial Statements (Continued) June 30, 2019 and 2018

5. Property and Equipment

Property and equipment consist of the following as of June 30:

	2019	2018
Leasehold improvements	\$ 721,235	\$ 632,378
Sports equipment	53,066	53,066
Computer equipment	137,161	133,377
Office equipment	89,886	76,694
Vehicles	96,144	96,144
Land	30,700	-
Total property and equipment	1,128,192	991,659
Accumulated depreciation and amortization	(686,478)	(646,123)
Property and equipment, net	<u>\$ 441,714</u>	<u>\$ 345,536</u>

Depreciation and amortization for the years ended June 30, 2019 and 2018 were \$ 40,355 and \$37,984, respectively.

6. Beneficial Interest in Endowment Fund

On September 19, 2011, the Organization received an unrestricted contribution from a member of the local community. The board of the Organization sought to preserve the assets of the contribution and irrevocably gifted \$85,526 to the Community Foundation of the Verdugos (the "Foundation") which created the Boys & Girls Club of Burbank and Greater East Valley Endowment (the "Fund"). The purpose of the Fund is "to provide financial support to the Boys & Girls Club of Burbank and Greater East Valley or for its specific programs or projects."

Variance power has been granted to the Foundation protecting the Fund from obsolescence. If, in the sole judgment of the Board of Directors of the Foundation, the purpose for which the Fund was created ever becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation, the Foundation's Board of Directors shall modify any restriction or condition on the use or distribution of the income and principal of the Fund.

Of the Fund's annual balance, 4.5% may be distributed to the Organization, subject to the Foundation's discretion. The Fund is invested by the Foundation in a pool with similar funds. The Organization is credited its share of earnings from the pool and charged fees for administration of the fund. Net earnings of the Fund are included in investment return in the accompanying statement of activities.

The Foundation has employed a total return investment policy with an objective of preserving the endowment capital, protecting the purchasing power of the funds, and providing cash flows to assist in the funding of the Foundation's grants and expenses. The Foundation invests funds in a diversified portfolio of cash, bonds, common stocks, preferred stocks, mutual funds, exchange traded funds, and where appropriate, alternative investments. The investments are further diversified within asset classes such as by economic sectors, industry, quality, and capitalization

The Fund had \$0 and \$7,902 available for use by the Organization at June 30, 2019 and 2018, respectively. Management elected to reinvest available funds.

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Notes to Financial Statements (Continued)
June 30, 2019 and 2018

6. Beneficial Interest in Endowment Fund (Continued)

The Fund activities for the years ended June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 224,032	\$ 212,712
Earnings:		
Interest and dividends	5,161	4,783
Realized gains	2,557	7,124
Unrealized gains	5,575	3,362
Other Income	2	-
Expenses charged to the Fund:		
Distributions	(17,043)	-
Administrative fees	(2,725)	(2,771)
Other	<u>(1,135)</u>	<u>(1,178)</u>
Net (depreciation) appreciation of the Fund	<u>(7,608)</u>	11,321
Balance, end of year	<u>\$ 216,424</u>	<u>\$ 224,032</u>

7. Line of Credit

The Organization maintains a one year revolving line of credit with Bank of America that renews each year. The current line of credit for \$100,000 expires on January 28, 2020, and bears interest at the bank's prime rate (5.5% at June 30, 2019) plus 1%. The balance was \$80,000 and \$0 as of June 30, 2019 and 2018, respectively.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of June 30:

	<u>2019</u>	<u>2018</u>
Deaf and hard of hearing program	\$ -	\$ 15,561
Capital campaign – new facility	1,385,655	367,289
Total net assets with donor restrictions	<u>\$ 1,385,655</u>	<u>\$ 382,850</u>

Management has asked for and received permission from the board and specific donors to utilize \$100,000 of capital campaign funds for operational purposes. During December 2019, the Organization replenished the capital campaign fund by \$160,000 from the beneficial interest endowment fund.

9. Donated Materials, Services and Facilities

The value of donated materials, services, and facilities included as contributions in the statements of activities and the corresponding expenses for the years ended June 30 are as follows:

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Notes to Financial Statements (Continued) June 30, 2019 and 2018

9. Donated Materials, Services and Facilities (Continued)

	2019	2018
Facility rental	\$ 268,020	\$ 130,380
Materials and supplies	209,109	149,431
Total donated materials, services and facilities	\$ 477,129	\$ 279,811

The Organization rents its facilities for \$1 a year on a month-to-month basis. For the year ended June 30, 2019, the Organization rented four facilities, Club Facilities, Our Lady of Holy Rosary, St. Patrick Catholic Church, and St. Jane Frances Catholic Church for estimated values of \$134,364, \$7,656, \$25,500, and \$93,500, respectively. For the year ended June 30, 2018, the Organization rented three facilities, Club Facilities, Our Lady of Holy Rosary, and St. Patrick Catholic Church, for estimated values of \$96,200, \$9,322, and \$24,858, respectively.

10. Defined Contribution Plan

The Organization has elected to be part of the BGCA's 401(k) Safe Harbor Master Plan ("the Plan") whereby employees and employer can make contributions to the Plan up to the maximum allowed by law. The Organization makes a 3% safe harbor contribution for the eligible employees' compensations annually. The defined contribution plan expense for the years ended June 30, 2019 and 2018 were \$39,694 and \$33,324, respectively.

11. Commitments and Contingencies

An annual lease with the Burbank Unified School District is paid monthly. Rent expense paid for the year ended June 30, 2019 and 2018 was \$52,490 and \$58,829, respectively. Subsequent to year end, the Burbank Unified School District lease was renewed for the 2019 fiscal year totaling approximately \$52,490.

12. Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of June 30:

	2019	2018
Cash and cash equivalents	\$ 1,080,854	\$ 107,193
Donor-imposed restrictions	(1,022,272)	-
Cash and cash equivalents available for general expenditures	58,582	107,193
Investments	1,084	1,936
Promise to give, net of allowance for doubtful accounts \$7,500 and \$0	201,460	192,792
Prepaid expenses	39,010	39,791
Total financial assets	300,136	341,712
Amounts not available to be used within one year	-	-
Financial assets available to meet general expenditures over the next twelve months	\$ 300,136	\$ 341,712

BOYS & GIRLS CLUB OF BURBANK AND GREATER EAST VALLEY, INC.

Notes to Financial Statements (Continued)
June 30, 2019 and 2018

12. Liquidity and Availability of Resources (Continued)

The Organization is substantially supported by program revenues. The Organization reviews its liquidity monthly with the board of directors. In the event of an unanticipated liquidity need, the Organization also has \$20,000 available on its \$100,000 line of credit at June 30, 2019.

13. Subsequent Events

Management has evaluated subsequent events through January 13, 2020 which is the date the financial statements were available to be issued. Except as discussed elsewhere in the financial statements, no events have occurred subsequent to June 30, 2019 requiring recording or disclosure in these financial statements.