

**BOYS AND GIRLS CLUBS OF ELKO, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**BOYS AND GIRLS CLUBS OF ELKO, INC.  
DECEMBER 31, 2018 AND 2017**

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Mahlke Hunsaker & Company PLLC

C e r t i f i e d P u b l i c A c c o u n t a n t s

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Elko Boys and Girls Club, Inc.

We have audited the accompanying financial statements of the Elko Boys and Girls Club, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Elko Boys and Girls Club, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and expenses-Winemaker Dinner on page 14 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 statement 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.

*Mahlke Hunsaker & Co.*

Twin Falls, Idaho

July 20, 2019

**BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 1,577,569	\$ 366,433
Prepaid Insurance	6,148	301
Accounts and Pledges Receivable	128,178	138,836
<b>Total Current Assets</b>	1,711,895	505,570
<b>Property and Equipment</b>		
Land	21,155	21,155
Buildings and Construction in Progress	3,900,070	3,770,306
Equipment and Software	494,636	463,059
Feasibility Studies	112,601	142,630
Less: Accumulated Depreciation/Amortization	(786,473)	(682,183)
<b>Total Property and Equipment</b>	3,741,989	3,714,967
<b>TOTAL ASSETS</b>	\$ 5,453,884	\$ 4,220,537
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 17,853	\$ 10,984
Accrued Payroll Expenses	16,856	23,693
<b>Total Current Liabilities</b>	34,709	34,677
<b>Net Assets</b>		
Without Donor Restrictions	4,240,784	4,061,731
With Donor Restrictions	1,178,391	124,129
<b>Total Net Assets</b>	5,419,175	4,185,860
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 5,453,884	\$ 4,220,537

See accompanying notes and accountants' report.

**BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2018 Total</b>
<b>SUPPORT AND REVENUE</b>			
<b>Support</b>			
Contributions	\$ 324,685	\$ 1,261,258	\$ 1,585,943
Grants and Contracts	-	129,362	129,362
Fundraising Activities	452,101	-	452,101
In-Kind Donations	293,400	-	293,400
Miscellaneous	61,908	-	61,908
<b>Total Support</b>	<u>1,132,094</u>	<u>1,390,620</u>	<u>2,522,714</u>
<b>Revenue</b>			
Membership Dues	140,413	-	140,413
Interest Earned	34	6	40
<b>Total Revenue</b>	<u>140,447</u>	<u>6</u>	<u>140,453</u>
<b>Total Support and Revenue</b>	1,272,541	1,390,626	2,663,167
Net Assets Released from Restrictions	<u>285,710</u>	<u>(285,710)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	1,558,251	1,104,916	2,663,167
<b>EXPENSES</b>			
Program Service	697,592	50,654	748,246
General and Administration	196,898	-	196,898
Fund Raising	484,708	-	484,708
<b>TOTAL EXPENSES</b>	<u>1,379,198</u>	<u>50,654</u>	<u>1,429,852</u>
<b>CHANGE IN NET ASSETS</b>	179,053	1,054,262	1,233,315
<b>Net Assets, January 1, 2018</b>	<u>4,061,731</u>	<u>124,129</u>	<u>4,185,860</u>
<b>Net Assets, December 31, 2018</b>	<u><u>\$ 4,240,784</u></u>	<u><u>\$ 1,178,391</u></u>	<u><u>\$ 5,419,175</u></u>

See accompanying notes and accountants' report.

**BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2017 Total</u>
<b>SUPPORT AND REVENUE</b>			
<b>Support</b>			
Contributions	\$ 313,299	\$ -	\$ 313,299
Grants and Contracts	-	133,613	133,613
Fundraising Activities	466,058	-	466,058
In-Kind Donations	301,100	-	301,100
Miscellaneous	68,679	-	68,679
<b>Total Support</b>	<u>1,149,136</u>	<u>133,613</u>	<u>1,282,749</u>
<b>Revenue</b>			
Membership Dues	106,559	-	106,559
Interest Earned	2	81	83
<b>Total Revenue</b>	<u>106,561</u>	<u>81</u>	<u>106,642</u>
<b>Total Support and Revenue</b>	1,255,697	133,694	1,389,391
Net Assets Released from Restrictions	<u>283,830</u>	<u>(283,830)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	1,539,527	(150,136)	1,389,391
<b>EXPENSES</b>			
Program Service	726,194	-	726,194
General and Administration	197,964	-	197,964
Fund Raising	497,448	-	497,448
<b>TOTAL EXPENSES</b>	<u>1,421,606</u>	<u>-</u>	<u>1,421,606</u>
<b>CHANGE IN NET ASSETS</b>	117,921	(150,136)	(32,215)
<b>Net Assets, January 1, 2017</b>	<u>3,943,810</u>	<u>274,265</u>	<u>4,218,075</u>
<b>Net Assets, December 31, 2017</b>	<u>\$ 4,061,731</u>	<u>\$ 124,129</u>	<u>\$ 4,185,860</u>

See accompanying notes and accountants' report.

**BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017**

	<b>Support Services</b>			<b>2018 Total</b>
	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fund Raising</b>	
<b>EXPENSES:</b>				
Compensation:				
Salaries and Wages	\$ 344,833	\$ 105,929	\$ -	\$ 450,762
Payroll Taxes	32,807	10,078	-	42,885
Health Insurance	2,216	6,649	-	8,865
Training	10,200	-	-	10,200
Bank Charges	12,065	4,022	-	16,087
Depreciation and Amortization	132,459	6,972	-	139,431
Dues and Subscriptions	9,928	-	-	9,928
In-Kind Expenses:				
Annual Fundraising Dinner	-	-	234,000	234,000
Other	14,500	21,700	23,200	59,400
Insurance	38,750	4,306	-	43,056
Legal and Professional	6,175	13,388	18,459	38,022
Postage and Printing	-	1,927	5,780	7,706
Program Transportation	4,143	-	-	4,143
Repairs and Maintenance	28,616	3,180	-	31,795
Special Events	-	-	148,240	148,240
Supplies	25,681	11,006	55,030	91,717
Telephone	6,216	6,216	-	12,432
Utilities	29,003	1,526	-	30,529
<b>TOTALS</b>	<b>\$ 697,592</b>	<b>\$ 196,898</b>	<b>\$ 484,708</b>	<b>\$ 1,379,198</b>

See accompanying notes and accountants' report.



**BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017**

	<b>Support Services</b>			<b>2017 Total</b>
	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fund Raising</b>	
<b>EXPENSES:</b>				
Compensation:				
Salaries and Wages	\$ 361,479	\$ 111,043	\$ -	\$ 472,522
Health Insurance	2,205	6,615	-	8,820
Payroll Taxes	36,819	11,311	-	48,130
Training	12,040	-	-	12,040
Bad Debts	-	-	-	-
Bank Charges	12,218	4,073	-	16,291
Depreciation and Amortization	132,901	6,995	-	139,896
Dues and Subscriptions	9,056	-	-	9,056
In-Kind Expenses:				
Annual Fundraising Dinner	-	-	216,200	216,200
Other	17,200	21,000	46,700	84,900
Insurance	35,621	3,958	-	39,579
Janitorial	-	-	-	-
Legal and Professional	4,918	10,663	14,701	30,282
Postage and Shipping	-	234	703	937
Program Transportation	4,492	-	-	4,492
Repairs and Maintenance	29,615	3,291	-	32,906
Special Events	-	-	156,802	156,802
Supplies	28,871	12,519	62,342	103,732
Telephone	4,458	4,458	-	8,916
Utilities	34,301	1,805	-	36,106
	<u>\$ 726,194</u>	<u>\$ 197,964</u>	<u>\$ 497,448</u>	<u>\$ 1,421,606</u>

See accompanying notes and accountants' report.

**BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Cash Flows from Operating Activities</b>		
<b>Change in Net Assets</b>	\$ 1,233,315	\$ (32,215)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	139,431	139,896
(Increase) Decrease in:		
Receivables	10,658	(79,045)
Prepaid Insurance	(5,847)	3,859
Increase (Decrease) in:		
Accounts Payable	6,869	4,156
Construction Payable	-	-
Accrued Expenses	(6,837)	1,889
<b>Net Cash Provided by Operating Activities</b>	<b>1,377,589</b>	<b>38,540</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(166,453)	(145,543)
<b>Net Cash Used by Investing Activities</b>	<b>(166,453)</b>	<b>(145,543)</b>
<b>Cash Flows from Financing Activities</b>	-	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,211,136	(107,003)
<b>Cash Balance, January 1</b>	<b>366,433</b>	<b>473,436</b>
<b>Cash Balance, December 31</b>	<b>\$ 1,577,569</b>	<b>\$ 366,433</b>
 <b>Supplemental Schedule of NonCash Investing and Financing Activities:</b>		
Facilities, supplies and services acquired through donation of in-kind services	\$ 293,400	\$ 301,100

See accompanying notes and accountants' report.

**BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Boys and Girls Clubs of Elko, Inc. (the Club) is presented to assist the reader in understanding the Club's financial statements. The financial statements and notes are representations of the Club's management, who is responsible for their integrity and objectivity.

***Business Activity and History***

The Boys and Girls Clubs of Elko, Inc. was established in 1996 in Elko, Nevada as a nonprofit organization. Its mission is to inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible, and caring citizens. The Club serves youth ages 6 through 17 and currently operates out of a facility located in Elko, Nevada, and has operations in Wells, Nevada.

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded when earned and expenses are reported when incurred.

***Basis of Presentation***

The Club has adopted the Accounting Standard Codification (ASC) No. 958-205-45, "Financial Statements of Not-for-Profit-Organizations". Under ASC 958-205-45, the Club is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Club is also required to present a statement of cash flows.

Net Assets Without Donor Restrictions – Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management to fulfill the mission and vision of the Club. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets with Donor Restrictions – Net assets subject to donor-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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in without donor restriction net asset unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in without donor restriction net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in without donor restriction net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**THE BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand and on deposit and all highly liquid investments with an original maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those investments.

***Other Financial Instruments***

Recorded amounts for other receivables, prepaid expenses and other assets, and accounts payable, accrued expenses, and other liabilities approximate fair value.

***Accounts Receivable***

The Club collects busing and membership fees from the youth it provides services for. The parents of the youths are billed monthly for the use of the facilities and for specific programs. Some of the families are not able to afford some or all the fees, and the board feels that they will not turn away kids, so they offer them scholarships to offset the fees. The Club also has a list of boosters that have committed to support a fixed amount of dollars each year.

***Property and Equipment***

Generally, items of property and equipment with at carrying value in excess of \$1,000 are capitalized and reported at cost when purchased, and initially at fair value when acquired by gift. Depreciation is generally provided on a straight-line basis over the estimated useful lives of the respective assets which ranges between 5 and 50 years. When items are retired, sold or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations. The cost of maintenance and repairs is charged to expense when incurred.

***Compensated Absences***

The Club recorded an accrual for the accumulated unused vacation benefits in the amounts of \$0 and \$0 for the years ended December 31, 2018 and 2017, respectively. No compensation for unused sick leave is paid upon termination or retirement; therefore no related liability has been recorded.

***Contributions and Grants***

Contributions are recognized when a donor makes an unconditional promise to give to the Club. Contributions that are restricted by the donor are reported as increases in without donor restriction net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in with donor restrictions net assets depending on the nature of the restriction. When a restriction expires, with donor restriction net assets are reclassified to without donor restriction net assets.

Grant revenues are recorded as they are earned, according to the provisions of the grant. Normally, grant revenues are earned and received as the grant period progresses. The provisions of the grant determine the timing of revenue recognition. Grant expenses are recognized when incurred for a grant-related obligation.

***Pledges***

Unconditional promises to give (pledges) are recognized as revenue in the period received. All pledges are available for unrestricted use unless specifically restricted by the donor. Bequests are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable.

**THE BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

***Functional Expenses***

The costs of providing the Club's various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited based on management's estimates of costs associated with the various activities.

***Advertising***

Advertising costs are expensed as incurred and totaled \$4,715 and \$0 for the years ended December 31, 2018 and 2017, respectively.

***Income Tax Status***

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

***Liquidity Management***

The Club has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Club has \$472,479 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash of \$344,301 and receivables of \$128,178 as of December 31, 2018. The Club had \$351,463 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash of \$212,627 and receivables of \$138,836 as of December 31, 2017. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires that management 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 reporting period. Actual results could differ from those estimates.

***Custodial Credit Risk***

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterpart, the Club will not be able to recover the value of its deposits or investments that are in the possession of an outside party. The Club does not have a policy for custodial credit risk outside of the deposit and investment agreements.

**THE BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

***Concentrations of Credit Risk***

Financial Instruments that potentially subject the Club to credit risk consist principally of receivables and cash accounts in financial institutions. The Club has not invested in any cash equivalents. All recorded receivable amounts are from federal or state funded programs or private donations, thus the Club does not anticipate any uncollectible amounts. The Club exceeded the \$250,000 FDIC limits as of December 31, 2018 by \$574,205, and by \$96,607 as of December 31, 2017. The Club has not experienced any losses in such accounts.

Approximately 51% in 2018 and 55% in 2017 of the Club’s unrestricted revenues are derived from special events fundraising. The current level of the Club’s operations and program services may be impacted if these special event revenues decline.

***Accounting Pronouncements Adopted***

In August 2016, the Financial Accounting Standards Board (the “FASB”) issued an update to Not-For-Profit accounting to help charities, foundations, universities, and other Not-For-Profit Groups (Organization) better tell their “Financial Story”. The Accounting Standards Update (ASU) No. 2016-14, Not-For-Profit Entities, deals largely with financial statement presentation issues – how organizations convey how they spend and invest their resources. The standard requires an organization to classify their assets into two categories-those with donor restrictions and those without. The update also aims to enhance information about an organization’s expenses through new expense analysis that shows expenses broken down by nature and function. Further, the update will require organizations to provide information that shows how they manage their access to cash over twelve months and retain liquidity. The update went into effect for financial statements issued for fiscal years beginning after December 15, 2017. The Club has implemented ASU 2016-14 as of and for the year ended December 31, 2017.

A recap of the net asset reclassifications driven by the adoption of ASU 2016-14 as of December 31, 2017 follows:

<b>Net Asset Classifications</b>	<b>ASU 2016-14 CLASSIFICATION</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Assets</b>
As previously presented:			
Unrestricted	\$ 4,061,731	\$ -	\$4,061,731
Permanently Restricted	-	124,129	124,129
Net Assets, as Reclassified	\$ 4,061,731	\$ 124,129	\$4,185,860

***Reclassification***

Certain amounts from the prior year have been reclassified to conform to the current year presentation.

**THE BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of December 31, 2018 and 2017 comprised the following:

	<b>2018</b>	<b>2017</b>
Cash in banks	\$ 1,577,169	\$ 366,033
Petty Cash	400	400
	<b>\$ 1,577,569</b>	<b>\$ 366,433</b>

**NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

***Fair Value Measurements***

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of ASC 825, Financial Instruments. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Organization could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

*Cash, receivables, accounts payable and accrued liabilities*

The carrying amounts reported in the statement of financial position for cash, receivables, accounts payable and accrued liabilities are a reasonable estimate of their fair value.

**NOTE 4 - PROPERTY AND EQUIPMENT**

Buildings, furniture and equipment and related depreciation are summarized as follows:

	<b>2018</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Subtractions</b>	
Land	\$ 21,155		-	\$ 21,155
Buildings and CIP	3,770,306	129,764		3,900,070
Furniture & Equipment	444,517	46,368	-	490,885
Feasibility Study	142,630	(30,029)	-	112,601
Software	18,542	-	-	18,542
Total	4,397,150	146,103	-	4,543,253
Less: A/Depreciation	(682,183)	(139,431)	20,350	(841,964)
Net Fixed Assets	<b>\$ 3,714,967</b>	<b>\$ 6,672</b>	<b>\$ 20,350</b>	<b>\$ 3,701,289</b>

**THE BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE 4 - PROPERTY AND EQUIPMENT-CONTINUED**

	<b>2017</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Subtractions</b>	<b>Ending Balance</b>
Land	\$ 21,155		-	\$ 21,155
Buildings and CIP	3,703,696	66,610		3,770,306
Furniture & Equipment	365,584	78,933	-	444,517
Feasibility Study	142,630	-	-	142,630
Software	18,542	-	-	18,542
Total	4,251,607	145,543	-	4,397,150
Less: A/Depreciation	(542,287)	(139,896)	-	(682,183)
Net Fixed Assets	<u>\$ 3,709,320</u>			<u>\$ 3,714,967</u>

Depreciation expense for 2018 and 2017 was \$139,431 and \$139,896.

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2018 and 2017 as follows:

Subject to expenditure for specified purposes or period:

	<u>2018</u>	<u>2017</u>
Capital Campaign	<u>\$ 1,178,391</u>	<u>\$ 124,129</u>

**NOTE 6 – CONTINGENCIES**

Generally, grants require the fulfillment of certain conditions as set forth in the grant contract. Failure to fulfill the conditions could result in the return of the funds to grantors. The Club's policy is to determine its ability to meet all required conditions before accepting the grant. Therefore, the Club's management deems the likelihood of this contingency remote.

**NOTE 7 – PLEDGES AND CONTRIBUTIONS RECEIVABLE**

A capital campaign began in the fiscal year ended June 30, 2010. The club received several very large pledges and contributions over the course of the year ended December 31, 2012. The club recognizes pledges receivable for the next fiscal year at 100% of the pledge. Pledges that are receivable in the next two to five years are discounted to net present value. There were no pledges receivable as of December 31, 2018 or 2017.



**THE BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018 AND 2017**

**NOTE 8 – IN-KIND DONATION AMOUNTS**

The In-Kind donation amounts recognized in the financial statements at December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Support:		
Annual Fundraising Dinner:		
Facility and meals	\$ 20,000	\$ 17,600
Beverages	22,000	23,600
Auction Items	175,000	175,000
Other Fundraisers	40,200	46,700
Program:		
Program, General & Admin	36,200	38,200
Total	<u>\$ 293,400</u>	<u>\$ 301,100</u>

**NOTE 6 – SUBSEQUENT EVENTS**

The Club has considered subsequent events through July 20, 2019, the date the financial statements were available to be issued.

**BOYS AND GIRLS CLUBS OF ELKO, INC.**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**ANNUAL WINEMAKER'S DINNER**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Auctions	\$ 131,931	\$ 172,826
Dinner Seating	23,400	22,500
In-kind Contributions-Auction Items, Facility and Wine	<u>234,000</u>	<u>216,200</u>
<b>Total Revenue</b>	389,331	411,526
<b>EXPENSES</b>		
Auctions	11,387	21,562
In-kind Contributions-Auction Items, Facility and Wine	234,000	216,200
Supplies	<u>8,491</u>	<u>6,822</u>
<b>Total Expenses</b>	<u>253,878</u>	<u>244,584</u>
<b>Net Revenue</b>	<u>\$ 135,453</u>	<u>\$ 166,942</u>

See accompanying accountants' report.