

BOYS AND GIRLS CLUB OF WOBURN, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2008 AND 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
Boys and Girls Club of Woburn, Inc.
Charles Gardner Lane
Woburn, MA 01801

We have audited the accompanying statement of financial position of the Boys & Girls Club of Woburn, Inc. (a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boys & Girls Club of Woburn, Inc. as of June 30, 2008 and 2007, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

KIRK & KIRK, CPAs, P.C.

November 25, 2008

BOYS & GIRLS CLUB OF WOBURN, INC.

Statement of Financial Position

Years Ended June 30, 2008 and 2007

ASSETS

	2008	2007
Cash	\$ 100,009	\$ 36,112
Grants receivable and pledges receivable	40,921	90,000
Investments, at fair value (Note 2)	447,118	436,428
Property and equipment, at cost	1,247,789	1,247,789
less, accumulated depreciation (Note 3)	(734,783)	(699,626)
TOTAL ASSETS	\$ 1,101,054	\$ 1,110,703

LIABILITIES AND NET ASSETS

	2008	2007
LIABILITIES		
Note payable, bank	\$ 0	\$ 27,703
Accounts payable and accruals	0	15,295
Total liabilities	0	42,998
NET ASSETS		
Unrestricted	653,936	639,763
Temporarily restricted	50,769	48,798
Permanently restricted	396,349	379,144
Total net assets	1,101,054	1,067,705
TOTAL LIABILITIES AND NET ASSETS	\$ 1,101,054	\$ 1,110,703

See accompanying notes and accountants' report.

BOYS & GIRLS CLUB OF WOBURN, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	All Funds Total
OPERATING ACTIVITIES:				
REVENUES:				
Benefit affairs	215,734			215,734
Childcare and program fees	484,581			484,581
Rental income	32,603			32,603
Pledges	208,830			208,830
Grant income	84,840			84,840
Membership income	24,164			24,164
United Way	47,847			47,847
Other	47,490			47,490
Total operating revenues	1,146,089			1,146,089
EXPENSES:				
Physical education	258,662			258,662
Social & recreation	240,341			240,341
Individual services	229,816			229,816
Child care programs	145,289			145,289
Fundraising	74,233			74,233
Benefit affairs	101,167			101,167
Administration	99,252			99,252
Total operating expenses	1,148,760			1,148,760
CHANGE IN NET ASSETS FROM				
OPERATING ACTIVITIES	(2,671)			(2,671)
NON-OPERATING ACTIVITIES				
Memorials and endowments	0			0
Other income (expense)	16,844	1,971	17,205	36,020
CHANGE IN NET ASSETS FROM NON-				
OPERATING ACTIVITIES	16,844	1,971	17,205	36,020
CHANGE IN NET ASSETS	16,844	1,971	17,205	36,020
NET ASSETS, BEGINNING OF YEAR	639,763	48,798	379,144	1,067,705
Net assets released from restricted	0	0	0	0
NET ASSETS, END OF YEAR	\$ 653,936	50,769	396,349	1,101,054

BOYS & GIRLS CLUB OF WOBURN, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2007

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	All Funds Total
OPERATING ACTIVITIES:				
REVENUES:				
Benefit affairs	196,587			196,587
Childcare and program fees	348,043			348,043
Rental income	37,176			37,176
Pledges	216,324			216,324
Grant income	91,914			91,914
Membership income	27,096			27,096
United Way	47,281			47,281
State grant income	73,260			73,260
Other	66,158			66,158
Total operating revenues	1,103,839			1,103,839
EXPENSES:				
Physical education	266,032			266,032
Social & recreation	238,716			238,716
Individual services	231,062			231,062
Child care programs	145,061			145,061
Fundraising	71,261			71,261
Benefit affairs	101,221			101,221
Administration	96,913			96,913
Total operating expenses	1,150,266			1,150,266
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(46,427)			(46,427)
NON-OPERATING ACTIVITIES				
Memorials and bequests	0			0
Other income (expense)	3,818			3,818
CHANGE IN NET ASSETS FROM NON- OPERATING ACTIVITIES	3,818	2,320	7,201	13,339
OPERATING ACTIVITIES				
CHANGE IN NET ASSETS	(42,609)	2,320	7,201	(33,088)
NET ASSETS, BEGINNING OF YEAR	682,372	46,478	371,943	1,100,793
Net assets released from restricted				
NET ASSETS, END OF YEAR	\$ 639,763	48,798	379,144	1,067,705

See accompanying notes and accountants' report.

BOYS & GIRLS CLUB OF WOBURN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

	Physical Education	Program Services			Total Program Services	Benefit Affairs	Support Services		Total Expenses
		Social Recreation	Individual Services	Child Care Services			Fundraising	Administration	
Payroll	103,240	103,240	103,240	109,432	419,152	0	41,296	61,944	522,392
Employee benefits & payroll taxes	35,092	35,092	35,092	0	105,276	0	14,037	21,055	140,368
Utilities	27,573	27,573	27,573	0	82,719	0	4,595	4,595	91,909
Contractual and professional	0	0	0	0	0	0	7,178	8,773	15,951
Depreciation	24,610	7,031	3,516	0	35,157	0	0	0	35,157
Office supplies	1,500	2,000	1,500	0	5,000	0	4,035	284	9,319
Telephone	700	700	700	0	2,100	0	250	170	2,520
Dues and meetings	5,500	5,200	6,000	0	16,700	0	1,020	2,113	19,833
Insurance	16,507	15,563	15,092	0	47,162	0	0	0	47,162
Maintenance and repairs	18,358	18,358	15,736	0	52,452	0	0	0	52,452
Postage and delivery	584	584	584	0	1,752	0	1,823	318	3,893
Supplies/other	25,000	25,000	20,785	35,857	106,642	0	0	0	106,642
Benefit affairs	0	0	0	0	0	101,167	0	0	101,167
TOTAL OPERATING EXPENSE	258,664	240,341	229,818	145,289	874,112	101,167	74,234	99,252	1,148,765

BOYS & GIRLS CLUB OF WOBURN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

	Physical Education	Program Services			Child Care Services	Total Program Services	Benefit Affairs	Support Services		Total Expenses
		Social Recreation	Individual Services					Fundraising	Administration	
Payroll	102,477	102,477	102,477	116,534	423,965	0	40,991	61,486	526,442	
Employee benefits & payroll taxes	32,972	32,972	32,972	0	98,916	0	13,189	19,783	131,888	
Utilities	29,290	29,290	29,290	0	87,870	0	4,882	4,882	97,634	
Contractual and professional	0	0	0	0	0	0	7,142	8,730	15,872	
Depreciation	24,610	7,031	3,516	0	35,157	0	0	0	35,157	
Office supplies	1,500	2,000	1,500	0	5,000	0	1,965	284	7,249	
Telephone	700	700	700	0	2,100	0	250	306	2,656	
Dues and meetings	4,500	4,200	4,000	0	12,700	0	1,020	1,036	14,756	
Insurance	15,801	14,898	14,446	0	45,145	0	0	0	45,145	
Maintenance and repairs	20,907	20,907	17,920	0	59,734	0	0	0	59,734	
Postage and delivery	608	608	608	0	1,824	0	1,822	406	4,052	
Supplies/other	32,667	23,635	23,633	28,525	108,460	0	0	0	108,460	
Benefit affairs	0	0	0	0	0	101,221	0	0	101,221	
TOTAL OPERATING EXPENSE	266,032	238,718	231,062	145,059	880,871	101,221	71,261	96,913	1,150,266	

See accompanying notes and accountants' report.

BOYS & GIRLS CLUB OF WOBURN, INC.

STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30, 2008 AND 2007

2008	2007	
\$ 33,349	\$ (33,088)	Change in net assets, (decrease)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
35,157	35,157	Depreciation expense
Changes in assets and liabilities:		
49,079	39,400	Grants receivable and other receivables
(15,295)	2,904	Accounts payable and accrued expenses
(10,690)	(23,702)	Investment change
91,600	20,671	Net cash provided by operating activities
INVESTING ACTIVITIES:		
(27,703)	(15,130)	Note payable advances/repayments, net
(27,703)	(15,130)	Net cash used by investing activities
NET INCREASE (DECREASE) IN CASH		
63,897	5,541	
CASH, BEGINNING OF YEAR		
36,112	30,571	
CASH, END OF YEAR		
\$ 100,009	\$ 36,112	

BOYS & GIRLS CLUB OF WOBURN, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

Note 1 – Organization and Summary of Significant Accounting Policies

Organization – The Boys & Girls Club of Woburn, Inc. (the Organization), a not-for-profit organization, as defined by Section 501(c)(3) of the Internal Revenue Code, is governed by a local Board of Directors. The Boys & Girls Club of Woburn, Inc. is dedicated to developing young people to realize their full potential as productive, responsible, and caring citizens.

Principles of Accounting – The financial statements have been prepared following current accounting and reporting standards released by the Financial Accounting Standards Board and are in compliance with the American Institute of Certified Public Accountants' Audit Guide for Not-for-Profit Organizations.

The Organization follows the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made", No. 117, *Financial Statements for Not-for-Profit Organizations*, and No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." SFAS 116 generally requires that contributions received, including unconditional promises to give, be recognized as increases in net assets in the period received at their fair value. SFAS 117 requires that the Organization display its activities and net assets in three classes: unrestricted, temporarily restricted and permanently restricted. These classifications are essentially based on the existence or absence of donor-imposed restrictions and/or related timing factors. Unrestricted net assets represent those assets, which the Organization may use at its discretion. SFAS 124 requires that the Organization's investments in equity securities with readily determinable fair values and all investments in debt securities be reported at their fair values with gains and losses included in the statement of activities.

The financial statements have been prepared on the accrual basis of accounting and have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

BOYS & GIRLS CLUB OF WOBURN, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

Note 1 – Summary of Significant Accounting Policies (Continued)

Investments – Investments are recorded at fair value, and the resulting changes in unrealized appreciation or (depreciation) are included in the statement of activities.

Property and Equipment – Purchased equipment and building improvements are stated at cost, while donated property and equipment are recorded at their fair market value at the date of the gift. Maintenance and repairs, which do not extend the useful life of property and equipment, are charged to expense as incurred. Depreciation is provided on the straight-line method, over the following estimated useful lives or other criteria:

Building	60 years
Building improvements and equipment	15-30 years

Contribution Revenue – All private contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

SFAS No. 116 requires the Organization to recognize contributions in the period that an unconditional pledge is made.

Investment Revenue – All revenues generated from the investment of unrestricted funds and temporarily restricted contributions are available for general operating purposes. These revenues are reported in the statement of activities as investment return utilized for operating purposes. Revenues from equity securities are reported as non-operating activities in the statement of activities because these assets are managed for long-term stabilization of the Organization's activities. These revenues include (1) dividends and capital gain distributions, and (2) change in fair value which is reported as unrealized investment appreciation or (depreciation).

Tax Status – The Internal Revenue Service has determined that the Organization qualifies as a tax-exempt, not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income has been made.

BOYS & GIRLS CLUB OF WOBURN, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

Note 2 – Investments

The cost and fair value of investments at June 30, 2008 and 2007, are summarized as follows:

	<u>2008</u>		<u>2007</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Certificates of deposit and money market accounts	\$392,571	\$323,435	\$337,019	\$323,435
Equity securities	54,547	124,076	99,407	124,076
Temporarily Restricted	\$ 50,769	\$ 46,478	\$ 48,797	\$ 46,478
Permanently Restricted	396,349	401,033	387,629	401,033
	<u>\$447,118</u>	<u>\$447,511</u>	<u>\$436,426</u>	<u>\$447,511</u>

Note 3 – Property and Equipment

Prior to July 1, 2001 the Organization carried only original costs of land, building, and building improvements as assets. Certain building improvements and replacements were charged to expense and not capitalized as assets to be depreciated over an estimated useful life.

Effective for the year ended June 30, 2002, the Organization has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 93 "Recognition of Depreciation by Not-for-Profit Organization." SFAS No. 93 generally requires that not-for-profit organizations shall recognize the cost of using up the future economic benefits of their long-lived tangible assets and shall disclose the following:

- Depreciation expense for the period.
- Balances of major classes of depreciable assets, by nature of function, at the balance sheet date.
- Accumulated depreciation, either by major classes of depreciable assets or in total, at the balance sheet date.
- A general description of the method or methods used in computing depreciation for major classes of depreciable assets.

BOYS & GIRLS CLUB OF WOBURN, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

Property and equipment at June 30, 2008 and 2007 consists of the following:

	<u>2008</u>	<u>2007</u>
Original land - 1964	\$ 7,500	\$ 7,500
Original building - 1964	452,803	452,803
Gym addition - 1970	162,784	162,784
Building improvements and equipment - 1971-2008	<u>624,702</u>	<u>624,702</u>
Total Cost	1,247,789	1,247,789
Less accumulated depreciation	<u>(734,783)</u>	<u>(699,626)</u>
	<u>\$ 513,006</u>	<u>\$ 548,163</u>

Note 4 - Building Systems Replacement Fund - Temporarily Restricted

During the year ended June 30, 2001, a Nonprofit Finance fund awarded the Club a conditional grant in the amount of \$143,000 over ten years to support the creation of a building reserve fund to be used to carry out specified building system replacements. Receipt of these funds is conditioned upon 1) meeting 1:1 matching grant requirements by depositing funds into a designated building reserve account; and 2) carrying out specified building system replacements or preventive maintenance as approved by the grantor.

The Club has established an account to hold its matching grant contributions for its building reserve fund and the related grant awards made by Nonprofit Finance fund. As of fiscal year end this account held \$50,769, which is a temporarily restricted fund for building systems replacements.

BOYS & GIRLS CLUB OF WOBURN, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

Note 5 – Revenues

No amounts have been reflected in the financial statements for services donated by volunteers inasmuch as the services received do not create or enhance non-financial assets or require specialized expertise, which would need to be purchased from outside vendors. However, a number of volunteers have donated significant amounts of their time to activities of the Organization.

Contributions of goods and services that create or enhance non-financial assets are recorded at their estimated fair market value and are reflected in the financial statements as both income and expense. During the fiscal year no amounts were recorded for such in-kind contributions of goods and services. Contributed property is recorded as revenue and capitalized at the estimated fair value of the property at the date of contribution.

Note 6 – Benefit Plans

The Organization sponsors a Retirement Plan for full-time eligible employees who have met certain employment requirements. Pension expense for years ended June 30, 2008 and 2007 was \$26,250 and \$20,450, respectively.

Note 7 – Results of Operations

The Organization maintains its internal financial statements on the “cash basis” method for accounting. The results of operations under this method reflected a net profit of \$102,290 for the year ended June 30, 2008.