

BOYS AND GIRLS CLUB OF ROSEBUD, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2017

Boys and Girls Club of Rosebud, Inc.

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Independent Auditor's Report

To the Board of Directors of
Boys and Girls Club
of Rosebud, Inc.
Mission, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the **Boys and Girls Club of Rosebud, Inc.**, a nonprofit corporation, (the Club) which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows 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, whether due to fraud or error.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Boys and Girls Club of Rosebud, Inc. as of December 31, 2017, 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.

Uhlenberg Ritzman + Co., LLC

Yankton, South Dakota
May 21, 2018

BOYS AND GIRLS CLUB OF ROSEBUD, INC.

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

Assets

Current Assets

Cash and cash equivalents	\$ 185,567
Restricted cash and cash equivalents	66,229
Accounts receivable	<u>3,669</u>

Total current assets 255,465

Property and Equipment

Building improvements	273,738
Furniture and equipment	92,794
Vehicles	83,682
Less accumulated depreciation	<u>(134,744)</u>
	<u>315,470</u>

Total assets \$ 570,935

Liabilities and Net Assets

Current Liabilities

Credit card payable	\$ 6,141
Accrued payroll	14,178
Refundable advances	<u>55,000</u>

Total current liabilities 75,319

Net Assets

Unrestricted	484,387
Temporarily restricted	<u>11,229</u>

Total net assets 495,616

Total liabilities and net assets \$ 570,935

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

BOYS AND GIRLS CLUB OF ROSEBUD, INC.

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>
Revenues, Gains and Other Support			
Tribal donations	\$ 40,000	\$ -	\$ 40,000
Business donations	40,537	-	40,537
Grant revenue	598,649	39,750	638,399
Contributions	37,417	-	37,417
(Loss) on disposal of net assets	<u>(6,500)</u>	<u>-</u>	<u>(6,500)</u>
Total revenues, gains and other support	<u>710,103</u>	<u>39,750</u>	<u>749,853</u>
Expenses			
Program services	490,369	-	490,369
General and administrative	<u>200,150</u>	<u>-</u>	<u>200,150</u>
Total expenses	<u>690,519</u>	<u>-</u>	<u>690,519</u>
Reclassification of Net Assets			
Net assets released from restrictions - restrictions satisfied by payments	<u>108,317</u>	<u>(108,317)</u>	<u>-</u>
Change in net assets	127,901	(68,567)	59,334
Net assets - beginning of year	<u>356,486</u>	<u>79,796</u>	<u>436,282</u>
Net assets - end of year	<u>\$ 484,387</u>	<u>\$ 11,229</u>	<u>\$ 495,616</u>

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

BOYS AND GIRLS CLUB OF ROSEBUD, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>2017 Total</u>
Payroll:			
Salaries	\$ 278,874	\$ 92,958	\$ 371,832
Payroll taxes	23,240	7,747	30,987
Employee benefits	-	9,152	9,152
Total payroll	<u>302,114</u>	<u>109,857</u>	<u>411,971</u>
Other:			
Facilities and equipment	54,395	18,132	72,527
Supplies	67,777	-	67,777
Depreciation	27,601	9,200	36,801
Utilities	-	21,517	21,517
Transportation	19,111	-	19,111
Travel	-	18,027	18,027
Professional services	-	16,748	16,748
Youth activities	12,926	-	12,926
Insurance	6,445	2,148	8,593
Dues, memberships & subscriptions	-	3,630	3,630
Postage and delivery	-	407	407
Bank charges	-	325	325
Advertising	-	159	159
Total other	<u>188,255</u>	<u>90,293</u>	<u>278,548</u>
Total expenses	<u>\$ 490,369</u>	<u>\$ 200,150</u>	<u>\$ 690,519</u>

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

BOYS AND GIRLS CLUB OF ROSEBUD, INC.

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>
Cash Flows From Operating Activities	
Change in net assets	\$ 59,334
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	36,801
Loss on disposal of assets	6,500
(Increase) decrease in:	
Accounts receivable	36,334
Prepaid expenses	6,157
Increase (decrease) in:	
Accounts payable	(10,179)
Credit card payable	4,585
Accrued payroll	5,234
Deferred revenue	(124,243)
Refundable advances	<u>55,000</u>
Net cash provided by operating activities	<u>75,523</u>
Cash Flows From Investing Activities	
Purchases of property and equipment	<u>(75,587)</u>
Cash Flows From Financing Activities	
(Decrease) in Cash and Cash Equivalents	(64)
Cash and Cash Equivalents, beginning of year	<u>251,860</u>
Cash and Cash Equivalents, end of year	<u>\$ 251,796</u>

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

BOYS AND GIRLS CLUB OF ROSEBUD, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Boys and Girls Club of Rosebud, Inc. (the Club) is a nonprofit corporation established to enable all young people, especially those who need it most, to reach their full potential as productive, caring, and responsible citizens.

The goals of the Club include maintaining operational standards set forth by the Boys and Girls Clubs of America; increasing youth membership; increasing youth activities locally and in the surrounding communities; and promoting positive self-identity; good health, character development, and the emotional, social, educational, vocational, and cultural well-being of our youth.

Basis of Accounting

The accompanying financial statements of the Club have been prepared on the accrual basis.

Support and Revenue

The Club receives its support primarily from grants funded through Sicangu Wicoti Awayankapi Corporation, Vucurevich Foundation, State of South Dakota, a stipend from the Rosebud Sioux Tribe, Nova Foundation and various donations.

Cash Contributions

Cash contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

If contributions are restricted by the donor and the restriction has been met in the same time period, the contribution is classified as unrestricted.

Functional Expenses

Expenses charged to each program based on direct expenditures incurred.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Club considers all highly liquid investments and deposits, with a term to maturity of three months or less when purchased, to be cash equivalents.

BOYS AND GIRLS CLUB OF ROSEBUD, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property and Equipment

The Club capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

Absent donor stipulations regarding how long those donated assets must be maintained, the Club reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Club reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

The net property and equipment balance has been recorded as a separate component in unrestricted net assets.

Donated Materials and Services

Donated materials and services are reflected as contributions at their estimated values at the date of receipt, with the exception that the Club does not recognize revenue from donated services of the Board members.

Income Taxes

The Club is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Use of Estimates

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

BOYS AND GIRLS CLUB OF ROSEBUD, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Raising Activity

The Club does not maintain a formal fund raising or solicitation department. An ongoing fund raising campaign is being conducted and outstanding pledges are being collected. In addition, the program directors compile data and prepare applications necessary to renew and obtain new grants and contributions.

2. ACCOUNTS RECEIVABLE

Management believes all receivables are collectible, thus no allowance for doubtful accounts has been established.

3. LEASES

The Club uses facilities in Mission and Rosebud, South Dakota that are owned by the Rosebud Sioux Tribe. The implied yearly contribution for the use of these facilities is calculated at \$15,428.

4. RELATED PARTY TRANSACTIONS

The Club paid dues of \$3,580 to the Boys & Girls Clubs of America in 2017.

5. TEMPORARILY RESTRICTED NET ASSETS

The Club receives donations and grants that are restricted for specific uses and programs. The ending balance of temporarily restricted net assets was \$11,229 at December 31, 2017.

6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 21, 2018, the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment to or disclosure in the accompanying financial statements.