HERBERT HOOVER BOYS AND GIRLS CLUB OF ST. LOUIS, INC. (d/b/a BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.)

FINANCIAL STATEMENTS

DECEMBER 31, 2018

BOYS & GIRLS CLUBS

OF GREATER ST. LOUIS

Contents

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Independent Auditors' Report

Board of Directors
Boys and Girls Clubs of Greater St. Louis, Inc.
St. Louis, Missouri

Report On Financial Statements

We have audited the accompanying financial statements of Herbert Hoover Boys and Girls Club of St. Louis, Inc. d/b/a Boys and Girls Clubs of Greater St. Louis, Inc. (the Organization), a not-for-profit organization, which comprise the statement 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.

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 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 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 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 Herbert Hoover Boys and Girls Club of St. Louis, Inc. d/b/a Boys and Girls Clubs of Greater St. Louis, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 28, 2019 on our consideration of the Organization'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 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 Organization's internal control over financial reporting and compliance.

RubinBrown LLP

June 28, 2019

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF FINANCIAL POSITION

Assets

	December 31, 2018	2017
Current Assets		
Cash and cash equivalents	**$ 42,713**	$ 2,046,388
Investments (Note 3)	**5,575,908**	2,481,512
Unconditional promises to give - current (Note 5)	**1,753,786**	2,692,580
Accounts receivable	**167,975**	98,043
Prepaid insurance	**49,127**	55,544
Total Current Assets	**7,589,509**	7,374,067
Unconditional Promises To Give - Long-Term (Note 5)	**1,902,062**	1,461,468
Property And Equipment (Notes 6 And 7)	**11,979,142**	11,134,634
Assets Restricted For Permanent Endowment (Notes 3 And 9)	**5,258,150**	5,258,150
Total Assets	**$ 26,728,863**	$ 25,228,319

Liabilities And Net Assets

	2018	2017
Current Liabilities		
Line of credit (Note 10)	**$ 50,000**	$ —
Current maturities of long-term debt (Note 7)	**187,063**	179,923
Accounts payable and accrued expenses (Note 13)	**594,339**	365,360
Total Current Liabilities	**831,402**	545,283
Long-Term Debt (Note 7)	**816,358**	1,002,474
Total Liabilities	**1,647,760**	1,547,757
Net Assets		
Without donor restrictions		
Operating	**1,049,268**	1,498,793
Invested in property and equipment	**10,975,721**	9,952,237
Total Net Assets Without Donor Restrictions	**12,024,989**	11,451,030
With donor restrictions		
Time and/or purpose restrictions (Note 8)	**7,797,964**	6,971,382
Perpetual in nature (Note 8)	**5,258,150**	5,258,150
Total Net Assets With Donor Restrictions	**13,056,114**	12,229,532
Total Net Assets	**25,081,103**	23,680,562
Total Liabilities And Net Assets	**$ 26,728,863**	$ 25,228,319

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions: Time And/Or Purpose Restrictions	With Donor Restrictions: Perpetual In Nature	Total
Revenues And Support				
Contributions and grants	$ 2,743,263	$ 4,993,420	$ —	$ 7,736,683
United Way (Note 5)	4,644	538,494	—	543,138
In-kind donations	35,597	—	—	35,597
Membership and program fees	477,541	—	—	477,541
Fundraising event revenue (net of direct costs of benefits to donors of $293,789)	591,682	—	—	591,682
Miscellaneous income	90,317	—	—	90,317
	3,943,044	5,531,914	—	9,474,958
Net assets released from restrictions (Note 8)	4,354,120	(4,354,120)	—	—
Total Revenues And Support	8,297,164	1,177,794	—	9,474,958
Expenses				
Herbert Hoover Club	2,068,748	—	—	2,068,748
Adams Park Club	866,621	—	—	866,621
South East Middle School Club	355,345	—	—	355,345
Hazelwood East High School	178,047	—	—	178,047
Grannemann Elementary School Club	543,306	—	—	543,306
O'Fallon Park Club	377,214	—	—	377,214
Ferguson Middle School Club	165,714	—	—	165,714
Riverview Gardens Club	469,966	—	—	469,966
Lee Hamilton Elementary School Club	245,776	—	—	245,776
Roosevelt High School	249,665	—	—	249,665
Normandy High School	352,625	—	—	352,625
Mentor St. Louis	203,051	—	—	203,051
Total Program Services	6,076,078	—	—	6,076,078
General and administrative	809,240	—	—	809,240
Development and fundraising	773,898	—	—	773,898
Total Supporting Services	1,583,138	—	—	1,583,138
Total Expenses	7,659,216	—	—	7,659,216
Increase In Net Assets From Operations	637,948	1,177,794	—	1,815,742
Interest And Dividend Income, Net (Note 3)	68,026	134,293	—	202,319
Net Realized And Unrealized Losses On Investments (Note 3)	(132,015)	(485,505)	—	(617,520)
Increase In Net Assets	573,959	826,582	—	1,400,541
Net Assets - Beginning Of Year	11,451,030	6,971,382	5,258,150	23,680,562
Net Assets - End Of Year	$ 12,024,989	$ 7,797,964	$ 5,258,150	$ 25,081,103

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions: Time And/Or Purpose Restrictions	With Donor Restrictions: Perpetual In Nature	Total
Revenues And Support				
Contributions and grants	$ 2,316,718	$ 5,142,927	$ 2,060,250	$ 9,519,895
United Way (Note 5)	5,260	552,401	—	557,661
In-kind donations	68,639	—	—	68,639
Membership and program fees	506,121	—	—	506,121
Fundraising event revenue (net of direct costs of benefits to donors of $310,121)	567,314	—	—	567,314
Miscellaneous income	17,812	—	—	17,812
	3,481,864	5,695,328	2,060,250	11,237,442
Net assets released from restrictions (Note 8)	3,393,228	(3,393,228)	—	—
Total Revenues And Support	6,875,092	2,302,100	2,060,250	11,237,442
Expenses				
Herbert Hoover Club	1,982,324	—	—	1,982,324
Adams Park Club	959,452	—	—	959,452
South East Middle School Club	300,622	—	—	300,622
Hazelwood East High School	27,537	—	—	27,537
Grannemann Elementary School Club	472,580	—	—	472,580
O'Fallon Park Club	374,227	—	—	374,227
Ferguson Middle School Club	264,733	—	—	264,733
Riverview Gardens Club	488,607	—	—	488,607
Lee Hamilton Elementary School Club	397,673	—	—	397,673
Roosevelt High School	217,601	—	—	217,601
Normandy High School	372,407	—	—	372,407
Mentor St. Louis	296,993	—	—	296,993
Total Program Services	6,154,756	—	—	6,154,756
General and administrative	700,857	—	—	700,857
Development and fundraising	623,795	—	—	623,795
Total Supporting Services	1,324,652	—	—	1,324,652
Total Expenses	7,479,408	—	—	7,479,408
Increase (Decrease) In Net Assets From Operations	(604,316)	2,302,100	2,060,250	3,758,034
Interest And Dividend Income, Net (Note 3)	25,167	52,095	—	77,262
Net Realized And Unrealized Gains On Investments (Note 3)	141,887	474,565	—	616,452
Increase (Decrease) In Net Assets	(437,262)	2,828,760	2,060,250	4,451,748
Net Assets - Beginning Of Year	11,888,292	4,142,622	3,197,900	19,228,814
Net Assets - End Of Year	$ 11,451,030	$ 6,971,382	$ 5,258,150	$ 23,680,562

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2018

	Program Services												
	Herbert Hoover Club	Adams Park Club	South East Middle School Club	Hazelwood East High School	Grannemann Elementary School Club	O'Fallon Park Club	Ferguson Middle School Club	Riverview Gardens Club	Lee Hamilton Elementary School Club	Roosevelt High School	Normandy High School	Mentor St. Louis	Total Program Services
Personnel expenses	$ 1,026,288	$ 538,935	$ 261,876	$ 139,264	$ 443,544	$ 307,032	$ 124,846	$ 363,374	$ 203,936	$ 222,979	$ 297,348	$ 182,511	$ 4,111,933
Advertising and promotions	1,589	325	436	362	466	412	45	254	45	252	167	2	4,355
Conferences, conventions and meetings	397	478	299	101	631	40	134	420	53	285	490	241	3,569
Contracted services and program supplies	117,899	44,262	52,702	31,195	68,152	40,875	24,113	69,276	21,018	14,246	40,854	4,032	528,624
Depreciation	362,692	172,711	—	—	—	—	—	—	—	—	—	—	535,403
Dues and subscriptions	846	37	42	8	23	16	7	81	11	11	15	54	1,151
Equipment rental and maintenance	18,483	8,696	3,695	335	3,725	4,116	3,183	3,619	3,096	2,724	3,145	382	55,199
Interest expense	42,021	—	—	—	—	—	—	—	—	—	—	—	42,021
Liability insurance	50,435	30,600	19,358	303	12,021	7,916	5,324	10,716	8,564	287	360	5,239	151,123
Occupancy	347,980	35,615	334	167	510	354	156	4,641	231	234	648	191	391,061
Office supplies	48,677	8,997	4,122	2,882	4,198	7,284	1,864	7,555	2,259	4,703	2,975	6,654	102,170
Other - bank and merchant fees	—	—	—	—	—	—	—	—	—	—	—	—	—
Postage and shipping	5	2	239	—	13	1	18	217	18	1	396	—	910
Printing and publishing	2,285	538	430	119	283	137	264	333	137	34	46	23	4,629
Professional fees	—	—	—	—	—	—	—	—	—	—	—	—	—
Telecommunication and technology	38,210	23,995	8,454	1,900	7,462	7,570	5,454	5,748	5,215	3,324	5,366	1,785	114,483
Travel	10,941	1,430	3,358	1,411	2,278	1,461	306	3,732	1,193	585	815	1,937	29,447
	$ 2,068,748	$ 866,621	$ 355,345	$ 178,047	$ 543,306	$ 377,214	$ 165,714	$ 469,966	$ 245,776	$ 249,665	$ 352,625	$ 203,051	$ 6,076,078

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES *(Continued)*
For The Year Ended December 31, 2018

		Supporting Services			
	Total Program Services	General And Administrative	Development And Fundraising	Total Supporting Services	Total
Personnel expenses	$ 4,111,933	$ 442,300	$ 600,198	$ 1,042,498	$ 5,154,431
Advertising and promotions	4,355	29,025	24,959	53,984	58,339
Conferences, conventions and meetings	3,569	12,779	29,020	41,799	45,368
Contracted services and program supplies	528,624	22,090	4,225	26,315	554,939
Depreciation	535,403	40,299	—	40,299	575,702
Dues and subscriptions	1,151	33,902	—	33,902	35,053
Equipment rental and maintenance	55,199	5,075	2,994	8,069	63,268
Interest expense	42,021	4,669	—	4,669	46,690
Liability insurance	151,123	50	—	50	151,173
Occupancy	391,061	9,305	868	10,173	401,234
Office supplies	102,170	23,014	6,687	29,701	131,871
Other - bank and merchant fees	—	38,808	255	39,063	39,063
Postage and shipping	910	3,200	182	3,382	4,292
Printing and publishing	4,629	2,628	15,931	18,559	23,188
Professional fees	—	106,071	75,490	181,561	181,561
Telecommunication and technology	114,483	25,364	10,787	36,151	150,634
Travel	29,447	10,661	2,302	12,963	42,410
	$ 6,076,078	$ 809,240	$ 773,898	$ 1,583,138	$ 7,659,216

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2017

	Program Services												
	Herbert Hoover Club	Adams Park Club	South East Middle School Club	Hazelwood East High School	Grannemann Elementary School Club	O'Fallon Park Club	Ferguson Middle School Club	Riverview Gardens Club	Lee Hamilton Elementary School Club	Roosevelt High School	Normandy High School	Mentor St. Louis	Total Program Services
Personnel expenses	$ 1,036,844	$ 612,563	$ 223,947	$ 9,200	$ 390,633	$ 309,133	$ 207,647	$ 370,310	$ 318,968	$ 193,359	$ 318,230	$ 258,436	$ 4,249,270
Advertising and promotions	233	233	359	125	652	483	325	9,667	449	333	233	375	13,467
Conferences, conventions and meetings	4,247	1,446	907	3	966	1,711	1,338	1,642	679	1,284	1,563	3,366	19,152
Contracted services and program supplies	94,782	51,080	40,771	3,743	41,903	42,918	42,791	70,806	42,534	8,481	35,772	16,298	491,879
Depreciation	363,257	170,426	—	—	—	—	—	—	—	—	—	—	533,683
Dues and subscriptions	2,154	917	276	22	424	300	230	427	337	200	324	238	5,849
Equipment rental and maintenance	23,237	16,102	1,824	131	2,283	1,776	1,294	2,788	1,889	1,034	1,769	1,410	55,537
Interest expense	46,445	—	—	—	—	—	—	—	—	—	—	—	46,445
Liability insurance	43,760	26,642	16,788	17	10,477	6,797	4,685	9,310	7,542	131	224	4,704	131,077
Occupancy	306,580	43,379	390	36	612	484	342	633	515	282	483	384	354,120
Office supplies	15,541	8,954	3,121	4,637	6,186	3,089	2,203	11,120	7,183	3,792	4,675	8,013	78,514
Other - bank and merchant fees	—	—	—	—	—	—	—	—	—	—	—	—	—
Postage and shipping	28	14	130	—	7	5	4	133	6	3	5	4	339
Printing and publishing	1,960	563	414	301	846	352	234	710	325	92	93	38	5,928
Professional fees	—	—	150	—	—	450	—	2,000	—	—	—	—	2,600
Telecommunication and technology	29,206	21,844	7,951	9,281	15,213	3,233	392	4,662	15,682	5,851	5,680	2,905	121,900
Travel	14,050	5,289	3,594	41	2,378	3,496	3,248	4,399	1,564	2,759	3,356	822	44,996
	$ 1,982,324	$ 959,452	$ 300,622	$ 27,537	$ 472,580	$ 374,227	$ 264,733	$ 488,607	$ 397,673	$ 217,601	$ 372,407	$ 296,993	$ 6,154,756

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES *(Continued)*
For The Year Ended December 31, 2017

		Supporting Services			
	Total Program Services	General And Administrative	Development And Fundraising	Total Supporting Services	Total
Personnel expenses	$ 4,249,270	$ 384,185	$ 394,578	$ 778,763	$ 5,028,033
Advertising and promotions	13,467	51,940	7,000	58,940	72,407
Conferences, conventions and meetings	19,152	24,432	2,543	26,975	46,127
Contracted services and program supplies	491,879	476	3,666	4,142	496,021
Depreciation	533,683	39,767	—	39,767	573,450
Dues and subscriptions	5,849	29,310	111	29,421	35,270
Equipment rental and maintenance	55,537	9,179	4,303	13,482	69,019
Interest expense	46,445	5,161	—	5,161	51,606
Liability insurance	131,077	—	—	—	131,077
Occupancy	354,120	650	—	650	354,770
Office supplies	78,514	29,893	16,206	46,099	124,613
Other - bank and merchant fees	—	35,528	1,695	37,223	37,223
Postage and shipping	339	10,134	379	10,513	10,852
Printing and publishing	5,928	6,806	17,565	24,371	30,299
Professional fees	2,600	54,444	159,990	214,434	217,034
Telecommunication and technology	121,900	7,656	13,875	21,531	143,431
Travel	44,996	11,296	1,884	13,180	58,176
	$ 6,154,756	$ 700,857	$ 623,795	$ 1,324,652	$ 7,479,408

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.

STATEMENT OF CASH FLOWS

	For The Years Ended December 31, 2018	2017
Cash Flows From Operating Activities		
Increase in net assets	**$ 1,400,541**	$ 4,451,748
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation	**575,702**	573,450
Contributions of property and equipment	**—**	(45,047)
Contributions restricted for endowment	**—**	(2,060,250)
Realized and unrealized (gains) losses on investments	**617,520**	(616,452)
Changes in assets and liabilities:		
Unconditional promises to give	**498,200**	(1,375,872)
Accounts receivable	**(69,932)**	(72,569)
Prepaid insurance	**6,417**	(5,984)
Accounts payable and accrued expenses	**63,448**	114,895
Net Cash Provided By Operating Activities	**3,091,896**	963,919
Cash Flows From Investing Activities		
Proceeds from sale of investments	**1,365,060**	3,366,267
Purchases of investments	**(7,076,976)**	(2,341,475)
Purchases of property and equipment	**(1,254,679)**	(375,578)
Net Cash Provided By (Used In) Investing Activities	**(6,966,595)**	649,214
Cash Flows From Financing Activities		
Payments on long-term debt	**(178,976)**	(172,898)
Proceeds from line of credit	**300,000**	—
Payments on line of credit	**(250,000)**	—
Proceeds from endowment contributions	**—**	2,060,250
Net Cash Provided By (Used In) Financing Activities	**(128,976)**	1,887,352
Net Increase (Decrease) In Cash And Cash Equivalents	**(4,003,675)**	3,500,485
Cash And Cash Equivalents - Beginning Of Year	**4,046,388**	545,903
Cash And Cash Equivalents - End Of Year	**$ 42,713**	$ 4,046,388
Supplemental Disclosure Of Cash Flow Information		
Interest paid	**$ 46,691**	$ 52,097
Property and equipment purchases included in accounts payable	**165,531**	—
Cash And Cash Equivalents, End Of Year, Consist Of The Following:		
Cash and cash equivalents	**$ 42,713**	$ 2,046,388
Assets restricted for permanent endowment	**—**	2,000,000
	$ 42,713	$ 4,046,388

See the notes to financial statements.

1. Operations

Herbert Hoover Boys and Girls Club of St. Louis, Inc. d/b/a Boys and Girls Clubs of Greater St. Louis, Inc. (the Organization) is a not-for-profit organization dedicated to providing recreational, athletic and educational facilities for youth in the metropolitan St. Louis area.

The Organization operates at several locations, two of which it owns. The Organization also has agreements with the various school districts to offer programs at South East Middle School, Hazelwood East High School, Grannemann Elementary School, Ferguson Middle School, Highland Elementary School, Lee Hamilton Elementary School, Roosevelt High School, and Normandy High School.

During 2009, the Organization merged with Mentor St. Louis, a nonprofit corporation. Mentor St. Louis offers school-based mentoring supplemented by additional weekly contact with students in the St. Louis Public School District, including personal visits, phone calls and writing correspondence.

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting. Income is recognized when earned and expenses are recognized when incurred.

New Accounting Standard Implemented

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted ASU 2016-14 effective January 1, 2018 and applied its provision to the financial statements for the year ended December 31, 2018.

The ASU appends the current reporting model for not-for profit organizations and enhances their required disclosures. The primary changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed-in-service approach to recognize the expiration of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all not-for-profits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocations methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, and (f) presenting investment return net of external and direct internal investment expenses.

Basis Of Presentation

As noted, financial statements of not-for-profit organizations measure net assets and net asset activity based on the absence or existence of donor-imposed restrictions. Brief explanations of the net asset categories are presented below:

Net Assets Without Donor Restrictions represent those net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. All contributions are considered to be without donor restrictions unless specifically restricted by the donor.

Net Assets With Donor Restrictions represent those net assets whose use has been limited by donor-imposed stipulations that either can be fulfilled or expire by the passage of time, as well as those net assets whose use has been limited by donor-imposed stipulations that will remain in effect in perpetuity.

Estimates And Assumptions

Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for uncollectible receivables and promises to give.

Cash And Cash Equivalents

The Organization considers all unrestricted balances held in checking accounts, savings accounts and short-term investment accounts with original maturity dates of three months or less to be cash equivalents.

The Organization maintains its cash and cash equivalents at several banks and with several investment managers. At various times throughout the year, bank deposits may exceed federally insured limits. In addition, some cash equivalents consist of money market funds, which are not covered by the Federal Deposit Insurance Corporation (FDIC) but are covered by Securities Investor Protection Corporation (SIPC) insurable limits.

Investments

Investments are reported at fair value based on quoted prices in active markets for identical assets (Level 1) or on significant other observable inputs (Level 2) as described in Note 4. Gains or losses on sales of investments are determined on a specific cost identification method. Unrealized gains and losses are determined based on year-end fair value fluctuations. All investment income is reported as increases or decreases in net assets without donor restrictions unless a donor or law restricts the use of the income.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

Fair Value Of Financial Instruments

Various methods and assumptions were used to estimate the fair value of each class of financial instruments. Cash and cash equivalents are valued at their carrying amount due to their short maturities. Investments are reported at fair value based on quoted market prices or other significant inputs.

Accounts Receivable

Accounts receivable 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 a 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 accounts receivable. Management has determined that no valuation allowance is necessary for accounts receivable as of December 31, 2018 or 2017.

Unconditional Promises To Give

Unconditional promises to give in future periods are recognized as support in the period the promises are received. Promises to give, which depend upon specified future and certain events, are reported at the amount management expects to collect on balances outstanding at year end. Management provides for probable uncollectible amounts through a charge to bad debts and a credit to a valuation allowance based on its assessment of the current status of the existing receivables. 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 promises to give.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimate future cash flows. The resulting discount is amortized and reported as contribution revenue in the statement of activities.

Property And Equipment

Property and equipment are carried at cost, if purchased, or at fair value, if donated, less accumulated depreciation computed using the straight-line method over periods ranging from 3 to 40 years. The Organization capitalizes all expenditures in excess of $2,500 for property and equipment.

Revenues And Support

The Organization reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Property, Services And Materials

Various equipment, services and materials are donated to the Organization. Donated equipment, certain donated professional services and donated materials are recorded as contributions at their estimated fair value on the dates of the contributions. No donated services were received in 2018 or 2017.

From time to time, the Organization receives donated goods that it passes along to its members, but would not otherwise purchase. The Organization is not the ultimate beneficiary of these donated goods; therefore, revenue is not recorded. In addition, a substantial number of other volunteers have donated their time to the Organization's program services and fundraising activities. This volunteer time has not been recorded because it does not meet the criteria for recognition under generally accepted accounting principles.

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements:

Herbert Hoover Club

The Herbert Hoover Club (HHC) is our original facility located in North St. Louis City. HHC serves approximately 1,700 youth annually. The 78,000 square-foot state licensed facility houses a comprehensive Dental Clinic, Emerson Technology Center, Learning Center, MJL Aquatics Center, All-Star Baseball Field, art room, game room, teen center, performing arts studio, football field, fitness center and the administrative offices of the Club.

Adams Park Club

The Adams Park Club (APC) began operating in 2007 in South City at the Adams Park Community Center. APC serves approximately 600 youth annually. Located in the Forest Park Southeast neighborhood, the 21,348 square-foot state licensed center offers organized sports, fitness and recreation activities as well as teen and education programs.

South East Middle School Club

The Club's first school-based location, the Southeast Middle School Club (SMSC), which is located in the Hazelwood School District in the Spanish Lake area, opened in 2008. This site serves approximately 440 youth annually. SMSC operates five days a week. It is a partnership with Hazelwood School District and St. Louis County and shares a gymnasium, performance stage, library, technology center, cafeteria, art room and game room with the school.

Hazelwood East High School

Thanks to a 21st Century CCLC grant, a Project Learn PLUS program at Hazelwood East High School opened in 2017. This program offers a wide range of high energy activities designed to improve student academic achievement and address the multiple needs and interests of children and families. Members of the program receive homework assistance, access to a social worker and guidance counselor, college and career prep, tutoring, ACT prep, engage in sports and music activities and more.

Grannemann Elementary School Club

Grannemann Elementary School Club (GESC), formerly Twillman Elementary School Club, opened in the summer of 2013 and strengthened our partnerships with both the Hazelwood School District and the Spanish Lake community. This site serves approximately 295 youth annually. GESC operates five days a week, sharing a library, cafeteria, a computer lab and gymnasium with Grannemann Elementary School. GESG Club provides educational, recreational, and social activities.

O'Fallon Park Club

The O'Fallon Park Club (OFPC) located in North City opened in February of 2013 and is in partnership with the YMCA of Greater St. Louis and the City of St. Louis Department of Parks, Recreation and Forestry. This site serves approximately 770 youth annually. OFPC has offered a select number of programs and now operates at full capacity, 48 weeks a year, five days a week. The 79,000 square foot facility has a full-size double gymnasium - 12 basketball hoops plus volleyball nets, fitness center, elevated running/walking track, Teen Hub/game room, computer lab, 3 multipurpose rooms, classroom space, and indoor and outdoor pools.

Ferguson Middle School Club

Ferguson Middle School Club (FMSC) opened in the summer of 2015 to serve youth in Ferguson. This site serves approximately 690 youth annually. FMSC operates five days per week and is open year-round, offering both an after-school program and summer day camp. In partnership with the Ferguson-Florissant School District, the Club shares two gymnasiums, cafeteria, library, technology center, and offers a teen center with a fully operating music production studio.

Riverview Gardens Club

Riverview Gardens Club (RVGC) opened in the summer of 2016 and established our new partnerships with the Riverview Gardens School District and the community surrounding Highland Elementary School where the Club is located. This site serves approximately 235 youth annually. RVGC operates five days a week, sharing classroom space, a music room, cafeteria, a computer lab and gymnasium to provide educational, recreational, and social activities.

Lee Hamilton Elementary School Club

Lee Hamilton Elementary School Club (LHESC) opened in the fall of 2016 to serve elementary school youth in the Ferguson School District. This site serves approximately 65 youth annually. LHESC operates five days per week and is open year-round, offering after-school and summer day camp. Sharing classroom space, the cafeteria and gymnasium, the Club provides educational, recreational, and social activities.

Roosevelt High School

The BE GREAT: Graduate program is offered at Roosevelt High School beginning in 2017. This program is a comprehensive, targeted dropout prevention intervention designed to enhance youths' engagement with learning by providing consistent support from caring and trusted adults to develop the academic, emotional and social skills necessary to achieve academic success.

Normandy High School

The BE GREAT: Graduate program is offered at Normandy High School beginning in 2017. This program is a comprehensive, targeted dropout prevention intervention designed to enhance youths' engagement with learning by providing consistent support from caring and trusted adults to develop the academic, emotional and social skills necessary to achieve academic success.

Mentor St. Louis

Mentor St. Louis (MSL) was founded in 1995 and matches caring adults with elementary school children to enhance literacy and reading skills, trigger discussions, creative thinking and build students' self-esteem. Annually, over 200 mentors through the Club's Mentor St. Louis Program mentor more than 300 elementary school-age members at five St. Louis Public Schools.

General And Administrative

General and administrative includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Organization's program strategy, secure proper administrative functioning of the Board of Directors, maintain competent legal services for the program administration of the Organization, and manage the financial and budgetary responsibilities of the Organization.

Development And Fundraising

The development and fundraising function provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations, as well as support from local, state, and federal government agencies.

Functional Expense Allocation

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as specific to that functional area. Expenses that benefit multiple functional or program areas have been allocated across programs and other supporting services based on time studies and estimated direct usage based on check request coding.

See summary below for specific allocation methods used for various expenses:

Natural Category	**Method**
Personnel expenses	Time studies
Contracted services and program supplies	Direct charge and check request coding
Occupancy	Direct charge and check request coding
Professional fees	Direct charge and check request coding

Tax Status

The Organization constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes. The Organization has a policy to evaluate tax positions, which may be considered uncertain and has determined that no uncertain tax positions exist as of December 31, 2018.

3. Investments

Investments consist of:

	2018		2017	
	Cost	**Fair Value**	Cost	Fair Value
Cash and cash equivalents	**$ 2,333,751**	**$ 2,333,751**	$ 565,639	$ 565,639
Mutual funds	**4,258,253**	**4,203,596**	1,641,699	1,767,767
Government obligations	**551,981**	**546,655**	345,054	327,952
Corporate bonds	**230,667**	**221,672**	139,627	142,605
Corporate stocks	**3,369,806**	**3,528,384**	2,324,480	2,935,699
	$ 10,744,458	**$ 10,834,058**	$ 5,016,499	$ 5,739,662

For the years ended December 31, 2018 and 2017, unrealized losses of $697,067 and unrealized gains of $488,085, respectively, were recorded to adjust investments to fair value. For the years ended December 31, 2018 and 2017, realized gains of $79,547 and $128,367, respectively, were recorded from the sale of investments.

Investment fees of $75,489 and $50,944 were incurred in 2018 and 2017, respectively, and are netted against interest and dividend income.

Investments are classified in several funds as follows:

	2018	2017
Amberg Fund	**$ 1,081,510**	$ 1,198,875
Endowment		
Perpetual in nature	**5,258,150**	3,258,150
Unappropriated earnings	**66,994**	562,323
Other funds and general investments	**4,427,404**	720,314
	$ 10,834,058	$ 5,739,662

The assets restricted for permanent endowment consist of the following:

	2018	2017
Investments	**$ 5,258,150**	$ 3,258,150
Cash	**—**	2,000,000
	$ 5,258,150	$ 5,258,150

4. Fair Value

The Organization accounts for certain investments at fair value as required by generally accepted accounting principles. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

There are three general valuation techniques that may be used to measure fair value, as described below:

- Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable asset or liabilities.

- Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset.

- Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts.

Investments measured and reported at fair value are classified and disclosed in one of the following three categories:

Level 1 Quoted prices that are readily available in active markets/exchanges for identical investments.

Level 2 Pricing inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.

Level 3 Significant pricing inputs that are unobservable for the investment and includes investments for which there is little, if any, market activity for the investment.

The following are the major categories of assets measured at fair value on a recurring basis at December 31, 2018 and 2017:

	2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 2,333,751	$ —	$ —	$ 2,333,751
Mutual funds	4,203,596	—	—	4,203,596
Government obligations	—	546,655	—	546,655
Corporate bonds	—	221,672	—	221,672
Corporate stocks	3,528,384	—	—	3,528,384
Total Assets	$ 10,065,731	$ 768,327	$ —	$ 10,834,058

	2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 565,639	$ —	$ —	$ 565,639
Mutual funds	1,767,767	—	—	1,767,767
Government obligations	—	327,952	—	327,952
Corporate bonds	—	142,605	—	142,605
Corporate stocks	2,935,699	—	—	2,935,699
Total Assets	$ 5,269,105	$ 470,557	$ —	$ 5,739,662

At December 31, 2018 and 2017, the Level 2 assets utilize the following valuation techniques and inputs:

Government Obligations: The fair value of investments in government agency obligations is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

Corporate Bonds: The fair value of investments in U.S. and international corporate bonds is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options.

During 2018 and 2017, there were no changes in the methods or assumptions utilized to derive the fair value of the Organization's assets.

5. Promises To Give

Short-term promises consist of unconditional pledges that had not yet been collected at year end and are due within one year. Long-term promises to give include unconditional promises to give that are payable over a period greater than one year. At December 31, 2018 and 2017, unconditional promises to give are expected to be collected as follows:

	2018	2017
Pledges due in less than one year	**$ 1,753,786**	$ 2,706,660
Pledges due in 1 - 5 years	**2,044,490**	1,557,041
	3,798,276	4,263,701
Less: Present value discount	**(142,428)**	(95,573)
Less: Allowance for doubtful accounts	**—**	(14,080)
	$ 3,655,848	$ 4,154,048

Promises to give receivable in more than one year are discounted at a rate of 3.8%.

The United Way of Greater St. Louis, Inc. (United Way) provides funding for the Organization's activities. Notification of the succeeding year's funding is received by the Organization in December. Accordingly, the amounts awarded during 2018 and 2017 of $538,494 and $552,401, respectively, were recorded as net assets with donor restrictions and related promises to give at December 31, 2018 and 2017, respectively (Note 8).

6. Property And Equipment

Property and equipment consist of:

	2018	2017
Land	**$ 674,206**	$ 674,206
Land improvements	**242,030**	242,030
Buildings and improvements	**17,179,529**	17,147,042
Furniture and equipment	**1,524,617**	1,512,617
	19,620,382	19,575,895
Less: Accumulated depreciation	**9,079,654**	8,497,517
	10,540,728	11,078,378
Construction in progress	**1,438,414**	56,256
	$ 11,979,142	$ 11,134,634

Depreciation expense charged to revenues amounted to $575,702 in 2018 and $573,450 in 2017.

7. Long-Term Debt

The following is a summary of long-term debt:

	2018	2017
Note payable - Illinois Facility Fund, principal and interest are payable monthly in equal installments of $8,024 through July 1, 2024. The loan is secured by a first deed of trust on the property on North Grand. The note bore interest at 5.75% fixed rate through July 2014. As of July 2014, the note bears interest at 5.00%. Interest is recalculated every five years, so the interest rate was adjusted in July 2014 and will be adjusted again in 2019.	**$ 468,239**	$ 539,178
Note payable - Illinois Facility Fund, principal and interest are payable monthly in equal installments of $5,476 through October 1, 2022. The loan is secured by a second deed of trust on the property on North Grand. The note bore interest at 6.00% fixed rate through October 2012 and 2.89% through September 2017. As of October 2017, the note bears interest at 3.17%. Interest was recalculated every five years, but will remain unchanged through maturity.	**236,235**	293,290
Note payable - Illinois Facility Fund, principal and interest are payable monthly beginning in April 2014 in equal installments of $5,201 through March 1, 2024. The loan is secured by an expanded first deed of trust on the property on North Grand. The note bears interest at 3.5% through the term of the loan.	**298,947**	349,929
	1,003,421	1,182,397
Less: Current maturities of long-term debt	**187,063**	179,923
	$ 816,358	$ 1,002,474

The notes payable contain covenants pertaining to the maintenance and sale of property, loans and advances, and substantial changes in management or ownership. At December 31, 2018 and 2017, the Organization is in compliance with all notes payable covenants.

The scheduled maturities of the long-term debt at December 31, 2018 are as follows:

Year	**Amount**
2019	$ 187,063
2020	194,505
2021	202,260
2022	195,965
2023	151,757
Thereafter	71,871
	$ 1,003,421

See subsequent event disclosed in Note 14 for new loan agreement in 2019.

8. Net Assets With Time And/Or Purpose Restrictions

Net assets with time and/or purpose restrictions consist of the following at December 31:

	2018	2017
United Way - time restricted (Note 5)	**$ 538,494**	$ 552,401
Unappropriated endowment earnings	**66,994**	562,323
Adams Park programs	**929,400**	250,000
BE GREAT: Graduate programs	**331,387**	534,442
North County programs	**258,902**	538,366
Salaries	**800,000**	—
Teen center	**4,711,966**	4,435,680
Teen programs	**50,000**	98,170
Teen tech center	**71,187**	—
Time restrictions	**39,634**	—
	$ 7,797,964	$ 6,971,382

Net assets with time and purpose donor restrictions released from restrictions consist of the following:

	2018	2017
Expiration of time restrictions - United Way	**$ 552,401**	$ 602,825
Appropriated endowment earnings	**144,117**	138,664
Adams Park programs	**250,000**	250,000
BE GREAT: Graduate programs	**203,055**	201,073
Capital improvements	**111,833**	10,141
Club operations	**200,000**	500,000
Education programs	**458,000**	401,458
North County programs	**649,464**	917,500
O'Fallon Park Club	**100,000**	100,000
Summer program	**65,000**	75,000
Teen center	**1,441,554**	—
Teen programs	**138,170**	82,267
Transportation	**—**	80,000
Various programs	**40,526**	34,300
	$ 4,354,120	$ 3,393,228

9. Permanent Endowment Funds

The Organization’s permanent endowments consist of the following funds:

Endowment Fund	**Purpose Restriction**	**Year Established**
Taylor Fund	Character and leadership programs	2006
Mentor St. Louis Fund	School-based mentoring programs	2009
Emerson Fund	Technology programs	2010
Mary Ann Lee Fund	Education and career development	2011
Joan Silber Fund	Scholarships	2015
Crawford Taylor Fund	Compensation for club professionals	2017
DeHaven Fund	Scholarships	2017

Return Objectives And Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that produce maximum long-term returns consistent with the account's allowed risk level. The Organization expects its endowment funds, over time, to provide an average rate of return to exceed the sum of the endowments' spending rates, anticipated inflation, investment management consulting fees, and administrative costs. To achieve the endowment objective, the endowment assets are invested to generate appreciation and/or dividend and interest income and are diversified among several asset classes. Actual returns in any given year may vary from this amount.

Strategies Employed For Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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 Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy And How The Investment Objectives Relate To Spending Policy

The investment policy includes a formal spending policy, which allows the Organization to distribute a maximum annual amount of 4% of the current market value of each endowment. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow on an annual basis. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return. The Organization has a policy that permits prudent spending from underwater endowments, unless otherwise precluded by donor intent or relevant laws and regulations.

As of December 31, 2018 and 2017, the asset composition of the endowments is as follows:

	2018						
	Without Donor Restrictions		Unappropriated Earnings		Perpetual In Nature		Total
Taylor Fund	$	—	$	124,670	$ 1,000,000	$	1,124,670
Mentor St. Louis Fund		—		50,529	677,900		728,429
Emerson Fund		—		14,155	500,000		514,155
Mary Ann Lee Fund		—		35,290	1,000,000		1,035,290
Joan Silber Fund		—		1,682	30,250		31,932
Crawford Taylor Fund		—		(159,054)	2,000,000		1,840,946
DeHaven Fund		—		(278)	50,000		49,722
	$	—	$	66,994	$ 5,258,150	$	5,325,144

	2017						
	Without Donor Restrictions		Unappropriated Earnings		Perpetual In Nature		Total
Taylor Fund	$	—	$	215,854	$ 1,000,000	$	1,215,854
Mentor St. Louis Fund		—		120,006	677,900		797,906
Emerson Fund		—		70,604	500,000		570,604
Mary Ann Lee Fund		—		148,953	1,000,000		1,148,953
Joan Silber Fund		—		3,834	30,250		34,084
Crawford Taylor Fund		—		—	2,000,000		2,000,000
DeHaven Fund		—		3,072	50,000		53,072
	$	—	$	562,323	$ 5,258,150	$	5,820,473

The changes in the endowment assets for the years ended December 31, 2018 and 2017 are as follows:

	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Balance - January 1, 2017	$ —	$ 174,327	$ 3,197,900	$ 3,372,227
Interest and dividends, net	—	52,095	—	52,095
Realized gains	—	94,825	—	94,825
Unrealized gains	—	379,740	—	379,740
Total investment return	—	526,660	—	526,660
Contributions	—	—	2,060,250	2,060,250
Amounts appropriated for spending	—	(138,664)	—	(138,664)
Balance - December 31, 2017	—	562,323	5,258,150	5,820,473
Interest and dividends, net	—	134,293	—	134,293
Realized gains	—	67,511	—	67,511
Unrealized losses	—	(553,016)	—	(553,016)
Total investment return	—	(351,212)	—	(351,212)
Amounts appropriated for spending	—	(144,117)	—	(144,117)
Balance - December 31, 2018	$ —	$ 66,994	$ 5,258,150	$ 5,325,144

Two endowment funds were underwater as of December 31, 2018.

10. Line Of Credit

The Organization entered into a $200,000 line of credit agreement, which expires on October 17, 2019, is secured by substantially all of the Organization's assets and bears interest at the prime rate, which was 5.5% at December 31, 2018. At December 31, 2018, the Organization had an outstanding balance of $50,000. During 2017, all drawn funds were paid off by the end of the year, and at December 31, 2017, no funds remained outstanding.

See subsequent event disclosed in Note 14 for new line of credit agreement in 2019.

11. Liquidity And Availability Of Financial Assets

The Organization's assets available within one year of the statement of financial position date for general expenditures are as follows at December 31, 2018:

Cash and cash equivalents	$ 42,713
Investments	5,575,908
Unconditional promises to give - current	1,753,786
Accounts receivable	167,975
Total financial assets	7,540,382
Less amounts not available to be used within one year:	
Donor purpose restrictions	5,828,908
Unappropriated earnings with purpose restrictions	66,994
Total financial assets not available to be used within one year	5,895,902
Financial assets available to meet cash needs for general expenditures within one year	$ 1,644,480

The Organization regularly monitors liquidity required to meet its operating needs and contractual commitments. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and a line of credit.

12. Commitments

In connection with Adams Park Community Center, the Organization is party to several real estate land lease agreements with the City of St. Louis and the Board of Education of the City of St. Louis. Commitments under the lease arrangement are not material to the Organization's financial statements.

13. Defined Contribution Plan

The Organization maintains a Section 403(b) defined contribution plan covering substantially all full-time employees. Benefit plan expenses totaled $62,569 and $48,683 for the years ended December 31, 2018 and 2017, respectively. In 2018 and 2017, the Organization offered a match equal to 2.5% of employee contributions. As of December 31, 2018 and 2017, the Organization had estimated accrued contributions outstanding of $60,049 and $45,466, respectively, which are included in accounts payable and accrued expenses in the statement of financial position.

14. Subsequent Events

During January 2019, the Organization entered into a construction loan for up to $4,100,000 at 4.0% interest for the first 36 months with a conversion to 4.5% for the remaining term. This loan will be used to pay off existing long-term debt, as well as fund construction for the Teen Center. The loan will be payable in 36 installments of interest only, followed by 65 installments of principal and interest in the amount of $25,939, with all unpaid principal and interest due upon maturity. The loan is secured by a first deed of trust on the property on West Florissant Avenue and matures in July 2027.

During January 2019, the Organization also entered into a new line of credit agreement for up to $300,000 with an interest rate of prime plus 1.0%. This line of credit will be used to provide funding for general working capital needs of the Organization. The line of credit is also secured by a first deed of trust on the property on West Florissant Avenue and matures in January 2020.

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.