

**Boys & Girls Club of Greenwich, Inc.**

**Financial Statements  
and Independent Auditor's Report**

**June 30, 2021 and 2020**

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**Boys & Girls Club of Greenwich, Inc.**

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Independent Auditor's Report

To the Board of Directors  
Boys & Girls Club of Greenwich, Inc.

We have audited the accompanying financial statements of Boys & Girls Club of Greenwich, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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 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 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 audits. We conducted our audits 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.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Club of Greenwich, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Hartford, Connecticut  
October 20, 2021

**Boys & Girls Club of Greenwich, Inc.**

**Statements of Financial Position  
June 30, 2021 and 2020**

	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 1,680,268	\$ 894,402
Restricted cash	4,500,000	-
Pledges and other receivables	78,055	11,261
Prepaid expenses and other current assets	39,133	33,389
	<u>6,297,456</u>	<u>939,052</u>
Total current assets		
Noncurrent assets		
Investments	10,807,587	12,291,957
Beneficial interest in perpetual trust	388,026	320,278
Property and equipment, net	12,494,123	12,988,538
	<u>23,689,736</u>	<u>25,600,773</u>
Total noncurrent assets		
Total assets	<u>\$ 29,987,192</u>	<u>\$ 26,539,825</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable and accrued expenses	\$ 936,213	\$ 184,217
Deferred revenue	420,090	79,679
Refundable advance - PPP	403,210	410,100
	<u>1,759,513</u>	<u>673,996</u>
Total current liabilities		
Total liabilities	<u>1,759,513</u>	<u>673,996</u>
Net assets		
Without donor restrictions	23,337,916	21,893,698
With donor restrictions		
Time or purpose	4,501,737	3,651,853
Perpetuity	388,026	320,278
	<u>4,889,763</u>	<u>3,972,131</u>
Total with donor restrictions		
Total net assets	<u>28,227,679</u>	<u>25,865,829</u>
Total liabilities and net assets	<u>\$ 29,987,192</u>	<u>\$ 26,539,825</u>

See Notes to Financial Statements.

**Boys & Girls Club of Greenwich, Inc.**

**Statements of Activities  
Years Ended June 30, 2021 and 2020**

	Year ended June 30, 2021			Year ended June 30, 2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenues, gains and other support						
Public support						
Contributions	\$ 1,766,204	\$ 100,000	\$ 1,866,204	\$ 1,663,898	\$ 103,000	\$ 1,766,898
Contribution - PPP	410,100	-	410,100	-	-	-
Special events, net of cost of direct benefit to donors (\$30,064 and \$148,155 for 2021 and 2020, respectively)	928,032	-	928,032	600,686	-	600,686
Grants	350,454	-	350,454	212,933	-	212,933
United Way of Greenwich	53,306	-	53,306	81,500	-	81,500
Club house fees and membership dues	244,940	-	244,940	393,350	-	393,350
Program service fees	189,928	-	189,928	282,359	-	282,359
Perpetual trust	17,799	-	17,799	16,447	-	16,447
Total public support	<u>3,960,763</u>	<u>100,000</u>	<u>4,060,763</u>	<u>3,251,173</u>	<u>103,000</u>	<u>3,354,173</u>
Investment income						
Net realized and unrealized investment gains	2,077,986	936,963	3,014,949	42,566	54,358	96,924
Interest and dividends	140,499	68,978	209,477	183,104	73,368	256,472
Change in value of beneficial interest in perpetual trust	-	67,748	67,748	-	(17,927)	(17,927)
Total investment income	<u>2,218,485</u>	<u>1,073,689</u>	<u>3,292,174</u>	<u>225,670</u>	<u>109,799</u>	<u>335,469</u>
Other revenue						
Miscellaneous revenue	25,949	-	25,949	16,728	-	16,728
Total other revenue	<u>25,949</u>	<u>-</u>	<u>25,949</u>	<u>16,728</u>	<u>-</u>	<u>16,728</u>
Total revenues, gains and other support	6,205,197	1,173,689	7,378,886	3,493,571	212,799	3,706,370
Net assets released from restriction	<u>256,057</u>	<u>(256,057)</u>	<u>-</u>	<u>232,419</u>	<u>(232,419)</u>	<u>-</u>
Total revenue	<u>6,461,254</u>	<u>917,632</u>	<u>7,378,886</u>	<u>3,725,990</u>	<u>(19,620)</u>	<u>3,706,370</u>

**Boys & Girls Club of Greenwich, Inc.**

**Statements of Activities  
Years Ended June 30, 2021 and 2020**

	Year ended June 30, 2021			Year ended June 30, 2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Expenses						
Program services						
Individual and family outreach	\$ 1,039,057	\$ -	\$ 1,039,057	\$ 891,399	\$ -	\$ 891,399
Camp Simmons	308,203	-	308,203	242,020	-	242,020
Education	666,108	-	666,108	545,926	-	545,926
Field house activities	805,335	-	805,335	622,816	-	622,816
Physical	631,960	-	631,960	530,728	-	530,728
Aquatics	684,121	-	684,121	608,410	-	608,410
Total program services	<u>4,134,784</u>	<u>-</u>	<u>4,134,784</u>	<u>3,441,299</u>	<u>-</u>	<u>3,441,299</u>
Supporting services						
Management and general	513,064	-	513,064	484,008	-	484,008
Fundraising	369,188	-	369,188	413,742	-	413,742
Total supporting services	<u>882,252</u>	<u>-</u>	<u>882,252</u>	<u>897,750</u>	<u>-</u>	<u>897,750</u>
Total program and supporting services	<u>5,017,036</u>	<u>-</u>	<u>5,017,036</u>	<u>4,339,049</u>	<u>-</u>	<u>4,339,049</u>
Change in net assets	1,444,218	917,632	2,361,850	(613,059)	(19,620)	(632,679)
Net assets, beginning	<u>21,893,698</u>	<u>3,972,131</u>	<u>25,865,829</u>	<u>22,506,757</u>	<u>3,991,751</u>	<u>26,498,508</u>
Net assets, end	<u>\$ 23,337,916</u>	<u>\$ 4,889,763</u>	<u>\$ 28,227,679</u>	<u>\$ 21,893,698</u>	<u>\$ 3,972,131</u>	<u>\$ 25,865,829</u>

See Notes to Financial Statements.

## Boys & Girls Club of Greenwich, Inc.

### Statement of Functional Expenses Year Ended June 30, 2021

	Program services						Supporting services			Total	
	Individual and family outreach	Camp Simmons	Education	Field house activities	Physical	Aquatics	Total program services	Management and general	Fundraising		Total supporting services
Salaries	\$ 457,919	\$ 194,185	\$ 140,248	\$ 86,015	\$ 128,664	\$ 94,520	\$ 1,101,551	\$ 307,184	\$ 249,464	\$ 556,648	\$ 1,658,199
Payroll taxes and fringe benefits	107,746	45,691	33,000	20,239	30,274	22,240	259,190	72,279	58,698	130,977	390,167
<b>Total salaries, payroll taxes and benefits</b>	<b>565,665</b>	<b>239,876</b>	<b>173,248</b>	<b>106,254</b>	<b>158,938</b>	<b>116,760</b>	<b>1,360,741</b>	<b>379,463</b>	<b>308,162</b>	<b>687,625</b>	<b>2,048,366</b>
Scholarships and awards	-	-	175,317	-	-	-	175,317	-	-	-	175,317
Conferences and staff development	375	-	252	561	385	442	2,015	72	51	123	2,138
Insurance	12,707	-	8,551	19,008	13,063	14,987	68,316	2,443	1,739	4,182	72,498
Equipment rental and maintenance	5,191	-	3,493	7,765	5,336	6,122	27,907	998	710	1,708	29,615
National, state and local dues	3,734	-	2,513	5,586	3,839	4,404	20,076	718	511	1,229	21,305
Occupancy	109,893	9,665	80,455	178,842	122,905	141,010	642,770	22,985	16,363	39,348	682,118
Postage and shipping	651	283	628	1,397	960	1,101	5,020	180	128	308	5,328
Printing and publications	4,980	635	3,778	8,398	5,771	6,622	30,184	1,079	768	1,847	32,031
Professional fees and other (including amounts of \$800,000 as described in Note 14)	181,104	24,100	113,036	247,651	166,245	203,879	936,015	55,152	21,092	76,244	1,012,259
Supplies and services	9,079	6,538	10,509	23,360	16,054	18,419	83,959	3,002	2,137	5,139	89,098
Telephone	3,628	-	2,442	5,427	3,730	4,279	19,506	698	497	1,195	20,701
Travel and transportation	450	882	896	1,992	1,369	1,571	7,160	256	182	438	7,598
Bond costs	7,887	-	5,308	11,798	8,108	9,303	42,404	1,516	1,079	2,595	44,999
Capital consulting	7,011	-	4,718	10,487	7,207	8,269	37,692	1,348	960	2,308	40,000
Miscellaneous	570	5,202	3,884	8,633	5,933	6,807	31,029	1,110	794	1,904	32,933
<b>Total expense before depreciation</b>	<b>912,925</b>	<b>287,181</b>	<b>589,028</b>	<b>637,159</b>	<b>519,843</b>	<b>543,975</b>	<b>3,490,111</b>	<b>471,020</b>	<b>355,173</b>	<b>826,193</b>	<b>4,316,304</b>
Depreciation	126,132	21,022	77,080	168,176	112,117	140,146	644,673	42,044	14,015	56,059	700,732
<b>Total expenses</b>	<b>\$ 1,039,057</b>	<b>\$ 308,203</b>	<b>\$ 666,108</b>	<b>\$ 805,335</b>	<b>\$ 631,960</b>	<b>\$ 684,121</b>	<b>\$ 4,134,784</b>	<b>\$ 513,064</b>	<b>\$ 369,188</b>	<b>\$ 882,252</b>	<b>\$ 5,017,036</b>

See Notes to Financial Statements.

**Boys & Girls Club of Greenwich, Inc.**

**Statement of Functional Expenses  
Year Ended June 30, 2020**

	Program services						Supporting services			Total	
	Individual and family outreach	Camp Simmons	Education	Field house activities	Physical	Aquatics	Total program services	Management and general	Fundraising		Total supporting services
Salaries	\$ 451,388	\$ 152,323	\$ 137,765	\$ 98,997	\$ 151,570	\$ 164,575	\$ 1,156,618	\$ 314,876	\$ 290,956	\$ 605,832	\$ 1,762,450
Payroll taxes and fringe benefits	122,033	41,181	37,245	26,764	40,977	44,493	312,693	85,127	78,660	163,787	476,480
<b>Total salaries, payroll taxes and benefits</b>	<b>573,421</b>	<b>193,504</b>	<b>175,010</b>	<b>125,761</b>	<b>192,547</b>	<b>209,068</b>	<b>1,469,311</b>	<b>400,003</b>	<b>369,616</b>	<b>769,619</b>	<b>2,238,930</b>
Scholarships and awards	-	-	145,904	-	-	-	145,904	-	-	-	145,904
Conferences and staff development	1,130	-	760	1,690	1,162	1,333	6,075	217	155	372	6,447
Insurance	14,254	-	9,592	21,321	14,652	16,811	76,630	2,740	1,951	4,691	81,321
Equipment rental and maintenance	5,611	-	3,776	8,394	5,768	6,618	30,167	1,079	768	1,847	32,014
National, state and local dues	3,818	-	2,570	5,712	3,925	4,503	20,528	734	523	1,257	21,785
Occupancy	95,480	13,467	73,314	162,969	111,996	128,495	585,721	20,945	14,911	35,856	621,577
Postage and shipping	742	244	663	1,475	1,013	1,163	5,300	190	135	325	5,625
Printing and publications	4,181	1,233	3,643	8,098	5,565	6,385	29,105	1,041	741	1,782	30,887
Professional fees	45,529	356	30,878	68,637	47,169	54,118	246,687	8,821	6,280	15,101	261,788
Supplies and services	5,993	10,098	10,829	24,070	16,542	18,979	86,511	3,094	2,202	5,296	91,807
Telephone	3,061	95	2,124	4,721	3,244	3,722	16,967	607	432	1,039	18,006
Travel and transportation	3,758	-	2,529	5,622	3,863	4,432	20,204	722	514	1,236	21,440
Miscellaneous	10,179	2,316	8,410	18,693	12,847	14,739	67,184	2,402	1,710	4,112	71,296
<b>Total expense before depreciation</b>	<b>767,157</b>	<b>221,313</b>	<b>470,002</b>	<b>457,163</b>	<b>420,293</b>	<b>470,366</b>	<b>2,806,294</b>	<b>442,595</b>	<b>399,938</b>	<b>842,533</b>	<b>3,648,827</b>
Depreciation	124,242	20,707	75,924	165,653	110,435	138,044	635,005	41,413	13,804	55,217	690,222
<b>Total expenses</b>	<b>\$ 891,399</b>	<b>\$ 242,020</b>	<b>\$ 545,926</b>	<b>\$ 622,816</b>	<b>\$ 530,728</b>	<b>\$ 608,410</b>	<b>\$ 3,441,299</b>	<b>\$ 484,008</b>	<b>\$ 413,742</b>	<b>\$ 897,750</b>	<b>\$ 4,339,049</b>

See Notes to Financial Statements.



**Boys & Girls Club of Greenwich, Inc.**

**Statements of Cash Flows  
Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 2,361,850	\$ (632,679)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation expense	700,732	690,222
Net realized and unrealized investment gains	(3,014,949)	(96,924)
Change in value of beneficial interest in perpetual trust	(67,748)	17,927
Contribution - PPP	(410,100)	-
(Increase) decrease in assets		
Pledges and other receivables	(66,794)	82,068
Prepaid expenses and other current assets	(5,744)	15,691
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	751,996	(120,708)
Deferred revenue	340,411	(151,373)
Net cash provided by (used in) operating activities	<u>589,654</u>	<u>(195,776)</u>
Cash flows from investing activities		
Purchase of property and equipment	(206,317)	(126,694)
Proceeds from sale of investments	5,207,849	970,941
Purchase of investments	(708,530)	(674,186)
Net cash provided by investing activities	<u>4,293,002</u>	<u>170,061</u>
Cash flows from financing activities		
Refundable advance - PPP	403,210	410,100
Net cash provided by financing activities	<u>403,210</u>	<u>410,100</u>
Net increase in cash, cash equivalents, and restricted cash	5,285,866	384,385
Cash and cash equivalents, beginning	<u>894,402</u>	<u>510,017</u>
Cash, cash equivalents and restricted cash, end	<u>\$ 6,180,268</u>	<u>\$ 894,402</u>

See Notes to Financial Statements.

## Boys & Girls Club of Greenwich, Inc.

### Notes to Financial Statements June 30, 2021 and 2020

#### Note 1 - Organization and nature of activities

Boys & Girls Club of Greenwich, Inc. (the "Club"), affiliated with The Boys & Girls Clubs of America (as a charter member), is a not-for-profit organization incorporated in the State of Connecticut. The Club is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

The Club is focused on meeting the needs of the community, state and nation, by serving children. The Club is committed to offering children high-quality education programs, a diverse community, a sense of character and citizenship, and a safe, nurturing, and affordable environment, to better their chances at finding success in life. The Club's staff and board are solely focused on fulfilling its mission to: "prepare young people, through enrichment opportunities and supportive relationships, to be responsible, caring and productive members". Some of the Club's activities include: an athletic program which includes in-house sports leagues, a swimming pool, the Torch Club and Keystone Club; a homework help program, which includes: a learning center classroom, computer center and tutoring center, a summer day camp, swimming lessons and swim teams. The Club's programs are supported primarily by grants and contributions, fundraising activities, membership dues and program fees.

#### Note 2 - Summary of significant accounting policies

##### Basis of presentation

The Club's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the statements have been prepared to focus on the Club as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

Net assets, revenues, gains and losses are reported for accounting purposes in separate classes based on the existence or absence of donor-imposed restrictions or on those imposed by operation of law. Accordingly, the net assets of the Club are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations, or to those imposed by operation of law. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors (the "Board") or may otherwise be limited by contractual agreements with outside parties.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors. 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, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of assets with perpetual restrictions permit the Club to use, for general or specific purposes, all or part of the net investment return, if any.

##### Newly adopted accounting standards

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This guidance addresses diversity in the classification and presentation of changes in restricted cash on the statement of cash flows. The Club adopted the standard on July 1, 2020, using a retrospective transition method to each period presented.

## Boys & Girls Club of Greenwich, Inc.

### Notes to Financial Statements June 30, 2021 and 2020

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. This guidance modifies the disclosure requirements on fair value measurements in Topic 820 by removing disclosures regarding transfers between Level 1 and Level 2 of the fair value hierarchy, by modifying the measurement uncertainty disclosure, and by requiring additional disclosures for Level 3 fair value measurements, among others. The Club adopted this guidance for its fiscal year beginning July 1, 2020. The adoption of this standard did not have a material impact on the financial statements.

#### **Cash and cash equivalents**

The Club considers as cash equivalents all highly liquid investments, which can be converted into cash and have a maturity period of 90 days or less at the time of purchase.

#### **Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Property and equipment**

Property and equipment is stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. The Club capitalizes property and equipment with a cost of \$1,000 or higher and useful life of one year or more. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated lives for financial reporting purposes are as follows:

	<u>Estimated useful lives</u>
Building and improvements	5 - 40 years
Camp buildings and equipment	7 - 40 years
Furniture and equipment	5 - 10 years
Automobiles and buses	5 years

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statements of activities for the period.

#### **Impairment of long-lived assets**

The Club reviews its long-lived assets for impairment whenever events or circumstances indicate the carrying amount of the assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. There were no impairment losses during 2021 and 2020.

## Boys & Girls Club of Greenwich, Inc.

### Notes to Financial Statements June 30, 2021 and 2020

#### Revenue recognition

##### Special events, club house fees and membership dues

Revenue is recognized when control of the promised service is transferred to the Club's members, in an amount that depicts the consideration the Club expects to be entitled to in exchange for those services. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

The Club's payment terms vary by the type of services offered. The Club's standard payment terms generally align with the timing of the services performed and do not include a financing component. The Club has the unconditional right to consideration as it satisfies the performance obligations, therefore, no contractual assets are recognized.

The Club records deferred revenues when payments are received in advance of the Club's performance under the contract, which are recognized as revenue as the performance obligation is satisfied. Revenue recognized from performance obligations that were satisfied, or partially satisfied, in prior periods was not material.

##### Contributions

Transactions where the resource providers often receive value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Club has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Club fails to overcome the barrier. The Club recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as a refundable advance.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

Conditional and unconditional contributions are recorded as either with donor restriction or without donor restriction. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as contributions without donor restrictions.

##### Grants

Revenue from grants and contracts with resource providers such as the government and its agencies, other organizations and private foundations are accounted for either as exchange transactions or as contributions. When the resource provider receives commensurate value in return for the resources transferred to the Club, the revenue from the grant or contract is accounted for as an exchange transaction. For purposes of determining whether a transfer of asset is a contribution or an exchange, the Club deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource

## **Boys & Girls Club of Greenwich, Inc.**

### **Notes to Financial Statements June 30, 2021 and 2020**

provider. Moreover, the execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider. Revenue from grants and contracts that are accounted for as exchange transactions is recognized when performance obligations have been satisfied. Grants and contracts awarded for the acquisition of long-lived assets are reported as nonoperating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as refundable advances.

On the other hand, when the resource provider does not receive commensurate value, the transaction is accounted for as a contribution.

#### **Gifts of long-lived assets**

The Club reports gifts of land, buildings and equipment as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as donor restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Club reports expirations of donor restrictions of acquired long-lived assets when placed in service.

#### **Contributed goods and services**

The Club receives contributed goods and services. The Club generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Club with specific assistance programs, campaign solicitations and various committee assignments. These services do not meet the criteria of recognition and therefore are not reflected in the accompanying statements of activities. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived 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.

#### **Functional expenses**

Expenses are allocated based on their functional purposes among the Club's various program and supporting services. Expenses which can be identified with a specific program or supporting activity are allocated directly to that activity. Other expenses that are common to several functions are allocated among the programs and supporting services benefited based upon management estimates, square footage or by time and effort reports.

#### **Allowance for doubtful accounts**

The Club determined that no allowance for doubtful accounts was necessary as of June 30, 2021 and 2020 regarding its pledges and other receivables. Such determination was based on a combination of factors, such as management's assessment of the creditworthiness of its donors, a review of individual accounts outstanding, the aged basis of its receivables and historical experience. Pledges and other receivables as of June 30, 2021 and 2020 are due within one year.

#### **Investments**

Investments are carried at fair value. Unrealized and realized gains and losses are recognized as changes in net assets in the period in which they occur, and investment income is recognized as revenue in the period earned.

## Boys & Girls Club of Greenwich, Inc.

### Notes to Financial Statements June 30, 2021 and 2020

#### Income taxes

The Club is organized as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and, as such, is not subject to federal or state corporate income taxes. The Club has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The Club's federal and state information returns prior to fiscal year 2018 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. If the Club had unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

#### Subsequent events

Management has evaluated events and transactions for potential recognition or disclosure through October 20, 2021, which is the date the financial statements were available to be issued.

#### Note 3 - Liquidity

The Club regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. As of June 30, 2021 and 2020, the Club had the following financial assets available to meet annual operating needs for the next fiscal year:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,680,268	\$ 894,402
Pledges and other receivables	78,055	11,261
Available draw from investments	<u>607,093</u>	<u>605,174</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 2,365,416</u>	<u>\$ 1,510,837</u>

As part of the Club's liquidity management, the Club keeps its financial assets available as its general expenditures, liabilities, and other obligations come due.

#### Note 4 - Restricted cash

Restricted cash represents collateral for a court-mandated surety bond posted by the Club in connection with certain litigation (see Note 14).

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,680,268	\$ 894,402
Restricted cash	<u>4,500,000</u>	<u>-</u>
Total cash, cash equivalents and restricted cash shown in the statement of cash flows.	<u>\$ 6,180,268</u>	<u>\$ 894,402</u>

## Boys & Girls Club of Greenwich, Inc.

### Notes to Financial Statements June 30, 2021 and 2020

#### Note 5 - Assets held in trust

The Club is the beneficiary of a perpetual trust (the "Trust") administered by a third-party financial institution. The Club's interest in the net assets of the Trust is included in the statements of financial position as beneficial interest in perpetual trust and classified as net assets with donor restrictions - perpetuity. The fair value of the assets held in trust at June 30, 2021 and 2020 was \$388,026 and \$320,278, respectively. The Club is entitled to the income it earns which is distributed quarterly, in perpetuity.

#### Note 6 - Property and equipment

Property and equipment consists of the following as of June 30:

	2021	2020
Land	\$ 19,872	\$ 19,872
Building and improvements	20,494,433	20,325,023
Camp buildings and equipment	1,090,745	1,090,745
Furniture and equipment	1,134,351	1,097,445
Automobiles and buses	196,964	196,964
Construction in progress	49,950	49,950
Subtotal	22,986,315	22,779,999
Less accumulated depreciation	(10,492,192)	(9,791,461)
Property and equipment, net	<u>\$ 12,494,123</u>	<u>\$ 12,988,538</u>

Depreciation expense amounted to \$700,732 and \$690,222 for the years ended June 30, 2021 and 2020, respectively.

Construction in progress relates to certain developments for the Camp Simmons location. The construction has been put on hold temporarily.

#### Note 7 - Paycheck Protection Program

On May 6, 2020, the Club received a loan for \$410,100 from First County Bank through the Small Business Administration's Paycheck Protection Program to cover payroll and utility costs. The loan bore interest at 1% and was to be paid in 18 monthly installments beginning on December 6, 2020. However, per the loan agreement, the loan was forgiven on January 27, 2021 as the funds were used to cover payroll and utility costs. The proceeds of the loan of the loan have been recognized on the statement of activities as contribution - PPP.

On April 5, 2021, the Club received a loan for \$403,210 from First County Bank through the Small Business Administration's Paycheck Protection Program, Second Draw, to cover payroll and utility costs. The loan bears interest at 1% and is to be paid in monthly installments or in a lump sum, beginning on August 5, 2022. However, per the loan agreement, the loan will be forgiven if the funds are used to cover payroll and utility costs, which the Club fully anticipates. The proceeds of the loan are recognized as a refundable advance, based on Accounting Standards Codification 958-605, and are included in current liabilities on the Club's statements of financial position.

## Boys & Girls Club of Greenwich, Inc.

### Notes to Financial Statements June 30, 2021 and 2020

#### Note 8 - Employee benefit plans

The Club is a participant in the Boys & Girls Clubs of America's Pension Plan (the "Plan"). The Plan is a defined contribution multi-employer pension plan, which provides retirement benefits based on the actual value of contributions at the time of retirement. An employee must be 21 years of age and must have completed one year of full-time employment before the employee becomes eligible to participate. For employees hired before June 30, 2009, the pension plan was 100% immediate vesting in the Club's contribution. For employees hired after June 30, 2009, the Plan grants 20% vesting when the employee completes two years of employment and adds another 20% vesting each year until the employee reaches six years of employment, at which point the employee is fully vested.

The Club contributed to the Plan 7% of eligible employee's contribution from July 1, 2020 through August 1, 2020 and then reduced the contribution percentage to 3% through June 30, 2021. The club contributed to the Plan 7% of eligible employee's contribution for the year ended June 30, 2020. Pension expense for the years ended June 30, 2021 and 2020 amounted to \$44,008 and \$93,416, respectively. The Plan's sponsor has no intent of withdrawing from the Plan.

The Club also offers a Section 403(b) retirement savings plan for its full-time employees. The Club may make discretionary contributions to the plan on behalf of its participants. The Club made no contributions to this plan during the years ended June 30, 2021 and 2020.

#### Note 9 - Net assets with donor restrictions

Net assets with donor restrictions consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Camp Simmons fund	\$ 2,110,064	\$ 1,700,186
Scholarship fund	<u>2,391,673</u>	<u>1,951,667</u>
Net assets with donor restrictions - time or purpose	<u>\$ 4,501,737</u>	<u>\$ 3,651,853</u>

Net assets with donor restrictions - perpetuity consists of a beneficial interest in a trust in which investment assets are held in perpetuity by a third-party trustee. The Club received the annual income of \$17,799 and \$16,447 for the years ended June 30, 2021 and 2020, respectively, which is without donor restrictions. Realized and unrealized appreciation remains part of the trust principal.

#### Note 10 - Investments and fair value measurements

The Club values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.



## Boys & Girls Club of Greenwich, Inc.

### Notes to Financial Statements June 30, 2021 and 2020

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Club utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Financial assets carried at fair value as of June 30, 2021 are classified in the table one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds				
Europe stock	\$ 733,889	\$ -	\$ -	\$ 733,889
Mid-cap blends	1,317,369	-	-	1,317,369
Short government funds	692,743	-	-	692,743
Short-term bonds	664,630	-	-	664,630
Foreign large blends	1,341,154	-	-	1,341,154
Large blends	6,057,802	-	-	6,057,802
	10,807,587	-	-	10,807,587
Beneficial interest in perpetual trust	-	-	388,026	388,026
Total assets at fair value	<u>\$ 10,807,587</u>	<u>\$ -</u>	<u>\$ 388,026</u>	<u>\$ 11,195,613</u>

Financial assets carried at fair value as of June 30, 2020 are classified in the table in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Investments				
Mutual funds				
Europe stock	\$ 737,299	\$ -	\$ -	\$ 737,299
Mid-cap blends	1,008,270	-	-	1,008,270
Short government funds	2,218,495	-	-	2,218,495
Short-term bonds	2,158,298	-	-	2,158,298
Foreign large blends	1,212,805	-	-	1,212,805
Large blends	4,956,790	-	-	4,956,790
	12,291,957	-	-	12,291,957
Beneficial interest in perpetual trust	-	-	320,278	320,278
Total assets at fair value	<u>\$ 12,291,957</u>	<u>\$ -</u>	<u>\$ 320,278</u>	<u>\$ 12,612,235</u>

## Boys & Girls Club of Greenwich, Inc.

### Notes to Financial Statements June 30, 2021 and 2020

Investments in mutual funds are valued using market prices in active markets (Level 1). Mutual funds held are open-ended funds that are registered with the Securities and Exchange Commission and are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds are deemed to be actively traded.

The Club's beneficial interest in perpetual trust is classified as Level 3 and the fair value is based on the fair values of the underlying investments within these agreements, which are established by the trustee using fair values in an active market for similar assets. The trustee provides the Club with investment statements and valuations of its portion of the trust at year-end. These are evaluated annually by the Club without adjustments. As such, the Club is not required to provide certain quantitative disclosures regarding the valuation methods used because they were unobtainable.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Club believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are subject to market volatility that could substantially change their value in the near term. The Club's investment return spending policy is discretionary. During the years ended June 30, 2021 and 2020, the distribution for current spending limit policy was up to 5% of the ten-quarter average of the fair value of the Club's investment portfolio.

Investment activities consist of the following for the years ended June 30:

	2021	2020
Interest and dividends	\$ 209,477	\$ 256,472
Unrealized gain	2,120,181	188,890
Realized gain (loss)	894,768	(91,966)
 Total	 \$ 3,224,426	 \$ 353,396

Investments representing 10% or more of the total investments held by the Club as of June 30 are as follows:

	2021		2020	
	Percentage	Fair value	Percentage	Fair value
Vanguard 500 Index Fund Admiral Shares	39.31%	\$ 6,017,492	39.62%	\$ 4,869,797
Vanguard Short-term Federal Fund	4.53%	692,743	18.05%	2,218,495
Vanguard Short-term Bond Index	4.34%	664,630	17.56%	2,158,298

#### Note 11 - Related party transactions

The Club is a charter member of the Boys & Girls Clubs of America. For the years ended June 30, 2021 and 2020, the Club paid \$14,756 and \$13,885, respectively, in dues to the national office, and \$44,008 and \$93,416, respectively, in pension contributions to the pension plan for which the Boys & Girls Clubs of America serves as trustee. Amounts receivable from Boys & Girls Clubs of America totaled approximately \$25,000 as of June 30, 2021. There were no amounts receivable from Boys & Girls Clubs of America as of June 30, 2020.

## Boys & Girls Club of Greenwich, Inc.

### Notes to Financial Statements June 30, 2021 and 2020

During the years ended June 30, 2021 and 2020, certain members of the Board contributed \$820,877 and \$811,181, respectively. There were no amounts receivable from members of the Board as of June 30, 2021. Amounts receivable from members of the Board totaled approximately \$5,000 as of June 30, 2020.

#### Note 12 - Concentrations

##### Credit risk

Financial instruments that potentially subject the Club to a concentration of credit risk include cash accounts with various financial institutions that exceed the Federal Deposit Insurance Corporation insurance limits. As of June 30, 2021, the Club had cash accounts that exceeded the Federal Deposit Insurance Corporation insurance limits by approximately \$1,312,000.

##### Market risk

The Club invests in various debt and equity securities. These investment securities are recorded at fair value. Accordingly, the investment securities can fluctuate because of interest rates, reinvestment, credit, market and other risks depending on the nature of the specific investment. Therefore, it is at least reasonably possible that these factors will result in changes in the value of the Club's investments, which could materially affect amounts reported in the financial statements.

#### Note 13 - Commitments and contingencies

The Club leases certain equipment under agreements expiring through September 2024. The approximate future minimum lease payments in the five years subsequent to June 30, 2021 are as follows:

2022	\$	9,603
2023		7,891
2024		<u>1,830</u>
Total	\$	<u>19,324</u>

Rent expense amounted to approximately \$10,000 and \$11,000 for the years ended June 30, 2021 and 2020, respectively.

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. The Club is not able to reliably estimate the length or severity of the outbreak. If the length of the outbreak and related effects on the Club's operations continues for an extended period of time, there could be a loss of revenue and other adverse effects to the Club's financial position, results of operations, and cash flows.

#### Note 14 - Subsequent event

The Club is a defendant in legal actions alleged to have occurred during the period from 1976 to 1984. Subsequent to June 30, 2021, several of these suits were settled under confidential terms between the plaintiffs, the Club and the Club's liability insurance carrier which is defending the Club. The Club has accrued certain amounts in accounts payable and accrued expenses in the statement of financial position as of June 30, 2021 and in professional fees and other in the statement of functional expenses for the year ended June 30, 2021 for the Club's portion of the settlements.



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