

**SPRINGFIELD BOYS & GIRLS CLUB, INC.**

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December 31, 2014

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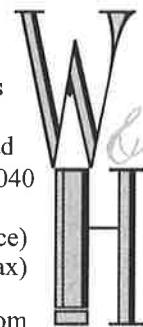
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## INDEPENDENT AUDITOR'S REPORT

To The Officers and Directors  
Springfield Boys & Girls Club, Inc.  
481 Carew Street  
Springfield, Massachusetts 01104

We have audited the accompanying financial statements of Springfield Boys & Girls Club, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, cash flows and functional expense for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Offices in Hartford, Connecticut & Holyoke, Massachusetts*

## **Opinion**

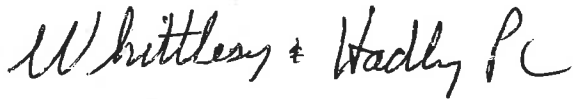
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Springfield Boys & Girls Club, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited Springfield Boys & Girls Club, Inc.'s 2013 financial statements, and our report dated August 11, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

The accompany Schedule of Program Activities - Unrestricted is presented for purposes of additional analysis 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Holyoke, Massachusetts  
June 17, 2015

# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Statement of Financial Position

December 31, 2014

(With Comparative Totals for 2013)

ASSETS	2014			2013	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>Current Assets</b>					
Cash -					
General	\$ 61,030	\$ 50,265	\$ -	\$ 111,295	\$ 63,277
Money market	-	-	-	-	80,407
Marketable securities	63,099	-	-	63,099	56,776
Accounts and grants receivable	38,149	12,195	-	50,344	102,119
Parent fees receivable, net of allowance for uncollectible accounts of \$4,000 in 2014 and 2013	7,605	-	-	7,605	15,817
Contributions receivable - due within one year	5,833	-	-	5,833	10,000
Prepaid expense	16,325	-	-	16,325	18,903
<b>Total Current Assets</b>	<b>192,041</b>	<b>62,460</b>	<b>-</b>	<b>254,501</b>	<b>347,299</b>
<b>Property and Equipment</b>					
Land	63,383	-	-	63,383	63,383
Land improvements	277,514	-	-	277,514	277,514
Building and improvements	2,170,060	-	-	2,170,060	2,113,566
Furniture and equipment	219,821	-	-	219,821	215,920
Website	3,598	-	-	3,598	-
Motor vehicles	27,600	-	-	27,600	27,600
	2,761,976	-	-	2,761,976	2,697,983
Less - accumulated depreciation	2,292,932	-	-	2,292,932	2,249,503
<b>Total Property and Equipment</b>	<b>469,044</b>	<b>-</b>	<b>-</b>	<b>469,044</b>	<b>448,480</b>
<b>Long-Term Assets</b>					
Pooled investments	187,388	276,190	802,836	1,266,414	1,227,158
Other investments	770,540	-	-	770,540	753,311
Beneficial interests in perpetual trusts	-	-	4,092,483	4,092,483	4,228,931
Investment in land	111,900	-	-	111,900	111,900
<b>Total Other Assets</b>	<b>1,069,828</b>	<b>276,190</b>	<b>4,895,319</b>	<b>6,241,337</b>	<b>6,321,300</b>
<b>Total Assets</b>	<b>\$ 1,730,913</b>	<b>\$ 338,650</b>	<b>\$ 4,895,319</b>	<b>\$ 6,964,882</b>	<b>\$ 7,117,079</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 35,620	\$ -	\$ -	\$ 35,620	\$ 36,651
Accrued expense	80,396	-	-	80,396	4,745
Line of credit	-	-	-	-	43,000
Capital lease payable	-	-	-	-	1,478
Deferred lease revenue - earned within one year	15,600	-	-	15,600	15,600
<b>Total Current Liabilities</b>	<b>131,616</b>	<b>-</b>	<b>-</b>	<b>131,616</b>	<b>101,474</b>
<b>Long-Term Liabilities</b>					
Deferred lease revenue - earned after one year	246,900	-	-	246,900	262,500
<b>Total Liabilities</b>	<b>378,516</b>	<b>-</b>	<b>-</b>	<b>378,516</b>	<b>363,974</b>
<b>Net Assets</b>					
Unrestricted -					
Operating	771,453	-	-	771,453	865,807
Property and equipment	580,944	-	-	580,944	558,902
<b>Total Unrestricted</b>	<b>1,352,397</b>	<b>-</b>	<b>-</b>	<b>1,352,397</b>	<b>1,424,709</b>
Temporarily restricted	-	338,650	-	338,650	296,729
Permanently restricted	-	-	4,895,319	4,895,319	5,031,667
<b>Total Net Assets</b>	<b>1,352,397</b>	<b>338,650</b>	<b>4,895,319</b>	<b>6,586,366</b>	<b>6,753,105</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,730,913</b>	<b>\$ 338,650</b>	<b>\$ 4,895,319</b>	<b>\$ 6,964,882</b>	<b>\$ 7,117,079</b>

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

# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Statement of Activities

For the Year Ended December 31, 2014

(With Comparative Totals for 2013)

	2014			2013	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>Support and Revenue</b>					
Grant revenue	\$ 148,990	\$ 132,890	\$ -	\$ 281,880	\$ 214,494
New England Farm Workers' Council, Inc.	171,777	-	-	171,777	215,890
Memberships and parent fees	83,813	-	-	83,813	89,104
Contributions	115,015	16,000	-	131,015	87,423
Productive enterprises	21,620	-	-	21,620	24,096
Special events	200,809	-	-	200,809	142,697
Interest and dividends -					
Pooled investments	18,327	18,223	100	36,650	38,193
Other	45,793	9	-	45,802	25,753
Other income	-	-	-	-	12,216
Investment revenue from perpetual trusts	223,080	-	-	223,080	211,240
In-kind income	92,519	-	-	92,519	119,833
Net assets released from restrictions	161,357	(161,357)	-	-	-
<b>Total Support and Revenue</b>	1,283,100	5,765	100	1,288,965	1,180,939
<b>Expense</b>					
Program	887,265	-	-	887,265	1,087,500
Administrative	306,287	-	-	306,287	155,740
Fundraising	185,888	-	-	185,888	137,318
<b>Total Expense</b>	1,379,440	-	-	1,379,440	1,380,558
<b>Change in Net Assets Before Investment and Other Activity</b>	(96,340)	5,765	100	(90,475)	(199,619)
Realized gain on investments	22,346	41,873	-	64,219	105,073
Unrealized gain (loss) on investments	1,682	(5,717)	-	(4,035)	54,214
Unrealized gain (loss) on beneficial interest in perpetual trusts	-	-	(136,448)	(136,448)	238,336
Gain on disposal of asset	-	-	-	-	21,638
<b>Total Investment and Other Activity</b>	24,028	36,156	(136,448)	(76,264)	419,261
<b>Change in Net Assets</b>	(72,312)	41,921	(136,348)	(166,739)	219,642
Net assets - beginning of year	1,424,709	296,729	5,031,667	6,753,105	6,533,463
<b>Net Assets - End of Year</b>	\$ 1,352,397	\$ 338,650	\$ 4,895,319	\$ 6,586,366	\$ 6,753,105

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

# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Statement of Cash Flows

For the Year Ended December 31, 2014

(With Comparative Totals for 2013)

	<u>2014</u>	<u>2013</u>
<b>Cash Flows From Operating Activities</b>		
Cash received from program services	\$ 804,286	\$ 661,164
Cash received from contributions	135,182	92,266
Cash paid to suppliers and employees	(1,166,170)	(1,231,397)
Interest and dividends received	82,452	63,946
Interest paid	(125)	(1,660)
Investment revenue from perpetual trusts	223,080	211,240
	<u>78,705</u>	<u>(204,441)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>		
<b>Cash Flows From Investing Activities</b>		
Additions to property and equipment	(63,993)	(21,950)
Net proceeds from sale of land	-	195,952
Proceeds from sale of investments	1,053,639	1,267,889
Purchase of investments	(1,056,262)	(1,212,126)
	<u>(66,616)</u>	<u>229,765</u>
<b>Net Cash Provided by (Used in) Investing Activities</b>		
<b>Cash Flows From Financing Activities</b>		
Net borrowing on line of credit	(43,000)	13,000
Principal payments on capital lease	(1,478)	(1,816)
	<u>(44,478)</u>	<u>11,184</u>
<b>Net Cash Provided by (Used in) Financing Activities</b>		
<b>Net Increase (Decrease) in Cash</b>	(32,389)	36,508
Cash - beginning of year	<u>143,684</u>	<u>107,176</u>
<b>Cash - End of Year</b>	<u>\$ 111,295</u>	<u>\$ 143,684</u>
<b>Cash Consists Of</b>		
Cash -		
General	\$ 111,295	\$ 63,277
Money market	-	80,407
	<u>\$ 111,295</u>	<u>\$ 143,684</u>

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

**SPRINGFIELD BOYS & GIRLS CLUB, INC.**  
Schedule of Reconciliation of Change in Net Assets  
to Net Cash Provided by (Used in) Operating Activities  
For the Year Ended December 31, 2014  
(With Comparative Totals for 2013)

	2014	2013
<b>Change in Net Assets</b>	<b>\$ (166,739)</b>	<b>\$ 219,642</b>
 <b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities</b>		
Depreciation	43,428	42,114
Unrealized loss (gain) on investments	4,035	(54,214)
Unrealized loss (gain) on beneficial interest in perpetual trusts	136,448	(238,336)
Realized gain on sale of investments	(64,219)	(105,073)
Change in discount on contributions receivable	-	(157)
Gain on disposal of asset	-	(21,638)
Accounts and grants receivable	51,775	27,045
Parent fees receivable	8,212	1,039
Contributions receivable	4,167	5,000
Prepaid expense	2,578	(8,339)
Accounts payable	(1,031)	(6,638)
Accrued expense	75,651	531
Deferred revenue	-	(49,817)
Deferred lease revenue	(15,600)	(15,600)
 <b>Total Adjustments</b>	 <b>245,444</b>	 <b>(424,083)</b>
 <b>Net Cash Provided by (Used in) Operating Activities</b>	 <b>\$ 78,705</b>	 <b>\$ (204,441)</b>

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

**SPRINGFIELD BOYS & GIRLS CLUB, INC.**  
**Statement of Functional Expense**  
**For the Year Ended December 31, 2014**  
**(With Comparative Totals for 2013)**

	2014						2013	
	Club	After School Care	Indian Orchard	Education Program	Total	Administration	Fundraising	Total
<b>Salaries and Related Expense</b>								
Professional	\$ 74,971	\$ 62,054	\$ 3,429	\$ -	\$ 140,454	\$ 41,182	\$ 65,126	\$ 246,762
Program	106,727	30,476	46,987	33,005	217,195	114	1,159	218,468
Maintenance	20,016	1,315	-	4,208	25,539	824	8,417	34,780
Clerical	16,034	-	-	-	16,034	35,813	290	52,137
Employee benefits and payroll taxes	51,328	18,086	12,593	7,764	89,771	57,294	11,318	158,383
<b>Total Salaries and Related Expense</b>	<b>269,076</b>	<b>111,931</b>	<b>63,009</b>	<b>44,977</b>	<b>488,993</b>	<b>135,227</b>	<b>86,310</b>	<b>710,530</b>
Audit	-	-	-	-	-	17,000	-	17,000
Office supplies and expense	2,844	187	40	283	3,354	13,718	18	17,090
Telephone	81	28	498	13	620	2,841	17	3,478
Postage	1,783	83	-	266	2,132	1,680	17	3,829
Occupancy	84,936	5,066	-	11,869	101,871	2,325	746	104,942
Fiduciary fees	-	-	-	-	-	18,270	-	18,270
Transportation	100	47,387	1,664	1,010	50,161	-	-	50,161
Travel	1,384	59	28	190	1,661	1,964	12	3,637
Conference and meetings	906	86	-	115	1,107	4,344	7	5,458
Dues, fees and licenses	15,238	301	250	51	15,840	38,601	17	54,458
Insurance	8,959	3,117	-	1,490	13,566	11,615	1,880	27,061
Building repairs and maintenance	25,918	1,372	-	3,746	31,036	10,005	235	41,276
Other repairs and maintenance	83,619	482	-	1,542	85,643	2,042	97	87,782
Professional fees	-	-	-	-	-	10,541	-	10,541
Medical supplies	-	-	-	-	-	-	-	848
Program and other supplies	8,108	1,224	1,684	406	11,422	-	11	11,433
Special events	-	-	-	-	-	1,754	48,558	50,312
Food	9,752	1,907	-	63	11,722	-	-	11,722
Other	-	-	-	-	-	3,428	-	3,428
Advertising	1,407	462	283	141	2,293	177	5	2,475
Interest	-	-	-	-	-	125	-	125
Vehicle and equipment leases	-	-	-	-	-	4,357	-	4,357
Bad debt expense	-	-	-	-	-	4,127	-	4,127
In-kind expense	-	-	45,315	-	45,315	2,090	45,114	92,519
Total expense before depreciation	514,111	173,692	112,771	66,162	866,736	286,231	183,044	1,336,011
Depreciation	13,557	4,717	-	2,255	20,529	20,056	2,844	43,429
<b>Total Expense</b>	<b>\$ 527,668</b>	<b>\$ 178,409</b>	<b>\$ 112,771</b>	<b>\$ 68,417</b>	<b>\$ 887,265</b>	<b>\$ 306,287</b>	<b>\$ 185,888</b>	<b>\$ 1,379,440</b>
								<b>\$ 1,380,558</b>

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



# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Notes to the Financial Statements

December 31, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

The Springfield Boys & Girls Club, Inc. (the Club) is a not for profit corporation organized under Chapter 180 of the laws of the Commonwealth of Massachusetts and is exempt from federal and state taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Its objective is to promote good citizenship in youth, irrespective of creed, race or color and to provide a suitable environment with proper equipment and facilities to carry on this work. The Springfield Boys & Girls Club, Inc. has locations at 481 Carew Street, Springfield, Massachusetts and at the Indian Orchard Boys & Girls Club located at the Indian Orchard Elementary School.

#### Basis of Accounting

The financial statements of Springfield Boys & Girls Club, Inc. are prepared on the accrual basis.

#### Basis of Presentation

The net assets of Springfield Boys & Girls Club, Inc. are reported in each of the following three classes when applicable: (a) unrestricted net assets, (b) temporarily restricted net assets and (c) permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets are legally unrestricted and are reported as part of the unrestricted class.

#### Cash

For purposes of the Statement of Cash Flows, cash includes cash on hand, cash in checking, money market and savings accounts.

#### Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

#### Restricted Contributions and Grants

Restricted contributions and grants whose restrictions are met in the same reporting period are shown in the financial statements as unrestricted support.

#### Capitalization of Expenditures

The cost of land, building, improvements, furniture, equipment and motor vehicles with a cost in excess of \$500 is capitalized. Expenditures for maintenance and repairs are expensed against revenue as incurred.

# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Notes to the Financial Statements

December 31, 2014

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### Depreciation

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Land improvements	10-20 years
Building and improvements	10-45 years
Furniture and equipment	3-10 years
Motor vehicles	3-5 years

Total depreciation expense was \$43,428 and \$42,114 for the years ended December 31, 2014 and 2013, respectively.

### Expense Allocation

The costs of providing various activities have been summarized on a functional basis in the Statement of Activities. Costs are allocated between administrative, fundraising or program services based on the evaluations of the related benefits. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

### 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.

### Donated Space, Materials and Services

Springfield Boys & Girls Club, Inc. records in-kind support including space, materials and professional services. Recognition of contributed space is based on estimated fair rental value. Donated materials are reflected in the year received at their estimated values at date of receipt. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind income are offset by like amounts included in expenses. The Club also receives more than 10,000 volunteer hours each year in the Club's program services and in its fundraising activities which do not meet the requirements for being recognized and, therefore, they are not reflected in these financial statements.

Contributed space, services and materials were as follows:

	<u>2014</u>	<u>2013</u>
Space	\$ 81,238	\$ 72,568
Services	5,349	13,315
Materials	5,932	33,950
	<u>\$ 92,519</u>	<u>\$ 119,833</u>

# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Notes to the Financial Statements

December 31, 2014

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### Resource Recognition

Revenue is recognized when eligible services are rendered. Support from contributions and unconditional grants is recognized when pledged.

### Advertising Expense

Springfield Boys & Girls Club, Inc. expenses the costs of advertising as incurred. Advertising expense was \$2,475 in 2014 and \$8,282 in 2013.

### Income Taxes

The Club is a not-for-profit corporation and has been recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly does not record a provision for income taxes on its related earnings.

The Club follows the accounting interpretation for uncertainty in income taxes which prescribes how an entity should measure, recognize, present and disclose positions that it has taken or expects to take on its tax or information returns. The Club believes that in the event of an examination by taxing authorities, its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax exempt status, unrelated business income, and related matters, would prevail based upon the technical merits of such positions. Therefore, the Club has concluded that no tax benefits or liabilities are required to be recognized. The Club's tax periods open to audit are the years ended on or after December 31, 2011. Penalties and interest, if any, assessed by taxing authorities will be included in expenses.

### Subsequent Events

Springfield Boys & Girls Club, Inc. has evaluated events that have occurred subsequent to December 31, 2014, through June 17, 2015, the date these financial statements were available to be issued, and has determined there were no material events requiring recognition or disclosure.

### Prior-Year Information

The statement of functional expense includes certain prior-year summarized comparative information in total but not by function and the statement of activities includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

### **NOTE 2 – LINE OF CREDIT**

The Club maintains a \$100,000 unsecured line of credit with People's United Bank. The amount outstanding and payable on demand at December 31, 2014 and December 31, 2013 was \$-0- and \$43,000, respectively. Interest is payable monthly at the Wall Street Journal prime lending rate.

### **NOTE 3 – PENSION PLAN**

Effective January 1, 2003, the Springfield Boys & Girls Club, Inc. established a salary deferred 401(K) plan through American Funds Retirement Resources. The plan is contributory with employer contributions based on 5% of eligible wages. Employees are eligible to participate upon attaining the age of twenty-one, working 1,000 hours or more per year and the completion of six months of service. Plan contributions made for the years ended December 31, 2014 and December 31, 2013 were \$14,233 and \$15,138, respectively.

# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Notes to the Financial Statements

December 31, 2014

### NOTE 4 – CONTINGENT LIABILITY

The grantor agencies have the right to audit compliance with grant terms and financial activities of grantees. It is, therefore, possible that the grantor could require return of some grant funds at a future date although there is no indication at this time that this will happen. Liabilities resulting from such an audit, if any, will be recorded in the period in which the amount of liability is ascertained.

### NOTE 5 – BENEFICIAL INTEREST IN PERPETUAL TRUSTS

Springfield Boys & Girls Club, Inc. is the beneficiary under certain perpetual trusts held by third party administrators. Springfield Boys & Girls Club, Inc. will receive investment revenue from the trusts in perpetuity but cannot use the corpus. The value of the Club's beneficial interest in perpetual trusts is based on the Club's interest in the fair market value of each trust. The trusts' market values are provided by the trustees. The market value of trust assets and investment revenue from the trusts are as follows:

	Cost	Market Value	Investment Revenue
<b>December 31, 2014</b>			
Etta Allen Trust	\$ 43,323	\$ 45,104	\$ 1,191
Theresa Beveridge Trust	21,051	23,527	-
Lucy Gillett Trust	231,952	242,768	18,140
Grace Noyes Trust	251,308	263,211	9,287
Hervey Smith Trust	378,088	410,187	29,846
Edna Winter Trust	658,455	697,095	52,062
Lewis & Francis Tiff Trust	1,136,384	1,225,006	53,773
Charles R. Hastings Trust	1,082,292	1,185,585	58,781
	\$ 3,802,853	\$ 4,092,483	\$ 223,080
	Cost	Market Value	Investment Revenue
<b>December 31, 2013</b>			
Etta Allen Trust	\$ 43,844	\$ 46,473	\$ 1,256
Theresa Beveridge Trust	19,068	23,325	248
Lucy Gillett Trust	241,867	256,992	8,203
Grace Noyes Trust	253,572	267,324	9,456
Hervey Smith Trust	393,237	435,378	17,815
Edna Winter Trust	669,678	739,793	24,247
Lewis & Francis Tiff Trust	1,145,097	1,250,528	94,049
Charles R. Hastings Trust	1,081,383	1,209,118	55,966
	\$ 3,847,746	\$ 4,228,931	\$ 211,240

### NOTE 6 – INVESTMENTS

Investments are presented in the financial statements at fair market value. Investments at December 31, 2014 and 2013 are composed of the following:

# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Notes to the Financial Statements

December 31, 2014

### Composition of Investments

	2014		2013	
	Cost	Market	Cost	Market
<b>Pooled Investments - Bank of America -</b>				
Cash equivalents	\$ 30,686	\$ 30,686	\$ 35,751	\$ 35,751
Equities	779,901	819,046	748,753	820,540
Fixed income funds	271,435	336,897	260,158	316,637
Real estate investment trust	69,097	79,785	58,408	54,230
	<u>1,151,119</u>	<u>1,266,414</u>	<u>1,103,070</u>	<u>1,227,158</u>
<b>Other Investments - Wells Fargo -</b>				
Cash equivalents	24,401	24,401	28,315	28,315
Equities	213,987	262,964	187,278	237,663
Fixed income funds	339,447	330,070	347,999	342,387
Other - complementary strategies	76,876	75,680	79,823	80,308
Real asset funds	69,387	77,425	61,891	64,638
	<u>724,098</u>	<u>770,540</u>	<u>705,306</u>	<u>753,311</u>
<b>Marketable Securities - Eaton Vance -</b>				
Tax Managed Growth Funds	3,533	63,099	3,533	56,776
	<u>\$ 1,878,750</u>	<u>\$ 2,100,053</u>	<u>\$ 1,811,909</u>	<u>\$ 2,037,245</u>

### Relationship Between the Cost and Market Value of Investments

	Cost	Market Value	Excess of Market Over Cost	
			2014	2013
Balance at December 31, 2014	\$ 1,878,750	\$ 2,100,052	\$ 221,302	
Balance at December 31, 2013	1,811,909	2,037,246	225,337	\$ 225,337
Balance at December 31, 2012	1,762,598	1,933,721	-	171,123
Increase in unrealized (loss) gain			(4,035)	54,214
Realized gain on sale of investments			64,219	105,073
Interest and dividends			55,342	55,996
Investment fees			(18,270)	(17,219)
Total Investment Earnings			<u>\$ 97,256</u>	<u>\$ 198,064</u>

**SPRINGFIELD BOYS & GIRLS CLUB, INC.**

Notes to the Financial Statements

December 31, 2014

**NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	2014	2013
Youth for Success Program	\$ -	\$ 20,000
Youth at Risk Program	12,195	12,195
Education programs	18,559	5,000
Education scholarships	8,200	8,192
Capital improvements	23,506	-
Appreciation on permanently restricted pooled investments - camp and club programs	276,190	251,342
	\$ 338,650	\$ 296,729

**NOTE 8 – PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets of \$4,895,319 and \$5,031,667 as of December 31, 2014 and 2013, respectively, require that the corpus be invested in perpetuity. One of these bequests requires that annually \$100 of earnings be permanently reinvested. The other gifts and bequests allow all of the income to be available for current operations.

**NOTE 9 – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the following restricted purpose:

Appreciation on permanently restricted pooled investments - camp and club programs	\$ 29,531
Youth for Success Program	40,000
Education programs	10,942
Youth at Risk Program	24,390
Capital improvements	56,494
	\$ 161,357

**NOTE 10 – OPERATING LEASES**

In May, 2011, the Club entered into a fax/copier lease which will expire in May, 2016. Monthly lease payments are \$381.

Future minimum lease payments are expected to be as follows:

2015	\$ 4,572
2016	1,905

**NOTE 11 – CAPITAL LEASE**

Capital lease obligation secured by telephone system, payable in monthly installments of \$171, including interest at 9.43% through September, 2014.

Less - amount due within one year	1,478
Total capital lease payable - due after one year	\$ -

# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Notes to the Financial Statements

December 31, 2014

Leased assets recorded under capital assets include:

Telephone system	\$	5,336
Less - accumulated depreciation		<u>1,601</u>
Net Value	\$	<u><u>3,735</u></u>

### NOTE 12 – CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are included in the financial statements as contributions receivable and support of the appropriate net asset category.

Unconditional promises to give are expected to be realized in the following periods:

	<u>2014</u>	<u>2013</u>
In one year or less	<u>\$ 5,833</u>	<u>\$ 10,000</u>

### NOTE 13 – CONCENTRATION OF CREDIT RISK

In the normal course of business, the Club has funds on deposit with a bank in excess of the amount covered by FDIC Insurance. The excess amount was \$-0- for the years ended December 31, 2014 and 2013.

The Club invests in money market funds that are not insured or guaranteed by the FDIC or any other government agency. The balance in these funds was \$-0- and \$80,407 for the years ended December 31, 2014 and 2013, respectively.

### NOTE 14 – ENDOWMENTS

The Club's endowment consists of various funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Club has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Club classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Club in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Club considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Club, and (7) the Club's investment policies.

# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Notes to the Financial Statements

December 31, 2014

*Endowment Investment and Spending Policies.* The Springfield Boys & Girls Club, Inc. has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Springfield Boys & Girls Club, Inc.'s spending and investment policies work together to achieve this objective. The investment policy does not contain a specific return expectation but establishes a return objective through diversification of asset classes. The Springfield Boys & Girls Club, Inc. relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Springfield Boys & Girls Club, Inc. targets a diversified asset allocation that places an emphasis on fixed income securities and equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Springfield Boys & Girls Club, Inc.'s various endowed funds, for programs and administration. The current spending policy is to distribute an amount no more than 7% of a moving three-year average of the fair value of the endowment funds. Accordingly, over the long term, the Springfield Boys & Girls Club, Inc. expects its current spending policy to allow its endowment assets to grow annually. This is consistent with the Springfield Boys & Girls Club, Inc.'s objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

Endowment net asset composition by type of fund as of December 31, 2014 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor restricted endowment funds	\$ 187,388	\$ 276,190	\$ 802,836	\$ 1,266,414

Changes in endowment net assets as of December 31, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ 173,080	\$ 251,342	\$ 802,736	\$ 1,227,158
Additions	21,471	-	-	21,471
Investment income	18,327	18,223	100	36,650
Net realized and unrealized gain	19,468	36,156	-	55,624
Investment fees	(8,613)	-	-	(8,613)
Amounts appropriated for expenditure	(36,345)	(29,531)	-	(65,876)
Endowment net assets - end of year	\$ 187,388	\$ 276,190	\$ 802,836	\$ 1,266,414

Endowment net asset composition by type of fund as of December 31, 2013 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor restricted endowment funds	\$ 173,080	\$ 251,342	\$ 802,736	\$ 1,227,158



# SPRINGFIELD BOYS & GIRLS CLUB, INC.

## Notes to the Financial Statements

December 31, 2014

Changes in endowment net assets as of December 31, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, beginning of year	\$ 116,099	\$ 200,892	\$ 802,636	\$ 1,119,627
Additions	17,527	-	-	17,527
Investment income	16,061	22,032	100	38,193
Net realized and unrealized gain	30,986	79,677	-	110,663
Investment fees	(7,593)	-	-	(7,593)
Amounts appropriated for expenditure	-	(51,259)	-	(51,259)
Endowment net assets - end of year	<u>\$ 173,080</u>	<u>\$ 251,342</u>	<u>\$ 802,736</u>	<u>\$ 1,227,158</u>

### NOTE 15 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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* Unadjusted quoted prices for identical assets or liabilities in active markets that the Club has the ability to access.

*Level 2* Quoted prices for similar assets or liabilities in active markets;  
Quoted prices for identical or similar assets or liabilities in inactive markets;  
Inputs other than quoted prices that are observable for the asset or liability;  
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* 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.

Assets valued at fair value by the Club include investments in marketable securities, pooled investments and beneficial interests in perpetual trusts.

The following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at December 31, 2014 and 2013.

Cash equivalents are valued at net asset value (NAV) of \$1.

## SPRINGFIELD BOYS & GIRLS CLUB, INC.

### Notes to the Financial Statements

December 31, 2014

Debt and equity securities, including equities, mutual funds, fixed income funds, commodity funds and real estate investment trusts are valued at the closing price reported in the active market in which the individual securities are traded.

Beneficial interest in perpetual trust is valued at the Club's interest in each trust.

The following table sets forth by level, within the fair value hierarchy, the Club's assets at fair value as of December 31, 2014 and 2013:

Assets at Fair Value as of December 31, 2014				
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 55,087	\$ 55,087	\$ -	\$ -
Equities	1,082,011	1,082,011	-	-
Mutual funds	63,099	63,099	-	-
Fixed income funds	666,966	666,966	-	-
Other complimentary strategies	75,680	75,680	-	-
Real estate investment trusts	79,785	-	79,785	-
Real asset funds	77,425	77,425	-	-
Beneficial interest in perpetual trusts	4,092,483	-	-	4,092,483
	\$ 6,192,536	\$ 2,020,268	\$ 79,785	\$ 4,092,483

Assets at Fair Value as of December 31, 2013				
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 64,065	\$ 64,065	\$ -	\$ -
Equities	1,058,204	1,058,204	-	-
Mutual funds	56,776	56,776	-	-
Fixed income funds	659,024	659,024	-	-
Other complimentary strategies	80,308	80,308	-	-
Real estate investment trusts	54,230	-	54,230	-
Real asset funds	64,638	64,638	-	-
Beneficial interest in perpetual trusts	4,228,931	-	-	4,228,931
	\$ 6,266,176	\$ 1,983,015	\$ 54,230	\$ 4,228,931

The following table sets forth a summary of changes in the fair value of the Club's Level 3 investments for the year ended December 31, 2014:

Fair value at the beginning of year	\$ 4,228,931
Unrealized loss on beneficial interest in perpetual trusts	(136,448)
Fair value at the end of year	\$ 4,092,483

**SPRINGFIELD BOYS & GIRLS CLUB, INC.**

Notes to the Financial Statements

December 31, 2014

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**NOTE 16 – INVESTMENT IN LAND**

Donated land is located within the Towns of Wilbraham and Blandford, Massachusetts and is currently not being used by the Club.

**NOTE 17 – RECLASSIFICATIONS**

Prior year's financial statements have been reclassified to conform with the current year's presentation. The reclassification has no effect on the previously reported change in net assets for the year ended December 31, 2013.

**SUPPLEMENTARY**

**INFORMATION**

**SPRINGFIELD BOYS & GIRLS CLUB, INC.**  
**Schedule of Program Activities - Unrestricted**  
For the Year Ended December 31, 2014

	2014				Schedule 1
	Club	After School Care	Indian Orchard	Education Program	Total
<b>Support and Revenue</b>					
Grant revenue	\$ 115,490	\$ -	\$ -	\$ 33,500	\$ 148,990
New England Farm Workers' Council, Inc.	-	171,777	-	-	171,777
Memberships and parent fees	25,908	20,597	35,133	2,175	83,813
Contributions	102,487	-	6,528	6,000	115,015
Productive enterprises	21,620	-	-	-	21,620
Special events	200,809	-	-	-	200,809
Interest and dividends -					
Pooled investments	18,327	-	-	-	18,327
Other	45,793	-	-	-	45,793
Other income	-	-	-	-	-
Investment revenue - perpetual trusts	223,080	-	-	-	223,080
In-kind income	47,204	-	45,315	-	92,519
Net assets released from restrictions	110,415	-	-	50,942	161,357
	<b>911,133</b>	<b>192,374</b>	<b>86,976</b>	<b>92,617</b>	<b>1,283,100</b>
<b>Total Support and Revenue</b>					
<b>Total Expense by Program Before</b>					
<b>Administration and Fundraising Allocation</b>					
Administration allocation	527,668	178,409	112,771	68,417	887,265
Fundraising allocation	182,153	61,587	38,929	23,618	306,287
	185,888	-	-	-	185,888
	<b>895,709</b>	<b>239,996</b>	<b>151,700</b>	<b>92,035</b>	<b>1,379,440</b>
<b>Total Expense by Program</b>					
<b>Change in Net Assets Before</b>					
Investments Gains and (Losses)	\$ 15,424	\$ (47,622)	\$ (64,724)	\$ 582	\$ (96,340)