



**BOYS & GIRLS CLUB OF GREATER NASHUA, INC.**

Financial Statements  
For the Year Ended June 30, 2021

(With Independent Auditors' Report Thereon)

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Boys & Girls Club of Greater Nashua, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Boys & Girls Club of Greater Nashua, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows 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 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.

#### ***Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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

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Merrimack, New Hampshire  
Andover, Massachusetts  
Greenfield, Massachusetts  
Ellsworth, Maine

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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 Greater Nashua, 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 Greater Nashua’s fiscal year 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2020. 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2022 on our consideration of Boys & Girls Club of Greater Nashua’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Boys & Girls Club of Greater Nashua’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boys & Girls Club of Greater Nashua’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Melanson". The signature is written in a cursive, flowing style.

Merrimack, New Hampshire  
January 12, 2022

**BOYS & GIRLS CLUB OF GREATER NASHUA, INC.**

Statement of Financial Position  
June 30, 2021  
(with comparative totals as of June 30, 2020)

	2021			
	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 968,465	\$ 208,059	\$ 1,176,524	\$ 1,000,840
Accounts receivable, net of allowance of \$14,600 in 2021 and 2020	14,830	-	14,830	20,446
Contributions receivable	59,440	73,500	132,940	103,763
Grants receivable	96,577	-	96,577	51,419
Prepaid expenses	39,463	-	39,463	16,140
Total Current Assets	<u>1,178,775</u>	<u>281,559</u>	<u>1,460,334</u>	<u>1,192,608</u>
Noncurrent Assets:				
Contributions receivable	-	73,500	73,500	74,000
Property and equipment, net	3,690,700	-	3,690,700	3,620,320
Beneficial interest	-	6,530,365	6,530,365	5,046,726
Total Noncurrent Assets	<u>3,690,700</u>	<u>6,603,865</u>	<u>10,294,565</u>	<u>8,741,046</u>
TOTAL ASSETS	<u>\$ 4,869,475</u>	<u>\$ 6,885,424</u>	<u>\$ 11,754,899</u>	<u>\$ 9,933,654</u>
<b>Liabilities and Net Assets</b>				
Current Liabilities:				
Notes payable	\$ -	\$ -	\$ -	\$ 20,284
Paycheck Protection Program refundable advance	48,552	-	48,552	112,634
Accounts payable and accrued expenses	115,461	-	115,461	122,613
Accrued payroll and related liabilities	136,383	-	136,383	148,713
Other liabilities	22,742	-	22,742	4,733
Total Current Liabilities	<u>323,138</u>	<u>-</u>	<u>323,138</u>	<u>408,977</u>
<b>Net Assets</b>				
Without donor restrictions:				
Undesignated	4,546,337	-	4,546,337	4,148,790
With donor restrictions:				
Purpose restrictions	-	208,059	208,059	255,161
Time restrictions	-	147,000	147,000	74,000
Beneficial interest	-	6,530,365	6,530,365	5,046,726
Total Net Assets	<u>4,546,337</u>	<u>6,885,424</u>	<u>11,431,761</u>	<u>9,524,677</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,869,475</u>	<u>\$ 6,885,424</u>	<u>\$ 11,754,899</u>	<u>\$ 9,933,654</u>

The accompanying notes are an integral part of these financial statements.

**BOYS & GIRLS CLUB OF GREATER NASHUA, INC.**

Statement of Activities  
For the Year Ended June 30, 2021  
(with comparative totals for the year ended June 30, 2020)

	2021			
	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<b>Support, Revenue, and Other</b>				
Support:				
Grants	\$ 1,116,064	\$ -	\$ 1,116,064	\$ 414,011
Contributions, net	623,344	550,373	1,173,717	867,307
Payroll Protection Program grant	445,192	-	445,192	260,066
Special events:				
Gross special events revenue	640,703	-	640,703	1,296,177
Less cost of direct benefits to donors	<u>(52,875)</u>	<u>-</u>	<u>(52,875)</u>	<u>(87,903)</u>
Net special events revenue	587,828	-	587,828	1,208,274
Revenue:				
Program Service Fees:				
Program tuitions	300,601	-	300,601	468,536
Memberships	6,015	-	6,015	13,160
Facility rental	40,523	-	40,523	56,909
Activities	-	-	-	14,008
Other:				
Investment income	16,193	73,038	89,231	4,300
Income from beneficial interest	-	1,452,777	1,452,777	103,038
Other revenue	691	-	691	644
Distributions From Beneficial Interest	253,428	(253,428)	-	-
Net Assets Released From Restrictions	<u>313,223</u>	<u>(313,223)</u>	<u>-</u>	<u>-</u>
Total Support, Revenue, and Other	3,703,102	1,509,537	5,212,639	3,410,253
<b>Expenses</b>				
Program Services Expense:				
Childcare	372,402	-	372,402	302,388
Social recreation	227,215	-	227,215	239,811
Teen services	269,452	-	269,452	250,854
Individual services	842,754	-	842,754	775,175
Physical education	216,359	-	216,359	201,288
Education	298,557	-	298,557	305,440
Aquatics	185,928	-	185,928	205,960
Cultural enrichment	107,614	-	107,614	133,600
Total Program Services Expense	2,520,281	-	2,520,281	2,414,516
Supporting Services Expense:				
Management and general	419,896	-	419,896	301,769
Fundraising and development	365,378	-	365,378	312,099
Total Supporting Services Expense	<u>785,274</u>	<u>-</u>	<u>785,274</u>	<u>613,868</u>
Total Expenses	<u>3,305,555</u>	<u>-</u>	<u>3,305,555</u>	<u>3,028,384</u>
Change in Net Assets	397,547	1,509,537	1,907,084	381,869
Net Assets, Beginning of Year	<u>4,148,790</u>	<u>5,375,887</u>	<u>9,524,677</u>	<u>9,142,808</u>
Net Assets, End of Year	<u>\$ 4,546,337</u>	<u>\$ 6,885,424</u>	<u>\$ 11,431,761</u>	<u>\$ 9,524,677</u>

The accompanying notes are an integral part of these financial statements.

# BOYS & GIRLS CLUB OF GREATER NASHUA, INC.

## Statement of Functional Expenses For the Year Ended June 30, 2021 (with comparative totals for the year ended June 30, 2020)

	2021												2020 Total	
	Program Services								Supporting Services		2021 Total	2020 Total		
	Childcare	Social Recreation	Teen Services	Individual Services	Physical Education	Education	Aquatics	Cultural Enrichment	Program Total	Management and General				Fundraising and Development
<b>Personnel Expense</b>														
Salaries and wages	\$ 233,529	\$ 131,566	\$ 115,446	\$ 450,644	\$ 84,640	\$ 153,825	\$ 60,390	\$ 50,867	\$ 1,280,907	\$ 159,032	\$ 254,997	\$ 1,694,936	\$ 1,509,498	
Retirement	10,337	8,720	8,147	29,514	3,334	4,033	2,783	3,440	70,308	16,073	17,659	104,040	101,338	
Employee benefits	30,590	16,606	18,609	64,962	15,757	14,339	4,406	7,719	172,988	33,967	48,901	255,856	247,360	
Payroll taxes	15,930	8,735	9,206	35,827	4,960	10,029	4,421	4,194	93,302	11,784	19,502	124,588	104,862	
Advertising	362	361	4,848	-	-	-	-	-	5,571	25	390	5,986	3,250	
Building supplies	-	-	-	-	-	-	-	-	-	-	-	-	14,367	
Computer expense	6,569	5,993	5,993	6,192	5,506	19,472	5,446	5,446	60,617	8,793	6,655	76,065	46,768	
Conferences and meetings	2,293	347	351	1,293	406	269	4,082	206	9,247	1,590	392	11,229	10,523	
Depreciation	18,692	18,109	32,108	61,446	36,696	8,049	45,147	13,895	234,142	12,763	-	246,905	239,304	
Dues and subscriptions	952	5,735	3,877	-	-	-	1,025	-	11,589	7,969	279	19,837	31,845	
Field trips and activities	10,731	7,181	16,288	50,159	11,527	4,044	913	1,721	102,564	10,992	-	113,556	79,541	
Food	543	62	4,408	64,899	-	-	-	-	69,912	-	120	70,032	76,969	
Fundraising venues and supplies	-	-	-	-	-	-	-	-	-	-	52,875	52,875	87,903	
Insurance	3,500	3,499	7,436	15,780	8,749	1,750	7,436	3,062	51,212	6,601	-	57,813	56,910	
Interest	-	-	-	-	-	-	-	-	-	76	-	76	2,295	
Maintenance	25,768	8,522	18,696	15,324	21,473	4,261	29,090	7,457	130,591	19,134	-	149,725	119,485	
Office expenses	899	901	4,180	1,204	901	2,679	901	901	12,566	26,895	13,886	53,347	51,089	
Professional fees	1,517	687	354	9,366	604	16,807	1,187	354	30,876	93,417	666	124,959	52,171	
Rent	-	-	-	3,647	-	-	-	-	3,647	-	-	3,647	22,203	
Scholarships	-	-	-	-	-	53,752	-	-	53,752	-	-	53,752	75,994	
Telephone and internet	1,909	1,912	1,912	1,133	1,108	1,108	1,108	1,108	11,298	1,771	1,912	14,981	10,775	
Travel and transportation	-	-	-	17,910	-	-	-	-	17,910	2,805	19	20,734	61,358	
Utilities	8,281	8,279	17,593	13,454	20,698	4,140	17,593	7,244	97,282	6,209	-	103,491	110,479	
<b>Total expenses by function</b>	<b>372,402</b>	<b>227,215</b>	<b>269,452</b>	<b>842,754</b>	<b>216,359</b>	<b>298,557</b>	<b>185,928</b>	<b>107,614</b>	<b>2,520,281</b>	<b>419,896</b>	<b>418,253</b>	<b>3,358,430</b>	<b>3,116,287</b>	
Less expenses included on the Statement of Activities:														
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	(52,875)	(52,875)	(87,903)	
<b>Total reported on the Statement of Activities - 2021</b>	<b>\$ 372,402</b>	<b>\$ 227,215</b>	<b>\$ 269,452</b>	<b>\$ 842,754</b>	<b>\$ 216,359</b>	<b>\$ 298,557</b>	<b>\$ 185,928</b>	<b>\$ 107,614</b>	<b>\$ 2,520,281</b>	<b>\$ 419,896</b>	<b>\$ 365,378</b>	<b>\$ 3,305,555</b>	<b>\$ 3,028,384</b>	
<b>Total reported on the Statement of Activities - 2020</b>	<b>\$ 302,388</b>	<b>\$ 239,811</b>	<b>\$ 250,854</b>	<b>\$ 775,175</b>	<b>\$ 201,288</b>	<b>\$ 305,440</b>	<b>\$ 205,960</b>	<b>\$ 133,600</b>	<b>\$ 2,414,516</b>	<b>\$ 301,769</b>	<b>\$ 312,099</b>	<b>\$ 3,028,384</b>		

The accompanying notes are an integral part of these financial statements.

**BOYS & GIRLS CLUB OF GREATER NASHUA, INC.**

Statement of Cash Flows  
For the Year Ended June 30, 2021  
(with comparative totals for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 1,907,084	\$ 381,869
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	246,905	239,304
Change in beneficial interest	(1,483,639)	86,451
Loss on disposal of fixed assets	2,758	3,300
Changes in operating assets and liabilities:		
Accounts receivable	5,616	136,043
Contributions receivable	(28,677)	(157,829)
Grants receivable	(45,158)	(4,047)
Prepaid expenses	(23,323)	26,063
Accounts payable and accrued expenses	(7,152)	(20,629)
Accrued payroll and related liabilities	(12,330)	15,180
Payroll Protection Program refundable advance	(64,082)	112,634
Other liabilities	<u>18,009</u>	<u>(128,700)</u>
Net Cash Provided by Operating Activities	516,011	689,639
<b>Cash Flows From Investing Activities</b>		
Capital expenditures	<u>(320,043)</u>	<u>(171,200)</u>
Net Cash Used by Investing Activities	(320,043)	(171,200)
<b>Cash Flows From Financing Activities</b>		
Proceeds of note payable	-	150,000
Repayment of note payable	<u>(20,284)</u>	<u>(129,716)</u>
Net Cash Provided (Used) by Financing Activities	<u>(20,284)</u>	<u>20,284</u>
Net Change in Cash and Cash Equivalents	175,684	538,723
Cash and Cash Equivalents, Beginning	<u>1,000,840</u>	<u>462,117</u>
Cash and Cash Equivalents, Ending	\$ <u><u>1,176,524</u></u>	\$ <u><u>1,000,840</u></u>
Supplemental Disclosures:		
Interest paid	\$ <u><u>76</u></u>	\$ <u><u>2,295</u></u>

The accompanying notes are an integral part of these financial statements.



# BOYS & GIRLS CLUB OF GREATER NASHUA, INC.

Notes to Financial Statements  
For the Year Ended June 30, 2021

## 1. Organization

The mission of the Boys & Girls Club of Greater Nashua (the Club) is to enable all young people, especially those who need us most, to reach their full potential as productive, caring, responsible citizens. We have grown from 300 members and a small storefront in 1971 to a peak of 2,800+ members pre-pandemic and a 50,000+ square foot multi-purpose facility. Our members have access to three education centers, an indoor swimming pool, a full-size gymnasium, a fitness room, dance and art studios, a brand new playground, and the only dedicated drop-in teen center in our community, as well as a collection of other areas for social recreation, structured activities, and inventive play. On a normal school day, the Club stays open until 8 pm, plus all day during school vacations and summer break. We provide healthy food daily, serving 39,744 healthy meals and 20,087 snacks in 2019. We also provided transportation free of charge, picking up kids from school and bringing them to the Club, and then driving them home in the evenings.

We serve Club members in grades K-12 living in the City of Nashua and the towns of Hollis, Hudson, and Merrimack. 51% of our members live in low-income households as defined by the HUD Area Median Income. Over 40% come from single-parent households; 54% identify as non-white; many are refugees or immigrants. Thanks to the ongoing support of grantors, sponsors, and individuals in the community, we have been able to offer scholarships to any member who needs them so no family is turned away for inability to pay.

Other individual services we provide to our members include leadership groups, mentoring, and programs aimed at developing character and resiliency such as Positive Action and our Camp Mariposa overnight camp for children from families affected by substance abuse. We offer education programs every day which aim to improve the academic success of all members through homework help, academic tutoring, and STEM exploration as well as through partnerships with the school district and other area nonprofits. We also offer a licensed childcare program for children ages 5-8 years old which includes guided access to our regular programs such as physical education, arts, dance, and swimming. This childcare program is available to children before school, after school, and all day during summer and school vacations.

The COVID-19 pandemic has presented many challenges for our Club; we pivoted from a mostly after-school program to year-round full day operations, we did whatever it took to help members find success in remote learning, we welcomed members back over the summer who hadn't been in a structured setting for over a year, and we helped members process their emotions with the help of our dedicated social and emotional counselors. The Boys & Girls Club is committed to helping families in the Greater Nashua area navigate

this pandemic, and will continue to adapt the services we offer based on the evolving needs of the families we serve.

## **2. Summary of Significant Accounting Policies**

The following is a summary of significant accounting policies used in preparing and presenting the accompanying financial statements.

### ***Comparative Financial Information***

The accompanying 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2020, from which the summarized information was derived.

### ***Cash and Cash Equivalents***

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments invested for long-term purposes, including endowments that are perpetual in nature, are excluded from this definition.

### ***Accounts Receivable***

Accounts receivable consists primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

### ***Contributions Receivable***

Unconditional contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the Statement of Activities. The allowance for uncollectable contributions is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions are written off when deemed uncollectable. Management has determined that no allowance is necessary.

***Grants Receivable***

Grants receivable, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Amounts recorded as grants receivable represent cost-reimbursable federal and state contracts and grants, which the incurrence of allowable qualifying expenses and/or the performance of certain requirements have been met or performed. The allowance for uncollectible grants receivable is based on historical experience and a review of subsequent collections. Management has determined that no allowance is necessary.

***Property and Equipment***

Property and equipment additions over \$1,000 are recorded at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 50 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed, and any resulting gain or loss is included in the Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in fiscal years 2021 or 2020.

***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions.

***Net Assets Without Donor Restrictions***

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

***Net Assets with Donor Restrictions***

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity while permitting the Club to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. Donor-imposed restrictions are released when a restriction expires, that is, when the

stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

### ***Revenue and Revenue Recognition***

The Club recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of the Club's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Club has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position. Grant revenue from contributions that were initially conditional, which became unconditional with restrictions during the reporting period, and for which those restrictions were met during the reporting period, is reported as net assets without donor restrictions.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Special events revenue is recognized equal to the fair value of direct benefits to donors when the special event takes place. The contributions element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place.

The Club recognizes revenue from program service fees, including tuitions, memberships, rentals, merchandise sales, and activities during the year in which the related goods or services are provided. The performance obligation of delivering program services is simultaneously received and consumed by the program participants; therefore, the revenue is recognized ratably over the course of the enrollment period. The Club recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. Rental income is recognized when the performance obligation of providing space for the event is satisfied. Revenue from merchandise sales is recognized when goods are provided.

### ***Donated Services and In-Kind Donations***

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by Generally Accepted Accounting Principles. Generally Accepted Accounting Principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated professional services are recorded at the respective fair

values of the services received. Contributed goods are recorded at fair value at the date of donation and as expenses when placed in service or distributed. Donated use of facilities is reported as a contribution and as an expense at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the amount is reported as a contribution and an unconditional promise to give at the date of the gift, and the expense is reported over the term of use. No significant contributions of such goods or services were received during the years ended June 30, 2021 and 2020.

### ***Advertising Costs***

Advertising costs are expensed as incurred and are reported in the Statement of Activities and Statement of Functional Expenses.

### ***Functional Allocation of Expenses***

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Certain categories of expenses are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. The expenses that are allocated include utilities, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, certain professional services, office expenses, information technology, and insurance, which are allocated on the basis of estimates of time and effort.

### ***Income Taxes***

The Club has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for charitable contribution deductions, and has been determined not to be a private foundation. The Club is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Club is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. In fiscal years 2021 and 2020, the Club was not subject to unrelated business income tax and did not file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

### ***Estimates***

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires 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 may differ from those estimates.

### ***Financial Instruments and Credit Risk***

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with receivables is considered to be limited due to high historical collection rates. The fair value of the beneficial interest is based upon its underlying investments whose performance is monitored by the Board of Directors (and Trustees of the Foundation). Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Investment Committee believes that its investment policies and guidelines are prudent for the long-term welfare of the Club.

### ***Fair Value Measurements and Disclosures***

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors

specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

### ***New Accounting Standards to be Adopted in the Future***

#### *Leases*

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. The ASU requires all leases with lease terms more than 12 months to be capitalized as a right of use asset and lease liability on the Statement of Financial Position at the date of lease commencement. Leases will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the income statement. This ASU will be effective for the Club for the year ending June 30, 2023. The Club is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

#### *Credit Losses*

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses of Financial Instruments*. The ASU requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the Statement of Activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This ASU will be effective for the Club for the year ending June 30, 2024. The Club is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

#### *Contributed Nonfinancial Assets*

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. Examples of contributed nonfinancial assets include fixed assets such as land, buildings, and equipment; the use of fixed assets or utilities; material and supplies, such as food, clothing, or pharmaceuticals; intangible assets; and recognized contributed services. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the Statement of Activities, apart from contributions of cash or other financial assets. It also requires certain disclosures for each category of contributed nonfinancial assets recognized. The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. The Club is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

### 3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position, are comprised of the following at June 30, 2021 and 2020:

<b>Financial assets at year end</b>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,176,524	\$ 1,000,840
Accounts receivable	14,830	20,446
Contributions receivable	206,440	177,763
Grants receivable	96,577	51,419
Beneficial interest	<u>6,530,365</u>	<u>5,046,726</u>
Total financial assets	8,024,736	6,297,194
<b>Less amounts not available to be used within one year</b>		
Net assets with donor restrictions (time and purpose)	(355,059)	(329,161)
Beneficial interest	<u>(6,530,365)</u>	<u>(5,046,726)</u>
Total not available	<u>(6,885,424)</u>	<u>(5,375,887)</u>
Financial assets available to meet general expenditures over the next year	\$ <u>1,139,312</u>	\$ <u>921,307</u>

The Club regular monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next year, the Club operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As part of its liquidity management plan, the Club also has a \$300,000 line of credit available to meet cash flow needs.

### 4. Contributions Receivable

The carrying amount of contributions receivable due in more than one year is based on the discounted net present value of the expected future cash receipts, and approximates fair value. Unconditional contributions receivable are estimated to be collected as follows at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Within one year	\$ 132,940	\$ 103,763
In one to five years	<u>73,500</u>	<u>74,000</u>
Total	\$ <u>206,440</u>	\$ <u>177,763</u>



No discount was applied to contributions receivable at June 30, 2021 and 2020 since it was determined to be immaterial.

## 5. Property and Equipment

Property and equipment consists of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 40,000	\$ 40,000
Building and improvements	6,755,091	6,535,212
Club equipment	930,484	839,795
Office equipment	59,890	63,890
Vehicles	<u>280,993</u>	<u>305,990</u>
Subtotal	8,066,458	7,784,887
Less accumulated depreciation	<u>(4,375,758)</u>	<u>(4,164,567)</u>
Total	<u>\$ 3,690,700</u>	<u>\$ 3,620,320</u>

## 6. Beneficial Interest

The Club is the sole beneficiary of the Boys & Girls Club of Greater Nashua Charitable Foundation Trust (the Foundation). The Foundation is a 501(c) (3) trust established in 1992 for the sole purpose of holding, investing, and managing the Club's endowment funds on behalf of the Club. The Foundation is governed by an independent board consisting of fifteen trustees, three of whom are also directors of the Club. The fair market value of the funds held by the Foundation is included on the Club's financial statements entitled "Beneficial Interest".

Currently, it is the Foundation's policy to contribute to the Club's operating budget an amount equal to five percent (5%) of the Foundation's latest three-year average net assets. In fiscal years 2021 and 2020 the amount contributed was \$215,928 and \$210,072 respectively. In addition to the contributions related to the 5% spending policy above, the Board of the Foundation voted to contribute an additional \$37,500 toward the Club's search for a CEO.

## 7. Line of Credit

The Club has a \$300,000 line of credit, secured by all assets, available through April 2022. The interest rate is Prime less 0.5%. There were no borrowings outstanding at June 30, 2021 or 2020.

## 8. Paycheck Protection Program Refundable Advance

In April 2020 and March 2021, the Club received loan proceeds of \$372,700 and \$381,110, respectively, under the Small Business Administration (SBA) Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020, provides for loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses. The loan and accrued interest may be forgiven after twenty-four weeks providing the Club uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains certain payroll levels. The amount of loan forgiveness will be reduced if the Club terminates employees or reduces salaries during the twenty-four week period. Any unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with deferral of payments for the first ten months. During fiscal years 2021 and 2020, the Club used the proceeds for purposes consistent with the PPP requirements. The Club has applied the conditional contribution model as described in FASB ASC 958-605 to recognize PPP loan proceeds as contribution income for the portion of the PPP loans where conditions have been substantially met by incurring qualifying expenses and other PPP loan requirements. Unspent proceeds are reflected as a refundable advance in the Statement of Financial Position. In May 2021, the Club received full forgiveness of the first PPP loan totaling \$372,700. While the Club currently believes that its use of the remaining loan proceeds will meet the conditions for forgiveness of the loan, the Club cannot guarantee that the loan will be forgiven, in whole or in part.

## 9. Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Scholarships	\$ 39,516	\$ 43,897
Programs	89,572	95,454
Accounting system	72,450	110,050
Conference room chairs	-	3,600
Kicks for Kids	<u>6,521</u>	<u>2,160</u>
	208,059	255,161
Time restrictions	147,000	74,000
Beneficial interest	<u>6,530,365</u>	<u>5,046,726</u>
Total	<u>\$ 6,885,424</u>	<u>\$ 5,375,887</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Expiration of time restrictions	\$ 47,000	\$ 128,447
Satisfaction of purpose restrictions:		
Scholarships	63,752	79,200
Food program	57,171	76,969
Pool renovations	-	62,371
Kicks for Kids	-	10,225
Capital asset purchases	54,700	-
Other programs	<u>90,600</u>	<u>71,126</u>
Total	<u>\$ 313,223</u>	<u>\$ 428,338</u>

## 10. Retirement Plan

The Club participates in the Boys & Girls Club of America Pension Plan for the employees who are at least 21 years of age and have completed one year of employment. Contributions for the years ended June 30, 2021 and 2020 totaled \$104,040 and \$101,338, respectively.

## 11. Contingencies

### **Grants**

The Club receives funds under various state and federal programs. Under the terms of these programs, the Club is required to use the funds within the period for purposes specified. If the expenditures are found not to have been made in compliance with the grants, the Club might be required to repay the funds.

### **COVID-19**

The COVID-19 outbreak in the United States has resulted in economic uncertainties for many. The disruption is expected to be temporary, but there is considerable uncertainty around the duration and scope. 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 those served, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Club's financial condition or results of operations is uncertain.

**12. Donated Services and In-Kind Donations**

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation, are recorded at their fair values in the period received. The Club received contributions of services from Americorp and Vista in fiscal years 2021 and 2020. These donated services have not been recognized in the accompanying financial statements because the criteria for recognition of such donated services have not been satisfied. The assistance provided to the Club was for one staff in fiscal year 2021 and two staff in fiscal year 2020. The Club pays a discounted fee of approximately 30% to these organizations for the use of their staff. This staff is critical for the operation of the Club's programs and the safety of the Club's members. The Club estimates the value of these donated services for the years ended June 30, 2021 and 2020 to be \$18,000 and \$21,900, respectively. If the funding agencies were to discontinue their assistance, the Club would have to obtain funding elsewhere or discontinue some of the programs.

**13. Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**14. Subsequent Events**

Subsequent events have been evaluated through January 12, 2022, the date the financial statements were available to be issued.