

BOYS & GIRLS CLUB OF STAMFORD, INC.

Financial Statements

**Year Ended June 30, 2024
(with comparative totals for 2023)**

BOYS & GIRLS CLUB OF STAMFORD, INC.

CONTENTS

Independent Auditor's Report

Financial Statements

Statement of Financial Position Exhibit A

Statement of Activities Exhibit B

Statement of Cash Flows..... Exhibit C

Statement of Functional Expenses Exhibit D

Notes to Financial Statements

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, 2024, 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, 2024, 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, 2023, and we expressed an unmodified audit opinion on those financial statements dated January 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cirone Friedberg, LLP

Shelton, Connecticut
December 20, 2024

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

(with comparative totals for 2023)

ASSETS	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 996,204	\$ 838,753
Investments	310,488	220,085
Accounts Receivable	217,642	151,144
Grants Receivable	77,149	95,471
Promises to Give, Net	509,613	671,055
Employee Retention Credit Receivable	25,296	272,996
Prepaid Expenses	39,382	66,732
Deferred In-kind Lease Expense	5,077,793	5,113,400
Property and Equipment, Net	<u>5,080,565</u>	<u>5,324,698</u>
	<u>12,334,132</u>	<u>12,754,334</u>
Assets Restricted for Investment in and Maintenance of Property and Equipment:		
Cash and Cash Equivalents - Capital Campaign	324,859	324,859
Cash and Cash Equivalents - Yerwood Renovations	44,295	44,295
Investments	178,807	119,699
Capital Campaign Pledges, Net	<u>-</u>	<u>4,200</u>
Total Assets Restricted for Investment in and Maintenance of Property and Equipment	<u>547,961</u>	<u>493,053</u>
Assets Restricted for Long-Term Investment - Investments	<u>1,707,522</u>	<u>1,707,522</u>
Total Assets	<u>\$ 14,589,615</u>	<u>\$ 14,954,909</u>
LIABILITIES AND NET ASSETS		
<u>Liabilities</u>		
Accounts Payable and Accrued Expenses	\$ 280,027	\$ 317,460
Program Fees Received in Advance	391,482	309,921
Tenant Security Deposits	10,000	10,000
Refundable Advances on Grants	<u>4,270,001</u>	<u>4,860,001</u>
Total Liabilities	<u>4,951,510</u>	<u>5,497,382</u>
<u>Net Assets</u>		
Net Assets Without Donor Restriction:		
Net Investment in Property and Equipment	810,564	464,697
Board Designated - Capital and Operations	621,201	621,201
Undesignated - Available for Operations	<u>328,214</u>	<u>355,987</u>
Total Net Assets Without Donor Restriction	1,759,979	1,441,885
Net Assets With Donor Restriction	<u>7,878,126</u>	<u>8,015,642</u>
Total Net Assets	<u>9,638,105</u>	<u>9,457,527</u>
Total Liabilities and Net Assets	<u>\$ 14,589,615</u>	<u>\$ 14,954,909</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(with comparative totals for 2023)

	2024		2023	
	Without Donor Restriction	With Donor Restriction	Total	Total
Support, Revenues and Investment Income				
Contributions	\$ 1,343,265	\$ 28,735	\$ 1,372,000	\$ 1,861,103
Grants	1,735,984	-	1,735,984	2,013,179
Fund-raising Events	853,261	-	853,261	997,391
Contract Service Fees	20,000	-	20,000	20,000
Program Service Fees	229,589	-	229,589	211,446
Membership Dues	134,515	-	134,515	122,785
Investment Return, Net	181,184	59,108	240,292	190,709
Lease Income and Fees	490,647	-	490,647	403,108
Contributed Nonfinancial Assets	267,605	-	267,605	269,422
Total	<u>5,256,050</u>	<u>87,843</u>	<u>5,343,893</u>	<u>6,089,143</u>
Net Assets Released from Restriction:				
Satisfaction of Purpose Restriction	69,752	(69,752)	-	-
Expirations of Time Restriction	155,607	(155,607)	-	-
Total Net Assets Released from Restriction	<u>225,359</u>	<u>(225,359)</u>	<u>-</u>	<u>-</u>
Total Support, Revenues and Investment Income	<u>5,481,409</u>	<u>(137,516)</u>	<u>5,343,893</u>	<u>6,089,143</u>
Expenses				
Program Services:				
Afterschool	1,468,281	-	1,468,281	1,219,702
Education Programs	348,346	-	348,346	373,978
Summer Camp	896,571	-	896,571	998,945
Teen Programs	615,075	-	615,075	658,853
Enrichment Programs	462,673	-	462,673	378,724
Total Program Services	<u>3,790,946</u>	<u>-</u>	<u>3,790,946</u>	<u>3,630,202</u>
Support Services:				
General and Administrative	581,483	-	581,483	557,631
Fund Raising and Development	564,107	-	564,107	667,585
Total Support Services	<u>1,145,590</u>	<u>-</u>	<u>1,145,590</u>	<u>1,225,216</u>
Total Functional Expenses	4,936,536	-	4,936,536	4,855,418
Other (Income) Expense:				
Interest Income on Employee Retention Credit	(28,210)	-	(28,210)	-
Employee Retention Credit	-	-	-	(272,996)
Cost of Direct Benefits to Donors	121,138	-	121,138	131,667
Costs Associated with Lease Income	129,651	-	129,651	74,365
Provision for Credit Losses	-	-	-	1,000
Provision for Uncollectible Campaign Pledges	4,200	-	4,200	-
Total Expenses, Net	<u>5,163,315</u>	<u>-</u>	<u>5,163,315</u>	<u>4,789,454</u>
Change in Net Assets	318,094	(137,516)	180,578	1,299,689
Net Assets - Beginning of Year	<u>1,441,885</u>	<u>8,015,642</u>	<u>9,457,527</u>	<u>8,157,838</u>
Net Assets - End of Year	<u>\$ 1,759,979</u>	<u>\$ 7,878,126</u>	<u>\$ 9,638,105</u>	<u>\$ 9,457,527</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024
(with comparative totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 180,578	\$ 1,299,689
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	285,555	340,878
Provision for Credit Losses	-	1,000
Provision for Uncollectible Campaign Pledges	4,200	-
Net Unrealized (Appreciation) Depreciation on Investments	(196,951)	48,690
Net Realized Gains on Investments	(21,363)	(207,302)
Amortization of Investments	2,571	4,119
Deferred In-kind Lease Expense	35,607	42,957
Contributed Securities	(16,699)	(136,569)
Changes in:		
Accounts Receivable	(66,498)	(97,572)
Grants Receivable	18,322	88,354
Promises to Give, Net	161,442	(552,134)
Employee Retention Credit Receivable	247,700	(272,996)
Prepaid Expenses	27,350	(16,343)
Accounts Payable and Accrued Expenses	(37,433)	(10,541)
Program Fees Received in Advance	81,561	46,838
Refundable Advances on Grants	(590,000)	(590,000)
Total Adjustments	<u>(64,636)</u>	<u>(1,310,621)</u>
Net Cash Provided (Used) by Operating Activities	<u>115,942</u>	<u>(10,932)</u>
Cash Flows from Investing Activities		
Acquisition of Property and Equipment	(41,422)	(130,459)
Purchases of Investments	(349,906)	(470,772)
Proceeds from Sales of Investments	432,837	511,241
Net Cash Provided (Used) by Investing Activities	<u>41,509</u>	<u>(89,990)</u>
Cash Flows from Financing Activities		
Collection of Pledges Restricted for Investment in and Maintenance of Property and Equipment	-	11,400
Net Increase (Decrease) in Cash and Cash Equivalents	157,451	(89,522)
Cash and Cash Equivalents - Beginning	<u>1,207,907</u>	<u>1,297,429</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,365,358</u>	<u>\$ 1,207,907</u>
Reconciliation of Cash and Cash Equivalents:		
Cash and Cash Equivalents	\$ 996,204	\$ 838,753
Cash and Cash Equivalents Restricted for Investment in and Maintenance of Property and Equipment - Capital Campaign	324,859	324,859
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>\$ 1,365,358</u>	<u>\$ 1,207,907</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2024
 (with comparative totals for 2023)

	PROGRAM SERVICES						SUPPORT SERVICES				
	Afterschool	Education Programs	Summer Camp	Teen Programs	Enrichment Programs	Total Program	General and Administrative	Fund Raising and Development	Total Support	2024 Total	2023 Total
Salaries	\$ 984,470	\$ 133,666	\$ 480,300	\$ 247,929	\$ 206,531	\$ 2,052,896	\$ 278,994	\$ 212,171	\$ 491,165	\$ 2,544,061	\$ 2,299,661
Payroll Taxes	82,838	10,661	41,614	30,827	16,772	182,712	15,648	17,328	32,976	215,688	192,163
Employee Benefits	72,500	24,013	49,756	34,132	29,965	210,366	48,617	61,633	110,250	320,616	336,669
Total Salaries and Related Expenses	1,139,808	168,340	571,670	312,888	253,268	2,445,974	343,259	291,132	634,391	3,080,365	2,828,493
Professional Fees	42,025	6,207	21,078	11,536	9,338	90,184	12,657	10,734	23,391	113,575	99,347
Office Supplies and Expenses	22,830	3,372	11,451	6,267	5,073	48,993	6,876	5,831	12,707	61,700	74,903
Telephone and Communications	7,166	1,058	3,594	1,967	1,592	15,377	2,159	1,830	3,989	19,366	18,846
Postage, Printing and Publications	581	86	291	159	129	1,246	175	148	323	1,569	1,750
Travel and Auto	8,434	1,246	4,230	2,315	1,874	18,099	2,541	2,154	4,695	22,794	9,137
Conference, Conventions and Meetings	1,035	153	519	284	230	2,221	313	264	577	2,798	6,019
Insurance	44,968	6,641	22,554	12,344	9,992	96,499	13,542	11,486	25,028	121,527	121,071
Occupancy	57,133	57,133	57,133	57,133	57,064	285,596	28,582	28,549	57,131	342,727	390,415
In-kind Lease Expenses	50,545	50,545	50,545	50,545	50,485	252,665	25,289	25,258	50,547	303,212	312,379
Membership Dues	2,717	401	1,363	746	604	5,831	817	694	1,511	7,342	7,030
Program Expenses	28,290	3,325	96,944	107,131	22,114	257,804	71,718	-	71,718	329,522	284,943
Maintenance and Equipment	10,717	1,583	5,375	2,942	2,381	22,998	3,229	2,737	5,966	28,964	27,982
Fund-raising Events	-	-	-	-	-	-	-	99,209	99,209	99,209	211,407
Marketing and Development	-	-	-	-	-	-	-	59,163	59,163	59,163	62,317
Payment to National Organization	4,430	654	2,222	1,216	984	9,506	1,335	1,131	2,466	11,972	11,362
Recruiting	-	-	-	-	-	-	4,016	-	4,016	4,016	3,517
Bank, Credit Card Fees and Interest Expense	-	-	-	-	-	-	19,893	-	19,893	19,893	21,694
Miscellaneous	-	-	-	-	-	-	21,267	-	21,267	21,267	21,928
Total Expenses Before Depreciation and Amortization	1,420,679	300,744	848,969	567,473	415,128	3,552,993	557,668	540,320	1,097,988	4,650,981	4,514,540
Depreciation and Amortization of Property and Equipment	47,602	47,602	47,602	47,602	47,545	237,953	23,815	23,787	47,602	285,555	340,878
Total Functional Expenses	\$ 1,468,281	\$ 348,346	\$ 896,571	\$ 615,075	\$ 462,673	\$ 3,790,946	\$ 581,483	\$ 564,107	\$ 1,145,590	\$ 4,936,536	\$ 4,855,418

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

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 (Board).

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, 2024

(with comparative totals for 2023)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly Adopted Accounting Standard

Effective July 1, 2023, the Club adopted Accounting Standards Codification (ASC) 326, *Financial Instruments - Credit Losses* (ASC 326), which significantly changes how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets. The most significant change in ASC 326 is a shift from the incurred loss model to the expected loss model, which requires consideration of a broader range of reasonable and supportable information to inform users of the financial statements about credit loss estimates, including an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Club that are subject to the guidance in ASC 326 are comprised of accounts receivable.

The impact of the adoption of ASC 326 was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Revenue Recognition

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

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

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

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

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 ASC 842, *Leases*, and is reflected as lease income and fees in the statement of activities.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Promises to Give

Contributions received or promises to give without donor-imposed restrictions are reflected as 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.

Promises to give 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.

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.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable is recorded at the amount the Club expects to collect. The Club recognizes an expected allowance for credit losses for accounts receivable, when applicable, which is updated to reflect any changes in credit risk since the accounts receivable were initially recorded.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (continued)

The allowance for credit losses for accounts receivable is derived from a review of the Club's historical losses based on management's evaluation of past loss experience as well as known and inherent risks within its accounts. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Club. The Club believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses for accounts receivable as the overall customer base has remained constant. No allowance for credit losses was deemed necessary at June 30, 2024.

The Club writes off accounts receivable when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in other income or as an offset to credit loss expense in the year of recovery, in accordance with the Club's accounting policy election. There were no write-offs of accounts receivable for the year ended June 30, 2024. Accounts receivable as of June 30, 2022 was \$54,572.

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 \$303,212 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 and amortization 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).

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

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 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.

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. Management has determined the provision for compensated absences to be immaterial and, as such, no liability has been recorded in the accompanying financial statements as of June 30, 2024 and 2023.

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 December 20, 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.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

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, 2024 and 2023, 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, 2024 and 2023, the following financial assets are available to meet annual operating needs of the following years:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 996,204	\$ 838,753
Investments	310,488	220,085
Accounts Receivable	217,642	151,144
Grants Receivable	77,149	95,471
Promises to Give, Net	509,613	671,055
Employee Retention Credit Receivable	<u>25,296</u>	<u>272,996</u>
Total Financial Assets Available	<u>2,136,392</u>	<u>2,249,504</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	73,691	221,504
Net Assets With Donor Time Restriction, Not Available for Operations Within One Year	265,922	379,551
Net Assets Without Donor Restriction - Board Designated	<u>621,201</u>	<u>621,201</u>
Total	<u>960,814</u>	<u>1,222,256</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 1,175,578</u>	<u>\$ 1,027,248</u>

Additionally, the Club has a \$250,000 line of credit as of June 30, 2024 and 2023, which it uses for liquidity purposes as needed (Note 9).

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

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.

Corporate Bonds - Level 2

Corporate bonds that are valued at level 2 in the fair value hierarchy are valued based on yields currently available on comparable securities issuers with similar durations and credit ratings.

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	2024			Total
	Level 1	Level 2	Level 3	
Fixed Income:				
Government Bonds	\$ 294,720	\$ -	\$ -	\$ 294,720
Corporate Bonds	306,213	280,706	-	586,919
Mutual Funds	64,681	-	-	64,681
Equities:				
Common Stocks	689,621	-	-	689,621
Mutual Funds	526,690	-	-	526,690
Real Estate Securities	<u>34,186</u>	<u>-</u>	<u>-</u>	<u>34,186</u>
Total Investments at Fair Value	<u>\$ 1,916,111</u>	<u>\$280,706</u>	<u>\$ -</u>	<u>\$ 2,196,817</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(with comparative totals for 2023)**

NOTE 5 - INVESTMENTS (CONTINUED)

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	33,053	-	-	33,053
Total Investments at Fair Value	<u>\$ 1,763,964</u>	<u>\$283,342</u>	<u>\$ -</u>	<u>\$ 2,047,306</u>

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

	<u>2024</u>	<u>2023</u>
Investments	\$ 310,488	\$ 220,085
Assets Restricted for Investment in and Maintenance of Property and Equipment	178,807	119,699
Assets Restricted for Long-Term Investment	<u>1,707,522</u>	<u>1,707,522</u>
Total	<u>\$2,196,817</u>	<u>\$2,047,306</u>

NOTE 6 - PROMISES TO GIVE

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

	<u>2024</u>	<u>2023</u>
Due in Less Than 1 Year	\$ 340,586	\$ 296,200
Due in 1 to 5 Years	<u>250,000</u>	<u>469,386</u>
Total	590,586	765,586
Less: Allowance for Uncollectible Campaign Pledges	(1,200)	(2,000)
Less: Unamortized Discount	<u>(79,773)</u>	<u>(88,331)</u>
Net	<u>\$ 509,613</u>	<u>\$ 675,255</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 8.5% and 8.25% for the years ended June 30, 2024 and 2023, respectively.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

NOTE 6 - PROMISES TO GIVE (CONTINUED)

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

	<u>2024</u>	<u>2023</u>
Promises to Give, Net	\$ 509,613	\$ 671,055
Capital Campaign Pledges, Net - Restricted for Investment in and Maintenance of Property and Equipment	<u>-</u>	<u>4,200</u>
Total	<u>\$ 509,613</u>	<u>\$ 675,255</u>

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 \$1,729,491. Net assets related to the capital campaign of \$324,859 have been donor restricted for the investment in and maintenance of property and equipment. As of June 30, 2024 and 2023, outstanding campaign pledges restricted for this purpose, net of an allowance for uncollectible campaign pledges, were \$0 and \$4,200, 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, 2024 and 2023, outstanding campaign pledges available for capital or operations were \$9,386 and \$14,386 respectively. These pledges are included in promises to give, net in the accompanying statement of financial position.

NOTE 8 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 161,894	\$ 161,894
Building and Improvements	6,973,843	6,952,210
Land Improvements	8,541	8,541
Furniture, Fixtures and Equipment	601,961	593,044
Leasehold Improvements	560,944	550,072
Michael F. Lione Memorial Park	990,587	990,587
Transportation Equipment	<u>20,000</u>	<u>20,000</u>
Total	9,317,770	9,276,348
Less: Accumulated Depreciation and Amortization	<u>(4,237,205)</u>	<u>(3,951,650)</u>
Property and Equipment, Net	<u>\$ 5,080,565</u>	<u>\$ 5,324,698</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

NOTE 8 - PROPERTY AND EQUIPMENT, NET (CONTINUED)

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.

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 continual operation as a child care facility licensed by DCF. Refundable advances on the DCF grant awards were \$4,270,001 and \$4,860,001 at June 30, 2024 and 2023, respectively. During each of the years ended June 30, 2024 and 2023, the Club recognized income of \$590,000 (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% (10.50% at June 30, 2024), and is secured by substantially all assets of the Club. There were no outstanding balances on the line of credit at June 30, 2024 and 2023. There was no interest expense on the line of credit for the years ended June 30, 2024 and 2023.

NOTE 10 - NET ASSETS

Net Assets Without Donor Restriction - Board Designated

As of June 30, 2024 and 2023, the Board has designated \$621,201 for capital and operations.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

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>2024</u>	<u>2023</u>
<u>Purpose Restrictions</u>		
Culinary Program	\$ 123,691	\$ 171,504
Scholarships	15,060	16,060
Summer Camp	20,177	14,552
Capital Campaign (Note 7)	324,859	329,059
Yerwood Renovations	44,295	44,295
Investment in and Maintenance of Property and Equipment - Unexpended Endowment Income (Note 5)	178,807	119,699
	<u>706,889</u>	<u>695,169</u>
<u>Time Restricted</u>		
Promises to Give - Available for Capital and Operations	385,922	499,551
Deferred In-kind Lease Expense	5,077,793	5,113,400
	<u>5,463,715</u>	<u>5,612,951</u>
<u>Perpetually Restricted</u>	<u>1,707,522</u>	<u>1,707,522</u>
Total Net Assets with Donor Restriction	<u>\$7,878,126</u>	<u>\$8,015,642</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>2024</u>	<u>2023</u>
<u>Satisfaction of Purpose Restrictions</u>		
Culinary Program	\$ 50,000	\$ -
Scholarships	1,000	-
Summer Camp	14,552	16,391
Capital Campaign	4,200	-
Total Satisfaction of Purpose Restrictions	<u>69,752</u>	<u>16,391</u>
<u>Expiration of Time Restrictions</u>		
Promises to Give - Available for Capital and Operations	120,000	105,271
Deferred In-kind Lease Expense	35,607	42,957
Total Expiration of Time Restrictions	<u>155,607</u>	<u>148,228</u>
Total	<u>\$ 225,359</u>	<u>\$ 164,619</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

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>2024</u>	<u>2023</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.

U.S. GAAP requires certain provisions relating to “Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institution Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds”. The provisions provide disclosures about an organization’s endowment funds to enable users of the financial statements to understand the net asset classifications, net asset composition, changes in net asset composition, spending policy and related investment policy of an organization’s endowment funds.

The Board has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the endowment contributions unless there are explicit donor stipulations to the contrary. None of the Club’s endowment contributions have any such stipulations. As a result, the Club classifies as net assets with donor restriction (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, 2024 and 2023.

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
JUNE 30, 2024
(with comparative totals for 2023)**

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, 2024 and 2023, the Club has recorded program fees received in advance of \$391,482 and \$309,921, respectively. The Club will recognize \$391,482 and has recognized \$309,921 as revenue during the year ending June 30, 2025 and the year ended June 30, 2024, respectively, as it performs those services, and, therefore, satisfies its performance obligations to its members. Program fees received in advance at June 30, 2022 were \$263,083.

Disclosure of Disaggregated Revenue

For the years ended June 30, 2024 and 2023, revenues recognized for contracts and fees for services provided at a point in time were \$887,571 and \$1,029,164, respectively.

For the years ended June 30, 2024 and 2023, revenue recognized for contracts and fees for services provided over time were \$349,794 and \$322,458, 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>2024</u>		Refundable	
<u>Grantor</u>	Grants Receivable	Advances (Note 8)	Grant Revenue
Federal - Operating	\$ 61,061	\$ -	\$ 293,209
State - Operating	8,274	-	234,102
State - Capital	-	4,270,001	590,000
City - Operating	7,814	-	618,673
Total	<u>\$ 77,149</u>	<u>\$ 4,270,001</u>	<u>\$1,735,984</u>
<u>2023</u>		Refundable	
<u>Grantor</u>	Grants Receivable	Advances (Note 8)	Grant Revenue
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>

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(with comparative totals for 2023)**

NOTE 12 - 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, 2024, the Club had remaining uncollected and unearned award balances on grants of approximately \$165,300. 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, 2024 and 2023 was approximately \$41,200 and \$53,300, 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. Accrued expenses related to these corrective contributions were approximately \$109,700 and \$171,000 as of June 30, 2024 and 2023, respectively.

NOTE 14 - FUND-RAISING EVENTS

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

<u>2024</u>				
<u>Event</u>	<u>Fund-Raising Revenues</u>	<u>Direct Benefits to Donors</u>	<u>Fund-Raising Event Expenses</u>	<u>Net</u>
City Chic	\$ 379,682	\$ 35,416	\$ 36,174	\$308,092
Golf Event	224,009	53,945	4,503	165,561
5K Race	174,689	12,490	40,908	121,291
Champ of Youth	70,653	19,287	16,274	35,092
Adult Basketball	4,228	-	1,350	2,878
Total	<u>\$ 853,261</u>	<u>\$ 121,138</u>	<u>\$ 99,209</u>	<u>\$632,914</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(with comparative totals for 2023)**

NOTE 14 - FUND-RAISING EVENTS (CONTINUED)

<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
Golf Event	221,454	53,720	8,301	159,433
5K Race	162,335	5,172	46,496	110,667
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>

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 \$6,000 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>
2025	\$ 229,906
2026	111,657
2027	<u>41,800</u>
Total	<u>\$ 383,363</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
JUNE 30, 2024
(with comparative totals for 2023)**

NOTE 15 - LEASE INCOME AND FEES (CONTINUED)

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

	<u>2024</u>	<u>2023</u>
Long-Term Leases	\$ 229,737	\$ 209,770
Short-Term and Hourly Rentals	<u>260,910</u>	<u>193,338</u>
Total	<u>\$ 490,647</u>	<u>\$ 403,108</u>

Costs Associated With Lease Income

For the years ended June 30, 2024 and 2023, the Club determined that occupancy costs directly related to the above lease activities consisting of utilities, repairs and maintenance and janitorial services were approximately \$129,700 and \$74,400, 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>2024</u>	<u>2023</u>
Building Lease (Note 2)	\$ 303,212	\$ 312,379
Less: Change in Deferred In-kind Lease Expense	<u>(35,607)</u>	<u>(42,957)</u>
Total	<u>\$ 267,605</u>	<u>\$ 269,422</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, 2024 and 2023.

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: *Not-for-Profit Entities - Revenue Recognition* (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 determined that they incurred qualifying wages and recognized \$272,996 of income from the ERC. Outstanding ERC receivables were \$25,296 and \$272,996 at June 30, 2024 and 2023, respectively.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(with comparative totals for 2023)

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 \$278,212 and \$287,379 has been recorded in program expense for the years ended June 30, 2024 and 2023, 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, which are included in occupancy in the statement of functional expenses.

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, 2024 and 2023. 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, 2023 and for the year then ended, from which the summarized information was derived.