

BOYS & GIRLS CLUB OF STAMFORD, INC.

Financial Statements

**Year Ended June 30, 2021
(with comparative totals for 2020)**

BOYS & GIRLS CLUB OF STAMFORD, INC.

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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, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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, 2021 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, 2020, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived (see Note 21).

Cirone Friedberg, LLP

Shelton, Connecticut
February 5, 2022

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

(with comparative totals for 2020)

| ASSETS | <u>2021</u> | <u>2020</u> |
|--|-----------------------------|-----------------------------|
| Cash and Cash Equivalents | \$ 920,845 | \$ 378,184 |
| Investments | 439,021 | 207,826 |
| Accounts Receivable, Net | 78,818 | 45,612 |
| Grants Receivable | 109,441 | 146,475 |
| Promises to Give - Available for Capital and Operations, Net | 205,625 | 605,707 |
| Prepaid Expenses | 19,816 | 28,754 |
| Deferred In-kind Rent Expense | 5,183,758 | 5,211,159 |
| Property and Equipment, Net | <u>5,840,370</u> | <u>6,043,033</u> |
| | <u>12,797,694</u> | <u>12,666,750</u> |
| Assets Restricted for Investment in and Maintenance of Property and Equipment: | | |
| Cash and Cash Equivalents | 342,079 | 321,979 |
| Investments | 145,578 | 51,066 |
| Capital Campaign Pledges, Net | <u>32,624</u> | <u>50,524</u> |
| Total Assets Restricted for Investment in and Maintenance of Property and Equipment | <u>520,281</u> | <u>423,569</u> |
| Assets Restricted for Long-Term Investment - Investments | <u>1,707,522</u> | <u>1,707,522</u> |
| Total Assets | <u>\$ 15,025,497</u> | <u>\$ 14,797,841</u> |
| LIABILITIES AND NET ASSETS | | |
| <u>Liabilities</u> | | |
| Notes Payable | \$ 10,000 | \$ 10,000 |
| Accounts Payable and Accrued Expenses | 320,681 | 83,437 |
| Program Fees Received in Advance | 144,419 | 55,653 |
| Tenant Security Deposits | 10,000 | 10,000 |
| Refundable Advances on Grants | <u>5,538,016</u> | <u>5,617,273</u> |
| Total Liabilities | <u>6,023,116</u> | <u>5,776,363</u> |
| <u>Net Assets</u> | | |
| Net Assets Without Donor Restriction: | | |
| Net Investment in Property and Equipment | 302,354 | 425,760 |
| Board Designated - Capital and Operations | 621,201 | 621,201 |
| Undesignated - Available for Operations | <u>411,380</u> | <u>-</u> |
| Total Net Assets Without Donor Restriction | 1,334,935 | 1,046,961 |
| Net Assets With Donor Restriction | <u>7,667,446</u> | <u>7,974,517</u> |
| Total Net Assets | <u>9,002,381</u> | <u>9,021,478</u> |
| Total Liabilities and Net Assets | <u>\$ 15,025,497</u> | <u>\$ 14,797,841</u> |

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

| | 2021 | | 2020 | |
|---|---------------------------------|------------------------------|----------------------------|----------------------------|
| | Without Donor Restriction | With Donor Restriction | Total | Total |
| Support, Revenues and Investment Income | | | | |
| Contributions | \$ 536,460 | \$ 33,200 | \$ 569,660 | \$ 780,185 |
| Capital Campaign Contributions | 4,051 | - | 4,051 | 195,771 |
| United Way Allocations | 184,422 | - | 184,422 | 23,225 |
| Grants | 1,326,182 | - | 1,326,182 | 847,108 |
| Fund-raising Events | 603,170 | - | 603,170 | 165,627 |
| Contract Service Fees | 20,000 | - | 20,000 | 13,081 |
| Program Service Fees | 17,257 | - | 17,257 | 209,854 |
| Membership Dues | 58,549 | - | 58,549 | 137,361 |
| Interest and Dividends, Net of Investment Fees | 14,205 | 4,068 | 18,273 | 26,828 |
| Net Realized Gains on Investments | 109,074 | 31,232 | 140,306 | 16,149 |
| Net Unrealized Appreciation on Investments | 206,788 | 59,212 | 266,000 | 24,424 |
| Rental Income and Fees | 217,602 | - | 217,602 | 211,779 |
| In-kind Contributions | 275,811 | - | 275,811 | 361,255 |
| Total | <u>3,573,571</u> | <u>127,712</u> | <u>3,701,283</u> | <u>3,012,647</u> |
| Net Assets Released from Restriction: | | | | |
| Satisfaction of Purpose Restriction | 9,500 | (9,500) | - | - |
| Expirations of Time Restriction | 422,283 | (422,283) | - | - |
| Total Net Assets Released from Restriction | <u>431,783</u> | <u>(431,783)</u> | <u>-</u> | <u>-</u> |
| Total Support, Revenues and Investment Income | <u>4,005,354</u> | <u>(304,071)</u> | <u>3,701,283</u> | <u>3,012,647</u> |
| Expenses | | | | |
| Program Services: | | | | |
| Afterschool | 786,678 | - | 786,678 | 456,482 |
| Education Programs | 370,566 | - | 370,566 | 450,935 |
| Summer Camp | 534,892 | - | 534,892 | 681,533 |
| Teen Programs | 483,797 | - | 483,797 | 549,323 |
| Enrichment Programs | 363,091 | - | 363,091 | 476,039 |
| Total Program Services | <u>2,539,024</u> | <u>-</u> | <u>2,539,024</u> | <u>2,614,312</u> |
| Support Services: | | | | |
| General and Administrative | 535,192 | - | 535,192 | 354,331 |
| Fund Raising and Development | 503,014 | - | 503,014 | 423,851 |
| Total Support Services | <u>1,038,206</u> | <u>-</u> | <u>1,038,206</u> | <u>778,182</u> |
| Total Functional Expenses | 3,577,230 | - | 3,577,230 | 3,392,494 |
| Other Costs and Expenses: | | | | |
| Cost of Direct Benefits to Donors | 48,490 | - | 48,490 | 56,613 |
| Costs Associated with Rental Income | 82,814 | - | 82,814 | 94,046 |
| Provision for Uncollectible Promises to Give - | | | | |
| Available for Capital and Operations | - | 3,000 | 3,000 | 50,000 |
| Provision for Uncollectible Accounts Receivable | 8,846 | - | 8,846 | 8,000 |
| Total Expenses | <u>3,717,380</u> | <u>3,000</u> | <u>3,720,380</u> | <u>3,601,153</u> |
| Change in Net Assets | 287,974 | (307,071) | (19,097) | (588,506) |
| Net Assets - Beginning of Year | <u>1,046,961</u> | <u>7,974,517</u> | <u>9,021,478</u> | <u>9,609,984</u> |
| Net Assets - End of Year | <u>\$ 1,334,935</u> | <u>\$ 7,667,446</u> | <u>\$ 9,002,381</u> | <u>\$ 9,021,478</u> |

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

| | <u>2021</u> | <u>2020</u> |
|--|----------------------------|--------------------------|
| Cash Flows from Operating Activities | | |
| Change in Net Assets | \$ (19,097) | \$ (588,506) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation and Amortization | 389,752 | 204,032 |
| Provision for Uncollectible Promises to Give - Available for Capital and Operations | 3,000 | 50,000 |
| Provision for Uncollectible Accounts Receivable | 8,846 | 8,000 |
| Unrealized Appreciation on Investments, Net | (266,000) | (24,424) |
| Realized Gains on Investments | (140,306) | (16,149) |
| Amortization of Investments | 4,537 | 2,571 |
| Contributions Restricted for the Acquisition of Property and Equipment - Capital Campaign | - | (70,771) |
| Contributed Securities | (80,847) | (254,457) |
| Contributed Property and Equipment | - | (46,324) |
| Changes in: | | |
| Accounts Receivable | (42,052) | 19,131 |
| Grants Receivable | 37,034 | 849,814 |
| Promises to Give - Available for Capital and Operations | 397,082 | 31,708 |
| Prepaid Expenses | 8,938 | 10,788 |
| Deferred In-kind Rent Expense | 27,401 | 27,401 |
| Accounts Payable and Accrued Expenses | 237,244 | (131,865) |
| Program Fees Received in Advance | 88,766 | (31,496) |
| Refundable Advances on Grants | (150,000) | (150,000) |
| Total Adjustments | <u>523,395</u> | <u>477,959</u> |
| Net Cash Provided (Used) by Operating Activities | <u>504,298</u> | <u>(110,547)</u> |
| Cash Flows from Investing Activities | | |
| Acquisition of Property and Equipment | (187,089) | (104,531) |
| Construction in Progress - Building Renovations | - | (3,799,477) |
| Purchases of Investments | (764,836) | (625,482) |
| Proceeds from Sales of Investments | 921,745 | 700,625 |
| Net Cash Used by Investing Activities | <u>(30,180)</u> | <u>(3,828,865)</u> |
| Cash Flows from Financing Activities | | |
| Proceeds from Investments Restricted for Investment in and Maintenance of Property and Equipment | - | 268,201 |
| Collection of Pledges Restricted for Investment in and Maintenance of Property and Equipment | 17,900 | 797,468 |
| Net Repayment on Line of Credit | - | (95,280) |
| Proceeds from Notes Payable | - | 10,000 |
| Refundable Advances on Grants | 70,743 | 3,078,764 |
| Net Cash Provided by Financing Activities | <u>88,643</u> | <u>4,059,153</u> |
| Net Increase in Cash, Cash Equivalents and Restricted Cash | 562,761 | 119,741 |
| Cash, Cash Equivalents and Restricted Cash - Beginning | <u>700,163</u> | <u>580,422</u> |
| Cash, Cash Equivalents and Restricted Cash - Ending | <u>\$ 1,262,924</u> | <u>\$ 700,163</u> |

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

| | <u>2021</u> | <u>2020</u> |
|--|----------------------------|--------------------------|
| Cash Paid During the Year for: | | |
| Interest | \$ - | \$ 2,584 |
| Reconciliation of Cash, Cash Equivalents and Restricted Cash: | | |
| Cash and Cash Equivalents | \$ 920,845 | \$ 378,184 |
| Restricted Cash and Cash Equivalents | <u>342,079</u> | <u>321,979</u> |
| Total Cash, Cash Equivalents and Restricted Cash | <u>\$ 1,262,924</u> | <u>\$ 700,163</u> |

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

| | PROGRAM SERVICES | | | | | SUPPORT SERVICES | | | | | 2021 Total | 2020 Total |
|---|-------------------|-----------------------|-------------------|-------------------|------------------------|---------------------|---------------------------------------|---------------------------------------|---------------------|---------------------|---------------------|---------------|
| | Afterschool | Education Programs | Summer Camp | Teen Programs | Enrichment Programs | Total Program | General and Admini- strative | Fund Raising and Development | Total Support | | | |
| Salaries | \$ 426,736 | \$ 113,713 | \$ 263,777 | \$ 197,846 | \$ 128,840 | \$ 1,130,912 | \$ 216,459 | \$ 203,438 | \$ 419,897 | \$ 1,550,809 | \$ 1,456,450 | |
| Payroll Taxes | 38,518 | 10,776 | 21,340 | 17,427 | 11,452 | 99,513 | 13,750 | 17,831 | 31,581 | 131,094 | 127,472 | |
| Employee Benefits | 77,492 | 58,578 | 37,789 | 51,943 | 41,835 | 267,637 | 125,640 | 68,186 | 193,826 | 461,463 | 207,476 | |
| Total Salaries and Related Expenses | 542,746 | 183,067 | 322,906 | 267,216 | 182,127 | 1,498,062 | 355,849 | 289,455 | 645,304 | 2,143,366 | 1,791,398 | |
| Professional Fees | 27,149 | 9,157 | 16,152 | 13,366 | 9,110 | 74,934 | 17,800 | 14,479 | 32,279 | 107,213 | 166,263 | |
| Office Supplies and Expenses | 13,878 | 4,681 | 8,257 | 6,833 | 4,657 | 38,306 | 9,098 | 7,401 | 16,499 | 54,805 | 105,449 | |
| Telephone and Communications | 4,364 | 1,472 | 2,596 | 2,148 | 1,464 | 12,044 | 2,861 | 2,327 | 5,188 | 17,232 | 17,760 | |
| Postage, Printing and Publications | 340 | 115 | 202 | 167 | 114 | 938 | 223 | 181 | 404 | 1,342 | 3,107 | |
| Travel and Auto | 843 | 285 | 502 | 415 | 283 | 2,328 | 553 | 450 | 1,003 | 3,331 | 4,344 | |
| Conference, Conventions and Meetings | 2,652 | 895 | 1,578 | 1,306 | 890 | 7,321 | 1,738 | 1,414 | 3,152 | 10,473 | 17,464 | |
| Insurance | 21,037 | 7,096 | 12,516 | 10,357 | 7,059 | 58,065 | 13,793 | 11,219 | 25,012 | 83,077 | 61,924 | |
| Occupancy | 35,973 | 35,973 | 35,973 | 35,973 | 35,930 | 179,822 | 17,997 | 17,975 | 35,972 | 215,794 | 248,901 | |
| 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 | 2,126 | 717 | 1,265 | 1,047 | 714 | 5,869 | 1,394 | 1,134 | 2,528 | 8,397 | 7,376 | |
| Program Expenses | 11,426 | 8,680 | 12,294 | 25,203 | 2,468 | 60,071 | 31,740 | 340 | 32,080 | 92,151 | 353,005 | |
| Rental and Maintenance of Equipment | 5,725 | 1,931 | 3,406 | 2,819 | 1,921 | 15,802 | 3,754 | 3,053 | 6,807 | 22,609 | 23,885 | |
| Fund-raising Events | - | - | - | - | - | - | - | 39,955 | 39,955 | 39,955 | 1,117 | |
| Annual Appeals Expenses | - | - | - | - | - | - | - | 2,320 | 2,320 | 2,320 | 27,739 | |
| Marketing and Development | - | - | - | - | - | - | - | 52,038 | 52,038 | 52,038 | 21,315 | |
| Payment to National Organization | 2,904 | 980 | 1,728 | 1,430 | 975 | 8,017 | 1,903 | 1,549 | 3,452 | 11,469 | 10,628 | |
| Recruiting | - | - | - | - | - | - | 1,373 | - | 1,373 | 1,373 | 1,017 | |
| Bank, Credit Card Fees and Interest Expense | - | - | - | - | - | - | 16,399 | - | 16,399 | 16,399 | 22,508 | |
| Miscellaneous | - | - | - | - | - | - | 922 | - | 922 | 922 | 50 | |
| Total Expenses Before Depreciation and Amortization | 721,708 | 305,594 | 469,920 | 418,825 | 298,197 | 2,214,244 | 502,686 | 470,548 | 973,234 | 3,187,478 | 3,188,462 | |
| Depreciation and Amortization of Property and Equipment | 64,970 | 64,972 | 64,972 | 64,972 | 64,894 | 324,780 | 32,506 | 32,466 | 64,972 | 389,752 | 204,032 | |
| Total Functional Expenses | \$ 786,678 | \$ 370,566 | \$ 534,892 | \$ 483,797 | \$ 363,091 | \$ 2,539,024 | \$ 535,192 | \$ 503,014 | \$ 1,038,206 | \$ 3,577,230 | \$ 3,392,494 | |

See notes to financial statements.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 1 - NATURE OF OPERATIONS

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Net Assets Without Donor Restriction

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

Net Assets With Donor Restriction

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

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

Revenue Recognition

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

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

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

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

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

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

Contributions and Promises to Give

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

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

Cash Equivalents

The Club considers highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

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

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 management, all accounts for which the collectibility is doubtful have been provided for in the allowance for uncollectible accounts, and the remaining accounts are deemed to be collectible.

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 into rent expense over the terms of the leases (Note 18).

Property and Equipment

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

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 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. See Note 18.

Grants

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

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by the Club on an equitable basis. Salaries, payroll taxes and employee benefits are allocated based on level of effort. Occupancy, in-kind rent and depreciation 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, the amount of any unused vacation days. However, vacation pay will not be granted in lieu of taking time off, and therefore, no liability has been recorded in the accompanying financial statements as of June 30, 2021 and 2020.

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 February 5, 2022, the date the financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the financial statements.

NOTE 3 - CONCENTRATIONS OF RISK

Cash and Cash Equivalents

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

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

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

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

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, 2021 and 2020, reduced by amounts that are not available for general use within one year of the statement of financial position due to donor-imposed or contractual restrictions.

As of June 30, 2021 and 2020, the following financial assets are available to meet annual operating needs of the following years:

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Cash and Cash Equivalents | \$ 920,845 | \$ 378,184 |
| Investments | 439,021 | 207,826 |
| Accounts Receivable, Net | 78,818 | 45,612 |
| Grants Receivable | 109,441 | 146,475 |
| Promises to Give - Available for Capital and Operations, Net | <u>205,625</u> | <u>605,707</u> |
| Total Financial Assets Available | 1,753,750 | 1,383,804 |
| Less: Donor Imposed Restrictions Not Available for Operations Within One Year | <u>(85,625)</u> | <u>(308,825)</u> |
| Financial Assets Available to Meet General Expenditures Over the Next Twelve Months | <u>\$ 1,668,125</u> | <u>\$ 1,074,979</u> |

Additionally, the Club has a \$250,000 line of credit as of June 30, 2021 and 2020, which it uses for liquidity purposes as needed (Note 9).

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 5 - INVESTMENTS

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

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, such as quoted prices for similar assets or liabilities.
- Level 3 inputs are unobservable inputs for the assets or liability.

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

| Description | 2021 | | | Total |
|---------------------------------|---------------------|-------------|-------------|---------------------|
| | Level 1 | Level 2 | Level 3 | |
| Fixed Income: | | | | |
| Government Bonds | \$ 405,856 | \$ - | \$ - | \$ 405,856 |
| Corporate Bonds | 324,552 | - | - | 324,552 |
| Mutual Funds | 219,802 | - | - | 219,802 |
| Equities: | | | | |
| Common Stocks | 567,534 | - | - | 567,534 |
| Mutual Funds | 743,658 | - | - | 743,658 |
| Real Estate Securities | <u>30,719</u> | <u>-</u> | <u>-</u> | <u>30,719</u> |
| Total Investments at Fair Value | <u>\$ 2,292,121</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,292,121</u> |
| | | | | |
| Description | 2020 | | | Total |
| | Level 1 | Level 2 | Level 3 | |
| Fixed Income: | | | | |
| Government Bonds | \$ 412,345 | \$ - | \$ - | \$ 412,345 |
| Corporate Bonds | 332,128 | - | - | 332,128 |
| Mutual Funds | 204,056 | - | - | 204,056 |
| Equities: | | | | |
| Common Stocks | 492,982 | - | - | 492,982 |
| Mutual Funds | <u>524,903</u> | <u>-</u> | <u>-</u> | <u>524,903</u> |
| Total Investments at Fair Value | <u>\$ 1,966,414</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,966,414</u> |

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 5 - INVESTMENTS (CONTINUED)

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

| | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|
| Investments | \$ 439,021 | \$ 207,826 |
| Assets Restricted for Investment in and Maintenance of Property and Equipment | 145,578 | 51,066 |
| Assets Restricted for Long-Term Investment | <u>1,707,522</u> | <u>1,707,522</u> |
| Total | <u>\$2,292,121</u> | <u>\$1,966,414</u> |

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

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

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|-------------------|-------------------|
| Capital Campaign Cash | \$ 297,784 | \$ 277,684 |
| Capital Campaign Pledges, Net | 32,624 | 50,524 |
| Yerwood Renovations - Cash | 44,295 | 44,295 |
| Other Investments | <u>145,578</u> | <u>51,066</u> |
| Total | <u>\$ 520,281</u> | <u>\$ 423,569</u> |

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(with comparative totals for 2020)**

NOTE 7 - CAPITAL CAMPAIGN PLEDGES

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

| | <u>2021</u> | <u>2020</u> | <u>Prior</u> | <u>Total</u> |
|---|-------------------|--------------------|---------------------|--------------------|
| Pledges Received | \$ - | \$ - | \$ 2,054,350 | \$ 2,054,350 |
| <u>Amounts Expended for:</u> | | | | |
| Design Development of the Stillwater Facility | - | - | (73,182) | (73,182) |
| Consulting Fees for the Capital Campaign | - | - | (188,461) | (188,461) |
| Printing Costs for the Capital Campaign | - | - | (2,585) | (2,585) |
| Total Expended | - | - | (264,228) | (264,228) |
| <u>Other Adjustments:</u> | | | | |
| Provision for Uncollectible Pledges | - | (8,000) | (68,750) | (76,750) |
| Present Value Discount Adjustment | 2,200 | 70,771 | (73,622) | (651) |
| Transfer to Board Designated for Capital and Operations | - | (1,137,613) | - | (1,137,613) |
| Transfer to Available for Capital and Operations - Time Restricted Net Assets | - | (317,882) | - | (317,882) |
| Reimbursement of Prior Year Expenditures from the State Grant-In-Aid Grant | - | - | 73,182 | 73,182 |
| Total Expended and Other Adjustments | <u>2,200</u> | <u>(1,392,724)</u> | <u>(333,418)</u> | <u>(1,723,942)</u> |
| Changes in Net Assets | 2,200 | (1,392,724) | 1,720,932 | 330,408 |
| Capital Campaign Net Assets - Beginning of Year | <u>328,208</u> | <u>1,720,932</u> | <u>-</u> | <u>-</u> |
| Capital Campaign Net Assets - End of Year (Note 12) | <u>\$ 330,408</u> | <u>\$ 328,208</u> | <u>\$ 1,720,932</u> | <u>\$ 330,408</u> |
| <u>Capital Campaign Pledges, Net Activity</u> | | | | |
| | <u>2021</u> | <u>2020</u> | <u>Prior</u> | <u>Total</u> |
| Pledges Received | \$ - | \$ - | \$ 2,054,350 | \$ 2,054,350 |
| Collections Received on Pledges | (20,100) | (797,468) | (808,875) | (1,626,443) |
| Provision for Uncollectible Pledges | - | (8,000) | (68,750) | (76,750) |
| Present Value Discount Adjustment | 2,200 | 70,771 | (73,622) | (651) |
| Transfer to Available for Capital and Operations - Time Restricted Net Assets | - | (317,882) | - | (317,882) |
| Changes in Pledges Receivable | (17,900) | (1,052,579) | 1,103,103 | 32,624 |
| Pledge Balance - Beginning of Year | <u>50,524</u> | <u>1,103,103</u> | <u>-</u> | <u>-</u> |
| Pledge Balance - End of Year | <u>\$ 32,624</u> | <u>\$ 50,524</u> | <u>\$ 1,103,103</u> | <u>\$ 32,624</u> |

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(with comparative totals for 2020)**

NOTE 7 - CAPITAL CAMPAIGN PLEDGES (CONTINUED)

The activity for funds released from restrictions and designated by the Board of Directors as available for capital and operations for the years ended June 30 are as follows (Note 12):

Capital Campaign Available for Capital and Operations Net Assets Activity

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|---------------------|
| Pledges Available for Capital and Operations Received | \$ - | \$ 125,000 |
| <u>Amounts Expended for:</u> | | |
| Operations | (394,882) | (175,000) |
| Restoration of Undesignated Deficit | - | (516,412) |
| Total Expended | <u>(394,882)</u> | <u>(691,412)</u> |
| <u>Other Adjustments:</u> | | |
| Provision for Uncollectible Promises to Give - Available for Operations | (3,000) | (50,000) |
| Present Value Discount Adjustment | (2,200) | 18,292 |
| Transfer from Capital Campaign | - | 1,455,495 |
| Total Expended and Other Adjustments | <u>(400,082)</u> | <u>732,375</u> |
| Changes in Capital Campaign Available for Capital and Operations Net Assets | (400,082) | 857,375 |
| Capital Campaign Available for Capital and Operations Net Assets - Beginning of Year | <u>1,226,908</u> | <u>369,533</u> |
| Capital Campaign Available for Capital and Operations Net Assets - End of Year | <u>\$ 826,826</u> | <u>\$ 1,226,908</u> |

Capital Campaign Available for Capital and Operations Reconciliation of Net Assets

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|---------------------|
| Board Designated - Capital and Operations (Note 12) | \$ 621,201 | \$ 621,201 |
| Available for Capital and Operations - Time Restricted (Note 12) | <u>205,625</u> | <u>605,707</u> |
| Total Net Assets Available for Capital and Operations | <u>\$ 826,826</u> | <u>\$ 1,226,908</u> |

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 7 - CAPITAL CAMPAIGN PLEDGES (CONTINUED)

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

Promises to Give - Available for Capital and Operations Activity

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| Pledges - Available for Capital and Operations Received | \$ - | \$ 125,000 |
| Collections Received on Promises to Give - Available for Capital and Operations | (394,882) | (175,000) |
| Provision for Uncollectible Promises to Give - Available for Capital and Operations | (3,000) | (50,000) |
| Present Value Discount | (2,200) | 18,292 |
| Transfer from Capital Campaign Pledges | <u>-</u> | <u>317,882</u> |
| Changes in Promises to Give - Available for Capital and Operations | (400,082) | 236,174 |
| Promises to Give Available for Capital and Operations - Beginning of Year | <u>605,707</u> | <u>369,533</u> |
| Promises to Give Available for Capital and Operations - End of Year | <u>\$ 205,625</u> | <u>\$ 605,707</u> |

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

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| Due in Less Than 1 Year | \$ 209,275 | \$ 395,757 |
| Due in 1 to 5 Years | <u>110,500</u> | <u>342,000</u> |
| Total | 319,775 | 737,757 |
| Less: Allowance for Uncollectible Campaign Pledges | (66,500) | (66,500) |
| Unamortized Discount | <u>(15,026)</u> | <u>(15,026)</u> |
| Net | <u>\$ 238,249</u> | <u>\$ 656,231</u> |

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(with comparative totals for 2020)**

NOTE 7 - CAPITAL CAMPAIGN PLEDGES (CONTINUED)

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

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| Promises to Give - Available for Capital and Operations | \$ 205,625 | \$ 605,707 |
| Capital Campaign Pledges, Net | <u>32,624</u> | <u>50,524</u> |
| Total | <u>\$ 238,249</u> | <u>\$ 656,231</u> |

The unamortized discount represents the adjustment required to reflect capital campaign pledges with due dates in excess of one year at their present value, calculated using a discount rate of 3.25% for the years ended June 30, 2021 and 2020.

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Land | \$ 161,894 | \$ 161,894 |
| Building and Improvements | 6,784,892 | 6,619,544 |
| Land Improvements | 8,541 | 8,541 |
| Furniture, Fixtures and Equipment | 580,051 | 558,308 |
| Leasehold Improvements | 536,164 | 536,164 |
| Michael F. Lione Memorial Park | 990,587 | 990,587 |
| Transportation Equipment | <u>20,000</u> | <u>20,000</u> |
| Total | 9,082,129 | 8,895,038 |
| Less: Accumulated Depreciation and Amortization | <u>(3,241,759)</u> | <u>(2,852,005)</u> |
| Property and Equipment, Net | <u>\$ 5,840,370</u> | <u>\$ 6,043,033</u> |

In conjunction with the capital campaign, the Club was awarded two grants from the State of Connecticut Department of Children and Families (DCF). The first grant was for \$4.4 million to be used for the expansion of the Stillwater facility and renovations to the Yerwood Center. The second grant was for \$1.5 million and was to be used for the expansion of the gym at the Club's Stillwater facility and improvements to the Michael F. Lione Memorial Park (Lione Park) that is adjacent to the Club's Stillwater facility.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 8 - PROPERTY AND EQUIPMENT (CONTINUED)

Under the terms of both DCF grant awards, the State of Connecticut has taken a lien on the Stillwater facility equal to the amount of the two grant awards. Also, under the terms of both DCF grant awards, the Club will be required to repay the State of Connecticut the grant awards should the facility cease to be used by the Club within ten years of the final payment under the grant awards. Repayment shall be equal to the amount of the grant awards, minus ten percent for each full year of continuance operation as a child care facility licensed by DCF. Refundable advances on the DCF grant awards was \$5,538,016 and \$5,617,273 at June 30, 2021 and 2020, respectively. During each of the years ended June 30, 2021 and 2020, the Club recognized income of \$150,000 (Note 14). As of June 30, 2021 and 2020, the Club had not expended approximately \$62,000 and \$133,000 under the grant awards, respectively.

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% (5.25% at June 30, 2021 and 2020), and is secured by substantially all assets of the Club. There were no outstanding balances on the line of credit at June 30, 2021 and 2020. There was no interest expense on the line of credit for the year ended June 30, 2021. For the year ended June 30, 2020, interest expense on the line of credit amounted to approximately \$2,600.

NOTE 10 - NOTES PAYABLE

State of Connecticut Bridge Loan

In response to the on-going COVID-19 pandemic, the State of Connecticut Department of Economic and Community Development (DECD) established a fund to provide emergency cash flow relief to small businesses and not-for-profits negatively impacted by the pandemic. During the year ended June 30, 2020, the Club received a \$10,000 bridge loan (Bridge Loan) from the DECD. The Bridge Loan was for a term of twelve-months, had an initial maturity date of May 15, 2021, and provided for an optional six-month extension which was exercised by the Club. Proceeds from the Bridge Loan were used to cover rent, payroll and/or utilities and was to bear no interest unless the Club was in default, at which point the Bridge Loan would bear interest at a yearly rate of 15%. In January 2022, the Bridge Loan was repaid in its entirety.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 10 - NOTES PAYABLE (CONTINUED)

Paycheck Protection Program

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act created a new program administered by the Small Business Administration (SBA) called the Paycheck Protection Program (PPP). The PPP provides loans to qualifying businesses for up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan and accrued interest will be forgivable after 24 weeks as long as the Club uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities and maintains payroll levels. The amount of loan forgiveness will be reduced if the Club terminates employees or reduces salaries during the 24-week period unless the Club meets certain conditions. The unforgiven portion of the loan is payable over two years at an interest rate of 1%, with deferred payments for the first six months.

During the year ended June 30, 2020 the Club received loan proceeds of \$326,100 under the PPP (PPP1). The Club concluded that PPP1 represented, in substance, a grant that was expected to be forgiven and accounted for the proceeds in accordance with ASC 958-605: *Not-for-Profit Entities - Revenue Recognition* (ASC 958-605). Under ASC 958-605, proceeds from the PPP are conditional and are initially recorded as a refundable advance. The refundable advance is then reduced and income is recognized once the conditions of release have been substantially met or explicitly waived. During the year ended June 30, 2020, the Club estimated that they incurred \$326,100 of qualifying expenses, determined it had met the requirements for forgiveness, and recognized \$326,100 of grant revenue. In March 2021, the Club received full forgiveness of PPP1.

In January 2021, under the provisions of the PPP, the Club received \$352,400 (PPP2). During the year ended June 30, 2021, the Club incurred approximately \$352,400 in payroll, utilities and related costs under the provisions of the PPP and determined it had met the requirements for forgiveness. Accordingly, during the year ended June 30, 2021, the Club recognized the full amount of PPP2 as grant revenue. In June 2021, the Club received full forgiveness of PPP2.

NOTE 11 - TENANT SECURITY DEPOSITS

The security deposit balance of \$10,000 at each of the years ended June 30, 2021 and 2020 represents deposits received from tenants leasing space in the Yerwood facility.

NOTE 12 - NET ASSETS

Net Assets Without Donor Restrictions - Board Designated

As of June 30, 2021 and 2020 the Board of Directors has designated \$621,201 for capital and operations.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 12 - NET ASSETS (CONTINUED)

Net Assets With Donor Restrictions

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

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| <u>Purpose Restrictions</u> | | |
| Scholarships | \$ 17,060 | \$ 17,060 |
| Summer Camp | 33,200 | 9,500 |
| Capital Campaign (Notes 6 and 7) | 330,408 | 328,208 |
| Yerwood Renovations (Note 8) | 44,295 | 44,295 |
| Investment in and Maintenance of Property and Equipment - Unexpended Endowment Income (Note 5) | <u>145,578</u> | <u>51,066</u> |
| | <u>570,541</u> | <u>450,129</u> |
| <u>Time Restricted</u> | | |
| Promises to Give - Available for Capital and Operations | 205,625 | 605,707 |
| Deferred In-kind Rent Expense | <u>5,183,758</u> | <u>5,211,159</u> |
| | <u>5,389,383</u> | <u>5,816,866</u> |
| <u>Perpetually Restricted</u> | <u>1,707,522</u> | <u>1,707,522</u> |
| Total Net Assets with Donor Restriction | <u>\$ 7,667,446</u> | <u>\$ 7,974,517</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>2021</u> | <u>2020</u> |
|---|-------------------|---------------------|
| <u>Satisfaction of Purpose Restrictions</u> | | |
| Summer Camp | \$ 9,500 | \$ 47,250 |
| Capital Campaign | <u>-</u> | <u>1,137,613</u> |
| Total Satisfaction of Purpose Restrictions | <u>9,500</u> | <u>1,184,863</u> |
| <u>Expiration of Time Restrictions</u> | | |
| Promises to Give - Available for Capital and Operations | 394,882 | 150,000 |
| Deferred In-kind Rent Expense | <u>27,401</u> | <u>27,401</u> |
| Total Expiration of Time Restrictions | <u>422,283</u> | <u>177,401</u> |
| Total | <u>\$ 431,783</u> | <u>\$ 1,362,264</u> |

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 12 - NET ASSETS (CONTINUED)

Net Assets With Donor Restrictions (continued)

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

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

| | <u>2021</u> | <u>2020</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 have 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 13 - REVENUES FROM CONTRACTS WITH CUSTOMERS

Deferred Revenue for Performance Obligations

The Club receives payments for a significant portion of the dues from members in advance of the delivery of the services provided. These upfront payments are recorded as program fees received in advance upon receipt and generally require the deferral of revenue recognition to a future period until the Club performs its obligations. At June 30, 2021 and 2020, the Club has recorded program fees received in advance of \$144,419 and \$55,653, respectively. The Club will recognize \$144,419 and has recognized \$55,653 as revenue during the year ending June 30, 2022 and the year ended June 30, 2021, respectively, as it performs those services, and, therefore, satisfies its performance obligations to its members.

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 13 - REVENUES FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Disclosure of Disaggregated Revenue

For the years ended June 30, 2021 and 2020, revenues recognized for contracts and fees under Topic 606 for services provided at a point in time were \$628,857 and \$218,605, respectively.

For the years ended June 30, 2021 and 2020, revenue recognized for contracts and fees under Topic 606 for services provided over time were \$70,119 and \$307,318, 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 14 - GRANTS

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

| <u>2021</u> | | Refundable | |
|---------------------|------------------------------|------------------------------|--------------------------|
| <u>Grantor</u> | <u>Grants Receivable</u> | <u>Advances (Note 8)</u> | <u>Grant Revenue</u> |
| Federal - Operating | \$ 66,330 | \$ - | \$ 721,215 |
| State - Operating | - | - | 82,018 |
| State - Capital | 4,731 | 5,538,016 | 150,000 |
| City - Operating | <u>38,380</u> | <u>-</u> | <u>372,949</u> |
| Total | <u>\$ 109,441</u> | <u>\$ 5,538,016</u> | <u>\$ 1,326,182</u> |
| | | | |
| <u>2020</u> | | Refundable | |
| <u>Grantor</u> | <u>Grants Receivable</u> | <u>Advances (Note 8)</u> | <u>Grant Revenue</u> |
| Federal - Operating | \$ 5,170 | \$ - | \$ 425,439 |
| Federal - Capital | - | - | 39,242 |
| State - Operating | - | - | 82,427 |
| State - Capital | 141,305 | 5,617,273 | 150,000 |
| City - Operating | <u>-</u> | <u>-</u> | <u>150,000</u> |
| Total | <u>\$ 146,475</u> | <u>\$ 5,617,273</u> | <u>\$ 847,108</u> |

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 14 - 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.

NOTE 15 - RETIREMENT PLAN

The Club maintains a 401(k) retirement plan (Plan) covering all fulltime employees, age 21 or older who have completed one year of service. Eligible employees may elect to defer a percentage of their compensation up to annual IRS limitations. The Plan provides for an employer safe harbor contribution of three percent of compensation, and also provides for a discretionary profit sharing contribution made by the Club. Participants are vested in their contributions immediately and after three years for the Club's contribution. Retirement plan expense for the years ended June 30, 2021 and 2020 was \$182,500 and \$27,600, respectively, which is included in employee benefits in the accompanying statement of functional expenses.

During the year ended June 30, 2021, management discovered that certain corrections are 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 \$200,000. The corrective contributions have been accrued as of June 30, 2021 and are reflected in employee benefits in the accompanying statement of functional expenses.

NOTE 16 - FUND-RAISING EVENTS

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

2021

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

BOYS & GIRLS CLUB OF STAMFORD, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021
(with comparative totals for 2020)**

NOTE 16 - FUND-RAISING EVENTS (CONTINUED)

2020

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

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

NOTE 17 - RENTAL INCOME AND FEES

Rental Income and Fees

The Club rents its facilities under the following terms:

Long-Term Leases

The Club has entered into leases, with terms ranging from one to ten years, with various parties at its Yerwood Center facility. The leases provide for payments in varying amounts ranging from \$500 to \$3,200 per month. A certain lease contains options to renew for two five-year periods, as defined.

Future minimum rentals under the above leases are as follows:

| <u>Years Ending June 30,</u> | <u>Amount</u> |
|------------------------------|------------------|
| 2022 | \$107,000 |
| 2023 | 51,400 |
| 2024 | 45,600 |
| 2025 | 45,600 |
| 2026 | 45,600 |
| Thereafter | <u>41,800</u> |
| Total | <u>\$337,000</u> |

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 17 - RENTAL INCOME AND FEES (CONTINUED)

Short-Term Leases and Hourly Rentals

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

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

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|------------------|------------------|
| Long-Term Leases | \$108,813 | \$103,992 |
| Short-Term and Hourly Rentals | <u>108,789</u> | <u>107,787</u> |
| Total | <u>\$217,602</u> | <u>\$211,779</u> |

Costs Associated With Rental Income

For the years ended June 30, 2021 and 2020, the Club determined that occupancy costs directly related to the above rental activities consisting of utilities, repairs and maintenance and janitorial services were approximately \$82,800 and \$94,000, respectively.

NOTE 18 - IN-KIND CONTRIBUTIONS

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

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| Building Rental (Note 2) | \$ 303,212 | \$ 303,212 |
| Professional Fees | - | 16,620 |
| Services and Supplies | - | <u>22,500</u> |
| Total In-kind Expenses | 303,212 | 342,332 |
| Add: Contributed Property and Equipment | - | 46,324 |
| Less: Change in Deferred In-kind Rent Expense | <u>(27,401)</u> | <u>(27,401)</u> |
| Total | <u>\$ 275,811</u> | <u>\$ 361,255</u> |

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 19 - COMMITMENTS AND CONTINGENCIES

Yerwood Center Lease Agreement

The Club had a 5-year lease with the City of Stamford for the Yerwood Center located in Stamford, Connecticut. This lease expired in August 2020 and the Club has exercised the first of two 25-year extensions. The cumulative total rent paid to the City of Stamford for the entire term of the total duration of the lease, including extensions, is \$10.00. The fair market value of the rent for the building was estimated at \$5,000,000. The value of the total rent over the period of the lease was discounted at 5.25%, and the present value of total in-kind rent was recorded in the deferred in-kind rent expense account. Annual rent expense of \$278,212 is recorded in program expense for each of the years ending June 30, 2021 and 2020. The Club is responsible for all operating and maintenance costs associated with operating programs at the Yerwood Center during the term of the lease.

Lione Park Lease Agreement

The Club has a 25-year lease agreement with the City of Stamford for land adjacent to their Stillwater facility which consists of a parking lot and includes a section of Lione Park. The lease expires September 2038. The cumulative total rent paid to the City of Stamford for the entire term of the total duration of the lease is \$10.00. The fair market rent value was estimated at \$347,828. The value of the total rent over the period of the lease was discounted at 5.25% and the present value of total in-kind rent was recorded in the deferred in-kind rent expense account. Annual rent expense of \$25,000 is recorded in program expenses for each of the years ending June 30, 2021 and 2020.

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

COVID-19

The COVID-19 outbreak is continuing to disrupt supply chains and affect production and revenues across a range of industries and not-for-profit organizations. The extent of the impact of COVID-19 on the Club's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Club's donors, sponsors, employees, vendors and current and potential members, all of which are uncertain and cannot be predicted. The extent to which COVID-19 may continue to impact the Club's financial condition or results of operations is uncertain as of the date of these financial statements.

NOTE 20 - RELATED PARTY TRANSACTIONS

As of June 30, 2021, a member of the Board of Directors is a guarantor on the Bridge Loan (Note 10).

BOYS & GIRLS CLUB OF STAMFORD, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

(with comparative totals for 2020)

NOTE 21 - 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, 2020 and for the year then ended, from which the summarized information was derived.