

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

**Financial Statements**

**Year Ended June 30, 2022  
(with comparative totals for 2021)**

**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

### Opinion

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, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

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, 2022, 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 (U.S. GAAP).

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boys & Girls Club of Stamford, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys & Girls Club of Stamford, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Boys & Girls Club of Stamford, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys & Girls Club of Stamford, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **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, 2021, and we expressed an unmodified audit opinion on those financial statements dated February 5, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Cirone Friedberg, LLP*

Shelton, Connecticut  
November 18, 2022

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

## STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(with comparative totals for 2021)

<b>ASSETS</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Cash and Cash Equivalents	\$ 939,675	\$ 920,845
Investments	17,450	439,021
Accounts Receivable	54,572	78,818
Grants Receivable	183,825	109,441
Promises to Give - Available for Capital and Operations, Net	118,921	205,625
Prepaid Expenses	50,389	19,816
Deferred In-kind Rent Expense	5,156,357	5,183,758
Property and Equipment, Net	<u>5,535,117</u>	<u>5,840,370</u>
	<u>12,056,306</u>	<u>12,797,694</u>
Assets Restricted for Investment in and Maintenance of Property and Equipment:		
Cash and Cash Equivalents	357,754	342,079
Investments	71,741	145,578
Capital Campaign Pledges, Net	<u>15,600</u>	<u>32,624</u>
Total Assets Restricted for Investment in and Maintenance of Property and Equipment	<u>445,095</u>	<u>520,281</u>
Assets Restricted for Long-Term Investment - Investments	<u>1,707,522</u>	<u>1,707,522</u>
<b>Total Assets</b>	<b><u>\$ 14,208,923</u></b>	<b><u>\$ 15,025,497</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<u>Liabilities</u>		
Notes Payable	\$ -	\$ 10,000
Accounts Payable and Accrued Expenses	328,001	320,681
Program Fees Received in Advance	263,083	144,419
Tenant Security Deposits	10,000	10,000
Refundable Advances on Grants	<u>5,450,001</u>	<u>5,538,016</u>
Total Liabilities	<u>6,051,085</u>	<u>6,023,116</u>
<u>Net Assets</u>		
Net Assets Without Donor Restriction:		
Net Investment in Property and Equipment	85,116	302,354
Board Designated - Capital and Operations	612,376	621,201
Undesignated - Available for Operations	<u>-</u>	<u>411,380</u>
Total Net Assets Without Donor Restriction	697,492	1,334,935
Net Assets With Donor Restriction	<u>7,460,346</u>	<u>7,667,446</u>
Total Net Assets	<u>8,157,838</u>	<u>9,002,381</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 14,208,923</u></b>	<b><u>\$ 15,025,497</u></b>

See notes to financial statements.

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

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**  
**(with comparative totals for 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>	<b>Total</b>
<b>Support, Revenues and Investment Income</b>				
Contributions	\$ 872,718	\$ 55,681	928,399	\$ 754,082
Capital Campaign Contributions	14,290	-	14,290	4,051
Grants	1,188,633	-	1,188,633	1,326,182
Fund-raising Events	726,608	-	726,608	603,170
Contract Service Fees	20,000	-	20,000	20,000
Program Service Fees	139,922	-	139,922	17,257
Membership Dues	57,290	-	57,290	58,549
Interest and Dividends, Net of Investment Fees	10,874	3,183	14,057	18,273
Net Realized Gains on Investments	31,810	9,347	41,157	140,306
Net Unrealized (Depreciation) Appreciation on Investments	(293,936)	(86,367)	(380,303)	266,000
Rental Income and Fees	395,570	-	395,570	217,602
Contributed Nonfinancial Assets	271,147	-	271,147	275,811
Total	<u>3,434,926</u>	<u>(18,156)</u>	<u>3,416,770</u>	<u>3,701,283</u>
Net Assets Released from Restriction:				
Satisfaction of Purpose Restriction	36,200	(36,200)	-	-
Expirations of Time Restriction	152,744	(152,744)	-	-
Total Net Assets Released from Restriction	<u>188,944</u>	<u>(188,944)</u>	<u>-</u>	<u>-</u>
Total Support, Revenues and Investment Income	<u>3,623,870</u>	<u>(207,100)</u>	<u>3,416,770</u>	<u>3,701,283</u>
<b>Expenses</b>				
Program Services:				
Afterschool	1,142,405	-	1,142,405	786,678
Education Programs	368,638	-	368,638	370,566
Summer Camp	582,891	-	582,891	534,892
Teen Programs	518,059	-	518,059	483,797
Enrichment Programs	390,156	-	390,156	363,091
Total Program Services	<u>3,002,149</u>	<u>-</u>	<u>3,002,149</u>	<u>2,539,024</u>
Support Services:				
General and Administrative	428,741	-	428,741	535,192
Fund Raising and Development	691,123	-	691,123	503,014
Total Support Services	<u>1,119,864</u>	<u>-</u>	<u>1,119,864</u>	<u>1,038,206</u>
Total Functional Expenses	4,122,013	-	4,122,013	3,577,230
Other (Income) Expense:				
Cost of Direct Benefits to Donors	60,554	-	60,554	48,490
Costs Associated with Rental Income	91,246	-	91,246	82,814
Provision for Uncollectible Promises to Give - Available for Capital and Operations	-	-	-	3,000
(Recovery of) Provision for Uncollectible Campaign Pledges	(12,500)	-	(12,500)	8,846
Total Expenses, Net	<u>4,261,313</u>	<u>-</u>	<u>4,261,313</u>	<u>3,720,380</u>
Change in Net Assets	(637,443)	(207,100)	(844,543)	(19,097)
Net Assets - Beginning of Year	<u>1,334,935</u>	<u>7,667,446</u>	<u>9,002,381</u>	<u>9,021,478</u>
<b>Net Assets - End of Year</b>	<b><u>\$ 697,492</u></b>	<b><u>\$ 7,460,346</u></b>	<b><u>\$ 8,157,838</u></b>	<b><u>\$ 9,002,381</u></b>

See notes to financial statements.

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

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2022**  
**(with comparative totals for 2021)**

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (844,543)	\$ (19,097)
Adjustments to Reconcile Change in Net Assets to Net Cash (Used) Provided by Operating Activities:		
Depreciation and Amortization	369,013	389,752
Provision for Uncollectible Promises to Give - Available for Capital and Operations	-	3,000
(Recovery of) Provision for Uncollectible Campaign Pledges	(12,500)	8,846
Unrealized Depreciation (Appreciation) on Investments, Net	380,303	(266,000)
Realized Gains on Investments	(41,157)	(140,306)
Amortization of Investments	3,844	4,537
Deferred In-kind Rent Expense	27,401	27,401
Contributed Securities	(171,923)	(80,847)
Changes in:		
Accounts Receivable	24,246	(42,052)
Grants Receivable	(74,384)	37,034
Promises to Give - Available for Capital and Operations	86,704	397,082
Prepaid Expenses	(30,573)	8,938
Accounts Payable and Accrued Expenses	7,320	237,244
Program Fees Received in Advance	118,664	88,766
Refundable Advances on Grants	(150,000)	(150,000)
Total Adjustments	<u>536,958</u>	<u>523,395</u>
Net Cash (Used) Provided by Operating Activities	<u>(307,585)</u>	<u>504,298</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Property and Equipment	(63,760)	(187,089)
Purchases of Investments	(339,251)	(764,836)
Proceeds from Sales of Investments	<u>663,592</u>	<u>921,745</u>
Net Cash Provided (Used) by Investing Activities	<u>260,581</u>	<u>(30,180)</u>
<b>Cash Flows from Financing Activities</b>		
Collection of Pledges Restricted for Investment in and Maintenance of Property and Equipment	29,524	17,900
Repayment of Notes Payable	(10,000)	-
Refundable Advances on Grants	<u>61,985</u>	<u>70,743</u>
Net Cash Provided by Financing Activities	<u>81,509</u>	<u>88,643</u>
Net Increase in Cash and Cash Equivalents	34,505	562,761
Cash and Cash Equivalents - Beginning	<u>1,262,924</u>	<u>700,163</u>
<b>Cash and Cash Equivalents - Ending</b>	<b><u>\$ 1,297,429</u></b>	<b><u>\$ 1,262,924</u></b>
<b>Reconciliation of Cash and Cash Equivalents:</b>		
Cash and Cash Equivalents	\$ 939,675	\$ 920,845
Cash and Cash Equivalents Restricted for Investment in and Maintenance of Property and Equipment	<u>357,754</u>	<u>342,079</u>
<b>Total Cash and Cash Equivalents</b>	<b><u>\$ 1,297,429</u></b>	<b><u>\$ 1,262,924</u></b>

See notes to financial statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2022**  
(with comparative totals for 2021)

	PROGRAM SERVICES						SUPPORT SERVICES			2022 Total	2021 Total
	Afterschool	Education Programs	Summer Camp	Teen Programs	Enrichment Programs	Total Program	General and Admini- strative	Fund Raising and Development	Total Support		
Salaries	\$ 715,398	\$ 142,019	\$ 268,985	\$ 222,910	\$ 164,194	\$ 1,513,506	\$ 178,725	\$ 303,784	\$ 482,509	\$ 1,996,015	\$ 1,550,809
Payroll Taxes	64,511	11,828	23,227	18,821	12,554	130,941	10,963	24,347	35,310	166,251	131,094
Employee Benefits	66,593	25,149	40,258	30,234	26,545	188,779	39,115	70,184	109,299	298,078	461,463
Total Salaries and Related Expenses	846,502	178,996	332,470	271,965	203,293	1,833,226	228,803	398,315	627,118	2,460,344	2,143,366
Professional Fees	34,024	7,195	13,363	10,931	8,171	73,684	9,197	16,010	25,207	98,891	107,213
Office Supplies and Expenses	26,145	5,528	10,269	8,400	6,279	56,621	7,067	12,302	19,369	75,990	54,805
Telephone and Communications	6,196	1,310	2,434	1,991	1,488	13,419	1,674	2,916	4,590	18,009	17,232
Postage, Printing and Publications	640	135	251	206	154	1,386	173	301	474	1,860	1,342
Travel and Auto	2,041	431	801	656	490	4,419	552	960	1,512	5,931	3,331
Conference, Conventions and Meetings	2,894	612	1,136	930	695	6,267	781	1,362	2,143	8,410	10,473
Insurance	30,743	6,501	12,075	9,877	7,383	66,579	8,309	14,466	22,775	89,354	83,077
Occupancy	45,132	45,132	45,132	45,132	45,078	225,606	22,581	22,552	45,133	270,739	215,794
In-kind Rent Expenses	49,768	49,768	49,768	49,768	49,708	248,780	24,899	24,869	49,768	298,548	303,212
Membership Dues	2,419	511	950	777	581	5,238	654	1,138	1,792	7,030	8,397
Program Expenses	19,090	7,770	46,720	50,997	1,723	126,300	64,207	4,468	68,675	194,975	92,151
Rental and Maintenance of Equipment	10,908	2,306	4,284	3,504	2,620	23,622	2,948	5,133	8,081	31,703	22,609
Fund-raising Events	-	-	-	-	-	-	-	81,497	81,497	81,497	39,955
Annual Appeals Expenses	-	-	-	-	-	-	-	17,423	17,423	17,423	2,320
Marketing and Development	-	-	-	-	-	-	-	54,607	54,607	54,607	52,038
Payment to National Organization	4,388	928	1,723	1,410	1,054	9,503	1,186	2,065	3,251	12,754	11,469
Recruiting	-	-	-	-	-	-	5,957	-	5,957	5,957	1,373
Bank, Credit Card Fees and Interest Expense	-	-	-	-	-	-	17,352	-	17,352	17,352	16,399
Miscellaneous	-	-	-	-	-	-	1,626	-	1,626	1,626	922
Total Expenses Before Depreciation and Amortization	1,080,890	307,123	521,376	456,544	328,717	2,694,650	397,966	660,384	1,058,350	3,753,000	3,187,478
Depreciation and Amortization of Property and Equipment	61,515	61,515	61,515	61,515	61,439	307,499	30,775	30,739	61,514	369,013	389,752
<b>Total Functional Expenses</b>	<b>\$ 1,142,405</b>	<b>\$ 368,638</b>	<b>\$ 582,891</b>	<b>\$ 518,059</b>	<b>\$ 390,156</b>	<b>\$ 3,002,149</b>	<b>\$ 428,741</b>	<b>\$ 691,123</b>	<b>\$ 1,119,864</b>	<b>\$ 4,122,013</b>	<b>\$ 3,577,230</b>

See notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(with comparative totals for 2021)**

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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**

Basis of Presentation

The financial statements of the Club have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Club to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restriction

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Club. These net assets may be used at the discretion of the Club's Board of Directors.

Net Assets With Donor Restriction

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.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(with comparative totals for 2021)**

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

Revenue Recognition (continued)

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.

Program service fees are billed at the time of registration and membership and contract service fees are billed semi-annually. The Club utilizes standard payment terms and invoices are due on demand.

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

Contributions and Promises to Give

Contributions received or promises to give without donor-imposed restrictions are reflected as net assets without donor restriction. Contributions received or promises to give with donor-imposed restrictions are reflected as net assets with donor restriction 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 amounts). 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. Periodic amortization of any discount relating to promises to give is included as a component of contributions revenue in the accompanying financial statements.

Cash Equivalents

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, 2022**

**(with comparative totals for 2021)**

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

Investments

Investments are stated at fair value. Realized gains or losses and unrealized appreciation or 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 restricted by donor stipulation until spent.

Promises to Give and Accounts Receivable

Promises to give and accounts receivable are periodically evaluated for collectability based upon management's evaluation of past loss experience, known and inherent risks in its accounts plus other factors which could affect collectability. In the opinion of management, all accounts for which the collectability is doubtful have been provided for in the provision for uncollectible pledges, and the remaining accounts are deemed to be collectible. Accounts receivable at June 30, 2020 was \$45,612.

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 \$298,548 for two separate leases from the City of Stamford. The deferred in-kind rent expense account is amortized into rent expense over the terms of the leases (Note 18).

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. It is the Club's policy to capitalize property and equipment whose cost is \$1,000 or greater.

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.

Contributed Nonfinancial Assets

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 (Note 17).

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(with comparative totals for 2021)**

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

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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 and amortization 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 for the carryover, from one year to the next, of five unused vacation days. Vacation pay will not be granted in lieu of taking time off and any unused vacation days are forfeited upon employee termination. Based on these provisions, no liability has been recorded in the accompanying financial statements as of June 30, 2022 and 2021.

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.

Subsequent Events

Management has evaluated subsequent events through November 18, 2022, 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 - CONCENTRATIONS 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.

The Club has not experienced any losses on these accounts and management believes the Club is not exposed to significant risks on these accounts.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022  
(with comparative totals for 2021)**

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**NOTE 3 - CONCENTRATIONS OF RISK (CONTINUED)**

Funding

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

**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, 2022 and 2021, 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, 2022 and 2021, the following financial assets are available to meet annual operating needs of the following years:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 939,675	\$ 920,845
Investments	17,450	439,021
Accounts Receivable	54,572	78,818
Grants Receivable	183,825	109,441
Promises to Give - Available for Capital and Operations, Net	<u>118,921</u>	<u>205,625</u>
Total Financial Assets Available	1,314,443	1,753,750
Less: Donor Imposed Restrictions Not Available for Operations Within One Year	<u>(8,921)</u>	<u>(85,625)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 1,305,522</u>	<u>\$ 1,668,125</u>

Additionally, the Club has a \$250,000 line of credit as of June 30, 2022 and 2021, which it uses for liquidity purposes as needed (Note 9).

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

**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 5 - INVESTMENTS**

U.S. GAAP has established a definition and framework for measuring fair value, and disclosure about fair value measurements. Fair value is the exchange price that would be received for an asset or liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy 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 inputs are quoted in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, such as quoted prices for similar assets or liabilities.
- Level 3 inputs are unobservable inputs for the assets or liability.

Investments at June 30, categorized according to the fair value hierarchy for those investments subject to categorization in the fair value hierarchy are summarized as follows:

Description	2022			Total
	Level 1	Level 2	Level 3	
Fixed Income:				
Government Bonds	\$ 403,137	\$ -	\$ -	\$ 403,137
Corporate Bonds	287,569	-	-	287,569
Mutual Funds	62,793	-	-	62,793
Equities:				
Common Stocks	486,412	-	-	486,412
Mutual Funds	528,907	-	-	528,907
Real Estate Securities	27,895	-	-	27,895
<b>Total Investments at Fair Value</b>	<b>\$ 1,796,713</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,796,713</b>

Description	2021			Total
	Level 1	Level 2	Level 3	
Fixed Income:				
Government Bonds	\$ 405,856	\$ -	\$ -	\$ 405,856
Corporate Bonds	324,552	-	-	324,552
Mutual Funds	219,802	-	-	219,802
Equities:				
Common Stocks	567,534	-	-	567,534
Mutual Funds	743,658	-	-	743,658
Real Estate Securities	30,719	-	-	30,719
<b>Total Investments at Fair Value</b>	<b>\$ 2,292,121</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,292,121</b>

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(with comparative totals for 2021)**

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**NOTE 5 - INVESTMENTS (CONTINUED)**

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

	<u>2022</u>	<u>2021</u>
Investments	\$ 17,450	\$ 439,021
Assets Restricted for Investment in and Maintenance of Property and Equipment	71,741	145,578
Assets Restricted for Long-Term Investment	<u>1,707,522</u>	<u>1,707,522</u>
Total	<u>\$1,796,713</u>	<u>\$2,292,121</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>2022</u>	<u>2021</u>
Capital Campaign Cash	\$ 313,459	\$ 297,784
Capital Campaign Pledges, Net	15,600	32,624
Yerwood Renovations - Cash	44,295	44,295
Other Investments	<u>71,741</u>	<u>145,578</u>
Total	<u>\$ 445,095</u>	<u>\$ 520,281</u>

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

**NOTES TO FINANCIAL STATEMENTS  
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**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>2022</u>	<u>2021</u>	<u>Prior</u>	<u>Total</u>
Pledges Received	\$ -	\$ -	\$ 2,054,350	\$ 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 Pledges	(2,000)	-	(76,750)	(78,750)
Present Value Discount Adjustment	651	2,200	(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>(1,349)</u>	<u>2,200</u>	<u>(1,726,142)</u>	<u>(1,725,291)</u>
Changes in Net Assets	(1,349)	2,200	328,208	329,059
Capital Campaign Net Assets - Beginning of Year	<u>330,408</u>	<u>328,208</u>	<u>-</u>	<u>-</u>
Capital Campaign Net Assets - End of Year (Note 11)	<u>\$ 329,059</u>	<u>\$ 330,408</u>	<u>\$ 328,208</u>	<u>\$ 329,059</u>
<u>Capital Campaign Pledges, Net Activity</u>				
	<u>2022</u>	<u>2021</u>	<u>Prior</u>	<u>Total</u>
Pledges Received	\$ -	\$ -	\$ 2,054,350	\$ 2,054,350
Collections Received on Pledges	(30,175)	(20,100)	(1,606,343)	(1,656,618)
Provision for Uncollectible Pledges	12,500	-	(76,750)	(64,250)
Present Value Discount Adjustment	651	2,200	(2,851)	-
Transfer to Available for Capital and Operations - Time Restricted Net Assets	-	-	(317,882)	(317,882)
Changes in Pledges Receivable	(17,024)	(17,900)	50,524	15,600
Pledge Balance - Beginning of Year	<u>32,624</u>	<u>50,524</u>	<u>-</u>	<u>-</u>
Pledge Balance - End of Year	<u>\$ 15,600</u>	<u>\$ 32,624</u>	<u>\$ 50,524</u>	<u>\$ 15,600</u>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022  
(with comparative totals for 2021)**

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**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 11):

Capital Campaign Available for Capital and Operations Net Assets Activity

	<u>2022</u>	<u>2021</u>
Pledges Available for Capital and Operations Received	\$ 25,000	\$ -
<u>Amounts Expended for:</u>		
Operations	<u>(134,168)</u>	<u>(394,882)</u>
Total Expended	(134,168)	(394,882)
<u>Other Adjustments:</u>		
Provision for Uncollectible Promises to Give - Available for Operations	-	(3,000)
Present Value Discount Adjustment	<u>13,639</u>	<u>(2,200)</u>
Total Expended and Other Adjustments	<u>(120,529)</u>	<u>(400,082)</u>
Changes in Capital Campaign Available for Capital and Operations Net Assets	(95,529)	(400,082)
Capital Campaign Available for Capital and Operations Net Assets - Beginning of Year	<u>826,826</u>	<u>1,226,908</u>
Capital Campaign Available for Capital and Operations Net Assets - End of Year	<u>\$ 731,297</u>	<u>\$ 826,826</u>

Capital Campaign Available for Capital and Operations Reconciliation of Net Assets

	<u>2022</u>	<u>2021</u>
Board Designated - Capital and Operations (Note 11)	\$ 612,376	\$ 621,201
Available for Capital and Operations - Time Restricted (Note 11)	<u>118,921</u>	<u>205,625</u>
Total Net Assets Available for Capital and Operations	<u>\$ 731,297</u>	<u>\$ 826,826</u>

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

**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 - CAPITAL CAMPAIGN PLEDGES (CONTINUED)**

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 or operations at the discretion of the Board.

Promises to Give - Available for Capital and Operations Activity

	<u>2022</u>	<u>2021</u>
Pledges - Available for Capital and Operations Received	\$ 25,000	\$ -
Collections Received on Promises to Give - Available for Capital and Operations	(125,343)	(394,882)
Provision for Uncollectible Promises to Give - Available for Capital and Operations	-	(3,000)
Present Value Discount	<u>13,639</u>	<u>(2,200)</u>
Changes in Promises to Give - Available for Capital and Operations	(86,704)	(400,082)
Promises to Give Available for Capital and Operations - Beginning of Year	<u>205,625</u>	<u>605,707</u>
Promises to Give Available for Capital and Operations - End of Year	<u>\$ 118,921</u>	<u>\$ 205,625</u>

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

	<u>2022</u>	<u>2021</u>
Due in Less Than 1 Year	\$ 127,600	\$ 209,275
Due in 1 to 5 Years	<u>9,657</u>	<u>110,500</u>
Total	137,257	319,775
Less: Allowance for Uncollectible Campaign Pledges	(2,000)	(66,500)
Unamortized Discount	<u>(736)</u>	<u>(15,026)</u>
Net	<u>\$ 134,521</u>	<u>\$ 238,249</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
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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>2022</u>	<u>2021</u>
Promises to Give - Available for Capital and Operations	\$ 118,921	\$ 205,625
Capital Campaign Pledges, Net	<u>15,600</u>	<u>32,624</u>
Total	<u>\$ 134,521</u>	<u>\$ 238,249</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 years ended June 30, 2022 and 2021.

**NOTE 8 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 161,894	\$ 161,894
Building and Improvements	6,837,036	6,784,892
Land Improvements	8,541	8,541
Furniture, Fixtures and Equipment	591,667	580,051
Leasehold Improvements	536,164	536,164
Michael F. Lione Memorial Park	990,587	990,587
Transportation Equipment	<u>20,000</u>	<u>20,000</u>
Total	9,145,889	9,082,129
Less: Accumulated Depreciation and Amortization	<u>(3,610,772)</u>	<u>(3,241,759)</u>
Property and Equipment, Net	<u>\$ 5,535,117</u>	<u>\$ 5,840,370</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 was 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.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(with comparative totals for 2021)**

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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 amount 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 were \$5,450,001 and \$5,538,016 at June 30, 2022 and 2021, respectively. During each of the years ended June 30, 2022 and 2021, the Club recognized income of \$150,000 (Note 13). As of June 30, 2021, the Club had not expended approximately \$62,000 under the grant awards.

**NOTE 9 - LINE OF CREDIT**

The Club has a \$250,000 line of credit with a bank that is due on demand, requires monthly payments of interest at the bank's prime rate plus 2% (6.75% at June 30, 2022), and is secured by substantially all assets of the Club. There were no outstanding balances on the line of credit at June 30, 2022 and 2021. There was no interest expense on the line of credit for the years ended June 30, 2022 and 2021.

**NOTE 10 - NOTES PAYABLE**

State of Connecticut Bridge Loan

In response to the 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 was for a term of twelve-months, had an initial maturity date of May 15, 2021, and provided for an optional six-month extension which was exercised by the Club. Proceeds from the Bridge Loan were used to cover rent, payroll and/or utilities and was to bear no interest unless the Club was in default, at which point the Bridge Loan would bear interest at a yearly rate of 15%. In January 2022, the Bridge Loan was repaid in its entirety.

Paycheck Protection Program

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act created a new program administered by the Small Business Administration (SBA) called the Paycheck 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. The loan and accrued interest will be forgivable after 24 weeks as long as the Club uses 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 24-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 deferred payments for the first six months.

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

**NOTES TO FINANCIAL STATEMENTS**

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

Paycheck Protection Program (continued)

During the year ended June 30, 2021 the Club received loan proceeds of \$352,400 under the PPP. The Club concluded that PPP represented, in substance, a grant that was expected to be forgiven and accounted for the proceeds in accordance with ASC 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, 2021, the Club estimated that they incurred \$352,400 of qualifying expenses, determined it had met the requirements for forgiveness, and recognized \$352,400 of grant revenue. In June 2021, the Club received full forgiveness of PPP.

**NOTE 11 - NET ASSETS**

Net Assets Without Donor Restriction - Board Designated

As of June 30, 2022 and 2021, the Board of Directors has designated \$612,376 and \$621,201, respectively, for capital and operations.

Net Assets With Donor Restriction

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

	<u>2022</u>	<u>2021</u>
<u>Purpose Restrictions</u>		
Scholarships	\$ 16,060	\$ 17,060
Summer Camp	16,391	33,200
Capital Campaign (Notes 6 and 7)	329,059	330,408
Yerwood Renovations (Note 8)	44,295	44,295
Investment in and Maintenance of Property and Equipment - Unexpended Endowment Income (Note 5)	71,741	145,578
	<u>477,546</u>	<u>570,541</u>
<u>Time Restricted</u>		
Promises to Give - Available for Capital and Operations	118,921	205,625
Deferred In-kind Rent Expense	5,156,357	5,183,758
	<u>5,275,278</u>	<u>5,389,383</u>
<u>Perpetually Restricted</u>	<u>1,707,522</u>	<u>1,707,522</u>
Total Net Assets with Donor Restriction	<u>\$ 7,460,346</u>	<u>\$ 7,667,446</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(with comparative totals for 2021)**

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**NOTE 11 - 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>2022</u>	<u>2021</u>
<u>Satisfaction of Purpose Restrictions</u>		
Scholarships	\$ 1,000	\$ -
Summer Camp	33,200	9,500
Capital Campaign	2,000	-
Total Satisfaction of Purpose Restrictions	<u>36,200</u>	<u>9,500</u>
<u>Expiration of Time Restrictions</u>		
Promises to Give - Available for Capital and Operations	125,343	394,882
Deferred In-kind Rent Expense	27,401	27,401
Total Expiration of Time Restrictions	<u>152,744</u>	<u>422,283</u>
Total	<u>\$ 188,944</u>	<u>\$ 431,783</u>

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

	<u>2022</u>	<u>2021</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 Club is subject to the Connecticut Uniform Prudent Management of Institutional Funds Act (CTUPMIFA) which requires the preservation of the fair value of the original gift as of the date gifted absent explicit donor stipulations to the contrary. None of the Club's endowment contributions have any such stipulations. As a result of this interpretation, the Club classifies as net assets with donor restrictions (a time restriction in perpetuity) the original value of gifts donated to the donor restricted endowment fund.

The Club considers a fund to be underwater if the fair value of the fund is less than the sum of the original value of initial gift amounts donated to the fund and any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Club has no underwater endowment funds at June 30, 2022 and 2021.

The Club's investment policy for endowment assets seeks to provide a total return, with prudent levels of risk, sufficient to preserve the value of the investment assets over time. Fund assets are invested in a diversified investment portfolio, comprised primarily of publicly traded securities, and are focused on assets with a long term horizon.

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

**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 - 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, 2022 and 2021, the Club has recorded program fees received in advance of \$263,083 and \$144,419, respectively. The Club will recognize \$263,083 and has recognized \$144,419 as revenue during the year ending June 30, 2023 and the year ended June 30, 2022, respectively, as it performs those services, and, therefore, satisfies its performance obligations to its members. Program fees received in advance at June 30, 2020 were \$55,653.

Disclosure of Disaggregated Revenue

For the years ended June 30, 2022 and 2021, revenues recognized for contracts and fees for services provided at a point in time were \$778,244 and \$628,857, respectively.

For the years ended June 30, 2022 and 2021, revenue recognized for contracts and fees for services provided over time were \$165,576 and \$70,119, 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.

**NOTE 13 - GRANTS**

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

<u>2022</u>		Refundable	
Grantor	Grants Receivable	Advances (Note 8)	Grant Revenue
Federal - Operating	\$ 124,354	\$ -	\$ 266,897
State - Operating	-	-	215,630
State - Capital	-	5,450,001	150,000
City - Operating	59,470	-	556,106
Total	<u>\$ 183,825</u>	<u>\$ 5,450,001</u>	<u>\$1,188,633</u>
<u>2021</u>		Refundable	
Grantor	Grants Receivable	Advances (Note 8)	Grant Revenue
Federal - Operating	\$ 66,330	\$ -	\$ 721,215
State - Operating	-	-	82,018
State - Capital	4,731	5,538,016	150,000
City - Operating	38,380	-	372,949
Total	<u>\$ 109,441</u>	<u>\$ 5,538,016</u>	<u>\$1,326,182</u>

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

**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 - GRANTS (CONTINUED)**

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.

As of June 30, 2022, the Club had remaining uncollected and unearned award balances on grants of approximately \$429,700. These award balances are not recognized as assets and will be recognized as revenue as the grants progress and conditions are met, generally as expenses are incurred.

**NOTE 14 - RETIREMENT PLAN**

The Club maintained a 401(k) retirement plan (Plan) covering all fulltime employees age 21 or older who completed one year of service. Eligible employees could elect to defer a percentage of their compensation up to annual IRS limitations. The Plan provided for an employer safe harbor contribution of three percent of compensation, and also provided for a discretionary profit-sharing contribution made by the Club. Participants were vested in their contributions immediately and after three years for the Club's contribution. Retirement plan expense for the years ended June 30, 2022 and 2021 was \$19,800 and \$232,500, respectively, which is included in employee benefits in the accompanying statement of functional expenses. Effective January 1, 2022, the Plan was amended to remove the one year service requirement.

During the year ended June 30, 2021, management discovered that certain corrections were required for contributions made to the Plan. Management has elected to voluntarily report these errors to the appropriate relevant agencies and estimates that the cumulative corrective contributions to the Plan will be approximately \$171,000. The corrective contributions have been accrued as of June 30, 2022 and 2021 and are reflected in employee benefits in the accompanying statement of functional expenses for the year ended June 30, 2021.

**NOTE 15 - FUND-RAISING EVENTS**

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

2022

<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	\$ 249,915	\$ 900	\$ 20,060	\$228,955
5K Race - Live Event	194,060	6,923	52,204	134,933
Golf Event	158,673	47,346	1,011	110,316
Close the Gap	89,228	4,000	6,147	79,081
Champ of Youth	32,353	1,385	2,075	28,893
Charity Buzz	2,379	-	-	2,379
Total	<u>\$ 726,608</u>	<u>\$ 60,554</u>	<u>\$ 81,497</u>	<u>\$584,557</u>

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

**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 15 - FUND-RAISING EVENTS (CONTINUED)**

2021

<u>Event</u>	<u>Fund-Raising Revenues</u>	<u>Direct Benefit to Donor</u>	<u>Fund-Raising Event Expenses</u>	<u>Net</u>
5K Race - Virtual	\$ 186,393	\$ 4,448	\$ 25,357	\$156,588
Golf Event	133,030	30,750	970	101,310
Close the Gap	112,180	9,500	750	101,930
Women's Day	88,053	-	11,374	76,679
Breakfast	76,344	3,359	-	72,985
Charity Buzz	3,842	-	-	3,842
For the love of Dr. Joyce Yerwood	<u>3,328</u>	<u>433</u>	<u>1,504</u>	<u>1,391</u>
Total	<u>\$ 603,170</u>	<u>\$ 48,490</u>	<u>\$ 39,955</u>	<u>\$514,725</u>

**NOTE 16 - RENTAL INCOME AND FEES**

Rental Income and Fees

The Club rents its facilities under the following terms:

Long-Term Leases

The Club has 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 \$300 to \$3,200 per month. A certain lease contains options to renew for two five-year periods, as defined.

Future minimum rentals under the above leases are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2023	\$ 182,700
2024	138,100
2025	45,600
2026	45,600
2027	<u>41,800</u>
Total	<u>\$ 453,800</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(with comparative totals for 2021)**

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**NOTE 16 - RENTAL INCOME AND FEES (CONTINUED)**

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>2022</u>	<u>2021</u>
Long-Term Leases	\$171,188	\$108,813
Short-Term and Hourly Rentals	<u>224,382</u>	<u>108,789</u>
Total	<u>\$395,570</u>	<u>\$217,602</u>

Costs Associated With Rental Income

For the years ended June 30, 2022 and 2021, the Club determined that occupancy costs directly related to the above rental activities consisting of utilities, repairs and maintenance and janitorial services were approximately \$91,200 and \$82,800, respectively.

**NOTE 17 - CONTRIBUTED NONFINANCIAL ASSETS**

Contributed nonfinancial assets consist of the right to occupy a building at a nominal cost. The in-kind values are as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Building Rental (Note 2)	\$ 298,548	\$ 303,212
Less: Change in Deferred In-kind Rent Expense	<u>(27,401)</u>	<u>(27,401)</u>
Total	<u>\$ 271,147</u>	<u>\$ 275,811</u>

The Club has recognized contributed nonfinancial assets within support, revenues and investment income. Contributed nonfinancial assets benefitted both program and support services and did not have any donor-imposed restrictions for the years ended June 30, 2022 and 2021.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**(with comparative totals for 2021)**

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**NOTE 18 - COMMITMENTS AND CONTINGENCIES**

Yerwood Center Lease Agreement

The Club had a 5-year lease with the City of Stamford for the Yerwood Center located in Stamford, Connecticut. This lease expired in August 2020 and the Club has 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 \$273,548 and \$278,212 has been recorded in program expense for the years ended June 30, 2022 and 2021, respectively. 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, 2022 and 2021.

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).

**NOTE 19 - PRIOR-YEAR INFORMATION**

The financial statements include certain prior year summarized comparative information 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 Club's financial statements at June 30, 2021 and for the year then ended, from which the summarized information was derived.