

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**Financial Statements**

**Year Ended June 30, 2020  
(with comparative totals for 2019)**

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

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## Independent Auditor's Report

The Board of Directors  
Boys & Girls Club of Stamford, Inc.  
Stamford, Connecticut

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Boys & Girls Club of Stamford, Inc., which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

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

The Board of Directors  
Boys & Girls Club of Stamford, Inc.

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 Boys & Girls Club of Stamford, Inc. as of June 30, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Report on Summarized Comparative Information*

We have previously audited Boys & Girls Club of Stamford, Inc.'s financial statements as of and for the year ended June 30, 2019, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived (see Note 21).

*Cirone Friedberg, LLP*

Shelton, Connecticut  
January 22, 2021

## BOYS &amp; GIRLS CLUB OF STAMFORD, INC.

**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020**  
**(with comparative totals for 2019)**

<b>ASSETS</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Cash and Cash Equivalents	\$ 378,184	\$ 192,774
Investments	207,826	-
Accounts Receivable	45,612	64,743
Grants Receivable	146,475	996,289
Promises to Give - Available for Capital and Operations	605,707	369,533
Prepaid Expenses	28,754	39,542
Deferred In-kind Rent Expense	5,211,159	5,238,560
Property and Equipment, Net of Accumulated Depreciation	<u>6,043,033</u>	<u>3,139,974</u>
	<u>12,666,750</u>	<u>10,041,415</u>
Assets Restricted for Investment in and Maintenance of Property and Equipment:		
Cash and Cash Equivalents	321,979	387,648
Investments	51,066	309,777
Capital Campaign Pledges, Net	<u>50,524</u>	<u>1,103,103</u>
Total Assets Restricted for Investment in and Maintenance of Property and Equipment	<u>423,569</u>	<u>1,800,528</u>
Assets Restricted for Long-Term Investment - Investments	<u>1,707,522</u>	<u>1,707,522</u>
<b>Total Assets</b>	<b><u>\$ 14,797,841</u></b>	<b><u>\$ 13,549,465</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<u>Liabilities</u>		
Line of Credit	\$ -	\$ 95,280
Notes Payable	10,000	-
Accounts Payable and Accrued Expenses	83,437	1,058,543
Program Fees Received in Advance	55,653	87,149
Tenant Security Deposits	10,000	10,000
Refundable Advances on Grants	<u>5,617,273</u>	<u>2,688,509</u>
Total Liabilities	<u>5,776,363</u>	<u>3,939,481</u>
<u>Net Assets</u>		
Net Assets Without Donor Restriction:		
Net Investment in Property and Equipment	425,760	451,465
Board Designated - Capital and Operations	621,201	-
Undesignated - Available for Operations (Deficit)	<u>-</u>	<u>(21,934)</u>
Total Net Assets Without Donor Restriction	1,046,961	429,531
Net Assets With Donor Restriction	<u>7,974,517</u>	<u>9,180,453</u>
Total Net Assets	<u>9,021,478</u>	<u>9,609,984</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 14,797,841</u></b>	<b><u>\$ 13,549,465</u></b>

See notes to financial statements.

## BOYS &amp; GIRLS CLUB OF STAMFORD, INC.

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**  
**(with comparative totals for 2019)**

	2020			2019
	Without Donor Restriction	With Donor Restriction	Total	Total
<b>Support, Revenues and Investment Activity</b>				
Contributions	\$ 752,393	\$ 27,792	\$ 780,185	\$ 1,265,182
Capital Campaign Contributions	75,000	120,771	195,771	1,231,295
United Way Allocations	23,225	-	23,225	25,000
Grants	847,108	-	847,108	363,783
Fund-raising Events	165,627	-	165,627	653,548
Contract Service Fees	13,081	-	13,081	16,297
Program Service Fees	209,854	-	209,854	182,781
Membership Dues	137,361	-	137,361	140,940
Interest and Dividends, Net of Investment Fees	20,553	6,275	26,828	35,395
Net Realized Gains (Losses) on Investments	12,372	3,777	16,149	(2,286)
Net Unrealized Appreciation on Investments	18,711	5,713	24,424	102,773
Rental Income and Fees	211,779	-	211,779	236,870
In-kind Contributions	361,255	-	361,255	291,573
Total	<u>2,848,319</u>	<u>164,328</u>	<u>3,012,647</u>	<u>4,543,151</u>
Net Assets Released from Restriction:				
Satisfaction of Purpose	1,184,863	(1,184,863)	-	-
Expirations of Time Restriction	177,401	(177,401)	-	-
Total Net Assets Released from Restriction	<u>1,362,264</u>	<u>(1,362,264)</u>	<u>-</u>	<u>-</u>
Total Support, Revenues and Investment Activity	<u>4,210,583</u>	<u>(1,197,936)</u>	<u>3,012,647</u>	<u>4,543,151</u>
<b>Expenses</b>				
Program Services:				
Afterschool	456,482	-	456,482	471,412
Education Programs	450,935	-	450,935	434,557
Summer Camp	681,533	-	681,533	595,707
Teen Programs	549,323	-	549,323	453,557
Enrichment Programs	476,039	-	476,039	467,369
Total Program Services	<u>2,614,312</u>	<u>-</u>	<u>2,614,312</u>	<u>2,422,602</u>
Support Services:				
General and Administrative	354,331	-	354,331	302,095
Fund Raising and Development	423,851	-	423,851	460,102
Total Support Services	<u>778,182</u>	<u>-</u>	<u>778,182</u>	<u>762,197</u>
Total Functional Expenses	<u>3,392,494</u>	<u>-</u>	<u>3,392,494</u>	<u>3,184,799</u>
Other Costs and Expenses:				
Cost of Direct Benefits to Donors	56,613	-	56,613	128,107
Costs Associated with Rental Income	94,046	-	94,046	95,650
Provision for Uncollectible Promises to Give - Available for Capital and Operations	50,000	-	50,000	-
Provision for Uncollectible Promises to Give	-	8,000	8,000	52,000
Total Expenses	<u>3,593,153</u>	<u>8,000</u>	<u>3,601,153</u>	<u>3,460,556</u>
Change in Net Assets	617,430	(1,205,936)	(588,506)	1,082,595
Net Assets - Beginning of Year	<u>429,531</u>	<u>9,180,453</u>	<u>9,609,984</u>	<u>8,527,389</u>
<b>Net Assets - End of Year</b>	<b><u>\$ 1,046,961</u></b>	<b><u>\$ 7,974,517</u></b>	<b><u>\$ 9,021,478</u></b>	<b><u>\$ 9,609,984</u></b>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020  
(with comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (588,506)	\$ 1,082,595
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	204,032	199,371
Provision for Uncollectible Promises to Give - Available for Capital Operations	50,000	-
Provision for Uncollectible Pledges - Capital Campaign	8,000	52,000
Unrealized Appreciation on Investments, Net	(24,424)	(102,773)
Realized (Gains) Losses on Investments	(16,149)	2,286
Amortization of Investments	2,571	-
Contributions Restricted for the Acquisition of Property and Equipment - Capital Campaign	(70,771)	(1,231,295)
Contributed Securities	(254,457)	-
Contributed Property and Equipment	(46,324)	-
Changes in:		
Accounts Receivable	19,131	(16,296)
Grants Receivable	849,814	(725,045)
Promises to Give - Available for Capital and Operations	31,708	(369,533)
Prepaid Expenses	10,788	5,779
Deferred In-kind Rent Expense	27,401	27,401
Accounts Payable and Accrued Expenses	(131,865)	(144,754)
Program Fees Received in Advance	(31,496)	22,572
Tenant Security Deposits	-	(7,500)
Refundable Advances on Grants	(150,000)	-
Total Adjustments	<u>477,959</u>	<u>(2,287,787)</u>
Net Cash Used by Operating Activities	<u>(110,547)</u>	<u>(1,205,192)</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Property and Equipment	(104,531)	(35,780)
Construction in Progress - Building Renovations	(3,799,477)	(293,971)
Purchases of Investments	(625,482)	(154,248)
Proceeds from Sales of Investments	700,625	595,998
Net Cash (Used) Provided by Investing Activities	<u>(3,828,865)</u>	<u>111,999</u>
<b>Cash Flows from Financing Activities</b>		
Purchase of Investments Restricted for Investment in and Maintenance of Property and Equipment	-	(282,580)
Proceeds from Investments Restricted for Investment in and Maintenance of Property and Equipment	268,201	-
Collection of Pledges Restricted for Investment in and Maintenance of Property and Equipment	797,468	536,900
Net Repayment on Line of Credit	(95,280)	-
Proceeds from Notes Payable	10,000	-
Refundable Advances on Grants	3,078,764	1,130,449
Net Cash Provided by Financing Activities	<u>4,059,153</u>	<u>1,384,769</u>
Net Increase in Cash, Cash Equivalents and Restricted Cash	119,741	291,576
Cash, Cash Equivalents and Restricted Cash - Beginning	<u>580,422</u>	<u>288,846</u>
<b>Cash, Cash Equivalents and Restricted Cash - Ending</b>	<b><u>\$ 700,163</u></b>	<b><u>\$ 580,422</u></b>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020  
(with comparative totals for 2019)

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	<u>2020</u>	<u>2019</u>
<b>Cash Paid During the Year For:</b>		
Interest	\$ <u>2,584</u>	\$ <u>4,657</u>
<b>Reconciliation of Cash and Cash Equivalents and Restricted Cash:</b>		
Cash and Cash Equivalents	\$ 378,184	\$ 192,774
Restricted Cash and Cash Equivalents	<u>321,979</u>	<u>387,648</u>
Total Cash, Cash Equivalents and Restricted Cash	<u>\$ 700,163</u>	<u>\$ 580,422</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020  
(with comparative totals for 2019)

	PROGRAM SERVICES					SUPPORT SERVICES			2020 Total	2019 Total	
	Afterschool	Education Programs	Summer Camp	Teen Programs	Enrichment Programs	Total Program	General and Administrative	Fund Raising and Development			Total Support
Salaries	\$ 206,525	\$ 190,795	\$ 299,009	\$ 190,649	\$ 193,999	\$ 1,080,977	\$ 170,841	\$ 204,632	\$ 375,473	\$ 1,456,450	\$ 1,400,538
Payroll Taxes	18,076	16,699	26,170	16,686	16,979	94,610	14,953	17,909	32,862	127,472	123,052
Employee Benefits	29,420	27,179	42,595	27,159	27,636	153,989	24,338	29,149	53,487	207,476	177,827
Total Salaries and Related Expenses	254,021	234,673	367,774	234,494	238,614	1,329,576	210,132	251,690	461,822	1,791,398	1,701,417
Professional Fees, Including In-kind of \$16,620 in 2020 and \$15,762 in 2019	23,576	21,780	34,134	21,764	22,146	123,400	19,503	23,360	42,863	166,263	94,772
Office Supplies and Expenses, Including In-kind of \$22,500 in 2020	14,953	13,814	21,649	13,803	14,046	78,265	12,369	14,815	27,184	105,449	69,258
Telephone and Communications	2,518	2,327	3,646	2,325	2,366	13,182	2,083	2,495	4,578	17,760	16,207
Postage, Printing and Publications	441	407	638	407	414	2,307	364	436	800	3,107	3,236
Travel and Auto	616	569	892	569	579	3,225	510	609	1,119	4,344	7,601
Conference, Conventions and Meetings	2,476	2,288	3,585	2,286	2,326	12,961	2,049	2,454	4,503	17,464	30,915
Insurance	8,781	8,112	12,713	8,106	8,248	45,960	7,264	8,700	15,964	61,924	54,246
Occupancy	41,492	41,492	41,492	41,492	41,442	207,410	20,759	20,732	41,491	248,901	243,598
In-kind Rent Expenses	50,545	50,545	50,545	50,545	50,485	252,665	25,289	25,258	50,547	303,212	303,212
Membership Dues	1,046	966	1,514	966	982	5,474	865	1,037	1,902	7,376	7,680
Program Expenses	17,111	35,429	101,853	134,036	55,823	344,252	8,503	250	8,753	353,005	271,248
Rental and Maintenance of Equipment	3,387	3,129	4,904	3,127	3,181	17,728	2,802	3,355	6,157	23,885	22,667
Fund-raising Events	-	-	-	-	-	-	-	1,117	1,117	1,117	59,486
Annual Appeals Expenses	-	-	-	-	-	-	-	27,739	27,739	27,739	36,258
Marketing and Development	-	-	-	-	-	-	-	21,315	21,315	21,315	15,829
Payment to National Organization	1,507	1,392	2,182	1,391	1,416	7,888	1,247	1,493	2,740	10,628	9,825
Recruiting	-	-	-	-	-	-	1,017	-	1,017	1,017	11,250
Bank Credit Card Fees and Interest Expense	-	-	-	-	-	-	22,508	-	22,508	22,508	26,429
Miscellaneous	-	-	-	-	-	-	50	-	50	50	294
Total Expenses Before Depreciation	422,470	416,923	647,521	515,311	442,068	2,444,293	337,314	406,855	744,169	3,188,462	2,985,428
Depreciation of Property and Equipment	34,012	34,012	34,012	34,012	33,971	170,019	17,017	16,996	34,013	204,032	199,371
<b>Total Functional Expenses</b>	<b>\$ 456,482</b>	<b>\$ 450,935</b>	<b>\$ 681,533</b>	<b>\$ 549,323</b>	<b>\$ 476,039</b>	<b>\$ 2,614,312</b>	<b>\$ 354,331</b>	<b>\$ 423,851</b>	<b>\$ 778,182</b>	<b>\$ 3,392,494</b>	<b>\$ 3,184,799</b>

See notes to financial statements.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 1 - NATURE OF OPERATIONS**

The Boys & Girls Club of Stamford, Inc.'s (Club) mission is to enable all youth to reach their full potential as productive, caring and responsible citizens. The Club strives to empower their youth and provide a safe and supportive environment with caring adult professionals and volunteers.

The Club is a non-stock corporation under Connecticut law, and is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3) and is also exempt from state income taxes.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Newly Adopted Accounting Standard

Effective July 1, 2019, the Club adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09: *Revenue from Contracts with Customers (Topic 606)*. Topic 606 and subsequently issued clarifying ASUs related to Topic 606 replaced most existing revenue recognition guidance in accounting principles generally accepted in the United States of America (U.S. GAAP). Topic 606 also requires expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The core principle of Topic 606 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services.

The Club adopted Topic 606 using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch up adjustment recognized upon adoption. As such, comparative information in the Club's financial statements have not been restated and continues to be reported under the accounting standards in effect for that period. Management's analysis of various provisions of Topic 606 resulted in no significant changes in the way the Club recognizes revenue, and therefore, there was no cumulative adjustment for the year ended June 30, 2020. The presentation and disclosures of revenue have been enhanced in accordance with Topic 606.

Net Asset Classes

The net asset classes of the Club consist of the following:

Net Assets Without Donor Restriction

Net assets without donor restriction over which the governing board has control to use in carrying out the operations of the Club in accordance with its charter and by-laws and are not restricted by donor-imposed restrictions.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Net Asset Classes (continued)

Net Assets With Donor Restriction

Time and Purpose Restricted

Net assets with donor restriction consist of net assets subject to stipulations by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Club or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity and that only the income from investment thereof be expended either for general purposes or purposes specified by the donor.

Donor restricted contributions are reported as an increase in net assets with donor restriction. When a restriction expires or the restricted purpose is satisfied, net assets are reclassified from net assets with donor restriction to net assets without donor restriction in the statement of activities. If a restriction is fulfilled in the same period in which the contribution is received, the Club reflects the support as a contribution without donor restriction.

Revenue Recognition

The Club recognizes revenue from federal and state grants, which are conditional upon certain performance requirements and/or the incurrence of certain qualifying expenses, when the Club has incurred expenditures in compliance with grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

The Club recognizes contributions when cash, securities, unconditional promises to give, other assets, or a notification of a beneficial interest are received. Conditional contributions and promises to give, that is, those with measurable performance or other barriers and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to conditions being met are reported as refundable advances in the statement of financial position.

The Club recognizes contract service fees, certain program service fees, and fund-raising income at a point in time, when they have satisfied their performance obligation, which is when the terms of the contract have been fulfilled or the program and the fund-raising events take place. Amounts received prior to the satisfaction of performance obligations are deferred in the statement of financial position.

The Club recognizes membership dues and certain program fees over time, prorated over the period of time covered by the membership dues or programs, which is three to nine months.

The Club recognized rental income in accordance with FASB Accounting Standards Codification (ASC) Leases (ASC 840), and is reflected as rental income and fees in the statement of activities.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributions and Promises to Give

Contributions received or promises to give without donor-imposed restrictions are reflected as support without donor restriction. Contributions received or promises to give with donor-imposed restrictions are reflected as support with donor restrictions in the accompanying financial statements. Contributions or promises to give with donor-imposed conditions are not recognized as contributions or promises to give in the accompanying financial statements until the period when the conditions are met.

Promises to give that are expected to be received within one year of the financial statement date are reflected at their net realizable value (the gross amount of the promises to give, net of an allowance for uncollectible accounts). Promises to give that are expected to be collected more than one year after the financial statement date are reflected at the present value of their estimated future cash flows using a discount rate commensurate with the risks involved at the date the promise to give is received. Periodic amortization of any discount relating to promises to give is included as a component of contributions revenue in the accompanying financial statements.

Investments

Investments are reflected at fair value. Realized gains and losses and unrealized appreciation and depreciation on investments are reflected in the accompanying statement of activities as increases or decreases in net assets without donor restriction unless their use is temporarily restricted by donor stipulation until spent.

Promises to Give and Accounts Receivable

Promises to give and accounts receivable are periodically evaluated for collectibility based upon management's evaluation of past loss experience, known and inherent risks in its accounts plus other factors which could affect collectibility. In the opinion of the management of the Club, all accounts for which the collectibility is doubtful have been provided for in the allowance for doubtful accounts, and the remaining accounts are deemed to be collectible.

Property and Equipment

Property and equipment purchased are reflected at cost. Donated assets are reflected at their fair market value at the date of the gift. Depreciation is provided over the estimated useful lives of the assets from three to thirty years using the straight-line method.

Certain property and equipment were acquired with grant funds. Although in some instances the grantors retain a reversionary right to such assets in the event they are not used for the respective programs for which they were funded, it is the policy of the Club to capitalize such assets when they consider it probable that they will be permitted to retain the assets when the grant agreements terminate.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributed Goods and Services

Goods and services have been provided by various organizations and a number of unpaid volunteers have contributed their time to the Club. Contributions are recognized if the goods or services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed goods or services that do not meet the above criteria are not recognized.

Deferred In-kind Rent Expense

The Club rents its space at a nominal cost. Deferred in-kind rent expense is recognized at the beginning of the lease period at the present value of the estimated fair value of the total annual lease payments of \$303,212 for two separate leases from the City of Stamford. The deferred in-kind rent expense account is amortized in rent expense over the term of the lease (Note 20).

Grants

The Club is the recipient of various grants. Such amounts are reflected as support without donor restriction when the grants are earned. Amounts received in advance of recognition, if any, are reflected as refundable advances in the accompanying financial statements.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The statement of functional expenses presents the natural classification of expenses by function. Such allocations are determined by the Club on an equitable basis. Salaries, payroll taxes and employee benefits are allocated based on level of effort. Occupancy, in-kind rent and depreciation of property and equipment are allocated based upon square footage. Shared costs are allocated based on the allocation of salaries and benefits.

Compensated Absences

Employees of the Club are entitled to paid vacations and personal days depending on job classification, length of service and other factors. The Club's policy is to allow the carryover one from one year to the next the amount of any unused vacation days. However, vacation pay will not be granted in lieu of taking time off, and therefore, no liability has been recorded in the accompanying financial statements as of June 30, 2020 and 2019.

Cash Equivalents

For purposes of the statement of cash flows, the Club considers highly liquid investments with original maturities of three months or less to be cash equivalents.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of Estimates

The preparation of financial statements in conformity 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 reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation.

Subsequent Events

Management has evaluated subsequent events through January 22, 2021, the date the financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the financial statements.

**NOTE 3 - CONCENTRATION OF RISK**

Cash and Cash Equivalents

The Club maintains cash accounts at several banks. Cash accounts at each bank are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, the cash balances at the banks exceeded insured amounts.

The Club also maintains a cash equivalent balance in a brokerage account, which is not insured.

Funding

Substantial portions of funding for the Club's activities are from donors in the Fairfield County area.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 4 - LIQUIDITY**

The Club is regularly funded by contributions from donors that contain restrictions. Those restrictions require resources to be used in a certain manner or in a future period. Therefore, the Club must maintain adequate resources to meet those responsibilities to its donors, and certain financial assets may not be available for general expenditures within one year. As part of its liquidity management, the Club has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations become due.

Below reflects the Club's financial assets as of June 30, 2020 and 2019, reduced by amounts that are not available for general use within one year of the statement of financial position due to donor-imposed or contractual restrictions.

As of June 30, 2020 and 2019, financial assets available to meet annual operating needs for the years ending June 30, 2021 and June 30, 2020, respectively, are as follows:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 378,184	\$ 192,774
Investments	207,826	-
Accounts Receivable	45,612	64,743
Grants Receivable	146,475	996,289
Promises to Give - Available for Capital and Operations	<u>605,707</u>	<u>369,533</u>
Total Financial Assets Available	1,383,804	1,623,339
Less: Donor Imposed Restrictions Not Available for Operations Within One Year	<u>(308,825)</u>	<u>(269,533)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 1,074,979</u>	<u>\$ 1,353,806</u>

Additionally, the Club has a \$250,000 and \$100,000 line of credit as of June 30, 2020 and 2019, respectively, which it uses for liquidity purposes as needed (Note 9).

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
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**NOTE 5 - INVESTMENTS**

Investments at June 30 consisted of the following:

<u>2020</u>			Unrealized
<u>Type of Investment</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
<u>Fixed Income</u>			
Government Bonds	\$ 399,126	\$ 412,345	\$ 13,219
Corporate Bonds	305,858	332,128	26,270
Mutual Funds	<u>205,420</u>	<u>204,056</u>	<u>(1,364)</u>
Sub-total	<u>910,404</u>	<u>948,529</u>	<u>38,125</u>
<u>Equities</u>			
Common Stocks	391,668	492,982	101,314
Mutual Funds	<u>493,888</u>	<u>524,903</u>	<u>31,015</u>
Sub-total	<u>885,556</u>	<u>1,017,885</u>	<u>132,329</u>
Total	<u>\$ 1,795,960</u>	<u>\$ 1,966,414</u>	<u>\$ 170,454</u>
<u>2019</u>			Unrealized
<u>Type of Investment</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
<u>Fixed Income</u>			
Government Bonds	\$ 307,171	\$ 307,945	\$ 774
Corporate Bonds	326,204	340,066	13,862
Mutual Funds	<u>206,673</u>	<u>205,885</u>	<u>(788)</u>
Sub-total	<u>840,048</u>	<u>853,896</u>	<u>13,848</u>
<u>Equities</u>			
Common Stocks	432,804	513,924	81,120
Mutual Funds	<u>572,248</u>	<u>621,225</u>	<u>48,977</u>
Sub-total	<u>1,005,052</u>	<u>1,135,149</u>	<u>130,097</u>
Real Assets	<u>26,169</u>	<u>28,254</u>	<u>2,085</u>
Total	<u>\$ 1,871,269</u>	<u>\$ 2,017,299</u>	<u>\$ 146,030</u>

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(with comparative totals for 2019)**

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**NOTE 5 - INVESTMENTS (CONTINUED)**

Investments at June 30 were reflected in the accompanying statement of financial position as follows:

	<u>2020</u>	<u>2019</u>
Investments	\$ 207,826	\$ -
Assets Restricted for Investment in and Maintenance of Property and Equipment	51,066	309,777
Assets Restricted for Long-Term Investment	<u>1,707,522</u>	<u>1,707,522</u>
Total	<u>\$1,966,414</u>	<u>\$2,017,299</u>

During the years ended June 30, 2020 and 2019, investments with a cost of \$952,677 and \$598,284 were sold for \$968,826 and \$595,998 resulting in a net gain (loss) of \$16,149 and (\$2,286), respectively.

Interest and dividends is reflected net of investment fees of \$18,049 and \$17,124 for the years ended June 30, 2020 and 2019, respectively.

U.S. GAAP defines fair value as the exchange price that would be received for an asset or liability in an orderly transaction between market participants at the measurement date. U.S. GAAP has established a definition and framework for measuring fair value and disclosure about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs used to measure fair value, requiring entities to maximize the use of markets or observable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs generally require significant management judgment. The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets the entity has the ability to access at the measurement date.
- Level 2 - Observable inputs other than quoted prices included in Level 1, such as:
  - Quoted prices for identical or similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets; and
  - Other inputs that are observable for substantially the full term of the asset or liability, such as interest rates, yield curves, prepayment speeds and default rates or that can be corroborated by observable market data.
- Level 3 - Valuation techniques that require unobservable inputs which are supported by little or no market activity and that are significant to the fair value measurement of the asset or liability, such as pricing models, discounted cash flow methodologies and similar techniques that typically reflects management's own estimates and assumptions a market participant would use in pricing that asset or liability.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

**NOTE 5 - INVESTMENTS (CONTINUED)**

Assets measured at fair value on a recurring basis at June 30, were as follows:

	Quoted Prices in Active Markets for Identical <u>Level 1</u>	Other Observable Inputs <u>Level 2</u>	Unobservable Inputs <u>Level 3</u>	<u>Total</u>
<u>2020</u>				
Investments	<u>\$1,966,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,966,414</u>
<u>2019</u>				
Investments	<u>\$2,017,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,017,299</u>

**NOTE 6 - ASSETS RESTRICTED FOR INVESTMENT IN AND MAINTENANCE OF PROPERTY AND EQUIPMENT**

Assets restricted for investment in and maintenance of property and equipment at June 30 consisted of the following:

	<u>2020</u>	<u>2019</u>
Capital Campaign Cash	\$ 277,684	\$ 343,353
Capital Campaign Investments	-	274,476
Capital Campaign Pledges, Net	50,524	1,103,103
Yerwood Renovations - Cash	44,295	44,295
Other Investments	<u>51,066</u>	<u>35,301</u>
Total	<u>\$ 423,569</u>	<u>\$ 1,800,528</u>

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

**NOTE 7 - CAPITAL CAMPAIGN PLEDGES**

In a prior year, the Club initiated a \$15 million capital campaign for the expansion of their Stillwater facility, to enhance program space at the Yerwood Center and to provide an endowment for youth development programs. The activity of the capital campaign for the years ended June 30, were as follows:

	<u>2020</u>	<u>2019</u>	<u>Prior</u>	<u>Total</u>
Pledges Received	\$ -	\$ 1,298,750	\$ 755,600	\$ 2,054,350
<u>Amounts Expended for:</u>				
Design Development of the Stillwater Facility	-	-	(73,182)	(73,182)
Consulting Fees for the Capital Campaign	-	-	(188,461)	(188,461)
Printing Costs for the Capital Campaign	-	-	(2,585)	(2,585)
Total Expended	-	-	(264,228)	(264,228)
<u>Other Adjustments:</u>				
Provision for Uncollectible Pledge	(8,000)	(52,000)	(16,750)	(76,750)
Present Value Discount Adjustment	70,771	(67,455)	(6,167)	(2,851)
Transfer to Board Designated for Capital and Operations	(1,137,613)	-	-	(1,137,613)
Transfer to Available for Capital and Operations - Time Restricted Net Assets	(317,882)	-	-	(317,882)
Reimbursement of Prior Year Expenditures from the State Grant-In-Aid Grant	-	-	73,182	73,182
Total Expended and Other Adjustments	<u>(1,392,724)</u>	<u>(119,455)</u>	<u>(213,963)</u>	<u>(1,726,142)</u>
Changes in Net Assets	(1,392,724)	1,179,295	541,637	328,208
Capital Campaign Net Assets - Beginning of Year	<u>1,720,932</u>	<u>541,637</u>	-	-
Capital Campaign Net Assets - End of Year (Note 12)	<u>\$ 328,208</u>	<u>\$ 1,720,932</u>	<u>\$ 541,637</u>	<u>\$ 328,208</u>
<u>Capital Campaign Pledges, Net Activity</u>				
	<u>2020</u>	<u>2019</u>	<u>Prior</u>	<u>Total</u>
Pledges Received	\$ -	\$ 1,298,750	\$ 755,600	\$ 2,054,350
Collections Received on Pledges	(797,468)	(536,900)	(271,975)	(1,606,343)
Provision for Uncollectible Pledges	(8,000)	(52,000)	(16,750)	(76,750)
Present Value Discount Adjustment	70,771	(67,455)	(6,167)	(2,851)
Transfer to Available for Capital and Operations - Time Restricted Net Assets	<u>(317,882)</u>	-	-	<u>(317,882)</u>
Changes in Pledges Receivable	(1,052,579)	642,395	460,708	50,524
Pledge Balance - Beginning of Year	<u>1,103,103</u>	<u>460,708</u>	<u>415,083</u>	-
Pledge Balance - End of Year	<u>\$ 50,524</u>	<u>\$ 1,103,103</u>	<u>\$ 875,791</u>	<u>\$ 50,524</u>

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(with comparative totals for 2019)**

**NOTE 7 - CAPITAL CAMPAIGN PLEDGES (CONTINUED)**

The activity for funds released from restrictions and designated by the Board of Directors as available for capital and operations for the years ended June 30 are as follows (Note 13):

	<u>2020</u>	<u>2019</u>	<u>Total</u>
Pledges Available for Capital and Operations Received	\$ 125,000	\$ 500,000	\$ 625,000
<u>Amounts Expended for:</u>			
Operations	(175,000)	(100,000)	(275,000)
Restoration of Undesignated Deficit	<u>(516,412)</u>	<u>-</u>	<u>(516,412)</u>
Total Expended	(691,412)	(100,000)	(791,412)
<u>Other Adjustments:</u>			
Provision for Uncollectible Promises to Give - Available for Operations	(50,000)	-	(50,000)
Present Value Discount Adjustment	18,292	(30,467)	(12,175)
Transfer from Capital Campaign	<u>1,455,495</u>	<u>-</u>	<u>1,455,495</u>
Total Expended and Other Adjustments	<u>732,375</u>	<u>(130,467)</u>	<u>601,908</u>
Changes in Capital Campaign Available for Capital and Operations Net Assets	857,375	369,533	1,226,908
Capital Campaign Available for Capital and Operations Net Assets - Beginning of Year	<u>369,533</u>	<u>-</u>	<u>-</u>
Capital Campaign Available for Capital and Operations Net Assets - End of Year	<u>\$ 1,226,908</u>	<u>\$ 369,533</u>	<u>\$ 1,226,908</u>

Capital Campaign Available for Capital and Operations Reconciliation of Net Assets

	<u>2020</u>	<u>2019</u>
Board Designated - Capital and Operations (Note 12)	\$ 621,201	\$ -
Available for Capital and Operations - Time Restricted (Note 12)	<u>605,707</u>	<u>369,533</u>
Total Net Assets Available for Capital and Operations	<u>\$ 1,226,908</u>	<u>\$ 369,533</u>

The net assets available for capital and operations were pledges received as part of the capital campaign where donors agreed that their pledges could be utilized for either capital expenditures of operations at the discretion of the Board.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(with comparative totals for 2019)**

**NOTE 7 - CAPITAL CAMPAIGN PLEDGES (CONTINUED)**

Promises to Give - Available for Capital and Operations Activity

	<u>2020</u>	<u>2019</u>	<u>Total</u>
Pledges - Available for Capital and Operations Received	\$ 125,000	\$ 500,000	\$ 625,000
Collections Received on Promises to Give - Available for Capital and Operations	(175,000)	(100,000)	(275,000)
Provision for Uncollectible Promises to Give - Available for Capital and Operations	(50,000)	-	(50,000)
Present Value Discount	18,292	(30,467)	(12,175)
Transfer from Capital Campaign Pledges	<u>317,882</u>	<u>-</u>	<u>317,882</u>
Changes in Promises to Give - Available for Capital and Operations	236,174	369,533	605,707
Promises to Give Available for Capital and Operations - Beginning of Year	<u>369,533</u>	<u>-</u>	<u>-</u>
Promises to Give Available for Capital and Operations - End of Year	<u>\$ 605,707</u>	<u>\$ 369,533</u>	<u>\$ 605,707</u>

Capital campaign pledges at June 30, consisted of the following:

	<u>2020</u>	<u>2019</u>
Due in Less Than 1 Year	\$ 395,757	\$ 607,725
Due in 1 to 5 Years	<u>342,000</u>	<u>1,035,500</u>
Total	737,757	1,643,225
Less: Allowance for Uncollectible Campaign Pledges	(66,500)	(66,500)
Unamortized Discount	<u>(15,026)</u>	<u>(104,089)</u>
Net	<u>\$ 656,231</u>	<u>\$ 1,472,636</u>

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(with comparative totals for 2019)**

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**NOTE 7 - CAPITAL CAMPAIGN PLEDGES (CONTINUED)**

Capital campaign pledges at June 30 were reflected in the accompanying statements of financial position as follows:

	<u>2020</u>	<u>2019</u>
Promises to Give - Available for Capital and Operations	\$ 605,707	\$ 369,533
Capital Campaign Pledges, Net	<u>50,524</u>	<u>1,103,103</u>
Total	<u>\$ 656,231</u>	<u>\$ 1,472,636</u>

The unamortized discount represents the adjustment required to reflect capital campaign pledges with due dates in excess of one year at their present value, calculated using a discount rate of 3.25% for the year ended June 30, 2020 and 5.50% for the year ended June 30, 2019.

**NOTE 8 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 161,894	\$ 161,894
Building and Improvements	6,619,544	2,403,522
CIP - Building Renovations	-	1,257,386
Land Improvements	8,541	8,541
Furniture, Fixtures and Equipment	558,308	473,728
Leasehold Improvements	536,164	472,289
Michael F. Lione Memorial Park	990,587	990,587
Transportation Equipment	<u>20,000</u>	<u>20,000</u>
Total	8,895,038	5,787,947
Less: Accumulated Depreciation	<u>(2,852,005)</u>	<u>(2,647,973)</u>
Property and Equipment, Net	<u>\$ 6,043,033</u>	<u>\$ 3,139,974</u>

In conjunction with the capital campaign, the Club was awarded two grants from the State of Connecticut Department of Children and Families (DCF). The first grant was for \$4.4 million to be used for the expansion of the Stillwater facility and renovations to the Yerwood Center. The second grant was for \$1.5 million and is to be used for the expansion of the gym at the Club's Stillwater facility and improvements to the Michael F. Lione Memorial Park (Lione Park) that is adjacent to the Club's Stillwater facility, which the Club has a 25-year land lease with the City of Stamford. The Club has an agreement with the City of Stamford that \$800,000 of the \$1.5 million grant is earmarked for the Lione Park improvements.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 8 - PROPERTY AND EQUIPMENT (CONTINUED)**

Under the terms of both DCF grant awards, the State of Connecticut has taken a lien on the Stillwater facility equal to the amounts of the two grant awards. Also, under the terms of both DCF grant awards, the Club will be required to repay the State of Connecticut the grant awards should the facility cease to be used by the Club within ten years of the final payment under the grant awards. Repayment shall be equal to the amount of the grant awards, minus ten percent for each full year of continuance operation as a child care facility licensed by DCF. Refundable advances on the DCF grant awards was \$5,617,273 and \$2,688,509 at June 30, 2020 and 2019, respectively, and during the year ended June 30, 2020, the Club recognized income of \$150,000 (Note 14). As of June 30, 2020, the Club has not expended approximately \$133,000 under the grant awards.

**NOTE 9 - LINE OF CREDIT**

The Club has a line of credit (Line) with a bank. The borrowing limit on the Line was \$100,000 through March 2020 at which time the Line was amended to increase the limit to \$250,000. The Line is due on demand, requires monthly payments of interest at the bank's prime rate plus 2% (5.25% and 7.50% at June 30, 2020 and 2019, respectively), and is secured by substantially all assets of the Club. There were no outstanding balances on the Line at June 30, 2020. The outstanding balance on the Line was \$95,280 at June 30, 2019.

Interest expense on the Line amounted to approximately \$2,600 and \$4,700 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 10 - NOTES PAYABLE**

State of Connecticut Bridge Loan

In response to the on-going COVID-19 pandemic, the State of Connecticut Department of Economic and Community Development (DECD) established a fund to provide emergency cash flow relief to small businesses and not-for-profits negatively impacted by the pandemic. During the year ended June 30, 2020, the Club received a \$10,000 bridge loan (Bridge Loan) from the DECD. The Bridge Loan is for a term of twelve-months with an initial maturity date of May 15, 2021, and provides an option for a six-month extension. Proceeds from the Bridge Loan are to be used to cover rent, payroll and/or utilities and bears no interest unless the Club is in default, at which point the Bridge Loan will bear interest at a yearly rate of 15%.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**(with comparative totals for 2019)**

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**NOTE 10 - NOTES PAYABLE (CONTINUED)**

Payroll Protection Program

On March 27, 2020, the Corona Virus, Aid, Relief and Economic Securities Act (CARES Act) was signed into law. The CARES Act created a new program administered by the Small Business Administration (SBA) called the Payroll Protection Program (PPP). The PPP provides loans to qualifying businesses for up to 2.5 times the average monthly payroll expenses of the qualifying business. During the year ended June 30, 2020, the Club received loan proceeds of \$326,100 under the PPP. The loan and accrued interest will be forgiven after twenty-four weeks as long as the Club used the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains payroll levels. The amount of loan forgiveness will be reduced if the Club terminates employees or reduces salaries during the twenty-four week period unless the Club meets certain conditions. The unforgiven portion of the loan is payable over two years at an interest rate of 1%, with payments deferred for the first six months.

The PPP represents, in substance, a grant that is expected to be forgiven and the Club has accounted for the proceeds from the PPP in accordance with FASB Accounting Standards Codification 958-605: *Not-for-Profit Entities - Revenue Recognition (ASC 958-605)*. Under ASC 958-605, proceeds from the PPP are conditional and are initially recorded as a refundable advance. The refundable advance is then reduced and income is recognized once the conditions of release have been substantially met or explicitly waived. During the year ended June 30, 2020, the Club has estimated that they have incurred \$326,100 in qualifying expenses and determined it has met the requirements of forgiveness, and has recognized \$326,100 of the PPP in grant revenue

**NOTE 11 - TENANT SECURITY DEPOSITS**

The security deposit balance of \$10,000 at each of the years ended June 30, 2020 and 2019 represents deposits received from tenants leasing space in the Yerwood facility.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 12 - NET ASSETS**

Net Assets Without Donor Restrictions - Board Designated

As of June 30, the Board of Directors has designated the following amounts for the purposes indicated:

	<u>2020</u>	<u>2019</u>
Capital and Operations	<u>\$ 621,201</u>	<u>\$ -</u>

Net Assets With Donor Restrictions

Net assets with donor restriction at June 30 were restricted for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
<u>Purpose Restrictions</u>		
Scholarships	\$ 17,060	\$ 17,060
Summer Camp	9,500	47,250
Capital Campaign (Notes 6 and 7)	328,208	1,720,932
Yerwood Renovations (Note 8)	44,295	44,295
Investment in and Maintenance of Property and Equipment - Unexpended Endowment Income (Note 5)	<u>51,066</u>	<u>35,301</u>
	<u>450,129</u>	<u>1,864,838</u>
<u>Time Restricted</u>		
Promises to Give - Available for Capital and Operations	605,707	369,533
Deferred In-kind Rent Expense	<u>5,211,159</u>	<u>5,238,560</u>
	<u>5,816,866</u>	<u>5,608,093</u>
<u>Perpetually Restricted</u>	<u>1,707,522</u>	<u>1,707,522</u>
Total Net Assets with Donor Restriction	<u>\$ 7,974,517</u>	<u>\$ 9,180,453</u>

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 12 - NET ASSETS (CONTINUED)**

Net Assets With Donor Restrictions (continued)

Net assets released from donor restrictions by passage of time, by incurring expenses satisfying the restricted purposes, or by occurrence of other events for the years ended June 30 were as follows:

	<u>2020</u>	<u>2019</u>
<u>Satisfaction of Purpose Restrictions</u>		
Summer Camp	\$ 47,250	\$ 91,055
Capital Campaign	<u>1,137,613</u>	<u>-</u>
Total Satisfaction of Purpose Restrictions	<u>1,184,863</u>	<u>91,055</u>
 <u>Expiration of Time Restrictions</u>		
Promises to Give - Available for Capital and Operations	150,000	-
Deferred In-kind Rent Expense	<u>27,401</u>	<u>27,401</u>
Total Expiration of Time Restrictions	<u>177,401</u>	<u>27,401</u>
 Total	<u>\$ 1,362,264</u>	<u>\$ 118,456</u>

During the year ended June 30, 2020, the Club received approval from certain donors to expend donor restricted net assets restricted for the capital campaign to fund operations, and accordingly, the Club released \$1,137,613 to net assets without donor restriction as board designated for capital and operations. From the release, \$516,412 was used to restore the undesignated deficit in net assets, leaving \$621,201 as board designated net assets available for capital and operations. Additionally, \$317,882 was reclassified to donor restricted net assets with time restrictions, consisting of future pledge receivables with payments due in future years (Note 7) which are available for capital and operations at the board's discretion.

Net assets with donor restriction - perpetually restricted at June 30, consisted of the following:

	<u>2020</u>	<u>2019</u>
Endowments	<u>\$1,707,522</u>	<u>\$1,707,522</u>

The net earnings on \$500,000 of the \$1,707,522 of the net assets with donor restriction - perpetually restricted must be used for the maintenance of the facility. The balance of the net earnings on the perpetually restricted funds are available for unrestricted use.

The Board of Directors of the Club has interpreted the Uniform Prudent Management of Institution Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of endowment contributions unless there are explicit donor stipulations to the contrary. None of the Club's endowment contributions have any such stipulations.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 13 - REVENUES FROM CONTRACTS WITH CUSTOMERS**

Deferred Revenue for Performance Obligations

The Club receives payments for a significant portion of the dues from members in advance of the delivery of the services provided. These upfront payments are recorded as program fees received in advance upon receipt and generally require the deferral of revenue recognition to a future period until the Club performs its obligations. At June 30, 2020 and 2019, the Club has recorded program fees received in advance of \$55,653 and \$87,149, respectively. The Club will recognize \$55,653 and has recognized \$87,149 as revenue during the year ending June 30, 2021 and the year ended June 30, 2020, respectively, as it performs those services, and, therefore, satisfies its performance obligations to its members.

Disclosure of Disaggregated Revenue

For the years ended June 30, 2020 and 2019, revenues recognized for contracts and fees under Topic 606 for services provided at a point in time were \$218,605 and \$684,570, respectively.

For the years ended June 30, 2020 and 2019, revenue recognized for contracts and fees under Topic 606 for services provided over time were \$307,318 and \$308,996, respectively.

The Club's revenues, results of operations, and cash flows are affected by a wide variety of factors, including general economic conditions, the geographical regions of its members, type of contract and contract duration. Contracts with members are generally no longer than twelve-months in length.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
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**NOTE 14 - GRANTS**

Grants receivable and refundable advances at June 30, and grant revenue for the year ended June 30, consisted of the following:

<u>2020</u>		Refundable	
<u>Grantor</u>	<u>Grants Receivable</u>	<u>Advances (Note 9)</u>	<u>Grant Revenue</u>
Federal - Operating	\$ 5,170	\$ -	\$ 425,439
Federal - Capital	-	-	39,242
State - Operating	-	-	82,427
State - Capital	141,305	5,617,273	150,000
City - Operating	-	-	150,000
<b>Total</b>	<b><u>\$ 146,475</u></b>	<b><u>\$5,617,273</u></b>	<b><u>\$ 847,108</u></b>
<u>2019</u>		Refundable	
<u>Grantor</u>	<u>Grants Receivable</u>	<u>Advances (Note 9)</u>	<u>Grant Revenue</u>
Federal - Operating	\$ 32,277	\$ -	\$ 99,117
Federal - Capital	-	-	48,290
State - Operating	-	-	91,376
State - Capital	964,012	2,688,509	-
City - Operating	-	-	125,000
<b>Total</b>	<b><u>\$ 996,289</u></b>	<b><u>\$2,688,509</u></b>	<b><u>\$ 363,783</u></b>

The Club typically receives grants from government agencies. Under the terms and conditions of these grants, expenditures and compliance with the provisions of such grants are subject to audit by the grantors. Management of the Club does not anticipate that there would be any changes as a result of an audit.

**NOTE 15 - RETIREMENT PLAN**

The Club maintains a 401(k) retirement plan (Plan) covering all fulltime employees, age 21 or older who have completed one year of service. Eligible employees may elect to defer a percentage of their compensation up to annual IRS limitations. The Plan provides for an employer safe harbor contribution of three percent of compensation, and also provides for a discretionary profit sharing contribution made by the Club. Participants are vested in their contributions immediately and after three years for the Club's contribution. Retirement plan expense for the years ended June 30, 2020 and 2019 was \$27,600 and \$25,600, respectively, which is included in employee benefits in the accompanying statement of functional expenses.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 16 - FUND-RAISING EVENTS**

The net earnings on fund-raising events consisted of the following for the years ended June 30:

2020

<u>Event</u>	<u>Fund-Raising Revenues</u>	<u>Direct Benefit to Donor</u>	<u>Fund-Raising Event Expenses</u>	<u>Net</u>
City Chic	\$ -	\$ -	\$ 498	\$ (498)
Charity Buzz	507	-	-	507
Golf Event	<u>165,120</u>	<u>56,613</u>	<u>619</u>	<u>107,888</u>
Total	<u>\$ 165,627</u>	<u>\$ 56,613</u>	<u>\$ 1,117</u>	<u>\$107,897</u>

2019

<u>Event</u>	<u>Fund-Raising Revenues</u>	<u>Direct Benefit to Donor</u>	<u>Fund-Raising Event Expenses</u>	<u>Net</u>
City Chic	\$ 298,179	\$ 49,987	\$ 23,576	\$224,616
5K Run	194,454	14,585	35,910	143,959
Golf Event	<u>160,915</u>	<u>63,535</u>	<u>-</u>	<u>97,380</u>
Total	<u>\$ 653,548</u>	<u>\$ 128,107</u>	<u>\$ 59,486</u>	<u>\$465,955</u>

Due to the COVID-19 pandemic, the City Chic and 5K Run events to be held during the year ended June 30, 2020 were cancelled.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 17 - RENTAL INCOME AND FEES**

Rental Income and Fees

The Club rents its facilities under the following terms:

Long-Term Leases

The Club entered into leases, with terms ranging from one to ten years, with various parties at its Yerwood Center facility. The leases provide for payments in varying amounts ranging from \$500 to \$3,200 per month. Two of the leases contain options to renew, one for two four-year periods, and the second one for two five-year periods.

Future minimum rentals under the above leases are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2021	\$108,400
2022	104,600
2023	50,300
2024	45,600
2025 and thereafter	<u>133,000</u>
Total	<u>\$441,900</u>

Short-Term Leases and Hourly Rentals

The Club also rents out its facility and the Yerwood Center informally on a month-to-month as well as an hourly basis.

Total rental income and fees for the years ended June 30, consisted of the following:

	<u>2020</u>	<u>2019</u>
Long-Term Leases	\$130,138	\$135,444
Short-Term and Hourly Rentals	<u>107,787</u>	<u>101,426</u>
Total	<u>\$237,925</u>	<u>\$236,870</u>

Costs Associated With Rental Income

For the years ended June 30, 2020 and 2019, the Club determined that occupancy costs directly related to the above rental activities consisting of utilities, repairs and maintenance and janitorial services were approximately \$94,000 and \$95,700, respectively.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**(with comparative totals for 2019)**

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**NOTE 18 - IN-KIND CONTRIBUTIONS**

In-kind contributions consist of the right to occupy a building at no cost, professional fees and various services and supplies received by the Club during the year (Note 2). The in-kind values are as follows for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Building Rental (Note 2)	\$ 303,212	\$ 303,212
Professional Fees	16,620	15,762
Services and Supplies	<u>22,500</u>	<u>-</u>
Total In-kind Expenses	342,332	318,974
Add: Contributed Property and Equipment	46,324	-
Less: Change in Deferred In-kind Rent Expense	<u>(27,401)</u>	<u>(27,401)</u>
Total	<u>\$ 361,255</u>	<u>\$ 291,573</u>

**NOTE 19 - COMMITMENTS AND CONTINGENCIES**

Yerwood Center Lease Agreement

The Club has a 5-year lease with the City of Stamford for the Yerwood Center located in Stamford, Connecticut. The lease expired August 2020 and the Club exercised the first of two 25-year extensions. The cumulative total rent paid to the City of Stamford for the entire term of the total duration of the lease, including extensions, is \$10.00. The fair market value of the rent for the building was estimated at \$5,000,000. The value of the total rent over the period of the lease was discounted at 5.25%, and the present value of total in-kind rent was recorded in the deferred in-kind rent expense account. Annual rent expense of \$278,212 is recorded in program expense for each of the years ending June 30, 2020 and 2019. The Club is responsible for all operating and maintenance costs associated with operating programs at the Yerwood Center during the term of the lease.

Lione Park Lease Agreement

The Club has a 25-year lease agreement with the City of Stamford for land adjacent to their Stillwater facility which consists of a parking lot and includes a section of Lione Park. The lease expires September 2038. The cumulative total rent paid to the City of Stamford for the entire term of the total duration of the lease is \$10.00. The fair market rent value was estimated at \$347,828, the value of the total rent over the period of the lease was discounted at 5.25% and the present value of total in-kind rent was recorded in the deferred in-kind rent expense account. Annual rent expense of \$25,000 is recorded in program expenses for each of the years ending June 30, 2020 and 2019.

**BOYS & GIRLS CLUB OF STAMFORD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 19 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

Lione Park Lease Agreement (continued)

The lease also provides for the Club to make capital improvements to Lione Park. The improvements are part of the Club's \$15 million capital campaign for expansion of their Stillwater facility, to enhance program space at the Yerwood Center and to provide an endowment for youth development programs (Note 8).

COVID-19

The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Club's operations and financial performance will depend on certain developments, including the duration and spread of the outbreak, current and potential members, employees and vendors, all of which are uncertain and cannot be predicted. Management is carefully monitoring the situation and evaluating operations. At this time, the extent which COVID-19 may impact the Club's financial condition or results of operations is uncertain, and no adjustments have been made to the financial statements as a result of this uncertainty.

**NOTE 20 - RELATED PARTY TRANSACTIONS**

As of June 30, 2020, a member of the Board of Directors is a guarantor on the Bridge Loan (Note 10).

**NOTE 21 - PRIOR-YEAR INFORMATION**

The accompanying financial statements include certain prior year summarized comparative information at June 30, 2019 and for the year then ended in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the financial statements at June 30, 2019 and for the year then ended from which the summarized information was derived.