

BOYS & GIRLS CLUB OF STAMFORD, INC.

Financial Statements

**Year Ended June 30, 2023
(with comparative totals for 2022)**

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, 2023, 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, 2023, 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, 2022, and we expressed an unmodified audit opinion on those financial statements dated November 18, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cirone Friedberg, LLP

Shelton, Connecticut
January 25, 2024

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

(with comparative totals for 2022)

ASSETS	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 838,753	\$ 939,675
Investments	220,085	17,450
Accounts Receivable	151,144	54,572
Grants Receivable	95,471	183,825
Promises to Give, Net	671,055	118,921
Employee Retention Credit Receivable	272,996	-
Prepaid Expenses	66,732	50,389
Deferred In-kind Rent Expense	5,113,400	5,156,357
Property and Equipment, Net	<u>5,324,698</u>	<u>5,535,117</u>
	<u>12,754,334</u>	<u>12,056,306</u>
Assets Restricted for Investment in and Maintenance of Property and Equipment:		
Cash and Cash Equivalents - Capital Campaign	324,859	313,459
Cash and Cash Equivalents - Yerwood Renovations	44,295	44,295
Investments	119,699	71,741
Capital Campaign Pledges, Net	<u>4,200</u>	<u>15,600</u>
Total Assets Restricted for Investment in and Maintenance of Property and Equipment	<u>493,053</u>	<u>445,095</u>
Assets Restricted for Long-Term Investment - Investments	<u>1,707,522</u>	<u>1,707,522</u>
Total Assets	<u>\$ 14,954,909</u>	<u>\$ 14,208,923</u>
LIABILITIES AND NET ASSETS		
<u>Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 317,460	\$ 328,001
Program Fees Received in Advance	309,921	263,083
Tenant Security Deposits	10,000	10,000
Refundable Advances on Grants	<u>4,860,001</u>	<u>5,450,001</u>
Total Liabilities	<u>5,497,382</u>	<u>6,051,085</u>
<u>Net Assets</u>		
Net Assets Without Donor Restriction:		
Net Investment in Property and Equipment	464,697	85,116
Board Designated - Capital and Operations	621,201	612,376
Undesignated - Available for Operations	<u>355,987</u>	<u>-</u>
Total Net Assets Without Donor Restriction	1,441,885	697,492
Net Assets With Donor Restriction	<u>8,015,642</u>	<u>7,460,346</u>
Total Net Assets	<u>9,457,527</u>	<u>8,157,838</u>
Total Liabilities and Net Assets	<u>\$ 14,954,909</u>	<u>\$ 14,208,923</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(with comparative totals for 2022)

	2023		2022	
	Without Donor Restriction	With Donor Restriction	Total	Total
Support, Revenues and Investment Income				
Contributions	\$ 1,189,146	\$ 671,957	\$ 1,861,103	\$ 928,399
Capital Campaign Contributions	-	-	-	14,290
Grants	2,013,179	-	2,013,179	1,188,633
Fund-raising Events	997,391	-	997,391	726,608
Contract Service Fees	20,000	-	20,000	20,000
Program Service Fees	211,446	-	211,446	139,922
Membership Dues	122,785	-	122,785	57,290
Interest and Dividends, Net of Investment Fees	24,394	7,703	32,097	14,057
Net Realized Gains on Investments	157,550	49,752	207,302	41,157
Net Unrealized Depreciation on Investments	(39,193)	(9,497)	(48,690)	(380,303)
Lease Income and Fees	403,108	-	403,108	395,570
Contributed Nonfinancial Assets	269,422	-	269,422	271,147
Total	<u>5,369,228</u>	<u>719,915</u>	<u>6,089,143</u>	<u>3,416,770</u>
Net Assets Released from Restriction:				
Satisfaction of Purpose Restriction	16,391	(16,391)	-	-
Expirations of Time Restriction	148,228	(148,228)	-	-
Total Net Assets Released from Restriction	<u>164,619</u>	<u>(164,619)</u>	<u>-</u>	<u>-</u>
Total Support, Revenues and Investment Income	<u>5,533,847</u>	<u>555,296</u>	<u>6,089,143</u>	<u>3,416,770</u>
Expenses				
Program Services:				
Afterschool	1,219,702	-	1,219,702	1,142,405
Education Programs	373,978	-	373,978	368,638
Summer Camp	998,945	-	998,945	582,891
Teen Programs	658,853	-	658,853	518,059
Enrichment Programs	378,724	-	378,724	390,156
Total Program Services	<u>3,630,202</u>	<u>-</u>	<u>3,630,202</u>	<u>3,002,149</u>
Support Services:				
General and Administrative	557,631	-	557,631	428,741
Fund Raising and Development	667,585	-	667,585	691,123
Total Support Services	<u>1,225,216</u>	<u>-</u>	<u>1,225,216</u>	<u>1,119,864</u>
Total Functional Expenses	4,855,418	-	4,855,418	4,122,013
Other (Income) Expense:				
Employee Retention Credit	(272,996)	-	(272,996)	-
Cost of Direct Benefits to Donors	131,667	-	131,667	60,554
Costs Associated with Lease Income	74,365	-	74,365	91,246
Provision for Uncollectible Accounts Receivable	1,000	-	1,000	-
Recovery of Uncollectible Campaign Pledges	-	-	-	(12,500)
Total Expenses, Net	<u>4,789,454</u>	<u>-</u>	<u>4,789,454</u>	<u>4,261,313</u>
Change in Net Assets	744,393	555,296	1,299,689	(844,543)
Net Assets - Beginning of Year	<u>697,492</u>	<u>7,460,346</u>	<u>8,157,838</u>	<u>9,002,381</u>
Net Assets - End of Year	<u>\$ 1,441,885</u>	<u>\$ 8,015,642</u>	<u>\$ 9,457,527</u>	<u>\$ 8,157,838</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(with comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,299,689	\$ (844,543)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	340,878	369,013
Provision for Uncollectible Accounts Receivable	1,000	-
Recovery of Uncollectible Campaign Pledges	-	(12,500)
Net Unrealized Depreciation on Investments	48,690	380,303
Net Realized Gains on Investments	(207,302)	(41,157)
Amortization of Investments	4,119	3,844
Deferred In-kind Lease Expense	42,957	27,401
Contributed Securities	(136,569)	(171,923)
Changes in:		
Accounts Receivable	(97,572)	24,246
Grants Receivable	88,354	(74,384)
Promises to Give, Net	(552,134)	86,704
Employee Retention Credit Receivable	(272,996)	-
Prepaid Expenses	(16,343)	(30,573)
Accounts Payable and Accrued Expenses	(10,541)	7,320
Program Fees Received in Advance	46,838	118,664
Refundable Advances on Grants	(590,000)	(150,000)
Total Adjustments	<u>(1,310,621)</u>	<u>536,958</u>
Net Cash Used by Operating Activities	<u>(10,932)</u>	<u>(307,585)</u>
Cash Flows from Investing Activities		
Acquisition of Property and Equipment	(130,459)	(63,760)
Purchases of Investments	(470,772)	(339,251)
Proceeds from Sales of Investments	511,241	663,592
Net Cash (Used) Provided by Investing Activities	<u>(89,990)</u>	<u>260,581</u>
Cash Flows from Financing Activities		
Collection of Pledges Restricted for Investment in and Maintenance of Property and Equipment	11,400	29,524
Repayment of Notes Payable	-	(10,000)
Refundable Advances on Grants	-	61,985
Net Cash Provided by Financing Activities	<u>11,400</u>	<u>81,509</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(89,522)	34,505
Cash and Cash Equivalents - Beginning	<u>1,297,429</u>	<u>1,262,924</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,207,907</u>	<u>\$ 1,297,429</u>
Reconciliation of Cash and Cash Equivalents:		
Cash and Cash Equivalents	\$ 838,753	\$ 939,675
Cash and Cash Equivalents Restricted for Investment in and Maintenance of Property and Equipment - Capital Campaign	324,859	313,459
Cash and Cash Equivalents Restricted for Investment in and Maintenance of Property and Equipment - Yerwood Renovations	<u>44,295</u>	<u>44,295</u>
Total Cash and Cash Equivalents	<u>\$ 1,207,907</u>	<u>\$ 1,297,429</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2023
 (with comparative totals for 2022)

	PROGRAM SERVICES						SUPPORT SERVICES				
	Afterschool	Education Programs	Summer Camp	Teen Programs	Enrichment Programs	Total Program	General and Administrative	Fund Raising and Development	Total Support	2023 Total	2022 Total
Salaries	\$ 732,814	\$ 127,900	\$ 557,889	\$ 307,401	\$ 127,296	\$ 1,853,300	\$ 233,810	\$ 212,551	\$ 446,361	\$ 2,299,661	\$ 1,996,015
Payroll Taxes	82,305	9,893	31,220	24,497	9,944	157,859	17,369	16,935	34,304	192,163	166,251
Employee Benefits	66,863	31,925	59,440	37,942	30,372	226,542	69,122	41,005	110,127	336,669	298,078
Total Salaries and Related Expenses	881,982	169,718	648,549	369,840	167,612	2,237,701	320,301	270,491	590,792	2,828,493	2,460,344
Professional Fees	30,978	5,961	22,779	12,990	5,887	78,595	11,251	9,501	20,752	99,347	98,891
Office Supplies and Expenses	23,356	4,494	17,175	9,794	4,439	59,258	8,482	7,163	15,645	74,903	75,990
Telephone and Communications	5,877	1,131	4,321	2,464	1,117	14,910	2,134	1,802	3,936	18,846	18,009
Postage, Printing and Publications	546	105	401	229	104	1,385	198	167	365	1,750	1,860
Travel and Auto	2,849	548	2,095	1,195	541	7,228	1,035	874	1,909	9,137	5,931
Conference, Conventions and Meetings	1,877	361	1,380	787	357	4,762	681	576	1,257	6,019	8,410
Insurance	37,752	7,265	27,761	15,831	7,174	95,783	13,710	11,578	25,288	121,071	89,354
Occupancy	65,082	65,082	65,082	65,082	65,004	325,332	32,561	32,522	65,083	390,415	270,739
In-kind Lease Expenses	52,074	52,074	52,074	52,074	52,011	260,307	26,051	26,021	52,072	312,379	298,548
Membership Dues	2,192	422	1,612	919	417	5,562	796	672	1,468	7,030	7,030
Program Expenses	46,045	7,632	89,871	65,679	14,974	224,201	60,406	336	60,742	284,943	194,975
Maintenance and Equipment	8,725	1,679	6,416	3,659	1,658	22,137	3,169	2,676	5,845	27,982	31,703
Fund-raising Events	-	-	-	-	-	-	-	211,407	211,407	211,407	98,920
Marketing and Development	-	-	-	-	-	-	-	62,317	62,317	62,317	54,607
Payment to National Organization	3,543	682	2,605	1,486	673	8,989	1,286	1,087	2,373	11,362	12,754
Recruiting	-	-	-	-	-	-	3,517	-	3,517	3,517	5,957
Bank, Credit Card Fees and Interest Expense	-	-	-	-	-	-	21,694	-	21,694	21,694	17,352
Miscellaneous	-	-	-	-	-	-	21,928	-	21,928	21,928	1,626
Total Expenses Before Depreciation and Amortization	1,162,878	317,154	942,121	602,029	321,968	3,346,150	529,200	639,190	1,168,390	4,514,540	3,753,000
Depreciation and Amortization of Property and Equipment	56,824	56,824	56,824	56,824	56,756	284,052	28,431	28,395	56,826	340,878	369,013
Total Functional Expenses	\$ 1,219,702	\$ 373,978	\$ 998,945	\$ 658,853	\$ 378,724	\$ 3,630,202	\$ 557,631	\$ 667,585	\$ 1,225,216	\$ 4,855,418	\$ 4,122,013

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

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 investment in property and equipment consists of the net book value of property and equipment acquired with net assets without donor restriction or donated assets.

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.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly Adopted Accounting Standard

Effective July 1, 2022, the Club adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02 (ASU 2016-02), *Leases (Topic 842)*. Under ASU 2016-02, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures. The Club adopted ASU 2016-02 using the modified retrospective transition approach and using the additional (and optional) transition method provided by FASB ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. The Club evaluated whether a cumulative effect adjustment to net assets as of July 1, 2022 was necessary for the cumulative impact of adoption of ASU 2016-02. There was no impact of adopting ASU 2016-02 as of July 1, 2022 as the Club's leases for its facilities are considered below-market in-kind lease contracts. As such, no cumulative effect adjustment to net assets as of July 1, 2022 was necessary. ASU 2016-02 did not have a significant effect on the results of operations or cash flows for the year ended June 30, 2023.

As part of the transition, the Club elected to apply the following practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases;
- Election not to reassess the lease classification for any expired or existing leases;
- Election not to reassess initial direct costs on any existing leases;
- Election whereby the lease and nonlease components will not be separated for leases of office space; and
- Election not to record right-of-use assets and corresponding lease liabilities for short-term leases with a lease term of 12 months or less, but greater than 1 month. Leases of 1 month or less are not included in short-term lease costs.

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.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

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 lease income in accordance with Accounting Standards Codification (ASC) 842, *Leases* (ASC 842), for the year ended June 30, 2023 and ASC 840, *Leases*, for the year ended June 30, 2022, and is reflected as lease 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.

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.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 was \$78,818.

Deferred In-kind Lease Expense

The Club leases its space at a nominal cost. Deferred in-kind lease 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 \$312,379 for two separate leases from the City of Stamford. The deferred in-kind lease expense account is amortized into lease 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 16).

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 lease 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.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023 and 2022.

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 January 25, 2024, 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 insured by the Securities Investor Protection Corporation up to \$500,000.

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

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, 2023

(with comparative totals for 2022)

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, 2023 and 2022, reduced by amounts that are not available for general use within one year of the statement of financial position date due to donor-imposed or contractual restrictions.

As of June 30, 2023 and 2022, the following financial assets are available to meet annual operating needs of the following years:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 838,753	\$ 939,675
Investments	220,085	17,450
Accounts Receivable	151,144	54,572
Grants Receivable	95,471	183,825
Promises to Give, Net	671,055	118,921
Employee Retention Credit Receivable	272,996	-
Total Financial Assets Available	<u>2,249,504</u>	<u>1,314,443</u>
Less: Amounts Not Available to be Used Within One Year:		
Net Assets With Donor Purpose Restriction, Not Expected to be Satisfied Within One Year	221,504	-
Net Assets With Donor Time Restriction, Not Available for Operations Within One Year	379,551	8,921
Net Assets Without Donor Restriction - Board Designated	<u>621,201</u>	<u>612,376</u>
Total	<u>1,222,256</u>	<u>621,297</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 1,027,248</u>	<u>\$ 693,146</u>

Additionally, the Club has a \$250,000 line of credit as of June 30, 2023 and 2022, which it uses for liquidity purposes as needed (Note 9).

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(with comparative totals for 2022)**

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	2023			Total
	Level 1	Level 2	Level 3	
Fixed Income:				
Government Bonds	\$ 372,538	\$ -	\$ -	\$ 372,538
Corporate Bonds	221,705	283,342	-	505,047
Mutual Funds	63,455	-	-	63,455
Equities:				
Common Stocks	595,228	-	-	595,228
Mutual Funds	477,985	-	-	477,985
Real Estate Securities	<u>33,053</u>	<u>-</u>	<u>-</u>	<u>33,053</u>
Total Investments at Fair Value	<u>\$ 1,763,964</u>	<u>\$ 283,342</u>	<u>\$ -</u>	<u>\$ 2,047,306</u>
Description	2022			Total
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	<u>27,895</u>	<u>-</u>	<u>-</u>	<u>27,895</u>
Total Investments at Fair Value	<u>\$ 1,509,144</u>	<u>\$ 287,569</u>	<u>\$ -</u>	<u>\$ 1,796,713</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

NOTE 5 - INVESTMENTS (CONTINUED)

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

	<u>2023</u>	<u>2022</u>
Investments	\$ 220,085	\$ 17,450
Assets Restricted for Investment in and Maintenance of Property and Equipment	119,699	71,741
Assets Restricted for Long-Term Investment	<u>1,707,522</u>	<u>1,707,522</u>
Total	<u>\$2,047,306</u>	<u>\$1,796,713</u>

NOTE 6 - PROMISES TO GIVE

Promises to give, net consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Due in Less Than 1 Year	\$ 296,200	\$ 127,600
Due in 1 to 5 Years	<u>469,386</u>	<u>9,657</u>
Total	765,586	137,257
Less: Allowance for Uncollectible Campaign Pledges	(2,000)	(2,000)
Less: Unamortized Discount	<u>(88,331)</u>	<u>(736)</u>
Net	<u>\$ 675,255</u>	<u>\$ 134,521</u>

The unamortized discount represents the adjustment required to reflect promises to give with due dates in excess of one year at their present value, calculated using a discount rate of 8.25% for the years ended June 30, 2023 and 2022.

Promises to give are reflected on the accompanying statement of financial position as follows:

	<u>2023</u>	<u>2022</u>
Promises to Give, Net	\$ 671,055	\$ 118,921
Capital Campaign Pledges, Net - Restricted for Investment in and Maintenance of Property and Equipment	<u>4,200</u>	<u>15,600</u>
Total	<u>\$ 675,255</u>	<u>\$ 134,521</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

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 Club received a total of \$2,054,350 in pledges and had total expenses and other adjustments of \$1,725,291. Net assets related to the capital campaign of \$329,059 have been donor restricted for the investment in and maintenance of property and equipment. As of June 30, 2023 and 2022, outstanding campaign pledges restricted for this purpose, net of an allowance for uncollectible campaign pledges, were \$4,200 and \$15,600, respectively.

The capital campaign also provided for pledges that could be utilized for either capital expenditures or operations at the discretion of the Board. As of June 30, 2023 and 2022, outstanding campaign pledges available for capital or operations were \$14,386 and \$118,921, respectively. These pledges are included in promises to give, net in the accompanying statement of financial position.

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 161,894	\$ 161,894
Building and Improvements	6,952,210	6,837,036
Land Improvements	8,541	8,541
Furniture, Fixtures and Equipment	593,044	591,667
Leasehold Improvements	550,072	536,164
Michael F. Lione Memorial Park	990,587	990,587
Transportation Equipment	<u>20,000</u>	<u>20,000</u>
Total	9,276,348	9,145,889
Less: Accumulated Depreciation and Amortization	<u>(3,951,650)</u>	<u>(3,610,772)</u>
Property and Equipment, Net	<u>\$ 5,324,698</u>	<u>\$ 5,535,117</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, 2023

(with comparative totals for 2022)

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 \$4,860,001 and \$5,450,001 at June 30, 2023 and 2022, respectively. During the years ended June 30, 2023 and 2022, the Club recognized income of \$590,000 and \$150,000, respectively (Note 12).

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% (10.25% at June 30, 2023), and is secured by substantially all assets of the Club. There were no outstanding balances on the line of credit at June 30, 2023 and 2022. There was no interest expense on the line of credit for the years ended June 30, 2023 and 2022.

NOTE 10 - NET ASSETS

Net Assets Without Donor Restriction - Board Designated

As of June 30, 2023 and 2022, the Board of Directors has designated \$621,201 and \$612,376, respectively, for capital and operations.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

NOTE 10 - NET ASSETS (CONTINUED)

Net Assets With Donor Restriction

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

	<u>2023</u>	<u>2022</u>
<u>Purpose Restrictions</u>		
Culinary Program	\$ 171,504	\$ -
Scholarships	16,060	16,060
Summer Camp	14,552	16,391
Capital Campaign (Note 7)	329,059	329,059
Yerwood Renovations	44,295	44,295
Investment in and Maintenance of Property and Equipment - Unexpended Endowment Income (Note 5)	<u>119,699</u>	<u>71,741</u>
	<u>695,169</u>	<u>477,546</u>
<u>Time Restricted</u>		
Promises to Give - Available for Capital and Operations	499,551	118,921
Deferred In-kind Lease Expense	<u>5,113,400</u>	<u>5,156,357</u>
	<u>5,612,951</u>	<u>5,275,278</u>
<u>Perpetually Restricted</u>	<u>1,707,522</u>	<u>1,707,522</u>
Total Net Assets with Donor Restriction	<u>\$ 8,015,642</u>	<u>\$ 7,460,346</u>

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>2023</u>	<u>2022</u>
<u>Satisfaction of Purpose Restrictions</u>		
Summer Camp	\$ 16,391	\$ 33,200
Scholarships	-	1,000
Capital Campaign	-	2,000
Total Satisfaction of Purpose Restrictions	<u>16,391</u>	<u>36,200</u>
<u>Expiration of Time Restrictions</u>		
Promises to Give - Available for Capital and Operations	105,271	125,343
Deferred In-kind Lease Expense	<u>42,957</u>	<u>27,401</u>
Total Expiration of Time Restrictions	<u>148,228</u>	<u>152,744</u>
Total	<u>\$ 164,619</u>	<u>\$ 188,944</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(with comparative totals for 2022)**

NOTE 10 - NET ASSETS (CONTINUED)

Net Assets With Donor Restriction (continued)

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

	<u>2023</u>	<u>2022</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, 2023 and 2022.

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.

NOTE 11 - 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, 2023 and 2022, the Club has recorded program fees received in advance of \$309,921 and \$263,083, respectively. The Club will recognize \$309,921 and has recognized \$263,083 as revenue during the year ending June 30, 2024 and the year ended June 30, 2023, respectively, as it performs those services, and, therefore, satisfies its performance obligations to its members. Program fees received in advance at June 30, 2021 were \$144,419.

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(with comparative totals for 2022)**

NOTE 11 - REVENUES FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Disclosure of Disaggregated Revenue

For the years ended June 30, 2023 and 2022, revenues recognized for contracts and fees for services provided at a point in time were \$1,029,164 and \$778,244, respectively.

For the years ended June 30, 2023 and 2022, revenue recognized for contracts and fees for services provided over time were \$322,458 and \$165,576, 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 12 - GRANTS

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

<u>2023</u>		Refundable	
<u>Grantor</u>	<u>Grants Receivable</u>	<u>Advances (Note 8)</u>	<u>Grant Revenue</u>
Federal - Operating	\$ 75,052	\$ -	\$ 536,467
State - Operating	20,329	-	236,966
State - Capital	-	4,860,001	590,000
City - Operating	90	-	649,746
Total	<u>\$ 95,471</u>	<u>\$ 4,860,001</u>	<u>\$ 2,013,179</u>
<u>2022</u>		Refundable	
<u>Grantor</u>	<u>Grants Receivable</u>	<u>Advances (Note 8)</u>	<u>Grant Revenue</u>
Federal - Operating	\$ 124,355	\$ -	\$ 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>

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.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

NOTE 12 - GRANTS (CONTINUED)

As of June 30, 2023, the Club had remaining uncollected and unearned award balances on grants of approximately \$297,500. 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 13 - RETIREMENT PLAN

The Club maintains a 401(k) retirement plan (Plan) covering all fulltime employees age 21 or older. Eligible employees can 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 contributions. Retirement plan expense for the years ended June 30, 2023 and 2022 was approximately \$53,300 and \$19,800, respectively, which is included in employee benefits in the accompanying statement of functional expenses.

During a prior year, 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, 2023 and 2022.

NOTE 14 - FUND-RAISING EVENTS

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

	<u>2023</u>			
<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	\$ 325,359	\$ 4,580	\$ 47,571	\$ 273,208
5K Race	162,335	5,172	46,496	110,667
Golf Event	221,454	53,720	8,301	159,433
Impact Gala	199,133	42,341	85,008	71,784
Champ of Youth	89,110	25,854	24,031	39,225
Total	<u>\$ 997,391</u>	<u>\$ 131,667</u>	<u>\$ 211,407</u>	<u>\$ 654,317</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

NOTE 14 - FUND-RAISING EVENTS (CONTINUED)

<u>2022</u>				
<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	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	19,498	11,470
Charity Buzz	2,379	-	-	2,379
Total	<u>\$ 726,608</u>	<u>\$ 60,554</u>	<u>\$ 98,920</u>	<u>\$ 567,134</u>

NOTE 15 - LEASE INCOME AND FEES

The Club leases its facilities under the following terms:

Long-Term Leases

The Club has entered into leases, with terms ranging from one to three years, with various parties at its Yerwood Center facility. The leases provide for payments in varying amounts ranging from \$400 to \$5,500 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>
2024	\$ 176,700
2025	81,800
2026	57,700
2027	41,800
Total	<u>\$ 358,000</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.

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
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(with comparative totals for 2022)**

NOTE 15 - LEASE INCOME AND FEES (CONTINUED)

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

	<u>2023</u>	<u>2022</u>
Long-Term Leases	\$209,770	\$171,188
Short-Term Leases and Hourly Rentals	<u>193,338</u>	<u>224,382</u>
Total	<u>\$403,108</u>	<u>\$395,570</u>

Costs Associated With Lease Income

For the years ended June 30, 2023 and 2022, the Club determined that occupancy costs directly related to the above lease activities consisting of utilities, repairs and maintenance and janitorial services were approximately \$74,400 and \$91,200, respectively.

NOTE 16 - 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>2023</u>	<u>2022</u>
Building Lease (Note 2)	\$ 312,379	\$ 298,548
Less: Change in Deferred In-kind Lease Expense	<u>(42,957)</u>	<u>(27,401)</u>
Total	<u>\$ 269,422</u>	<u>\$ 271,147</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, 2023 and 2022.

NOTE 17 - SMALL BUSINESS ADMINISTRATION - EMPLOYEE RETENTION CREDIT

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 called the Employee Retention Credit (ERC) which is a fully refundable credit against the employer portion of certain payroll taxes for qualifying wages. The Club has concluded the ERC represents, in substance, a cost-reimbursable federal grant which is conditioned upon certain performance requirements and/or the incurrence of certain allowable qualifying wages and has accounted for the grant revenue in accordance with ASC 958-605. Under ASC 958-605, the Club can recognize revenue for the ERC as long as they have incurred qualifying wages. Under the ERC program the Club can claim a credit for qualifying wages for the period March 12, 2020 through December 31, 2021. During the year ended June 30, 2023, the Club has determined that they incurred qualifying wages and has recognized \$272,996 of income from the ERC, which is recorded as a receivable as of June 30, 2023.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

(with comparative totals for 2022)

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 lease expense 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 lease expense for the building was estimated at \$5,000,000. The value of the total lease expense over the period of the lease was discounted at 5.25%, and the present value of total in-kind lease expense was recorded in the deferred in-kind lease expense account. Annual lease expense of \$287,379 and \$273,548 has been recorded in program expense for the years ended June 30, 2023 and 2022, 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 lease expense paid to the city of Stamford for the entire term of the total duration of the lease is \$10.00. The fair market lease value was estimated at \$347,828. The value of the total lease expense over the period of the lease was discounted at 5.25% and the present value of total in-kind lease was recorded in the deferred in-kind lease expense account. Annual lease expense of \$25,000 is recorded in program expenses for each of the years ended June 30, 2023 and 2022. The lease also provides for the Club to make capital improvements to Lione Park.

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, 2022 and for the year then ended, from which the summarized information was derived.