

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**

**Financial Statements with  
Federal Grant Awards (Uniform Guidance)  
and  
Independent Auditors' Report**

**For the Year Ended June 30, 2019  
With Summarized Comparative Information for the  
Year Ended June 30, 2018**

**HBME**

**CERTIFIED PUBLIC ACCOUNTANTS**



# BOYS & GIRLS CLUBS OF GREATER SALT LAKE

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Boys & Girls Clubs of Greater Salt Lake  
Murray, Utah

***Report on the Financial Statements***

We have audited the accompanying statements of financial position of Boys & Girls Clubs of Greater Salt Lake (the Club) (a nonprofit organization) as of June 30, 2019 and 2018 and the related statements of activities and functional expenses for the year ended June 30, 2019, and the statements of cash flows for the years ended June 30, 2019 and 2018 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.

***Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 auditors' 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 auditors consider internal control relevant to the Club'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 Club'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 Greater Salt Lake as of June 30, 2019 and 2018 and the related statements of activities and functional expenses for the year ended June 30, 2019, and the statements of cash flows for the years ended June 30, 2019 and 2018, in accordance with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2019 on our consideration of the Club's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Club's internal control over financial reporting and compliance.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information is presented for purposes of additional analysis. The Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

The prior year summarized comparative information has been derived from the Boys & Girls Clubs of Greater Salt Lake's June 30, 2018 financial statements and, in our report dated November 11, 2018, we expressed an unmodified opinion on those financial statements.

*7/BMC, LLC*

November 21, 2019

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Statements of Financial Position**  
**June 30, 2019 and 2018**

	2019	2018
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents (note 1)	\$ 1,760,445	\$ 779,668
Cash and cash equivalents, restricted (note 1)	192,588	2,107,413
Investments	11,323	10,543
Pledge receivable (no allowance necessary)	1,733,094	3,305,493
Accounts and grants receivable (no allowance necessary)	143,035	300,088
Assets held in endowment (note 7)	7,541	6,924
Prepaid expenses and other assets	2,410	2,253
Total current assets	3,850,436	6,512,382
Property and equipment, net (notes 1, 4)	8,850,046	5,123,125
Total assets	\$ 12,700,482	\$ 11,635,507
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 485,816	\$ 152,898
Accrued liabilities	268,711	241,213
Deferred revenue	388,209	155,212
Deferred gain on sale-leaseback transactions (note 6)	661,275	11,441
Note payable, current portion (note 6)	6,028	6,028
Mortgage note payable, current portion (note 6)	25,158	51,526
Total current liabilities	1,835,197	618,318
Noncurrent liabilities:		
Note payable (note 6)	13,564	19,592
Mortgage note payable (note 6)	733,153	1,618,587
Deferred gain on sale-leaseback transactions (note 6)	177,331	188,772
Total noncurrent liabilities	924,048	1,826,951
Total liabilities	2,759,245	2,445,269
Net assets:		
Without donor restrictions:		
Undesignated	7,294,546	3,832,898
With donor restrictions:		
Purpose restrictions	2,640,723	5,276,327
Perpetual in nature	5,000	5,000
Time-restricted for future periods	968	76,013
Total net assets	9,941,237	9,190,238
Total liabilities and net assets	\$ 12,700,482	\$ 11,635,507

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



**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	(summarized info)
<b><u>REVENUES</u></b>				
Public support:				
Government support	\$ 1,252,153	\$ -	\$ 1,252,153	\$ 1,630,597
Individual and corporate contributions	2,126,435	1,329,478	3,455,913	5,640,345
Total public support	3,378,588	1,329,478	4,708,066	7,270,942
Other revenue:				
Program fees and membership dues	1,186,926	-	1,186,926	1,183,863
Miscellaneous and in-kind revenue	10,067	-	10,067	99,079
Net investment return	8,480	(33)	8,447	(19,177)
Deferred gain on sale-leaseback transaction	141,408	-	141,408	11,441
Net assets released from restrictions	4,040,094	(4,040,094)	-	-
Total other revenue	5,386,975	(4,040,127)	1,346,848	1,275,206
Total public support and other revenues	8,765,563	(2,710,649)	6,054,914	8,546,148
<b><u>EXPENSES</u></b>				
Program services:				
Youth programs	4,285,802	-	4,285,802	3,928,610
Capital campaign	144,479	-	144,479	220,916
Total program services	4,430,281	-	4,430,281	4,149,526
Supporting services:				
Administration	532,268	-	532,268	521,626
Marketing and fund-raising	341,366	-	341,366	336,283
Total supporting services	873,634	-	873,634	857,909
Total expenses	5,303,915	-	5,303,915	5,007,435
Changes in net assets	3,461,648	(2,710,649)	750,999	3,538,713
Net assets at beginning of year	3,832,898	5,357,340	9,190,238	5,651,525
Net assets at end of year	<u>\$ 7,294,546</u>	<u>\$ 2,646,691</u>	<u>\$ 9,941,237</u>	<u>\$ 9,190,238</u>

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

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2019**

	Program Services			Supporting Services			2018
	Youth Programs	Capital Campaign	Total	Administration	Fundraising and Marketing	Total	
Salaries and wages	\$ 2,265,172	\$ 32,624	\$ 2,297,796	\$ 248,759	\$ 148,704	\$ 397,463	\$ 2,695,259
Payroll taxes and employee benefits	396,370	4,550	400,920	72,517	33,091	105,608	506,528
Building maintenance and expense	464,921	7,406	472,327	60,461	-	60,461	532,788
Meals and snacks	108,280	-	108,280	-	-	-	108,280
Other program supplies	137,700	-	137,700	25	-	25	137,725
Equipment rental and expense	77,980	20,889	98,869	5,206	682	5,888	104,757
Travel and training	31,243	-	31,243	17,511	1,387	18,898	50,141
Office supplies and expense	87,426	23,053	110,479	21,675	15,799	37,474	147,953
Insurance expense	100,226	-	100,226	-	-	-	100,226
Professional fees	149,978	20,000	169,978	77,092	450	77,542	247,520
Interest and other financial	22,812	35,933	58,745	238	4,341	4,579	63,324
Scholarships	6,032	-	6,032	-	-	-	6,032
Events	-	-	-	-	136,214	136,214	136,214
Other expenses	83,491	24	83,515	2,815	698	3,513	87,028
<b>Total expenses</b>	<b>3,931,631</b>	<b>144,479</b>	<b>4,076,110</b>	<b>506,299</b>	<b>341,366</b>	<b>847,665</b>	<b>4,923,775</b>
Non-cash expenses:							
Depreciation and amortization	348,027	-	348,027	25,969	-	25,969	373,996
Bad debts (recoveries)	6,144	-	6,144	-	-	-	6,144
In-kind expenses (note 4)	-	-	-	-	-	-	-
	354,171	-	354,171	25,969	-	25,969	380,140
<b>Total expenses</b>	<b>\$ 4,285,802</b>	<b>\$ 144,479</b>	<b>\$ 4,430,281</b>	<b>\$ 532,268</b>	<b>\$ 341,366</b>	<b>\$ 873,634</b>	<b>\$ 5,303,915</b>
							<b>\$ 5,007,435</b>

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

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2019 and 2018**

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 750,999	\$ 3,538,713
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	373,996	297,965
Deferred gain on sale leaseback	(141,408)	(11,441)
Net investment return	(780)	(9,960)
Gain on sale of fixed assets	(724,385)	-
Changes in assets and liabilities:		
Pledge receivable	1,572,399	(1,598,794)
Accounts and grants receivable	157,053	183,876
Prepaid expenses and deposits	(157)	1,306
Accounts payable	332,918	6,045
Accrued liabilities	27,498	(90,296)
Deferred revenue	232,997	(7,291)
Net cash provided by operating activities	2,581,130	2,310,123
Cash flows from financing activities:		
Proceeds from construction loan	760,000	-
Proceeds from sale-leaseback transaction	779,801	-
Principal payments on notes payable	(6,028)	(6,028)
Principal payments on mortgage payable	(1,671,802)	(17,285)
Net cash used by financing activities	(138,029)	(23,313)
Cash flows from investing activities:		
Decrease in assets held in endowment	(617)	-
Proceeds from sale of fixed asset	876,362	-
Purchases of fixed assets	(4,252,894)	(343,146)
Net cash used by investing activities	(3,377,149)	(343,146)
Net increase (decrease) in cash and cash equivalents	(934,048)	1,943,664
Cash and cash equivalents at beginning of year	2,887,081	943,417
Cash and cash equivalents at end of year	\$ 1,953,033	\$ 2,887,081
Cash and cash equivalents, as reported:		
Cash and cash equivalents	\$ 1,760,445	\$ 779,668
Cash and cash equivalents, restricted	192,588	2,107,413
	\$ 1,953,033	\$ 2,887,081
Non-cash supplemental disclosures:		
Cash paid for interest	\$ 63,324	\$ 107,315

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Organization*

The Boys & Girls Clubs of Greater Salt Lake (the Club) was organized by various cities and civic clubs in the Salt Lake Valley to provide recreation, learning activities, and behavior guidance to promote the health, social, educational, vocational and character development of young boys and girls. The Club relies primarily upon public support, membership dues and revenues from the Club's Child Care Program for its continued existence, serving over 7,000 youth throughout the Greater Salt Lake area.

*Basis of presentation and Net Assets*

The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Not-for-Profit Entities, Presentation of Financial Statements.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. From time-to-time, the governing board may designate, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When applicable, gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

The Club reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Functional allocation of expenses*

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. All direct costs are charged to the functional area to which they pertain. Indirect costs are charged to programs and supporting services based on estimates made by management taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Club. The Club is considered to be a voluntary health and welfare organization, and as such, the statement of functional expenses is a required statement.

*Use of estimates*

In preparing financial statements in conformity with accounting standards generally accepted in the United States of America (U.S. GAAP), management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates, and those differences could be material.

*Cash and cash equivalents*

The Club considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

*Investments*

Investments in marketable debt and equity securities are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

*Grants and accounts receivable*

Grants and accounts receivable are recorded at the invoiced amount and do not bear interest. An allowance for doubtful accounts is recorded when the Club determines, based on historical experience and collection efforts, that an account is uncollectible. The Club reviews its allowance for doubtful accounts periodically. Account balances are charged off after all means of collection have been exhausted and the potential for recovery is considered remote.

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Contributions and pledges receivable*

Contributions receivable that are to be collected within one year are recorded at net realizable value. When applicable, significant contributions receivable that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, contributions receivable is reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition.

The discount rate determined at the initial recognition of the contribution receivable is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Club's past collection experience and its policies concerning the enforcement of contributions receivable, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivable's collectability. The Club uses the allowance method to determine uncollectible contributions. The allowance is based on historical experience and management's analysis of specific balances.

*Assets held in endowment*

Amounts reported as assets held in endowment are made through the Community Foundation of Utah (CFU), and represent the net cumulative contributions made to the CFU, as well as earnings thereon. The CFU holds and invests the funds on behalf of the Club. The CFU has variance power to modify any restriction or condition on the distribution of funds if, at the sole discretion of the CFU, the specified charitable purpose becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

*Revenue and revenue recognition*

Revenue is recognized when earned. Child care fees, program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Public support and revenues*

The Club derives its revenues from program fees, government contracts and grants, contributions and grants, and miscellaneous sources. Child care and program revenue is recognized in the period to which the service or activity relates.

The Club conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable objective means exists to demonstrate otherwise, the fair market value of meals and entertainment provided at special events is measured at actual cost to the Club. The direct costs of the special events, which ultimately benefit the donor rather than the Club, are recorded as costs of direct donor benefits.

Grants and other contributions of cash and other assets are reported at fair value at the date the written promise to give is received. Conditional promises to give or indications of intentions to give are not reported until the condition(s) are met. Restricted gifts are recorded as revenue when cash is received or a written promise is given by a donor.

Contributions of donated non-cash assets are recorded at their fair market values when received. A substantial number of volunteers have donated significant amounts of time and services to the Club's program operations and fund-raising efforts. However, such contributed services do not meet the criteria for recognition of contributed services contained in U.S. GAAP and, accordingly, are not reflected in the accompanying financial statements. Other contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair market values when received.

The land on which the Murray Club building was originally constructed is leased from Murray City Corporation through the year 2046 for \$1 per year. Also, the land on which the Sugarhouse Club was originally constructed is leased from Salt Lake City Corporation through the year 2027 for \$1 per year. Neither the donee nor the donor is able to determine the fair value of the leases; therefore, the related revenues and expenses are not recognized in these financial statements.

*Income taxes*

The Club is organized as a Utah nonprofit corporation and has been recognized by the IRS as exempt from federal (and state) income taxes under Section 501(c)(3) of the Internal Revenue Code. The Club is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Club is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. Management has determined that the Club is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Club does not believe it has any material uncertain tax positions. The Club's 2016 and future tax returns, though not currently under audit, are subject to examination by both the Internal Revenue Service and applicable state tax commissions.

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Fair value measurements*

FASB ASC 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- *Level 1:* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Club has the ability to access.
- *Level 2:* Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- *Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. At June 30, 2019, all investments were considered Level 1.

*Advertising*

Advertising costs are expensed when incurred. Advertising expense for the year ended June 30, 2019 was \$6,193. Advertising expenses are included in marketing and fund-raising on the Statement of Activities.

*Property and Equipment*

Purchases of capital assets are recorded at cost. Donated assets are capitalized at their fair value at the date of donation. Depreciation is provided on the straight-line method over estimated useful lives of 40 years for buildings and improvements, three to eight years for equipment and vehicles or over the lease term where applicable.

The Club receives significant building use at Oquirrh Hills Elementary for amounts much less than market value. Although management considers these in-kind donations critical to the success of the Club's operations, they have chosen to not record the donated value and the off-setting expense. For the year ended June 30, 2019, the estimated value of these donations was \$14,000 for Club space. An accurate valuation for school-based usage is not determinable.



**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Change in accounting principle*

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Management has implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash, cash equivalents, and investments	\$ 1,771,768
Investments and interest in the Community Foundation of Utah	7,541
Grants, accounts, and contributions receivable, net	170,010
Deposits	2,410
	\$ 1,951,729

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use, when applicable. Donor-restricted endowment funds are not available for general expenditure.

As part of the liquidity management plan, management invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve. No amounts were designated as of June 30, 2019.

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

3. PLEDGES RECEIVABLE

Pledges receivable consisted of the following as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Amounts due in:		
Less than one year	\$ 1,733,094	\$ 3,305,493
Between one and five years	<u>-</u>	<u>-</u>
Total contributions receivable	1,733,094	3,305,493
Less: allowance for uncollectible pledges	<u>-</u>	<u>-</u>
Total contributions receivable	<u>\$ 1,733,094</u>	<u>\$ 3,305,493</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following, at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 165,000	\$ 235,928
Building and improvements	7,348,244	7,945,347
Equipment	1,003,931	904,669
Vehicles	468,126	396,495
Furniture and fixtures	-	66,915
Construction in Progress	4,245,451	256,081
	<u>13,230,752</u>	<u>9,805,435</u>
Less: accumulated depreciation	<u>(4,380,706)</u>	<u>(4,682,310)</u>
Net property and equipment	<u>\$ 8,850,046</u>	<u>\$ 5,123,125</u>

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

5. COMMITMENT AND CONTINGENCIES

*Operating Leases*

The Organization is obligated under certain operating leases for vehicles, equipment and office space. Total lease expense for these operating leases for the year ended June 30, 2019 was approximately \$108,000 including in-kind rental benefit of \$49,000 for the Administrative Office. A new lease agreement was signed May 7, 2019, executing a month-to-month lease, wherein the Club is only responsible for any maintenance and repair costs. The agreement is cancellable by either party with 30 days' notice. Management intends to remain in the building for the foreseeable future.

*Legal Proceedings*

Management is not currently aware of claims or threatened claims that reasonably would be expected to exceed insurance limits, or otherwise have a material adverse effect upon the Club's financial position or activities.

6. LONG-TERM DEBT

*Building Sale-Leaseback Agreements*

Midvale Building

In January 2013, the Club entered into a sale-leaseback agreement with Midvale City, Utah, wherein the City purchased the Midvale Building for \$1,050,000. Future minimum monthly payments consist of \$5,859, for a period of 23 years, commencing February 2013. This lease is accounted for as an operating lease. Approximately \$848,000 of the proceeds were used to pay off the note payable and line of credit with a local financial institution. The agreement was established to assist the Club in increasing its cash flow position and re-finance the note on the building. Lease expense totaled \$70,308 during the fiscal year ended June 30, 2019.

The agreement resulted in a gain on sale of the building and land of \$263,137, including an offset of \$7,513 in closing costs. Financial Accounting Standards Codification Topic 840, Leases, requires that the seller-lessee shall recognize any profit over the life of the lease. The Club recognized \$11,441 of the gain during the fiscal year ended June 30, 2019. \$188,772 remains as of June 30, 2019.

Capitol West Building

In May 2019, the Club entered into a sale-leaseback agreement with an unrelated entity, wherein the entity purchased the Capitol West building for \$930,000, who then immediately leased the building to the Club for a period of 6 months, commencing May 2019. The agreement calls for future minimum monthly payments of \$7,500, including interest, for this period. The lease agreement is accounted for as an operating lease. Lease expense totaled \$10,000 during the fiscal year ended June 30, 2019, which included a pro-rated payment for the month of May of \$2,500 and a regular payment of \$7,500 for June. The agreement resulted in a gain on sale of the building and land of \$779,801. Financial Accounting Standards Codification Topic 840, Leases, requires that the seller-lessee shall recognize any profit over the life of the lease. The Club recognized \$129,967 of the gain during the fiscal year ended June 30, 2019. \$649,834 remains as of June 30, 2019.

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

6. LONG-TERM DEBT (CONTINUED)

*Note Payable - Mortgage*

During August 2016, the Club entered into a new mortgage note for \$1,700,000. The proceeds from this note were used to acquire a new building and pay off the existing mortgage note and line of credit. The mortgage note is payable to a bank, with interest only payments for the first 18 months based on the one-year LIBOR rate plus 2.75% (4.50% at June 30, 2019), secured by real property, maturing in August 2021 with a balloon payment of approximately \$1,500,000. Principal and interest amounts will be determined on the 19<sup>th</sup> month of the note. As of June 30, 2019, the entire outstanding balance was \$1,670,113 was completely paid off.

During the fiscal year ended June 30, 2019, a mortgage loan of \$760,000 was obtained. The Agreement was signed in April 2019. The interest rate is fixed at 4.25%, with a monthly payment of \$4,740, including interest, until maturity in April 2024. As of June 30, 2019, the outstanding balance on this loan was \$758,311.

Future maturities of the note payable are as follows for the years ended June 30:

2020	\$	25,158
2021		26,248
2022		27,385
2023		28,572
2024		650,948
		650,948
	\$	758,311

*Note Payable – Vehicle*

During October 2016, the Club entered into a note payable of \$36,169 with Ford Motor Company to purchase a passenger van for the purpose of transporting kids. The agreement calls for monthly payments of \$503, with 0% interest, through maturity in September 2022. At June 30, 2019, the outstanding balance was \$19,592.

*Note Payable – Construction Loan*

In April 2019, the Club signed a promissory note with a local financial institution for \$2,365,000. The proceeds will be used for the purpose of building a new club in Salt Lake City, Utah. As of June 30, 2019, no draws on this note have occurred.

*Line of Credit*

The Club entered into an agreement with a local financial institution to establish a line of credit totaling up to \$250,000. The interest rate is variable, based on the 30-day LIBOR. At June 30, 2019, the rate was 4.99%, and the account balance was \$0. The line is unsecured.

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

7. ASSETS HELD IN ENDOWMENT

The Club has entered into an agreement with a local not-for-profit foundation, wherein the Club has unconditionally donated \$2,500 to establish an endowment fund for the benefit of the Club. The endowment fund will be actively marketed by the foundation to attract public and private contributions. During the fiscal year ended June 30, 2019, no contributions were made to the fund, with interest earnings and unrealized gains totaling \$617. As of June 30, 2019 and 2018, all of the assets held in fund are invested in long-term, risk-free U.S. securities investments. As discussed in Note 1 on page 9, the CFU has variance power to modify any restricted donation; therefore, the Club recorded these assets as unrestricted.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of cash, accounts receivable and unappropriated earnings on permanent endowments as of June 30, 2019 and 2018 that are available for the following purposes:

	2019	2018
Subject to expenditure for specified purpose:		
Capital campaign	\$ 2,507,094	\$ 5,152,375
Advanced scholarships	128,919	107,952
Other	4,710	16,000
	<u>2,640,723</u>	<u>5,276,327</u>
Subject to the passage of time:		
Other	968	76,013
	<u>968</u>	<u>76,013</u>
Endowments:		
Advanced scholarships	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
Total net assets with donor restrictions	<u>\$ 2,646,691</u>	<u>\$ 5,357,340</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2019 and 2018:

	2019	2018
Expiration of time restrictions	\$ 100,000	\$ -
Satisfaction of purpose restrictions:		
Capital campaign	3,920,583	429,856
Advanced scholarships	14,818	29,598
Other	4,693	6,080
	<u>3,940,094</u>	<u>465,534</u>
	<u>\$ 4,040,094</u>	<u>\$ 465,534</u>

**BOYS & GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Financial Statements (Continued)**  
**June 30, 2019 and 2018**

9. CAPITAL CAMPAIGN

A Capital Campaign was initiated during 2017 by the Board of Directors to increase the scope and reach of Boys & Girls Clubs services to youth in two of Salt Lake County's fastest growing neighborhoods – the Murray and the Fair Park community – where youth are particularly at risk. The goal is to raise \$7,000,000 for the acquisition and construction of a new Capitol West Club and for the expansion and remodel of the Murray Club. These two clubs are operating at capacity and have waiting lists for admission. Together, these two projects will enable the Club to provide better services to at least 200 more kids and their families every day. The Campaign is expected to conclude in June 2020. Restricted revenue received through June 30, 2019 was \$7,842,740, of which, \$1,706,119 is pledged. Expenses during the year related to the Campaign totaled \$144,479 and are included in the Statement of Functional Expenses under *Capital Campaign*.

10. RETIREMENT PLAN

The Club sponsors and maintains a 401(k) profit sharing plan (the Plan). The Plan covers qualifying employees age 21 or older who work 1,000 hours or more per year and complete one year of employment. The Club's contributions to the Plan totaled approximately \$41,025 for the year ended June 30, 2019, \$3,468 of which remained payable at June 30, 2019, and is included with accrued liabilities on the balance sheet.

11. RELATED PARTY TRANSACTIONS

The Club pays dues to Boys and Girls Clubs of America. Payments were \$16,504 for the year ending June 30, 2019.

Donations received from various members of the Board of Directors were approximately \$81,537, during the year ended June 30, 2019.

The Club entered into an agreement with a local architectural firm, with whom a member of the board of directors is the former owner, and who was the original designer of the Murray club, for future renovations due to institutional knowledge of the existing facility. During 2019, approximately \$14,357 in payments have been made to the firm.

12. SUBSEQUENT EVENTS

Management has evaluated for other subsequent events through November 21, 2019, the date which these financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**  
**FEDERAL SINGLE AUDIT AND SCHEDULES**  
**(UNIFORM GUIDANCE)**



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC  
ACCOUNTANTS**

E. LYNN HANSEN, CPA  
CLARKE R. BRADSHAW, CPA  
GARY E. MALMROSE, CPA  
EDWIN L. ERICKSON, CPA  
MICHAEL L. SMITH, CPA  
JASON L. TANNER, CPA  
ROBERT D. WOOD, CPA  
AARON R. HIXSON, CPA  
TED C. GARDINER, CPA  
JEFFREY B. MILES, CPA  
DONALD M. JACK, CPA

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

*Independent Auditors' Report*

To the Board of Directors  
Boys and Girls Clubs of Greater Salt Lake

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Boys and Girls Clubs of Greater Salt Lake (the Club) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Club's basic financial statements, and have issued our report thereon dated November 21, 2019.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Club's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control. Accordingly, we do not express an opinion on the effectiveness of the Club's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Club's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Club's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### ***Purpose of this Report***

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

*ABMC, LLC*

November 21, 2019



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC ACCOUNTANTS**

- E. LYNN HANSEN, CPA
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- DONALD M. JACK, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *THE UNIFORM GUIDANCE***

***Independent Auditors’ Report***

To the Board of Directors  
Boys and Girls Clubs of Greater Salt Lake

We have audited the Boys & Girls Clubs of Greater Salt Lake’s (the Club) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Club’s major federal programs for the year ended June 30, 2019. The Club’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors’ Responsibility***

Our responsibility is to express an opinion on compliance for each of the Club’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Club’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Club’s compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Boys & Girls Clubs of Greater Salt Lake's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### ***Report on Internal Control over Compliance***

Management of the Club is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Club's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Club's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Purpose of This Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*HBMC, LLC*

November 21, 2019

**BOYS AND GIRLS CLUBS OF GREATER SALT LAKE**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Award Amount</b>	<b>Expenditures</b>
<b>US Department of Agriculture</b>			
Pass-through Utah State Office of Education			
Child and Adult Care Food Program			
Lunch Program Reimbursements	10.558	\$ 56,231	\$ 56,231
Greater Salt Lake	10.558	16,229	16,229
Total Pass-through Utah State Office of Education		<u>72,460</u>	<u>72,460</u>
<b>Total US Department of Agriculture</b>		<u><b>72,460</b></u>	<u><b>72,460</b></u>
<b>US Department of Housing and Urban Development</b>			
Pass-through Salt Lake City Corporation			
Community Development Block Grants	14.218	33,898	33,898
<b>Total US Department of Housing and Urban Development</b>		<u><b>33,898</b></u>	<u><b>33,898</b></u>
<b>US Department of Justice, Office of Juvenile Justice and Delinquency Prevention</b>			
Pass-through Boys and Girls Clubs of America			
Juvenile Mentoring Program	16.726	17,380	6,694
Juvenile Mentoring Program	16.726	17,380	12,444
Total Pass-through Boys and Girls Clubs of America		<u>34,760</u>	<u>19,138</u>
<b>Total US Department of Justice</b>		<u><b>34,760</b></u>	<u><b>19,138</b></u>
<b>US Department of Health and Human Services</b>			
Pass-through Utah Department of Health and Human Services			
Administration for Children, Youth and Families	93.092	34,271	26,710
CDC - Rape Prevention Grant	93.136	18,082	18,082
Sexual Risk Avoidance Education Program	93.235	25,000	16,363
Total Pass-through Utah Department of Health and Human Services		<u>77,353</u>	<u>61,155</u>

(Continued)

**BOYS AND GIRLS CLUBS OF GREATER SALT LAKE**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2019**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Award Amount</b>	<b>Expenditures</b>
<b>US Department of Health and Human Services (Continued)</b>			
Pass-through Salt Lake County			
Personal Responsibility Education Program	93.092	126,657	126,657
Personal Responsibility Education Program	93.092	55,000	43,367
Sexual Risk Avoidance Education Program	93.235	20,000	16,074
Child Care and Development Block Grant			
Afterschool Match	93.575	100,000	100,000
Block Grant for Prevention / Treatment of Substance Abuse	93.959	60,000	60,000
Total Pass-through Salt Lake County		<u>361,657</u>	<u>346,098</u>
 Pass-through Tooele County			
Personal Responsibility Education Program	93.092	14,800	4,325
Social Services Block Grant	93.667	15,000	15,000
Pass-through Tooele County		<u>29,800</u>	<u>19,325</u>
 Pass-through Utah Department of Workforce Services			
Temporary Assistance for Needy Families			
Teen Afterschool Program	93.558	45,000	45,000
Shelter Outreach	93.558	29,000	29,000
Quality Improvement	93.558	45,000	45,000
Child Care and Development Block Grant			
Afterschool Match	93.575	500,000	500,000
Total Pass-through Utah Department of Workforce Services		<u>619,000</u>	<u>619,000</u>
 <b>Total US Department of Health and Human Services</b>		<b><u>1,087,810</u></b>	<b><u>1,045,578</u></b>
 <b>Total Expenditures of Federal Awards</b>		<b><u>\$ 1,228,928</u></b>	<b><u>\$ 1,171,074</u></b>

**BOYS AND GIRLS CLUBS OF GREATER SALT LAKE**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

**1. Basis of presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Boys and Girls Clubs of Greater Salt Lake (the Club) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Club, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Club.

**2. Summary of significant accounting policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**BOYS AND GIRLS CLUBS OF GREATER SALT LAKE**  
**Schedule of Findings, Questioned Costs, and Recommendations**  
**For the Year Ended June 30, 2019**

A. Summary of Auditors' Results

1.	Type of Report Issued:	Unmodified
2.	Internal Control over Financial Reporting:	
	Material Weaknesses Identified:	None
	Significant Deficiencies Identified that were not Considered to be Material Weaknesses:	None
3.	Non-compliance Material to Financial Statements Noted:	None
4.	Internal Control over Major Programs:	
	Material Weaknesses Identified:	None
	Significant Deficiencies Identified that were not Considered to be Material Weaknesses:	None reported
5.	Type of Auditors' Report Issued on Compliance for Major Programs:	Unmodified
6.	Any Audit Findings Disclosed That Are Required to be Reported in Accordance with the Uniform Guidance:	None
7.	Federal Programs Tested as Major Programs:	
	CCDF Cluster	CFDA # 93.575
8.	Dollar Threshold Used to Distinguish Between  Type A and Type B Programs:	\$750,000
9.	Auditee Qualification as High or Low Risk:	Low

(Continued)

**BOYS AND GIRLS CLUBS OF GREATER SALT LAKE**  
**Schedule of Findings, Questioned Costs, and Recommendations (Continued)**  
**For the Year Ended June 30, 2019**

- B. Findings Related to the Financial Statements Required to be Reported in Accordance with Government Auditing Standards:

None.

- C. Findings and Questioned Costs Related to Federal Awards Required to be Reported in Accordance with the Uniform Guidance:

None



**BOYS AND GIRLS CLUBS OF GREATER SALT LAKE**  
**Balance Sheet Information**  
**June 30, 2019**

	<u>Operating</u>	<u>Capital Campaign</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	\$ 1,760,445	\$ -	\$ 1,760,445
Cash and cash equivalents, restricted	-	192,588	192,588
Investments	11,323	-	11,323
Pledge receivable (no allowance necessary)	26,975	1,706,119	1,733,094
Accounts and grants receivable, net	143,035	-	143,035
Assets held in endowment	7,541	-	7,541
Prepaid expenses and other assets	2,410	-	2,410
Total current assets	1,951,729	1,898,707	3,850,436
Property and equipment, net	2,932,991	5,917,055	8,850,046
Total assets	<u>\$ 4,884,720</u>	<u>\$ 7,815,762</u>	<u>\$ 12,700,482</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
Current liabilities:			
Accounts payable	\$ 127,930	\$ 357,886	\$ 485,816
Accrued liabilities	268,711	-	268,711
Deferred revenue	388,209	-	388,209
Deferred gain on sale-leaseback transaction	661,275	-	661,275
Note payable, current portion	6,028	-	6,028
Mortgage note payable, current portion	25,158	-	25,158
Total current liabilities	1,477,311	357,886	1,835,197
Noncurrent liabilities:			
Note payable	13,564	-	13,564
Mortgage note payable	-	733,153	733,153
Deferred gain on sale-leaseback transaction	177,331	-	177,331
Total noncurrent liabilities	190,895	733,153	924,048
Total liabilities	<u>1,668,206</u>	<u>1,091,039</u>	<u>2,759,245</u>
Net assets:			
Without donor restrictions:			
Undesignated	3,076,917	4,217,629	7,294,546
With donor restrictions:			
Purpose restrictions	133,629	2,507,094	2,640,723
Perpetual in nature	5,000	-	5,000
Time-restricted for future periods	968	-	968
Total net assets	<u>3,216,514</u>	<u>6,724,723</u>	<u>9,941,237</u>
Total liabilities and net assets	<u>\$ 4,884,720</u>	<u>\$ 7,815,762</u>	<u>\$ 12,700,482</u>

**BOYS AND GIRLS CLUBS OF GREATER SALT LAKE**  
**Revenues and Expenses Information**  
**For the Year Ended June 30, 2019**

	<u>Operating</u>	<u>Capital Campaign</u>	<u>Total</u>
<b><u>REVENUES</u></b>			
Public support:			
Government support	\$ 1,252,153	\$ -	\$ 1,252,153
Individual and corporate contributions	2,196,631	1,259,282	3,455,913
Total public support	3,448,784	1,259,282	4,708,066
Other revenue:			
Program fees and membership dues	1,186,926	-	1,186,926
Miscellaneous and in-kind revenue	10,067	-	10,067
Realized and unrealized gain (loss) on assets	7,863	584	8,447
Deferred gain on sale-leaseback transaction	141,408	-	141,408
Net assets released from restrictions	-	-	-
Total other revenue	1,346,264	584	1,346,848
Total public support and other revenues	4,795,048	1,259,866	6,054,914
<b><u>EXPENSES</u></b>			
Program services:			
Youth programs	4,285,802	-	4,285,802
Capital campaign	-	144,479	144,479
Total program services	4,285,802	144,479	4,430,281
Supporting services:			
Administration	532,268	-	532,268
Marketing and fund-raising	341,366	-	341,366
Total supporting services	873,634	-	873,634
Total expenses	5,159,436	144,479	5,303,915
Changes in net assets	(364,388)	1,115,387	750,999
Net assets at beginning of year, as restated	3,580,902	5,609,336	9,190,238
Net assets at end of year	<u>\$ 3,216,514</u>	<u>\$ 6,724,723</u>	<u>\$ 9,941,237</u>