

BOYS AND GIRLS CLUB OF
ASSABET VALLEY, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS'
REVIEW REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE AMOUNTS FOR 2009)

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC.

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(WITH COMPARATIVE AMOUNTS FOR 2009)**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Boys and Girls Club of Assabet Valley, Inc.
Maynard, MA 01754

We have reviewed the accompanying statement of financial position of Boys and Girls Club of Assabet Valley, Inc. (a non-profit organization) as of December 31, 2010 and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements and, in our accountant's review report dated November 15, 2010, we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America .

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2010 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Vocatura Spagnuolo & Company PC

Vocatura, Spagnuolo & Company, P.C.
Waltham, Massachusetts
September 30, 2011

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2009)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2010</u>	<u>2009</u>
PUBLIC SUPPORT AND REVENUE:					
PUBLIC SUPPORT:					
Grants	\$ 112,903	\$ 3,000	\$ -	\$ 115,903	\$ 73,059
Contributions	8,037	-	-	8,037	900
Special events	25,049	-	-	25,049	24,913
Membership dues	3,218	-	-	3,218	3,190
Total Public Support	<u>149,207</u>	<u>3,000</u>	<u>-</u>	<u>152,207</u>	<u>102,062</u>
REVENUE:					
Program service fees	44,515	-	-	44,515	49,889
Interest income	33	-	-	33	165
Net vending income	852	-	-	852	2,698
Total Revenue	<u>45,400</u>	<u>-</u>	<u>-</u>	<u>45,400</u>	<u>52,752</u>
Net assets released from restriction	<u>2,862</u>	<u>(2,862)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>197,469</u>	<u>138</u>	<u>-</u>	<u>197,607</u>	<u>154,814</u>
FUNCTIONAL EXPENSES:					
PROGRAM SERVICES:					
After-school program	78,956	-	2,519	81,475	89,834
Summer and vacation program	41,494	-	2,519	44,013	33,201
Girls program	7,690	-	1,259	8,949	9,328
Teen program	15,441	-	2,098	17,539	18,290
Special events	15,490	-	-	15,490	17,106
Total Program Services	<u>159,071</u>	<u>-</u>	<u>8,395</u>	<u>167,466</u>	<u>167,759</u>
SUPPORTING SERVICES:					
Management and general	29,077	-	-	29,077	35,239
Fundraising	9,754	-	-	9,754	12,201
Total Supporting Services	<u>38,831</u>	<u>-</u>	<u>-</u>	<u>38,831</u>	<u>47,440</u>
Total Functional Expenses	<u>197,902</u>	<u>-</u>	<u>8,395</u>	<u>206,297</u>	<u>215,199</u>
CHANGE IN NET ASSETS	(433)	138	(8,395)	(8,690)	(60,385)
Net Assets, Beginning of Year	<u>20,120</u>	<u>2,000</u>	<u>158,552</u>	<u>180,672</u>	<u>241,057</u>
NET ASSETS, END OF YEAR	<u>\$ 19,687</u>	<u>\$ 2,138</u>	<u>\$ 150,157</u>	<u>\$ 171,982</u>	<u>\$ 180,672</u>

See accompanying notes and independent accountants' review report.

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010 (WITH COMPARATIVE AMOUNTS FOR 2009)

	<u>ASSETS</u>	
	<u>2010</u>	<u>2009</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 14,416	\$ 22,641
Unconditional promises to give, current	14,855	4,710
Prepaid expenses	<u>1,781</u>	<u>6,196</u>
Total Current Assets	<u>31,052</u>	<u>33,547</u>
PROPERTY AND EQUIPMENT:		
Property and equipment	426,962	424,100
Less: Accumulated depreciation	<u>268,747</u>	<u>257,477</u>
Net Property and Equipment	<u>158,215</u>	<u>166,623</u>
TOTAL ASSETS	<u>\$ 189,267</u>	<u>\$ 200,170</u>
	<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ <u>17,285</u>	\$ <u>19,498</u>
TOTAL CURRENT LIABILITIES	<u>17,285</u>	<u>19,498</u>
NET ASSETS:		
Unrestricted	19,687	20,120
Temporarily restricted	2,138	2,000
Permanently restricted	<u>150,157</u>	<u>158,552</u>
TOTAL NET ASSETS	<u>171,982</u>	<u>180,672</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 189,267</u>	<u>\$ 200,170</u>

See accompanying notes and independent accountants' review report.

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2010 (WITH SUMMARIZED COMPARATIVE TOTALS FOR 2009)

	PROGRAM SERVICES						SUPPORTING SERVICES			2009 Total Expenses
	After-School Program	Summer and Vacation Program	Girls Program	Teen Program	Special Events	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Personnel expenses:										
Salaries and wages	\$ 43,361	\$ 22,661	\$ 4,008	\$ 9,797	\$ 6,021	\$ 85,848	\$ 13,419	\$ 6,710	\$ 20,129	\$ 115,934
Payroll taxes and benefits	10,653	5,566	985	2,407	1,479	21,090	3,819	1,126	4,945	28,514
Total Personnel Expenses	54,014	28,227	4,993	12,204	7,500	106,938	17,238	7,836	25,074	144,448
Operating expenses:										
Special events	-	-	-	-	7,990	7,990	-	-	-	7,990
Program expenses	5,726	5,090	636	1,273	-	12,725	-	-	-	12,725
Depreciation:										
Building and improvements	2,519	2,519	1,259	2,098	-	8,395	-	-	-	8,395
Equipment	503	503	216	216	-	1,438	1,293	144	1,437	2,875
Utilities	5,837	2,653	1,061	1,061	-	10,612	1,404	468	1,872	12,484
Insurance	3,048	3,048	339	339	-	6,774	677	75	752	7,232
Office supplies and expenses	391	293	195	98	-	977	3,432	476	3,908	4,797
Professional fees	608	608	68	68	-	1,352	2,833	315	3,148	4,500
Repairs and maintenance	789	789	88	88	-	1,754	437	-	437	2,229
Telephone	472	283	94	94	-	943	1,763	440	2,203	3,675
Fees and licenses	7,568	-	-	-	-	7,568	-	-	-	7,568
Total Operating Expenses	27,461	15,786	3,956	5,335	7,990	60,528	11,839	1,918	13,757	70,751
TOTAL FUNCTIONAL EXPENSES	\$ 81,475	\$ 44,013	\$ 8,949	\$ 17,539	\$ 15,490	\$ 167,466	\$ 29,077	\$ 9,754	\$ 38,831	\$ 215,199

See accompanying notes and independent accountants' review report.

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010 (WITH COMPARATIVE AMOUNTS FOR 2009)

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (8,690)	\$ (60,385)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	11,270	11,890
Noncash donation of equipment received	-	-
(Increase) decrease in:		
Unconditional promises to give	(10,145)	21,634
Prepaid expenses	4,415	(3,584)
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>(2,213)</u>	<u>(2,077)</u>
 Net Cash Used by Operating Activities	 <u>(5,363)</u>	 <u>(32,522)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase and receipt of property and equipment	<u>(2,862)</u>	<u>-</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	 <u>(2,862)</u>	 <u>-</u>
 NET DECREASE IN CASH	 (8,225)	 (32,522)
 Cash, Beginning of Year	 <u>22,641</u>	 <u>55,163</u>
 CASH, END OF YEAR	 \$ <u>14,416</u>	 \$ <u>22,641</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes and independent accountants' review report.

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Boys and Girls Club of Assabet Valley, Inc., (the Organization) was organized under the laws of the Commonwealth of Massachusetts in 1969 as a non-profit organization. Its primary purpose is to provide educational, cultural, recreational and other related charitable activities on behalf of the youth of the Assabet Valley area.

The Organization obtains the majority of its support and revenue from grants, special fundraising events and program service fees for use of the facility by the youth of the Assabet Valley area.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting as prescribed under generally accepted accounting principles.

The financial statements of the Organization have been prepared utilizing the Accounting Standards Codification (ASC) 958, "Accounting for Not-for-Profit Organizations"

ASC 958 requires that unconditional promises to give (pledges) be recorded as receivables and revenues at the time the pledge is received, and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. It also establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (unrestricted, temporarily restricted and permanently restricted) according to externally (donor) imposed restrictions. A description of the three net asset categories follows:

Unrestricted net assets include (1) support for which no donor restriction has been imposed or for which the donor-imposed restriction has been met in the same reporting period and (2) the excess of revenues over expenses resulting from the Organization's operations.

Temporarily restricted net assets consist of all support received or receivable, which are either purpose-restricted or time-restricted by donors.

Permanently restricted net assets result from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation (Continued)

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently 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), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The accompanying financial statements include certain 2009 comparative information. With respect to the Statement of Activities, such prior year information is not presented by net asset class. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

The Board of Directors and the management of the Organization acknowledge that, to the best of their ability, all assets received have been used for the purpose for which they were contributed, or have been accumulated to allow management to conduct the operations of the Organization as effectively and efficiently as possible.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Contributions

The Organization recognizes contribution revenue when an unconditional pledge is made or when cash is received if a pledge was not made. Contributions received are reported as unrestricted, temporarily restricted, or permanently restricted, based on donor intent.

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents

The Organization considers all money market funds and highly liquid investments with maturity dates of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Property and Equipment

Property and equipment are carried at cost. Acquisitions of property and equipment in excess of \$500 are capitalized. Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income.

Depreciation and amortization of property and equipment are provided using both straight-line and accelerated methods over the following estimated useful lives:

	<u>Years</u>
Building	40
Building improvements	10
Equipment	5-7

Depreciation expense for the years ended December 31, 2010 and 2009 amounted to \$11,270 and \$11,890, respectively.

Income Taxes

The Organization is a non-profit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. As such, its normal activities do not result in any income tax liability.

Functional Classification of Expenses

The Organization allocates its expenses on a functional basis among its various programs including fundraising activities and support services. Expenses and support services that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Date of Management's Review:

Subsequent events have been evaluated through September 30, 2011, which is the date the financial statements were available to be issued.

NOTE 2 - UNCONDITIONAL PROMISES TO GIVE:

The total receivable of unconditional promises to give amount to \$14,855 and \$4,710 as of December 31, 2010 and 2009, respectively. Unconditional promises to give that are receivable in less than one year and amount to \$14,855 and \$4,710 as of December 31, 2010 and 2009, respectively.

NOTE 3 - PROPERTY AND EQUIPMENT:

The balances of the major classes of depreciable and non-depreciable assets consist of the following at December 31, 2010 and 2009, respectively:

	<u>2010</u>	<u>2009</u>
Building	\$230,000	\$230,000
Land	100,000	100,000
Equipment	35,267	32,405
Building improvements	<u>61,695</u>	<u>61,695</u>
Total	<u>\$426,962</u>	<u>\$424,100</u>

Accumulated depreciation consists of the following at December 31, 2009 and 2008:

	<u>2010</u>	<u>2009</u>
Building	\$184,479	\$178,729
Equipment	27,209	24,334
Building improvements	<u>57,059</u>	<u>54,414</u>
Total	<u>\$268,747</u>	<u>\$257,477</u>

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

(Continued)

NOTE 4 - RESTRICTIONS ON BUILDING AND LAND:

The building and land owned by the Organization were originally obtained in 1976. The property is subject to various restrictions imposed by the Town of Maynard that include use of the property solely for the charitable and fundraising purposes of the Organization, and limitations on both encumbrances and the ability to sublet the property. In addition, the Town of Maynard retains a right of first refusal to purchase the property in the event of any proposed sale, conveyance, transfer or other disposition of the property. The organization considers the building, land and building improvements, net of accumulated depreciation to permanently restricted net assets.

NOTE 5 – CONCENTRATIONS OF CREDIT RISK:

The Organization has a concentration of credit risk with respect to unconditional promises to give from a donor who was in excess of 10% of the total unconditional promises to give balance at December 31, 2010. The donors' balances amounted to \$14,855, or 100% of the total unconditional promises to give balance at December 31, 2010.

The Organization has a concentration of credit risk with respect to unconditional promises to give from a donor who was in excess of 10% of the total unconditional promises to give balance at December 31, 2009. The donors' balances amounted to \$4,710, or 100% of the total unconditional promises to give balance at December 31, 2009.

NOTE 6 – DONATED SERVICES AND ASSETS:

The Organization receives contributed services from its officers, directors, and various unrelated third parties. Due to the difficulty in determining the fair value of these services, the accompanying financial statements do not include a revenue or expense provision for these donated services.

NOTE 7 – REVENUES FROM MAJOR PROGRAM:

The Organization as part of its programs offers a summer camp. Revenues generated from this program accounted for 14% and 16% of the total public support and revenues of the Organization for the years ended December 31, 2010 and 2009, respectively.

BOYS AND GIRLS CLUB OF ASSABET VALLEY, INC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

(Continued)

NOTE 8 - PENSION PLAN:

Effective January 1, 2003, the Organization subscribed to the Boys & Girls Clubs of America Pension Plan and Trust. Under the plan, all employees who have attained 21 years of age and have one year of service will be eligible to participate in the plan. Participants will fully vest in their pension benefit after three years of service. All contributions to the plan will be made by the Organization in quarterly installments and consist of 10% of each eligible participant's compensation. The Organization's plan contributions and administrative fees included in payroll taxes and benefits on the Statement of Functional expenses for the years ended December 31, 2010 and 2009 amounted to \$6,816 and \$6,000, respectively.

NOTE 9 - RECLASSIFICATIONS:

Certain amounts in the 2009 information have been reclassified for comparative purposes to conform with the presentation in the 2010 financial statements.