West End House, Inc.
D/B/A West End House Boys and Girls Club of Allston-Brighton
and
West End House Support, Inc.

Consolidated Financial Report
December 31, 2019

Contents

Independent Auditor's Report

Board of Directors
West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton
and West End House Support, Inc.

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton and West End House Support, Inc. (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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 audits. We conducted our audits 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 the Organization as of December 31, 2019 and 2018, 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 consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, changes in net assets, and cash flows of the individual organizations and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

RSM US LLP

Boston, Massachusetts
September 21, 2020

West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton and West End House Support, Inc.

Consolidated Statements of Financial Position
December 31, 2019 and 2018

	2019			2018		
Assets	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Current assets:						
Cash and cash equivalents	$ 790,674	$ 638,217	$ 1,428,891	$ 644,084	$ 666,952	$ 1,311,036
Assets limited as to use	551,226	-	551,226	1,299,657	-	1,299,657
Current portion of pledges, grants, and other receivables, net	218,491	1,056,765	1,275,256	290,574	486,247	776,821
Contracts receivable	156,267	-	156,267	98,185	-	98,185
Prepaid expenses	14,548	-	14,548	6,850	-	6,850
Total current assets	1,731,206	1,694,982	3,426,188	2,339,350	1,153,199	3,492,549
Pledges and grants receivable, net of current portion and discount	-	307,500	307,500	-	1,099,690	1,099,690
Investments	230,536	2,547,912	2,778,448	279,903	2,241,109	2,521,012
Property and equipment, net of accumulated depreciation	12,168,280	-	12,168,280	12,195,276	-	12,195,276
Note receivable	8,210,000	-	8,210,000	8,210,000	-	8,210,000
Total assets	$ 22,340,022	$ 4,550,394	$ 26,890,416	$ 23,024,529	$ 4,493,998	$ 27,518,527
Liabilities and Net Assets						
Current liabilities:						
Current portion of mortgage payable	$ 30,344	$ -	$ 30,344	$ 29,210	$ -	$ 29,210
Current portion of notes payable, net of deferred financing costs	(79,216)	-	(79,216)	223,228	-	223,228
Accounts payable and accrued expenses	510,534	-	510,534	1,190,158	-	1,190,158
Total current liabilities	461,662	-	461,662	1,442,596	-	1,442,596
Mortgage payable, net of current portion	1,318,173	-	1,318,173	1,348,518	-	1,348,518
Notes payable, net of current portion and deferred financing costs	11,896,226	-	11,896,226	11,817,010	-	11,817,010
Total liabilities	13,676,061	-	13,676,061	14,608,124	-	14,608,124
Net assets:						
Without donor restrictions:						
Operating	460,127	-	460,127	372,075	-	372,075
Operating reserve	413,850	-	413,850	-	-	-
Board designated	-	-	-	99,312	-	99,312
Capital reserve	465,779	-	465,779	494,977	-	494,977
Real estate	7,324,205	-	7,324,205	7,450,041	-	7,450,041
Total net assets without donor restrictions	8,663,961	-	8,663,961	8,416,405	-	8,416,405
With donor restrictions:						
Purpose restricted	-	1,598,495	1,598,495	-	938,080	938,080
Time restricted	-	138,271	138,271	-	132,500	132,500
Comprehensive campaign	-	539,825	539,825	-	1,422,825	1,422,825
Funds acting as endowment	-	2,273,803	2,273,803	-	2,000,593	2,000,593
Total net assets with donor restrictions	-	4,550,394	4,550,394	-	4,493,998	4,493,998
Total net assets	8,663,961	4,550,394	13,214,355	8,416,405	4,493,998	12,910,403
Total liabilities and net assets	$ 22,340,022	$ 4,550,394	$ 26,890,416	$ 23,024,529	$ 4,493,998	$ 27,518,527

See notes to consolidated financial statements

West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton and West End House Support, Inc.

Consolidated Statements of Activities and Changes in Net Assets
Years Ended December 31, 2019 and 2018

	2019 Without Donor Restrictions	2019 With Donor Restrictions	2019 Total	2018 Without Donor Restrictions	2018 With Donor Restrictions	2018 Total
Operating revenue and support:						
Corporate/foundation grants and contributions	$ 1,365,769	$ 861,999	$ 2,227,768	$ 1,402,664	$ 218,500	$ 1,621,164
Campaign releases appropriated for operations	361,287	-	361,287	311,916	-	311,916
Government grants	293,358	66,520	359,878	270,549	27,642	298,191
Individual contributions	376,564	113,217	489,781	308,946	32,775	341,721
Investment earnings appropriated for operations	93,784	-	93,784	100,728	-	100,728
Rental fees and other	118,950	-	118,950	153,914	-	153,914
Interest income	89,402	-	89,402	98,979	-	98,979
In-kind contributions	63,018	-	63,018	17,828	-	17,828
Group events and membership dues	3,198	-	3,198	3,351	-	3,351
Net assets released from purpose restrictions	450,422	(450,422)	-	427,525	(427,525)	-
	3,215,752	591,314	3,807,066	3,096,400	(148,608)	2,947,792
Special events:						
Event contributions and support	549,581	127,000	676,581	879,076	132,500	1,011,576
Campaign releases appropriated for special events	95,232	-	95,232	79,495	-	79,495
Net assets released from time restrictions	132,500	(132,500)	-	-	-	-
	777,313	(5,500)	771,813	958,571	132,500	1,091,071
Less direct expenses	122,313	-	122,313	166,650	-	166,650
Net special events	655,000	(5,500)	649,500	791,921	132,500	924,421
Total operating revenue and support	3,870,752	585,814	4,456,566	3,888,321	(16,108)	3,872,213
Operating expenses:						
Program services	3,120,410	-	3,120,410	3,147,272	-	3,147,272
General and administrative	283,563	-	283,563	262,083	-	262,083
Fundraising	431,106	-	431,106	404,521	-	404,521
Total operating expenses	3,835,079	-	3,835,079	3,813,876	-	3,813,876
Change in net assets from operations before depreciation and amortization	35,673	585,814	621,487	74,445	(16,108)	58,337
Depreciation	369,841	-	369,841	311,486	-	311,486
Amortization of deferred financing costs	79,216	-	79,216	79,216	-	79,216
Change in net assets from operations	(413,384)	585,814	172,430	(316,257)	(16,108)	(332,365)
Other revenue (expenses):						
Comprehensive campaign contributions	-	410,445	410,445	-	866,865	866,865
Capital contributions	29,000	46,500	75,500	20,000	-	20,000
In-kind contributions - capital	74,788	-	74,788	140,662	-	140,662
Contribution expense	(175,000)	-	(175,000)	-	-	-
Investment (loss) return, net	31,162	399,316	430,478	(11,371)	(84,338)	(95,709)
Scholarship fund contributions	-	1,550	1,550	-	14,036	14,036
Comprehensive campaign losses	-	(120,000)	(120,000)	(8,000)	-	(8,000)
Loss on disposal of property	(15,936)	-	(15,936)	(3,506,761)	-	(3,506,761)
Investment earnings appropriated for operations	(93,784)	-	(93,784)	(100,728)	-	(100,728)
Campaign releases appropriated for operations	(456,519)	-	(456,519)	(391,411)	-	(391,411)
Net assets released from time restrictions	93,784	(93,784)	-	96,636	(96,636)	-
Net assets released from comprehensive campaign - capital	303,076	(303,076)	-	2,649,685	(2,649,685)	-
Net assets released from comprehensive campaign - other	870,369	(870,369)	-	391,411	(391,411)	-
Total other revenue (expenses)	660,940	(529,418)	131,522	(719,877)	(2,341,169)	(3,061,046)
Change in net assets	247,556	56,396	303,952	(1,036,134)	(2,357,277)	(3,393,411)
Net assets:						
Beginning of year	8,416,405	4,493,998	12,910,403	9,452,539	6,851,275	16,303,814
End of year	$ 8,663,961	$ 4,550,394	$ 13,214,355	$ 8,416,405	$ 4,493,998	$ 12,910,403

See notes to consolidated financial statements.

West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton
and West End House Support, Inc.

Consolidated Statements of Functional Expenses
Years Ended December 31, 2019 and 2018

	2019				2018			
	Program Services	**General and Administrative**	**Fundraising**	**Total**	Program Services	General and Administrative	Fundraising	Total
Salaries and related:								
Salaries	**$ 1,713,355**	**$ 106,214**	**$ 307,566**	**$ 2,127,135**	$ 1,570,723	$ 106,737	$ 289,470	$ 1,966,930
Employee benefits	**269,123**	**20,919**	**51,058**	**341,100**	277,515	19,150	52,313	348,978
Payroll taxes	**149,863**	**8,469**	**26,707**	**185,039**	134,862	9,164	24,723	168,749
Contract services	**1,049**	**-**	**-**	**1,049**	8,600	-	-	8,600
Staff development	**30,337**	**-**	**3,344**	**33,681**	31,448	-	1,681	33,129
Stipends	**26,105**	**-**	**-**	**26,105**	19,686	-	-	19,686
Total salaries and related	**2,189,832**	**135,602**	**388,675**	**2,714,109**	2,042,834	135,051	368,187	2,546,072
Occupancy:								
Utilities	**164,869**	**5,262**	**5,262**	**175,393**	171,640	4,477	5,478	181,595
Repairs and maintenance	**186,170**	**5,306**	**17,448**	**208,924**	185,450	5,387	17,324	208,161
Interest	**206,440**	**6,589**	**6,589**	**219,618**	211,200	5,869	5,569	222,638
Insurance	**29,729**	**955**	**950**	**31,634**	28,427	1,912	912	31,251
Total occupancy	**587,208**	**18,112**	**30,249**	**635,569**	596,717	17,645	29,283	643,645
Other:								
Professional fees	**9,225**	**127,354**	**-**	**136,579**	120,700	105,985	-	226,685
Program supplies and other	**41,655**	**-**	**-**	**41,655**	102,623	-	-	102,623
Food	**87,655**	**-**	**-**	**87,655**	92,407	-	-	92,407
Bad debts	**-**	**-**	**-**	**-**	50,000	-	-	50,000
Scholarships	**44,427**	**-**	**-**	**44,427**	33,667	-	-	33,667
Dues and subscriptions	**24,314**	**937**	**737**	**25,988**	22,575	875	601	24,051
Miscellaneous	**26,651**	**725**	**959**	**28,335**	21,255	907	597	22,759
Telephone	**16,694**	**538**	**535**	**17,767**	17,328	555	552	18,435
Postage and printing	**4,434**	**141**	**8,987**	**13,562**	4,460	128	4,721	9,309
Office supplies	**4,761**	**154**	**153**	**5,068**	5,285	140	353	5,778
Transportation	**20,536**	**-**	**811**	**21,347**	19,593	797	227	20,617
Donated goods and services	**63,018**	**-**	**-**	**63,018**	17,828	-	-	17,828
Total other	**343,370**	**129,849**	**12,182**	**485,401**	507,721	109,387	7,051	624,159
Total expenses before depreciation and amortization	**3,120,410**	**283,563**	**431,106**	**3,835,079**	3,147,272	262,083	404,521	3,813,876
Depreciation	**347,651**	**11,095**	**11,095**	**369,841**	292,793	9,346	9,346	311,486
Amortization of deferred financing costs	**79,216**	**-**	**-**	**79,216**	79,216	-	-	79,216
Total operating expenses	**$ 3,547,277**	**$ 294,658**	**$ 442,201**	**$ 4,284,136**	$ 3,519,281	$ 271,429	$ 413,867	$ 4,204,578

See notes to consolidated financial statements.

West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton and West End House Support, Inc.

Consolidated Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 303,952	$ (3,393,411)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	369,841	311,486
Amortization of deferred financing costs	79,216	79,216
Loss on disposal of property	15,936	3,506,761
Bad debts	120,000	50,000
Realized and unrealized (gain) loss on investments, net	(395,879)	204,799
Donated stock	378,001	(512,200)
Proceeds from donated stock	(378,001)	512,200
Changes in operating assets and liabilities:		
Pledges, grants, and other receivables	173,755	1,322,212
Contracts receivable	(58,082)	(20,656)
Prepaid expenses	(7,698)	23,861
Accounts payable and accrued expenses	157,302	234,386
Net cash provided by operating activities	758,343	2,318,654
Cash flows from investing activities:		
Purchases of property and equipment	(1,195,707)	(4,833,135)
Proceeds from sale of investments	598,129	1,610,152
Purchase of investments	(459,686)	(613,781)
Net cash used in investing activities	(1,057,264)	(3,836,764)
Cash flows from financing activities:		
Principal payments on notes and mortgage payable	(331,655)	(2,697,274)
Proceeds from notes and mortgage payable	-	101,416
Proceeds from line of credit	-	100,000
Payment on line of credit	-	(400,000)
Net cash used in financing activities	(331,655)	(2,895,858)
Net change in cash and cash equivalents and restricted cash	(630,576)	(4,413,968)
Cash and cash equivalents and restricted cash:		
Beginning of year	2,610,693	7,024,661
End of year	$ 1,980,117	$ 2,610,693
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 223,298	$ 218,958
Property and equipment included in accounts payable	$ -	$ 836,926

See notes to consolidated financial statements.

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Organization and purpose: The mission of West End House, Inc. d/b/a West End House Boys & Girls Club of Allston-Brighton (the Club) is to inspire and enable young people, especially those most in need, to realize their full potential as productive, responsible and caring citizens. The Club is an independent Boys & Girls Club in Boston that provides outcome-driven programs to Boston youth residing in the most under-resourced neighborhoods. These high-impact programs provide opportunities in critical areas of youth development, ensuring that young people most in need are succeeding academically, exploring and mastering the arts, developing career readiness skills, adopting healthy lifestyles, and earning college degrees.

The Club serves over 1,750 members ages 8-24 annually, including college students. With 75% of the Club's families earning less than $25,000 per year and 66% of the young people served coming from single-parent households, the Club is truly reaching those most in need. To ensure that the Club's programs are available to all youth, its annual membership fee is just $15 and is free for teens and youth living in subsidized housing. Scholarships are made available to those who cannot afford the fee, and no child is ever turned away for a lack of funds.

The Club's programs encompass four core areas: (1) Academic and College Success: The Club provides year-round academic programming for youth from 1st grade through college completion. The Club's programs include daily homework support; literacy and STEAM programs; mentoring; tutoring; and social emotional skill development. College Success Coaches provide one-on-one and group coaching for 250 alumni currently pursuing a college degree. (2) Leadership and Career Development: The Club has a four-tiered progressive employment pipeline that provides programming for youth ages 14-24 to bolster career readiness skills, engage in on-site and external employment, and ultimately complete career-aligned paid internships. (3) Sports, Fitness, and Nutrition: The Club's daily programs focus on increasing daily access to whole grains, fresh fruits and vegetables, and lean proteins; engaging youth in a wide range of physical activities that keep them moving for at least 60 minutes a day; and offering health and fitness activities such as girl-focused sports and fitness, cooking classes, and fitness and anatomy instruction. (4) Visual and Performing Arts: The Club's creative youth development programs engage young people weekly in the visual arts, theater, dance, and music. The Club provides daily, high-quality instruction that helps youth develop mastery-level skills via progressive learning.

The Club tracks and monitors youth progress to measure individual and programmatic success with the following tools:

- National Youth Outcomes Initiative (NYOI) is a survey tool created by the Club's national affiliate, Boys & Girls Clubs of America, which uses a common set of research informed indicators to measure the impact of the Club in seven priority areas: sense of belonging, emotional safety, physical safety, fun, adult connection, staff expectations, and recognition.
- Youth Program Quality Assessment (YPQA) and Youth Program Quality Intervention (YPQI) are methods of measuring the quality of youth programs and identifying staff training needs in community organizations, schools, camps, and other places where youth in grades K–12 have fun, work, and learn with adults. Assessment components include safe environment, supportive environment, interaction, engagement, youth-oriented policies and practices, high expectations for youth and staff, and access. This self-assessment process facilitates building professional competencies by examining what is happening in programs.
- Survey of Academic Youth Outcomes (SAYO) is an evidence-based tool that measures improvements in social-emotional behavior. SAYO relies on staff observations and youth surveys to assess improvements in behavior, initiative, engagement in learning, problem-solving skills, communication, peer relationships, and reading level. It recognizes difficult to measure capabilities such as social responsibility, self-confidence, and leadership.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

- Member Tracking System: A database that is used to collect and review quarterly academic progress reports and report cards of all youth. This information helps to identify youth in need of additional targeted support and assists in the development of individual intervention plans to ensure all young people are meeting critical educational benchmarks.
- Salesforce: A customized database used by the Club's College Success staff that tracks key data points including demographic information; college enrollment rates; grades, credits earned, course completion; coaching interactions; verification of Free Application for Federal Student Aid completion; persistence and graduation rates; and career interests.

During the year ended December 31, 2017, West End House Support, Inc. (WEHS), a supporting organization of the Club, was created for the benefit of, to perform the function of, and to carry out the purpose of the Club with respect to its long-term facility needs, including securing funds to support those needs.

During the year ended December 31, 2017, the Club integrated New Markets Tax Credits (NMTC) into the financing of the Comprehensive Campaign, and related expansion and renovations of the Club's building facility. Due to the location of the property and the measureable economic and community benefits of the project, the Club qualified for this special federal and state tax funding. The ownership of the Club's property was transferred to WEHS.

The Club and WEHS are exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Club and WEHS are also exempt from state income taxes. Contributions made to the Club are deductible by donors within the requirements of the IRC.

The financial statements include the consolidated accounts of the Club and WEHS, which are affiliated through common management (collectively the Organization). Intercompany transactions and accounts have been eliminated upon consolidation.

Basis of accounting: The financial statements of the Organization have been prepared on the accrual basis of accounting. A summary of the significant accounting policies applied in the preparation of the financial statements follows.

Basis of presentation: The Organization prepares its financial statements in accordance with accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (GAAP) that the Organization follows to ensure its financial position, results of activities, and cash flows are consistently reported. References to GAAP in these footnotes are to the FASB Accounting Standards Codification (ASC).

The Organization's financial statement presentation follows the requirements of FASB ASC 958, "Financial Statements of Not-for-Profit Organizations". Under FASB ASC 958, the Organization 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.

Net assets without donor restrictions represent the portion of net assets of the Organization that is neither restricted by donor-imposed stipulations or time restrictions. Net assets without donor restrictions include expendable funds available for support of the Organization, amounts designated by the Board of Directors (the Board) for future use, as well as funds invested in the Organization's real estate.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Net assets with donor restrictions include inflows of assets whose use may or will be met by actions of the Organization or the passage of time. Additionally, net assets with donor restrictions include donor gifts that have been invested and the principle and gains can be used to meet donor imposed restrictions. Net assets with donor restrictions also includes inflows of assets whose use may or will be met by actions of the Organization or the passage of time.

The Organization does not have any net assets held in perpetuity as of December 31, 2019 and 2018.

Revenue recognition: Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions or time restrictions. Expenses are reported as decreases in net assets without donor restrictions.

- Non-reciprocal grants and contributions without donor restrictions received from foundations, governments, corporations, and individuals are recognized as revenue when received or unconditionally pledged and reported in contributions.
- Revenue from special events is recognized in the period in which the event occurs.
- Grants and contributions designated for a specific purpose or period are recognized as revenue and support and as net assets with donor restrictions when received or unconditionally pledged. Transfers are made to revenue and support without donor restrictions as services are provided and costs are incurred or as time restrictions lapse. Donor restricted grants and contributions received and satisfied in the same period are included in net assets without donor restrictions.
- Group events, membership dues, rental fees, and other revenue are recognized when earned.
- Interest income is recorded as earned and dividend income is recorded on the ex-dividend date. Realized gains or losses on investment transactions are recorded using the average cost method. Unrealized gains and losses are recognized based on fair value changes during the period (see Note 3).

Statements of activities and changes in net assets: Transactions deemed by management to be ongoing, major or central to the provision of program services are reported as operating revenue and support and operating expenses in the accompanying statements of activities and changes in net assets. Non-operating revenue (expenses) includes activity related to the comprehensive campaign, capital grants for long-lived assets, scholarships and funds acting as endowment contributions, investment return (loss), net, and other income.

Cash and cash equivalents: For the purpose of the statements of cash flows, management considers all cash and highly liquid investments without donor restrictions having an initial maturity of three months or less to be cash and cash equivalents.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	2019	2018
Cash and cash equivalents	$ 1,428,891	$ 1,311,036
Assets limited as to use	551,226	1,299,657
	$ 1,980,117	$ 2,610,693

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Assets limited to use: This consists of reserve accounts set aside for construction disbursements and Low Income Investment Fund interest payments.

Accounts and contracts receivable: The Organization reports its accounts and contracts receivable at cost less an allowance for uncollectible accounts. Allowance for uncollectible accounts is based on management's analysis of specific accounts and their estimate of amounts that may become uncollectible. Accounts are written off when they are determined to be uncollectible and are recorded as bad debt. Allowance for uncollectible accounts as of December 31, 2019 and 2018 totaled $0 and $50,000, respectively.

Property and equipment and depreciation: Property and equipment are recorded at cost, if purchased, or at the estimated market value at the date of gift, if donated. Renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred. Property and equipment are depreciated using the straight-line method over estimated useful lives and consist of the following at December 31:

	Estimated Useful Lives	2019	2018
Building and improvements	10 and 40 years	$ 13,262,830	$ 13,014,299
Furniture and equipment	3 – 10 years	206,485	244,764
Land	N/A	25,374	25,374
		13,494,689	13,284,437
Less accumulated depreciation		(1,326,409)	(1,089,161)
Net property and equipment		$ 12,168,280	$ 12,195,276

Substantially all property and equipment are pledged as collateral in connection with the mortgage payable, notes payable and the line of credit agreement (see Notes 6, 7 and 8).

Impairment of long-lived assets: Long-lived assets, which consist primarily of property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When such events occur, the Organization compares the carrying amounts of the assets to the undiscounted expected future cash flows over the remaining life of the assets. If this comparison indicates that there may be impairment, the amount of impairment is calculated as the difference between the carrying value and fair value. During the years ended December 31, 2019 and 2018, no impairment indicators were identified.

Fair value measurements: The Organization follows the accounting and disclosure standards pertaining to ASC Topic, Fair Value Measurements, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Money market funds: These open-ended funds generally have subscription and redemption activity at a $1.00 stable net asset value (NAV). On a daily basis, a fund's NAV is calculated using the amortized cost of the securities held in the fund.

Domestic and international equity securities and funds: The fair value is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

Fixed income securities and bonds: The fair value is the market value based on quoted market prices for similar assets, when available. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

The carrying value of all other qualifying assets and liabilities does not differ materially from its estimated fair value. These qualifying assets and liabilities are considered Level 1 and Level 2 in the fair value hierarchy.

Investments: The Organization records its investments at fair value. If an investment is directly held by the Organization and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year.

The Organization's investment policy sets forth guidelines for prudent investment of funds taking into account liquidity, growth, risk, and return characteristics appropriate for different categories of the Organization's investments. Under this policy, funds are invested to produce a relatively high level of income commensurate with prudent diversification and moderate risks. Investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). In accordance with the Organization's annual investment spending policy, annual withdrawals of the funds acting as endowment, and Board designated funds (collectively, the Funds) (see Note 9) shall not exceed an amount equal to four percent of the average market value of the Funds over a rolling three-year period ending on October 31st of the previous fiscal year, unless otherwise authorized by the Board. Annual withdrawals of the Scholarship fund shall also not exceed more than four and one half percent of the average market value of the Scholarship fund (see Note 9) over a three-year period ending October of each fiscal year, unless otherwise authorized by the Board.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

During the years ended December 31, 2019, and 2018, the Organization appropriated for operations $93,784 and $100,728, respectively, of the funds (see Note 9) under the Organization's investment spending policy. The amount appropriated is reflected as investment earnings appropriated for operations in the accompanying statements of activities and changes in net assets for the years ended December 31, 2019 and 2018.

Contributions: Contributions received, including unconditional pledges, are initially recorded at fair value as revenues in the period the donor's commitments are received. Unconditional pledges receivable in future periods are included in the financial statements as pledges receivable. Unconditional pledges receivable are recognized at the estimated net present value using a discount rate commensurate with the risk involved, and net of an allowance for uncollectible amounts. Amortization of the discount is recorded as contribution revenue in the appropriate net asset class. Conditional promises, that is, those with a measurable performance or other barrier and a right of return, are recognized as support when conditions on which they depend are substantively met. Conditional grants totaled $20,824 and $22,151 as of December 31, 2019 and 2018, respectively.

The methodology for calculating the allowance for uncollectible pledges includes management's review of individually significant outstanding pledges, analysis of the aging of payment schedules for all outstanding pledges, as well as other factors, including current economic conditions.

The Organization evaluates unconditional promises to give for changes in the quantity or nature of promised assets. If the fair value of a contribution receivable decreases because of changes in the quantity or nature of assets expected to be received, the decrease is recognized in the period in which the expectation changes and an allowance for uncollectible pledges is reported as an expense or loss in the net asset class in which the net assets are represented.

Contributions received with donor-imposed restrictions that are met in the same year they are received are reported as revenues without donor restrictions.

In-kind contributions: During the years ended December 31, 2019 and 2018, the Organization received $137,806 and $158,490, respectively, of donated program supplies, services and capital improvements, which are reflected as in-kind contributions revenue and donated goods and services in the accompanying statements of activities and changes in net assets and functional expenses.

Contributions of services are reported at fair value as revenues and expenses of the unrestricted net asset class at the fair value of the service received only if the services create or enhance a non-financial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. During the years ended December 31, 2019 and 2018, the Organization had volunteers who donated their time to the Organization's program services. The fair value of these services is not reflected in the accompanying financial statements since they do not meet the criteria for recognition under U.S. GAAP.

Comprehensive campaign: The campaign began in 2015 and included fundraising goals consisting of current and future program operations, capital funds for the building renovation, funds for retirement of debt, and funds for operating and facilities reserves. As the campaign is not part of normal operations, all contributions are presented as non-operating. Having fulfilled the first two core goals of the campaign regarding program expansion and facility renovation and expansion, in 2019 the campaign shifted its focus to the final goal of funding capitalization efforts including facility and operating reserves as well as long-term debt retirement. Contributions received for current and future program activities are transferred to operating activities when appropriated.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Functional allocation of expenses: Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries, taxes and employee benefits, are allocated on the basis of estimates of time and effort. Rent, utilities, maintenance, depreciation, interest, supplies, telephone and insurance, are allocated on a square-footage basis.

Use of estimates: The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain amounts in the December 31, 2018 financial statements were reclassified to conform to the December 31, 2019 presentation.

Income taxes: The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, Income Taxes. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2019 and 2018. The Organization’s tax returns are subject to examination by the Federal and state jurisdictions. With few exceptions, the Organization is no longer subject to income tax examinations by the United States federal, state, or local tax authorities for the three years from the filing date.

Recently issued accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. On June 3, 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (842): Effective Dates for Certain Entities*, which defers the effective date of ASU 2016-02 making it effective for annual reporting periods beginning after December 15, 2021. The Organization is currently evaluating the impact the adoption of this guidance will have on its consolidated financial statements.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

In May 2014, the FASB issued ASU 2014-09, Revenue for Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which deferred the effective date for one year making it effective for annual reporting periods beginning after December 15, 2018. In June 2020, the FASB issued ASU 2020-05, which delayed the implementation date whereby the standard will be effective for annual reporting periods beginning after December 15, 2019. The Organization has yet selected a transition method and is currently evaluating the impact the adoption of this guidance will have on the consolidated financial statements.

Recently adopted accounting pronouncements: In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* This ASU clarifies the guidance for reevaluating whether a transaction is reciprocal (i.e. an exchange transaction) or nonreciprocal (i.e. a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Additionally, the ASU provides for earlier effective dates for public business entities. Where the Organization is a resource recipient, the ASU was adopted on January 1, 2019. The impact of the adoption of this ASU did not have a material effect on the consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): *Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the Organization beginning on January 1, 2019. This ASU was adopted during the year ended December 31, 2019, and was applied retrospectively to the year ended December 31, 2018. This ASU did not have a material effect on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): *Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 became effective for the Organization on January 1, 2019. This ASU was adopted during the year ended December 31, 2019, and did not have a material effect on the consolidated financial statements.

Note 2. Liquidity

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing activities. The Organization's financial resources were earmarked as follows at December 31, 2019 and 2018:

	2019	2018
Financial assets at year end:		
Cash and cash equivalents	$ 1,428,891	$ 1,311,036
Assets limited as to use	551,226	1,299,657
Current portion of pledges, grants and other receivables, net	1,275,256	776,821
Contracts receivable	156,267	98,185
Pledges and grants receivable, net of current portion and discount	307,500	1,099,690
Investments	2,778,448	2,521,012
Notes receivable	8,210,000	8,210,000
Total financial assets	14,707,588	15,316,401
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(4,550,394)	(4,493,998)
Board designated funds acting as endowment	-	(99,312)
Capital reserve	(465,779)	(494,977)
Note receivable	(8,210,000)	(8,210,000)
	(13,226,173)	(13,298,287)
Add amounts available to be used within one year:		
Estimated releases from restriction	1,228,000	1,430,334
Estimated appropriation from funds acting as endowment	97,945	93,363
	1,325,945	1,523,697
Financial assets available within one year to meet general expenditures	$ 2,807,360	$ 3,541,811

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. In addition, the organization received a loan under the Paycheck Protection Program (the PPP) in the amount of $382,500. See note 13 for further information. Further, as a result of the COVID-19 pandemic, several grantors have released restrictions on funds previously granted to the organization and are excluding restrictions from current gifts.

The Organization's governing board has designated a portion of its resources without donor-restrictions for funds acting as endowment and other purposes. These funds are in cash, remain available, and may be spent at the discretion of the Board.

The Organization also has a line of credit facility available to meet short-term needs. See note 6 for information about this arrangement.

Note 3. Investments

Investments are presented in the accompanying financial statements at fair value. The Organization's investments consist of the following at December 31:

	2019			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 456,812	$ -	$ -	$ 456,812
Equities:				
International developed	254,428	-	-	254,428
U.S. large cap	545,264	-	-	545,264
Others	856,913	-	-	856,913
Fixed income:				
Investment grade taxable	-	414,736	-	414,736
International developed bonds	-	208,012	-	208,012
Other bonds	-	41,898	-	41,898
Others	-	385	-	385
Total investments	$ 2,113,417	$ 665,031	$ -	$ 2,778,448

	2018			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 340,427	$ -	$ -	$ 340,427
Equities:				
International developed	221,020	-	-	221,020
U.S. large cap	466,160	-	-	466,160
Others	708,540	-	-	708,540
Fixed income:				
Investment grade taxable	-	503,248	-	503,248
International developed bonds	-	214,234	-	214,234
Other bonds	-	39,988	-	39,988
Others	-	27,395	-	27,395
Total investments	$ 1,736,147	$ 784,865	$ -	$ 2,521,012

The Organization intends to hold its investments indefinitely. Accordingly, the investments are shown as long-term assets in the accompanying statements of financial position regardless of maturity. Investments are not insured and are subject to ongoing market fluctuations.

Note 4. Comprehensive Campaign, Pledges, Grants, and Other Receivables

The Organization launched a Comprehensive Campaign to expand program growth and the facilities to keep pace with the growth in Club membership. The expansion project commenced in the spring of 2017 and was completed in June 2018. The project has been funded with financing from new market tax credits and proceeds of the Comprehensive Campaign efforts. As of December 31, 2019 there were 4 donors whose pledges represented approximately 73% of the gross outstanding pledge receivable balance. As of December 31, 2018 there were 3 donors whose pledges represented 47% of the gross outstanding pledge balance.

Note 4. Comprehensive Campaign, Pledges, Grants, and Other Receivables (Continued)

Pledges, grants, and other receivables, were due as follows at December 31:

	2019	2018
Due within one year	$ 1,275,256	$ 776,821
Due one to five years	$ 316,447	$ 1,120,232
Less discount	(8,947)	(20,542)
	$ 307,500	$ 1,099,690

Pledges due beyond one year have been discounted using a 2% discount rate.

Note 5. Note Receivable

On April 11, 2017, the Club entered into a Promissory Note (the Note) in the principal amount of $8,210,000, with Chase NMTC West End Investment Fund, LLC (the Investment Fund). The proceeds of the Note were invested by the Investment Fund into LIIF Sub-CDE XLI, LLC and CNMC Sub-CDE 133, LLC (collectively the CDE's) who loaned the funds to West End House Support, Inc. The term of the note is 25 years and accrues interest at a fixed rate of 1.0% per annum. Commencing on June 15, 2017 and continuing on the 15th day of the last month of each calendar quarter thereafter through and including March 15, 2024, the Investment Fund will pay interest. Commencing June 15, 2024 and continuing on the 15th day of the last month of each calendar quarter and thereafter up to the maturity date of December 31, 2042, the Investment Fund will pay quarterly installments of principal and accrued interest through the end of the month in which the payment date falls. The amount of the total installments of principal and interest payable will be equal to the amount necessary to fully amortize the unpaid principal balance of the loan as of the maturity date. The Note is secured by a pledge of the Investment Fund's membership interests in the CDE's.

Note 6. Line of Credit

During the year ended December 31, 2017, the Organization entered into a new line of credit agreement, which had available for its use $1,000,000. As of December 31, 2019 and 2018, the outstanding balance on the line of credit agreement was $0. Interest on outstanding borrowings was at the bank's prime lending rate (5.50% and 4.50% at December 31, 2018 and 2017), plus 1%, with a floor of 4.75%, and payable monthly. The line of credit expired in July 2019. On June 1, 2020, the Organization executed a line of credit with an institution in the amount of $500,000 with a two year term. Interest on outstanding borrowings is at the bank's prime lending rate, plus 0%, and payable monthly.

Note 7. Mortgage Payable

On April 10, 2017, the Organization executed a promissory note with the Low Income Investment Fund (LIIF) for $1,425,000, which bears interest at a fixed rate equal to 5.75% and matures on April 10, 2024. On June 5, 2017, a payment of $24,256 was made representing the first principal and interest payment for the period from April 10, 2017 through and including June 30, 2017. Commencing on September 5, 2017, and continuing on the 5th day of each December, March, June and September, the Organization will make payments of $26,952 in principal and interest with each payment made partially in arrears and partially in advance of the calendar quarter during which the payment date occurs. As of December 31, 2019 and 2018, the mortgage payable balance was $1,348,517 and $1,377,728, respectively.

Note 7. Mortgage Payable (Continued)

The maturities of the mortgage payable over the next five years are as follows:

	Mortgage Payments
2020	$ 30,344
2021	32,744
2022	34,667
2023	36,704
2024	38,860
Thereafter	1,175,198
	$ 1,348,517

Note 8. Notes Payable

On April 11, 2017, the Organization entered into bridge loan agreements with LIIF and Salem Five Cents Savings Bank (Salem Bank) for a maximum principal amount of up to $2,500,000 each. The Salem Bank bridge loan has an initial maturity date of April 11, 2020 with options to extend, and bears a fixed interest rate of 3.61% through April 10, 2019, which subsequently resets annually based on the Federal Home Loan Bank of Boston One Year Classic Regular Advance Rate plus 190 basis points. Interest payments are made monthly from the LIIF Interest Reserve, with principal payments made based on a schedule of expected Capital Campaign pledge payments. The Organization paid the remaining balance on the loan during the year ended December 31, 2019.

The LIIF bridge loan has a maturity date of April 11, 2020, and bears a fixed rate of 5.30% through April 10, 2019, and subsequently is subject to reset based on the then-current index. Interest accrues in arrears on the outstanding principal balance and payments are due and made monthly as advances from the Debt Service Holdback Amount. Principal payments are made based on a schedule of expected Capital Campaign pledge payments. The Organization paid the remaining balance on the loan during the year ended December 31, 2019.

On April 11, 2017, the Organization also signed promissory notes (the QLICI Notes), the proceeds of which are used to fund the Organization's building expansion and related costs. All QLICI Notes accrue interest at the rate of 1.155% per annum and mature on March 31, 2050 or the date on which the unpaid principal balance of the notes become due and payable by acceleration caused by default. Commencing on July 1, 2017 and continuing on the 1st day of each July, October, January and April thereafter up to and including April 1, 2024, the Organization will pay interest only on the outstanding principal amount of the QLICI Notes quarterly for the quarter ending in the month of the payment date. Commencing on July 1, 2024 and continuing on the 1st day of each July, October, January and April thereafter up to the maturity date, the Organization will pay quarterly for the quarter ending in the month of the payment, accrued interest and principal in an amount sufficient to fully amortize the outstanding principal balance of the QLICI Notes as of the maturity date. Interest paid on the QLICI Notes was $70,195 and $70,195 for the year ended December 31, 2019, and 2018, respectively.

Under the terms of the agreement, the QLICI Notes are secured by all assets of Organization. The Organization is subject to certain negative and affirmative covenants under the terms of the agreement. The Organization was in compliance with all covenants at December 31, 2019. The balances outstanding at December 31, 2019 and 2018 for notes payable are as follows:

Note 8. Notes Payable (Continued)

Lender	Description	2019	2018
LIIF SUB-CDE XLI, LLC	QLICI Loan A	$ 7,553,200	$ 7,553,200
LIIF SUB-CDE XLI, LLC	QLICI Loan B	3,601,800	3,601,800
Chase New Market Corporation SUB-CDE 133, LLC	QLICI Loan A	656,800	656,800
Chase New Market Corporation SUB-CDE 133, LLC	QLICI Loan B	343,200	343,200
Salem Five Cents Savings Bank	Bridge Loan	-	150,034
LIIF	Bridge Loan	-	152,410
		12,155,000	12,457,444
Less debt issuance costs, net		(337,990)	(417,206)
		$ 11,817,010	$ 12,040,238

Aggregate maturities of long-term debt over the next five years are as follows:

	Principal Payments	Amortization of Deferred Financing Costs	Total
2020	$ -	$ (79,216)	$ (79,216)
2021	-	(79,216)	(79,216)
2022	-	(79,216)	(79,216)
2023	-	(79,216)	(79,216)
2024	-	(21,126)	(21,126)
Thereafter	12,155,000	-	12,155,000
	$ 12,155,000	$ (337,990)	$ 11,817,010

Note 9. Net Assets

Net assets without donor restrictions: Net assets without donor restrictions consist of the following:

Operating: represent amounts relating to program and other operating activities, which bear no external restrictions.

Operating reserves: represent amounts set aside by the Board to fund future shortfalls in operations. As of December 31, 2019 and 2018, operating reserves totaled $413,850 and $0, respectively.

Board designated: represents funds set aside by the Board for long-term investment purposes and future expansion of program activities. The use of these funds requires the approval of the Board. As of December 31, 2019 and 2018, board designated funds totaled $0 and $99,312, respectively.

Capital reserve: represents funds set aside by the Board for repairs and improvements to the Organization's facility. The use of this reserve requires the approval of the Board. As of December 31, 2019 and 2018, capital reserve funds designated by the Board totaled $465,779 and $494,977, respectively.

Real estate: reflects resources available for property and equipment, net of related debt.

Note 9. Net Assets (Continued)

Net assets with donor restrictions: The Organization's net assets with donor restrictions represent amounts received with time or purpose restrictions, which have not yet been expended for their purposes. As of December 31, 2019 and 2018 they consist of the following:

	2019	2018
Program restricted	$ 1,324,377	$ 697,834
Scholarships	274,118	240,246
Time restricted	138,271	132,500
Comprehensive campaign	539,825	1,422,825
Funds acting as endowment	2,273,803	2,000,593
	$ 4,550,394	$ 4,493,998

Investment earnings on the funds acting as endowment (the Fund) are recorded as net assets with donor restrictions, as specified by the donors. These amounts are included in investment earnings in the accompanying statements of activities and changes in net assets. The term funds acting as endowment is an internal term not used in the traditional manner that would otherwise indicate net assets with donor restrictions held in perpetuity. The Organization is not required to permanently maintain any portion of the Fund.

Changes in funds acting as endowment net assets by class are as follows for the years ended December 31, 2019 and 2018:

	Board-Designated	Endowment with Donor Restrictions	Total Endowment
Funds acting as endowment net assets, December 31, 2017	$ 107,156	$ 2,161,853	$ 2,269,009
Investment loss, net	(3,752)	(75,724)	(79,476)
Appropriation of endowment assets for expenditure	(4,092)	(85,536)	(89,628)
Funds acting as endowment net assets, December 31, 2018	99,312	2,000,593	2,099,905
Investment returns, net	-	356,452	356,452
Appropriation of endowment assets for expenditure	(99,312)	(83,242)	(182,554)
Funds acting as endowment net assets, December 31, 2019	$ -	$ 2,273,803	$ 2,273,803

Note 10. Concentration of Credit Risk

The Organization maintains its cash balances in a Massachusetts bank. The Federal Deposit Insurance Corporation insures balances up to certain amounts. During the years ended December 31, 2019 and 2018, the Organization's cash balances exceeded the insured amounts. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on its cash.

Note 11. Pension Plan

The Organization has a defined contribution pension plan covering all eligible employees. Employees become eligible to participate after reaching age twenty-one and completing one year of service. The Organization contributes annually up to 10% of each employee's annual salary, as defined in the Plan document. The Organization's contributions in the participant's account are 100% vested after three years of service. Pension expense was $132,326 and $139,408 for the years ended December 31, 2019 and 2018, respectively, which is included in employee benefits in the accompanying consolidated statements of functional expenses.

Note 12. Related Party Transactions

The Organization's Executive Director is on the Board of Directors for other nonprofit organizations. During 2019 and 2018, the Organization received $2,100 and $35,000 in contributions from these organizations, which is included in corporate/foundation grants on the consolidated statements of activities and changes in net assets.

Note 13. Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates.

On March 16, 2020, the Organization ceased in-person programming for members but continued to operate as a grab and go meal site and then quickly began offering virtual programming. On July 20, 2020, the Organization welcomed a small cohort of members back into the building for a 6-week summer program. At the conclusion of the 6-week program the Organization expects to develop and implement school-year programming in concert with Boston Public Schools' schedule that will include a hybrid of virtual and in-person programming that complies with public health protocols. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, the Organization may potentially experience significant changes in the fair value of assets or liabilities. This makes it reasonably possible that the Organization could be vulnerable to the risk of a near-term impact, which may be material. Additionally, it is reasonably possible that estimates made in the consolidated financial statements have been, or will be, materially and adversely impacted in the near-term as a result of these conditions.

On April 20, 2020, the Organization received a loan through the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) in the amount of $382,500. This loan contains a provision under which the Organization may apply for forgiveness of an amount equal to the sum of qualifying expenses incurred during the covered time period for loan forgiveness (the forgiveness period) as defined by the CARES Act. These qualifying expenses include employee payroll and fringe benefits and certain facility rent and utility payments. The amount of the loan forgiveness is adjusted based on the Organization retaining employees and maintaining wage levels during the forgiveness period.

On June 5, 2020, there was an amendment to the CARES Act signed into law affecting the PPP. This amendment lengthens the forgiveness period and modified certain conditions of the loan creating additional flexibility in regards to how the funds must be spent. Payments may be deferred until the Small Business Administration reimburses the lending institution for any forgiven amounts, subsequent to which, the monthly principal and interest payments using an amortization period of five years less the deferred period will commence.

Subsequent events have been evaluated through September 21, 2020, which is the date the financial statements were available to be issued.

West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton
and West End House Support, Inc.

Consolidating Statement of Financial Position
December 31, 2019

	West End House, Inc.			West End House Support, Inc.				Totals		
Assets	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Without Donor Restrictions	With Donor Restrictions	Consolidated Total
Current assets:										
Cash and cash equivalents	$ 759,555	$ 638,217	$ 1,397,772	$ 31,119	$ -	$ 31,119	$ -	$ 790,674	$ 638,217	$ 1,428,891
Assets limited to use	-	-	-	551,226	-	551,226	-	551,226	-	551,226
Due from affiliate	251,447	-	251,447	-	-	-	(251,447)	-	-	-
Current portion of pledges, grants, and other receivables, net	218,491	1,056,765	1,275,256	-	-	-	-	218,491	1,056,765	1,275,256
Contracts receivable	156,267	-	156,267	-	-	-	-	156,267	-	156,267
Prepaid expenses	14,548	-	14,548	631,509	-	631,509	(631,509)	14,548	-	14,548
Total current assets	1,400,308	1,694,982	3,095,290	1,213,854	-	1,213,854	(882,956)	1,731,206	1,694,982	3,426,188
Pledges and grants receivable, net of current portion and discount	-	307,500	307,500	-	-	-	-	-	307,500	307,500
Investments	230,536	2,547,912	2,778,448	-	-	-	-	230,536	2,547,912	2,778,448
Property and equipment, net of accumulated depreciation	63,279	-	63,279	12,105,001	-	12,105,001	-	12,168,280	-	12,168,280
Note receivable	8,210,000	-	8,210,000	-	-	-	-	8,210,000	-	8,210,000
Total assets	$ 9,904,123	$ 4,550,394	$ 14,454,517	$ 13,318,855	$ -	$ 13,318,855	$ (882,956)	$ 22,340,022	$ 4,550,394	$ 26,890,416
Liabilities and Net Assets										
Current liabilities:										
Due to affiliate	$ -	$ -	$ -	$ 251,447	$ -	$ 251,447	$ (251,447)	$ -	$ -	$ -
Current portion of mortgage payable	-	-	-	30,344	-	30,344	-	30,344	-	30,344
Current portion of deferred financing costs	-	-	-	(79,216)	-	(79,216)	-	(79,216)	-	(79,216)
Accounts payable and accrued expenses	1,142,043	-	1,142,043	-	-	-	(631,509)	510,534	-	510,534
Total current liabilities	1,142,043	-	1,142,043	202,575	-	202,575	(882,956)	461,662	-	461,662
Mortgage payable, net of current portion	-	-	-	1,318,173	-	1,318,173	-	1,318,173	-	1,318,173
Notes payable, net of current portion and deferred financing costs	-	-	-	11,896,226	-	11,896,226	-	11,896,226	-	11,896,226
Total liabilities	1,142,043	-	1,142,043	13,416,974	-	13,416,974	(882,956)	13,676,061	-	13,676,061
Net assets:										
Without donor restrictions:										
Operating	460,127	-	460,127	-	-	-	-	460,127	-	460,127
Operating reserve	413,850	-	413,850	-	-	-	-	413,850	-	413,850
Board designated	-	-	-	-	-	-	-	-	-	-
Capital reserve	465,779	-	465,779	-	-	-	-	465,779	-	465,779
Real estate	7,422,324	-	7,422,324	(98,119)	-	(98,119)	-	7,324,205	-	7,324,205
Total net assets without donor restrictions	8,762,080	-	8,762,080	(98,119)	-	(98,119)	-	8,663,961	-	8,663,961
With donor restrictions										
Purpose restricted	-	1,598,495	1,598,495	-	-	-	-	-	1,598,495	1,598,495
Time restricted	-	138,271	138,271	-	-	-	-	-	138,271	138,271
Comprehensive campaign	-	539,825	539,825	-	-	-	-	-	539,825	539,825
Funds acting as endowment	-	2,273,803	2,273,803	-	-	-	-	-	2,273,803	2,273,803
Total net assets with donor restrictions	-	4,550,394	4,550,394	-	-	-	-	-	4,550,394	4,550,394
Total net assets	8,762,080	4,550,394	13,312,474	(98,119)	-	(98,119)	-	8,663,961	4,550,394	13,214,355
Total liabilities and net assets	$ 9,904,123	$ 4,550,394	$ 14,454,517	$ 13,318,855	$ -	$ 13,318,855	$ (882,956)	$ 22,340,022	$ 4,550,394	$ 26,890,416

West End House, Inc. d/b/a West End House Boys and Girls Club of Allston-Brighton
and West End House Support, Inc.

Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2019

	West End House, Inc.			West End House Support, Inc.				Totals		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Without Donor Restrictions	With Donor Restrictions	Consolidated Total
Operating revenue and support:										
Corporate/foundation grants and contributions	$ 1,365,769	$ 861,999	$ 2,227,768	$ -	$ -	$ -	$ -	$ 1,365,769	$ 861,999	$ 2,227,768
Campaign releases appropriated for operations	361,287	-	361,287	-	-	-	-	361,287	-	361,287
Government grants	293,358	66,520	359,878	-	-	-	-	293,358	66,520	359,878
Individual contributions	376,564	113,217	489,781	-	-	-	-	376,564	113,217	489,781
Investment earnings appropriated for operations	93,784	-	93,784	-	-	-	-	93,784	-	93,784
Rental fees and other	118,950	-	118,950	202,000	-	202,000	(202,000)	118,950	-	118,950
Interest income	85,093	-	85,093	4,309	-	4,309	-	89,402	-	89,402
In-kind contributions	63,018	-	63,018	-	-	-	-	63,018	-	63,018
Group events and membership dues	3,198	-	3,198	-	-	-	-	3,198	-	3,198
Net assets released from purpose restrictions	450,422	(450,422)	-	-	-	-	-	450,422	(450,422)	-
	3,211,443	591,314	3,802,757	206,309	-	206,309	(202,000)	3,215,752	591,314	3,807,066
Special events:										
Event contributions and support	549,581	127,000	676,581	-	-	-	-	549,581	127,000	676,581
Campaign releases appropriated for special events	95,232	-	95,232	-	-	-	-	95,232	-	95,232
Net assets released from time restrictions	132,500	(132,500)	-	-	-	-	-	132,500	(132,500)	-
	777,313	(5,500)	771,813	-	-	-	-	777,313	(5,500)	771,813
Less direct expenses	122,313	-	122,313	-	-	-	-	122,313	-	122,313
Net special events	655,000	(5,500)	649,500	-	-	-	-	655,000	(5,500)	649,500
Total operating revenue and support	3,866,443	585,814	4,452,257	206,309	-	206,309	(202,000)	3,870,752	585,814	4,456,566
Operating expenses:										
Program services	3,104,052	-	3,104,052	206,238	-	206,238	(189,880)	3,120,410	-	3,120,410
General and administrative	255,040	-	255,040	34,583	-	34,583	(6,060)	283,563	-	283,563
Fundraising	430,584	-	430,584	6,582	-	6,582	(6,060)	431,106	-	431,106
Total operating expenses	3,789,676	-	3,789,676	247,403	-	247,403	(202,000)	3,835,079	-	3,835,079
Change in net assets from operations before depreciation and amortization	76,767	585,814	662,581	(41,094)	-	(41,094)	-	35,673	585,814	621,487
Depreciation	3,018	-	3,018	366,823	-	366,823	-	369,841	-	369,841
Amortization of deferred financing costs	-	-	-	79,216	-	79,216	-	79,216	-	79,216
Change in net assets from operations	73,749	585,814	659,563	(487,133)	-	(487,133)	-	(413,384)	585,814	172,430
Other revenue (expenses):										
Comprehensive campaign contributions	-	410,445	410,445	-	-	-	-	-	410,445	410,445
Capital contributions	29,000	46,500	75,500	-	-	-	-	29,000	46,500	75,500
In-kind contributions - capital	-	-	-	74,788	-	74,788	-	74,788	-	74,788
Contribution expense	(175,000)	-	(175,000)	-	-	-	-	(175,000)	-	(175,000)
Straight line rental revenue (expenses)	(360,862)	-	(360,862)	360,862	-	360,862	-	-	-	-
Investment return, net	31,162	399,316	430,478	-	-	-	-	31,162	399,316	430,478
Scholarship fund contributions	-	1,550	1,550	-	-	-	-	-	1,550	1,550
Comprehensive campaign losses	-	(120,000)	(120,000)	-	-	-	-	-	(120,000)	(120,000)
Loss on disposal of property	-	-	-	(15,936)	-	(15,936)	-	(15,936)	-	(15,936)
Investment earnings appropriated for operations	(93,784)	-	(93,784)	-	-	-	-	(93,784)	-	(93,784)
Campaign releases appropriated for operations	(456,519)	-	(456,519)	-	-	-	-	(456,519)	-	(456,519)
Net assets released from time restrictions	93,784	(93,784)	-	-	-	-	-	93,784	(93,784)	-
Net assets released from comprehensive campaign - capital	303,076	(303,076)	-	-	-	-	-	303,076	(303,076)	-
Net assets released from comprehensive campaign - other	870,369	(870,369)	-	-	-	-	-	870,369	(870,369)	-
Total other revenue (expenses)	241,226	(529,418)	(288,192)	419,714	-	419,714	-	660,940	(529,418)	131,522
Change in net assets	314,975	56,396	371,371	(67,419)	-	(67,419)	-	247,556	56,396	303,952
Net assets:										
Beginning of year	8,447,105	4,493,998	12,941,103	(30,700)	-	(30,700)	-	8,416,405	4,493,998	12,910,403
End of year	$ 8,762,080	$ 4,550,394	$ 13,312,474	$ (98,119)	$ -	$ (98,119)	$ -	$ 8,663,961	$ 4,550,394	$ 13,214,355