

BOYS & GIRLS CLUB OF STAMFORD, INC.

Financial Statements

**Year Ended June 30, 2019
(with comparative totals for 2018)**

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

Report on the Financial Statements

We have audited the accompanying financial statements of Boys & Girls Club of Stamford, Inc., which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Club of Stamford, Inc. as of June 30, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Boys & Girls Club of Stamford, Inc.'s financial statements as of and for the year ended June 30, 2018, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived (see Note 20).

Cirone Friedberg, LLP

Shelton, Connecticut
January 22, 2020

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

(with comparative totals for 2018)

ASSETS	<u>2019</u>	(Restated) <u>2018</u>
Cash and Cash Equivalents	\$ 192,774	\$ 163,622
Investments - Unrestricted	-	364,268
Accounts Receivable	64,743	48,447
Grants Receivable	996,289	271,244
Promises to Give - Available for Operations	369,533	-
Prepaid Expenses	39,542	45,321
Deferred In-kind Rent Expense	5,238,560	5,265,961
Property and Equipment, Net of Accumulated Depreciation	3,139,974	2,166,353
Assets Restricted for Investment in and Maintenance of Property and Equipment, Net	1,800,528	590,124
Assets Restricted for Long-Term Investment	<u>1,707,522</u>	<u>1,707,522</u>
Total Assets	<u>\$ 13,549,465</u>	<u>\$ 10,622,862</u>
 LIABILITIES AND NET ASSETS		
<u>Liabilities</u>		
Line of Credit	\$ 95,280	\$ 95,280
Accounts Payable and Accrued Expenses	1,058,543	360,056
Program Fees Received in Advance	87,149	64,577
Tenant Security Deposits	10,000	17,500
Refundable Advances on Grants	<u>2,688,509</u>	<u>1,558,060</u>
Total Liabilities	<u>3,939,481</u>	<u>2,095,473</u>
<u>Net Assets</u>		
Net Assets Without Donor Restriction:		
Net Investment in Property and Equipment	451,465	608,293
Undesignated - (Deficit) Available for Operations	<u>(21,934)</u>	<u>247,374</u>
Total Net Assets Without Donor Restriction	429,531	855,667
Net Assets With Donor Restriction	<u>9,180,453</u>	<u>7,671,722</u>
Total Net Assets	<u>9,609,984</u>	<u>8,527,389</u>
Total Liabilities and Net Assets	<u>\$ 13,549,465</u>	<u>\$ 10,622,862</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(with comparative totals for 2018)

	2019		(Restated) 2018	
	Without Donor Restriction	With Donor Restriction	Total	Total
Support, Revenues and Investment Activity				
Contributions	\$ 848,399	\$ 416,783	\$ 1,265,182	\$ 766,678
Capital Campaign Contributions	-	1,231,295	1,231,295	149,500
United Way Allocations	25,000	-	25,000	20,000
Grants	363,783	-	363,783	350,557
Fund-raising Events	653,548	-	653,548	658,724
Contract Service Fees	16,297	-	16,297	16,969
Program Service Fees	182,781	-	182,781	188,760
Membership Dues	140,940	-	140,940	141,230
Interest and Dividends, Net of Investment Fees	27,292	8,103	35,395	35,274
Net Realized (Losses) Gains on Investments	(1,763)	(523)	(2,286)	79,266
Net Unrealized Appreciation on Investments	79,244	23,529	102,773	6,544
Rental Income and Fees	236,870	-	236,870	236,900
In-kind Contributions	291,573	-	291,573	298,408
Miscellaneous	-	-	-	6,501
Total	<u>2,863,964</u>	<u>1,679,187</u>	<u>4,543,151</u>	<u>2,955,311</u>
Net Assets Released from Restriction:				
Satisfaction of Purpose	91,055	(91,055)	-	-
Expirations of Time Restriction	27,401	(27,401)	-	-
Total Net Assets Released from Restriction	<u>118,456</u>	<u>(118,456)</u>	<u>-</u>	<u>-</u>
Total Support, Revenues and Investment Activity	<u>2,982,420</u>	<u>1,560,731</u>	<u>4,543,151</u>	<u>2,955,311</u>
Expenses				
Program Services:				
Afterschool	471,412	-	471,412	836,513
Education Programs	434,557	-	434,557	408,557
Summer Camp	595,707	-	595,707	430,648
Teen Programs	453,557	-	453,557	369,867
Enrichment Programs	467,369	-	467,369	424,338
Total Program Services	<u>2,422,602</u>	<u>-</u>	<u>2,422,602</u>	<u>2,469,923</u>
Support Services:				
General and Administrative	302,095	-	302,095	184,670
Fund Raising and Development	460,102	-	460,102	389,050
Total Support Services	<u>762,197</u>	<u>-</u>	<u>762,197</u>	<u>573,720</u>
Total Functional Expenses	3,184,799	-	3,184,799	3,043,643
Other Costs and Expenses:				
Cost of Direct Benefits to Donors	128,107	-	128,107	100,486
Costs Associated with Rental Income	95,650	-	95,650	79,708
Write-off of Uncollectible Pledge	-	52,000	52,000	16,500
Total Expenses	<u>3,408,556</u>	<u>52,000</u>	<u>3,460,556</u>	<u>3,240,337</u>
Change in Net Assets	<u>(426,136)</u>	<u>1,508,731</u>	<u>1,082,595</u>	<u>(285,026)</u>
Net Assets - Beginning of Year	855,667	7,671,722	8,527,389	9,357,522
Restatement (Note 2)	-	-	-	(545,107)
Net Assets - Beginning of Year, as Restated	<u>855,667</u>	<u>7,671,722</u>	<u>8,527,389</u>	<u>8,812,415</u>
Net Assets - End of Year	<u>\$ 429,531</u>	<u>\$ 9,180,453</u>	<u>\$ 9,609,984</u>	<u>\$ 8,527,389</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019
(with comparative totals for 2018)

	<u>2019</u>	<u>(Restated)</u> <u>2018</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,082,595	\$ (285,026)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	199,371	137,862
Write-off of Uncollectible Pledges - Capital Campaign	52,000	16,500
Unrealized Appreciation on Investments, Net	(102,773)	(6,544)
Realized Losses (Gains) on Investments	2,286	(79,266)
Contributions Restricted for the Acquisition of Property and Equipment - Capital Campaign	(1,239,398)	(153,870)
Changes in:		
Promises to Give - Available for Operations	(369,533)	6,446
Accounts Receivable and Grants Receivable	(741,341)	(41,716)
Prepaid Expenses	5,779	(9,489)
Deferred In-kind Rent Expense	27,401	26,004
Accounts Payable and Accrued Expenses	698,487	224,019
Program Fees Received in Advance	22,572	16,338
Decrease in Tenant Security Deposits	(7,500)	-
Total Adjustments	<u>(1,452,649)</u>	<u>136,284</u>
Net Cash Used by Operating Activities	<u>(370,054)</u>	<u>(148,742)</u>
Cash Flows from Investing Activities		
Acquisition of Property and Equipment	(35,780)	(186,303)
CIP - Building Renovations	(1,137,212)	(830,255)
Purchases of Investments	(154,248)	(802,259)
Proceeds from Sales of Investments	<u>313,418</u>	<u>1,026,687</u>
Net Cash Used by Investing Activities	<u>(1,013,822)</u>	<u>(792,130)</u>
Cash Flows from Financing Activities		
Increase in Assets Restricted for Investment in and Maintenance of Property and Equipment	(968,871)	(24,276)
Contributions Restricted for the Acquisition of Property and Equipment	1,513,874	153,870
Repayment of Loan Payable - Lighting Systems	-	(59,862)
Refundable Advances on Grants	<u>1,130,449</u>	<u>1,012,953</u>
Net Cash Provided by Financing Activities	<u>1,675,452</u>	<u>1,082,685</u>
Net Increase in Cash, Cash Equivalents and Restricted Cash	291,576	141,813
Cash, Cash Equivalents and Restricted Cash - Beginning	<u>333,141</u>	<u>191,328</u>
Cash, Cash Equivalents and Restricted Cash - Ending	<u>\$ 624,717</u>	<u>\$ 333,141</u>
Cash Paid During the Year For:		
Interest	<u>\$ 4,657</u>	<u>\$ 6,201</u>
Reconciliation of Cash and Cash Equivalents and Restrctied Cash:		
Cash and Cash Equivalents	\$ 192,774	\$ 163,622
Restricted Cash	<u>431,943</u>	<u>169,519</u>
Total Cash, Cash Equivalents and Restricted Cash	<u>\$ 624,717</u>	<u>\$ 333,141</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019
(with comparative totals for 2018)

	PROGRAM SERVICES						SUPPORT SERVICES			2019 Total	(Restated) 2018 Total
	Afterschool	Education Programs	Summer Camp	Teen Programs	Enrichment Programs	Total Program	General and Admini- strative	Fund Raising and Development	Total Support		
Salaries	\$ 212,322	\$ 189,773	\$ 288,371	\$ 201,397	\$ 209,941	\$ 1,101,804	\$ 123,527	\$ 175,207	\$ 298,734	\$ 1,400,538	\$ 1,337,028
Payroll Taxes	18,655	16,674	25,336	17,695	18,445	96,805	10,853	15,394	26,247	123,052	113,793
Employee Benefits	26,959	24,096	36,615	25,572	26,656	139,898	15,683	22,246	37,929	177,827	181,061
Total Salaries and Related Expenses	257,936	230,543	350,322	244,664	255,042	1,338,507	150,063	212,847	362,910	1,701,417	1,631,882
Professional Fees, Including											
In-kind of \$15,762 in 2019	14,367	12,842	19,514	13,628	14,206	74,557	8,359	11,856	20,215	94,772	115,306
Office Supplies and Expenses	10,500	9,384	14,260	9,959	10,382	54,485	6,109	8,664	14,773	69,258	62,740
Telephone and Communications	2,457	2,196	3,337	2,331	2,429	12,750	1,430	2,027	3,457	16,207	17,506
Postage, Printing and Publications	491	438	666	465	485	2,545	286	405	691	3,236	4,084
Travel and Auto	1,152	1,030	1,565	1,093	1,139	5,979	671	951	1,622	7,601	3,839
Conference, Conventions and Meetings	4,687	4,189	6,365	4,446	4,634	24,321	2,727	3,867	6,594	30,915	27,224
Insurance	8,224	7,350	11,169	7,801	8,131	42,675	4,785	6,786	11,571	54,246	57,561
Occupancy	40,608	40,608	40,608	40,608	40,559	202,991	20,315	20,292	40,607	243,598	224,547
In-kind Rent Expenses	50,545	50,545	50,545	50,545	50,485	252,665	25,289	25,258	50,547	303,212	303,212
Membership Dues	1,164	1,041	1,581	1,104	1,151	6,041	678	961	1,639	7,680	8,541
Program Expenses	41,121	36,754	55,850	39,005	40,660	213,390	23,925	33,933	57,858	271,248	275,275
Rental and Maintenance of Equipment	3,436	3,071	4,667	3,260	3,398	17,832	1,999	2,836	4,835	22,667	21,586
Fund-raising Events, Including											
In-kind of \$11,200 in 2018	-	-	-	-	-	-	-	59,486	59,486	59,486	60,680
Annual Appeals Expenses, Including											
In-kind of \$10,000 in 2018	-	-	-	-	-	-	-	36,258	36,258	36,258	39,185
Marketing and Development	-	-	-	-	-	-	-	15,829	15,829	15,829	15,176
Payment to National Organization	1,489	1,331	2,023	1,413	1,473	7,729	867	1,229	2,096	9,825	9,041
Recruiting	-	-	-	-	-	-	11,250	-	11,250	11,250	68
Bank, Credit Card Fees and Interest Expense	-	-	-	-	-	-	26,429	-	26,429	26,429	24,402
Miscellaneous	-	-	-	-	-	-	285	9	294	294	3,926
Total Expenses before Depreciation	438,177	401,322	562,472	420,322	434,174	2,256,467	285,467	443,494	728,961	2,985,428	2,905,781
Depreciation of Building and Equipment	33,235	33,235	33,235	33,235	33,195	166,135	16,628	16,608	33,236	199,371	137,862
Total Functional Expenses	<u>\$ 471,412</u>	<u>\$ 434,557</u>	<u>\$ 595,707</u>	<u>\$ 453,557</u>	<u>\$ 467,369</u>	<u>\$ 2,422,602</u>	<u>\$ 302,095</u>	<u>\$ 460,102</u>	<u>\$ 762,197</u>	<u>\$ 3,184,799</u>	<u>\$ 3,043,643</u>

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

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

Net Asset Classes

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

Net Assets Without Donor Restriction

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

Net Assets With Donor Restriction

Time and Purpose Restricted

Net assets with donor restriction consist of net assets whose use is limited by donor-imposed restrictions which either expire with the passage of time (time restriction) or can be fulfilled and removed by actions of the Club pursuant to the restrictions (purpose restriction). The Club has adopted a policy of implying a time restriction, which expires over the useful life of the assets as the assets are depreciated, on property and equipment which are donated or purchased with contributions and grants restricted for such acquisitions. If a restriction is fulfilled, however, in the same time period in which the contribution is received, the Club reflects the support as net assets without donor restriction.

When donor-imposed restrictions expire, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the accompanying statements of activities as net assets released from restrictions.

Endowment

Net assets with donor restriction - endowment consist of net assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. Perpetually restricted net assets consist of endowment funds, whereby the donor has stipulated that the principal amount be maintained intact in perpetuity and that only the income from investment thereof be expended either for general purposes or purposes specified by the donor.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

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 unrestricted support, while those with donor-imposed restrictions are reflected as either temporarily or perpetually restricted support in the accompanying financial statements. Contributions or promises to give with donor-imposed conditions are not recognized as contributions or promises to give in the accompanying financial statements until the period when the conditions are met.

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

Investments

Investments are reflected at fair value. Realized gains and losses and unrealized appreciation and depreciation on investments are reflected in the accompanying statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily restricted by donor stipulation until spent.

Promises to Give and Accounts Receivable

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

Property and Equipment

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

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

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Goods and Services

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

Deferred In-kind Rent Expense

The Club rents its space at a nominal cost. Deferred In-kind rent expense is recognized at the beginning of the lease period at the present value of the estimated fair value of the total annual lease payments of \$303,212 for two separate leases from the City of Stamford. The deferred in-kind rent expense account is amortized in rent expense over the term of the lease (Note 17).

Grants

The Club is the recipient of various grants. Such amounts are reflected as unrestricted support when the grants are earned. Any amounts received in advance of recognition, if any, are reflected as refundable advances in the accompanying financial statements.

Functional Expenses

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

Compensated Absences

Employees of the Club are entitled to paid vacations and personal days depending on job classification, length of service and other factors. The Club's policy is to allow the carryover from one year to the next the amount of any unused vacation days. No liability has been recorded in the accompanying financial statements as all vacations and personal days were taken by June 30, 2019 and 2018.

Cash Equivalents

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

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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.

Newly Adopted Accounting Standards

Effective July 1, 2017, the Club adopted ASU 2016-14: *Presentation of Financial Statements of Not-For-Profit Entities*. The provisions improve the usefulness and reduce the complexities of information provided to donors, grantors, creditors, and other users of the financial statements by eliminating the distinction between resources with permanent restrictions and those with temporary restrictions from the face of the financial statements. Enhanced disclosures in the notes to the financial statements will provide useful information about the nature, amounts, and effects of the various types of donor-imposed restrictions, which also include the limits on purposes for which the resources can be used as well as the time frame for their use. The adoption of ASU 2016-14 has been applied retrospectively to all periods presented which increased net assets without donor restriction by \$2,084,460 and decreased net assets with donor restriction by \$2,084,460 for the year ended June 30, 2018.

Effective July 1, 2017, the Club early adopted the provisions of ASU 2016-18: *Statement of Cash Flows: Restricted Cash*. The provisions provide the Club to report net cash provided or used by operating, investing, and financing activities and the net effect of those flows on total cash, cash equivalents, and amounts described as restricted cash during the period. The adoption of ASU 2016-18 has been applied retrospectively to all periods presented and had no effect on net assets.

Effective July 1, 2017, the Club early adopted the provisions ASU 2018-08: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The provisions clarify and improve the guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The provisions also require an entity to determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The adoption of ASU 2018-08 has been applied retrospectively to all periods presented which decreased net assets without donor-restriction as of July 1, 2017 by \$545,107, decreased grant revenue by \$1,012,953, and increased refundable advance by \$1,558,060 for the year ended June 30, 2018.

Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 presentation.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through January 22, 2020, the date the financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the financial statements.

NOTE 3 - CONCENTRATION OF RISK

Cash and Cash Equivalents

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

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

Funding

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

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, 2019, reduced by amounts that are not available for general use within one year of the statement of financial position due to donor-imposed or contractual restrictions.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 4 - LIQUIDITY (CONTINUED)

As of June 30, 2019, financial assets are available to meet annual operating needs for the year ended June 30, 2020 are as follows:

Cash and Cash Equivalents	\$ 192,774
Accounts Receivable	64,743
Grants Receivable - Operating	32,277
Promises to Give - Available for Operations	<u>369,533</u>
 Total Financial Assets Available	 659,327
 Less: Donor Imposed Restrictions Not Available for Operations Within One Year	 <u>(269,533)</u>
 Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	 <u>\$ 389,794</u>

Additionally, the Club has a \$100,000 line of credit which it uses for liquidity purposes as needed (Note 9).

NOTE 5 - INVESTMENTS

Investments at June 30 consisted of the following:

<u>2019</u>			Unrealized Appreciation (Depreciation)
<u>Type of Investment</u>	<u>Cost</u>	<u>Fair Value</u>	
<u>Fixed Income</u>			
Government Bonds	\$ 307,171	\$ 307,945	\$ 774
Corporate Bonds	326,204	340,066	13,862
Mutual Funds	<u>206,673</u>	<u>205,885</u>	<u>(788)</u>
Sub-total	<u>840,048</u>	<u>853,896</u>	<u>13,848</u>
<u>Equities</u>			
Common Stocks	432,804	513,924	81,120
Mutual Funds	<u>572,248</u>	<u>621,225</u>	<u>48,977</u>
Sub-total	<u>1,005,052</u>	<u>1,135,149</u>	<u>130,097</u>
Real Assets	<u>26,169</u>	<u>28,254</u>	<u>2,085</u>
Total	<u>\$ 1,871,269</u>	<u>\$ 2,017,299</u>	<u>\$ 146,030</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 5 - INVESTMENTS (CONTINUED)

<u>2018</u>			Unrealized Appreciation (Depreciation)
<u>Type of Investment</u>	<u>Cost</u>	<u>Fair Value</u>	
<u>Fixed Income</u>			
Government Bonds	\$ 359,097	\$ 350,597	\$ (8,500)
Corporate Bonds	385,276	370,709	(14,567)
Mutual Funds	<u>216,990</u>	<u>211,719</u>	<u>(5,271)</u>
Sub-total	<u>961,363</u>	<u>933,025</u>	<u>(28,338)</u>
<u>Equities</u>			
Common Stocks	481,595	502,184	20,589
Mutual Funds	<u>560,630</u>	<u>611,138</u>	<u>50,508</u>
Sub-total	<u>1,042,225</u>	<u>1,113,322</u>	<u>71,097</u>
Real Assets	<u>29,137</u>	<u>29,635</u>	<u>498</u>
Total	<u>\$ 2,032,725</u>	<u>\$ 2,075,982</u>	<u>\$ 43,257</u>

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

	<u>2019</u>	<u>2018</u>
Investments - Unrestricted	\$ -	\$ 364,268
Assets Restricted for Investment in and Maintenance of Property and Equipment	309,777	4,192
Assets Restricted for Long-Term Investment	<u>1,707,522</u>	<u>1,707,522</u>
Total	<u>\$2,017,299</u>	<u>\$2,075,982</u>

During the years ended June 30, 2019 and 2018, investments with a cost of \$315,704 and \$947,421 were sold for \$313,418 and \$1,026,687 resulting in a net (loss) gain of (\$2,286) and \$79,266, respectively.

Interest and dividends is reflected net of investment fees of \$17,124 and \$18,912 for the years ended June 30, 2019 and 2018, respectively.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 5 - INVESTMENTS (CONTINUED)

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

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

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

	Quoted Prices in Active Markets for Identical <u>Level 1</u>	Other Observable Inputs <u>Level 2</u>	Unobservable Inputs <u>Level 3</u>	<u>Total</u>
<u>2019</u>				
Investments	<u>\$2,017,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,017,299</u>
<u>2018</u>				
Investments	<u>\$2,075,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,075,982</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

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

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

	<u>2019</u>	<u>2018</u>
Capital Campaign Cash	\$ 343,353	\$ 80,929
Capital Campaign Investments	274,476	-
Capital Campaign Pledges	1,103,103	460,708
Yerwood Renovations - Cash	44,295	44,295
Other Investments	<u>35,301</u>	<u>4,192</u>
Total	<u>\$ 1,800,528</u>	<u>\$ 590,124</u>

Assets restricted for long-term investment at June 30 consisted of the following:

	<u>2019</u>	<u>2018</u>
Investments	<u>\$1,707,522</u>	<u>\$1,707,522</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 7 - CAPITAL CAMPAIGN PROMISES TO GIVE

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

Capital Campaign Pledges Net Asset Activity

	<u>2019</u>	<u>2018</u>	<u>Prior</u>	<u>Total</u>
Pledges Received	\$ 1,298,750	\$ 149,500	\$ 606,100	\$ 2,054,350
<u>Amounts Expended for:</u>				
Design Development of the Stillwater Facility	-	-	(73,182)	(73,182)
Consulting Fees for the Capital Campaign	-	-	(188,461)	(188,461)
Printing Costs for the Capital Campaign	-	-	(2,585)	(2,585)
Total Expended	-	-	(264,228)	(264,228)
<u>Other Adjustments:</u>				
Provision for Uncollectible Pledge	(52,000)	(16,500)	(250)	(68,750)
Present Value Discount Adjustment	(67,455)	-	(6,167)	(73,622)
Reimbursement of Prior Year Expenditures from the State Grant-In-Aid Grant	-	-	73,182	73,182
Total Expended and Other Adjustments	<u>(119,455)</u>	<u>(16,500)</u>	<u>(197,463)</u>	<u>(333,418)</u>
Changes in Net Assets	1,179,295	133,000	408,637	1,720,932
Capital Campaign Net Assets - Beginning of Year	<u>541,637</u>	<u>408,637</u>	-	-
Capital Campaign Net Assets - End of Year (Note 13)	<u>\$ 1,720,932</u>	<u>\$ 541,637</u>	<u>\$ 408,637</u>	<u>\$ 1,720,932</u>

Capital Campaign Pledges Receivable Activity

	<u>2019</u>	<u>2018</u>	<u>Prior</u>	<u>Total</u>
Pledges Received	\$ 1,298,750	\$ 149,500	\$ 606,100	\$ 2,054,350
Collections Received on Pledges	(536,900)	(87,375)	(184,600)	(808,875)
Provision for Uncollectible Pledge	(52,000)	(16,500)	(250)	(68,750)
Present Value Discount Adjustment	(67,455)	-	(6,167)	(73,622)
Changes in Pledges Receivable	642,395	45,625	415,083	1,103,103
Pledge Balance - Beginning of Year	<u>460,708</u>	<u>415,083</u>	-	-
Pledge Balance - End of Year	<u>\$ 1,103,103</u>	<u>\$ 460,708</u>	<u>\$ 415,083</u>	<u>\$ 1,103,103</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(with comparative totals for 2018)**

NOTE 7 - CAPITAL CAMPAIGN PROMISES TO GIVE (CONTINUED)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Due in Less than 1 Year	\$518,225	\$278,625	\$328,500
Due in 1 to 5 Years	<u>658,500</u>	<u>188,250</u>	<u>92,750</u>
Total	1,176,725	466,875	421,250
Less: Unamortized Discount	<u>(73,622)</u>	<u>(6,167)</u>	<u>(6,167)</u>
Net	<u>\$1,103,103</u>	<u>\$460,708</u>	<u>\$415,083</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 5.50% for the years ended June 30, 2019 and 4.25% for the year ended June 30, 2018.

Allowances of \$66,500 and \$16,500 have been reserved during the years ended June 30, 2019 and 2018, respectively.

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 161,894	\$ 161,894
Building	2,403,522	2,403,522
CIP - Building Renovations	2,247,973	1,110,761
Land Improvements	8,541	8,541
Furniture, Fixtures and Equipment	473,728	473,728
Leasehold Improvements	472,289	436,509
Transportation Equipment	<u>20,000</u>	<u>20,000</u>
Total	5,787,947	4,614,955
Less: Accumulated Depreciation	<u>(2,647,973)</u>	<u>(2,448,602)</u>
Property and Equipment, Net	<u>\$ 3,139,974</u>	<u>\$ 2,166,353</u>

The Club has initiated a \$15 million Capital Campaign for the expansion of their Stillwater facility, to enhance program space at the Yerwood Center that they are leasing from the City of Stamford and to provide an Endowment for youth development programs.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 8 - PROPERTY AND EQUIPMENT (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 is to be used for the expansion of the gym at the Club's Stillwater facility and improvements to the Michael F. Lione Memorial Park (Lione Park) that is adjacent to the Club's Stillwater facility, which the Club has a 25-year land lease with the City of Stamford. The Club has an agreement with the City of Stamford that out of the \$1.5 million grant, \$800,000 is earmarked for the Lione Park improvements.

Under the terms of both DCF grant awards, the State of Connecticut has taken a lien on the Stillwater facility equal to the amounts of the two grant awards. Also under the terms of both DCF grant awards, the Club will be required to repay to 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 amounted to \$2,688,509 and \$1,558,060 at June 30, 2019 and 2018, respectively (Note 14). As of June 30, 2019, the Club has not expended approximately \$3.2 million under the grant awards.

NOTE 9 - LINE OF CREDIT

The Club obtained a \$100,000 revolving line of credit (Line) with a bank. The Line is due on demand and requires monthly payments of interest at the bank's prime rate plus 2% (7.50% and 7.00% at June 30, 2019 and 2018, respectively). The outstanding balance on the Line was \$95,280 at June 30, 2019 and 2018. The Line is secured by substantially all assets of the Club.

Interest expense on the Line of credit amounted to approximately \$4,700 and \$6,200 for the years ended June 30, 2019 and 2018, respectively.

NOTE 10 - LOAN PAYABLE - LIGHTING SYSTEMS

In 2017, the Club installed new energy efficient lighting systems in the Stillwater Avenue facility in the amount of \$25,962 and the Yerwood facility in the amount of \$40,034 for a total cost of \$65,996. The loan had 0% interest, and the balance of \$59,862 at year ended June 30, 2017 was repaid during the year ended June 30, 2018.

NOTE 11 - PROGRAM FEES RECEIVED IN ADVANCE

Program fees received in advance consist of program fees received prior to June 30th for the Club's summer camp program which begins in July of each year.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 12 - TENANT SECURITY DEPOSITS

The security deposit balance of \$10,000 and \$17,500 at the years ended June 30, 2019 and 2018, respectively, represents deposits received from tenants leasing space in the Yerwood facility.

NOTE 13 - NET ASSETS WITH DONOR RESTRICTION

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

	<u>2019</u>	<u>2018</u>
<u>Purpose Restrictions</u>		
Scholarships	\$ 17,060	\$ 17,060
Summer Camp	47,250	91,055
Capital Campaign (Notes 6 and 7)	1,720,932	541,637
Yerwood Renovations (Note 6)	44,295	44,295
Investment in and Maintenance of Property and Equipment - Unexpended Endowment Income (Note 6)	<u>35,301</u>	<u>4,192</u>
	<u>1,864,838</u>	<u>698,239</u>
 <u>Time Restricted</u>		
Promises to Give - Available for Operations	369,533	-
Deferred In-kind Rent Expense	<u>5,238,560</u>	<u>5,265,961</u>
	<u>5,608,093</u>	<u>5,265,961</u>
 <u>Perpetually Restricted</u>	<u>1,707,522</u>	<u>1,707,522</u>
 Total Net Assets with Donor Restriction	<u>\$ 9,180,453</u>	<u>\$ 7,671,722</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>2019</u>	<u>2018</u>
<u>Satisfaction of Program Restrictions</u>		
Summer Camp	\$ 91,055	\$ 63,753
Scholarships	-	3,475
Maintenance of Facility	-	70,000
Total Satisfaction of Purpose Restrictions	<u>91,055</u>	<u>137,228</u>
 <u>Expiration of Time Restrictions</u>		
Deferred In-kind Rent Expense	<u>27,401</u>	<u>26,003</u>
Total Expiration of Time Restrictions	<u>27,401</u>	<u>26,003</u>
 Total	<u>\$ 118,456</u>	<u>\$ 163,231</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(with comparative totals for 2018)**

NOTE 13 - NET ASSETS WITH DONOR RESTRICTION (CONTINUED)

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

	<u>2019</u>	<u>2018</u>
Endowments	\$ <u>1,707,522</u>	\$ <u>1,707,522</u>

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

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

NOTE 14 - GRANTS

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

<u>2019</u>		Refundable	
<u>Grantor</u>	<u>Grants Receivable</u>	<u>Advances (Note 8)</u>	<u>Grant Revenue</u>
Federal - Operating	\$ 32,277	\$ -	\$ 99,117
Federal - Capital	-	-	48,290
State - Operating	-	-	91,376
State - Capital	964,012	2,688,509	-
City - Operating	<u>-</u>	<u>-</u>	<u>125,000</u>
Total	<u>\$ 996,289</u>	<u>\$2,688,509</u>	<u>\$ 363,783</u>
 <u>2018</u>		Refundable	
<u>Grantor</u>	<u>Grants Receivable</u>	<u>Advances (Note 8)</u>	<u>Grant Revenue</u>
Federal - Operating	\$ 51,819	\$ -	\$ 141,601
State - Operating	-	-	82,756
State - Capital	219,425	1,558,060	-
City - Operating	<u>-</u>	<u>-</u>	<u>126,200</u>
Total	<u>\$ 271,244</u>	<u>\$1,558,060</u>	<u>\$ 350,557</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 14 - GRANTS (CONTINUED)

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

NOTE 15 - PENSION PLAN

The Club maintains a 401(k) retirement plan covering all fulltime employees, age 21 or older who have completed one year of service. Eligible employees may elect to defer a percentage of their compensation up to annual IRS limitations. The Plan provides for an employer safe harbor contribution of three percent of compensation. Participants are vested in their contributions immediately and after three years for the Club's contribution. Retirement plan expense for the years ended June 30, 2019 and 2018 was \$25,600 and \$27,300, respectively.

NOTE 16 - FUND-RAISING EVENTS

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

<u>2019</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	\$ 298,179	\$ 49,987	\$ 23,576	\$224,616
5K Run	194,454	14,585	35,910	143,959
Golf Event	160,915	63,535	-	97,380
Total	<u>\$ 653,548</u>	<u>\$ 128,107</u>	<u>\$ 59,486</u>	<u>\$465,955</u>
<u>2018</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	\$ 376,767	\$ 47,508	\$ 22,297	\$306,962
5K Run	165,246	21,664	38,183	105,399
Golf Event	116,711	31,314	200	85,197
Total	<u>\$ 658,724</u>	<u>\$ 100,486</u>	<u>\$ 60,680</u>	<u>\$497,558</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 17 - RENTAL INCOME AND FEES

Rental Income and Fees

The Club rents its facilities under the following terms:

Long-Term Leases

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

Future minimum rentals under the above leases are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2020	\$108,269
2021	36,400
2022	40,800
2023	41,200
2024 and thereafter	<u>178,600</u>
Total	<u>\$405,269</u>

Short-Term Leases and Hourly Rentals

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

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

	<u>2019</u>	<u>2018</u>
Long-Term Leases	\$ 98,238	\$ 86,281
Short-Term and Hourly Rentals	<u>138,632</u>	<u>150,619</u>
Total	<u>\$236,870</u>	<u>\$236,900</u>

Costs Associated With Rental Income

For the years ended June 30, 2019 and 2018, the Club determined that occupancy costs directly related to the above rental activities consisting of utilities, repairs and maintenance and janitorial services were approximately \$95,700 and \$79,700, respectively.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 18 - COMMITMENTS AND CONTINGENCIES

Yerwood Center Lease Agreement

The Club has a 5-year lease with the City of Stamford for the Yerwood Center located in Stamford, Connecticut. The lease expires August 2020 and contains two 25-year extensions. The cumulative total rent paid to the City of Stamford for the entire term of the total duration of the lease, including extensions, is \$10.00. The fair market value of the rent for the building was estimated at \$5,000,000. The value of the total rent over the period of the lease was discounted at 5.25%, and the present value of total in-kind rent was recorded in the deferred in-kind rent expense account. Annual rent expense of \$278,212 is recorded in program expense for each of the years ending June 30, 2019 and 2018. 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 the Michael F. Lione Memorial Park (Lione Park). The lease expires September 2038. The cumulative total rent paid to the City of Stamford for the entire term of the total duration of the lease is \$10.00. The fair market rent value was estimated at \$347,828, the value of the total rent over the period of the lease was discounted at 5.25% and the present value of total in-kind rent was recorded in the deferred in-kind rent expense account. Annual rent expense of \$25,000 is recorded in program expenses for each of the years ending June 30, 2019 and 2018.

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

NOTE 19 - IN-KIND CONTRIBUTIONS

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

	<u>2019</u>	<u>2018</u>
Building Rental (Note 2)	\$ 303,212	\$ 303,212
Professional Fees	15,762	-
Services and Supplies	-	21,200
Total In-kind Expenses	318,974	324,412
Less: Changes in Deferred In-kind Rent Expense	<u>(27,401)</u>	<u>(26,004)</u>
Total	<u>\$ 291,573</u>	<u>\$ 298,408</u>

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

(with comparative totals for 2018)

NOTE 20 - PRIOR-YEAR INFORMATION

The accompanying financial statements include certain prior year restated summarized comparative information at June 30, 2018 and for the year then ended in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the financial statements at June 30, 2018 and for the year then ended from which the summarized information was derived.