BOYS & GIRLS CLUB OF GREATER DALLAS, DALLAS, INC. AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2021 AND 2020

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DALLAS, INC. AND AFFILIATES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Boys & Girls Club of Greater Dallas, Inc. and Affiliates
Dallas, Texas

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Boys & Girls Club of Greater Dallas, Inc. and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Club of Greater Dallas, Inc. and Affiliates as of December 31, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boys & Girls Club of Greater Dallas, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys & Girls Club of Greater Dallas, Inc. and Affiliates' ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boys & Girls Club of Greater Dallas, Inc. and Affiliates' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys & Girls Club of Greater Dallas, Inc. and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Worth, Texas
October 18, 2022

BOYS & GIRLS CLUB OF GREATER DALLAS, DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
ASSETS		
Cash and Cash Equivalents	$ 2,437,859	$ 2,803,781
Prepaid Expenses	136,955	46,495
In-Kind Lease Receivable	1,761,706	2,004,483
Unconditional Promises to Give and Grants Receivable	1,592,522	1,835,905
Accounts Receivable	1,283,323	-
Property and Equipment, Net	2,794,716	3,225,560
Investments	10,242,067	8,382,774
Total Assets	$ 20,249,148	$ 18,298,998
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 291,154	$ 175,444
Note Payable	-	879,490
Total Liabilities	291,154	1,054,934
NET ASSETS		
Without Donor Restrictions	13,560,668	10,662,335
With Donor Restrictions	6,397,326	6,581,729
Total Net Assets	19,957,994	17,244,064
Total Liabilities and Net Assets	$ 20,249,148	$ 18,298,998

See accompanying Notes to Consolidated Financial Statements.

BOYS & GIRLS CLUB OF GREATER DALLAS, DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions:			
O'Hara Trust	$ -	$ 1,494,605	$ 1,494,605
Other Contributions	2,668,394	522,514	3,190,908
Special Events (Net of Direct Expenses of $156,479)	528,471	-	528,471
Investment Income	853,759	302,619	1,156,378
Membership Dues	37,795	-	37,795
Program Service Fees	1,296,484	-	1,296,484
In-Kind Revenue	420,834	-	420,834
Paycheck Protection Program Forgiveness	879,490	-	879,490
Revenue from CARES Act	1,160,628	-	1,160,628
Other Income	24,195	-	24,195
Net Assets Released from Restrictions	2,504,141	(2,504,141)	-
Total Support and Revenue	10,374,191	(184,403)	10,189,788
EXPENSES			
Program Services:			
Character and Leadership Development	2,164,329	-	2,164,329
Education and Career Development	2,351,942	-	2,351,942
Health and Life Skills	1,703,566	-	1,703,566
Total Program Services	6,219,837	-	6,219,837
Support Services:			
Management and General	1,016,385	-	1,016,385
Fundraising	239,636	-	239,636
Total Support Services	1,256,021	-	1,256,021
Total Expenses	7,475,858	-	7,475,858
CHANGE IN NET ASSETS	2,898,333	(184,403)	2,713,930
Net Assets - Beginning of Year	10,662,335	6,581,729	17,244,064
NET ASSETS - END OF YEAR	$ 13,560,668	$ 6,397,326	$ 19,957,994

See accompanying Notes to Consolidated Financial Statements.

BOYS & GIRLS CLUB OF GREATER DALLAS,
DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions:			
O'Hara Trust	$ -	$ 1,426,764	$ 1,426,764
Other Contributions	2,662,770	893,395	3,556,165
Grants from Governmental Agencies	1,071	-	1,071
Special Events (Net of Direct Expenses of $85,926)	437,603	-	437,603
Investment Income	780,842	298,348	1,079,190
Membership Dues	24,640	-	24,640
Program Service Fees	529,804	-	529,804
In-Kind Lease Revenue	600,017	959,238	1,559,255
Other Income	83,887	-	83,887
Excess of Assets Acquired Over Liabilities Assumed in Donation of Trinity River Mission (See Note 14)	249,369	-	249,369
Net Assets Released from Restrictions	2,054,616	(2,054,616)	-
Total Support and Revenue	7,424,619	1,523,129	8,947,748
EXPENSES			
Program Services:			
Character and Leadership Development	2,084,801	-	2,084,801
Education and Career Development	2,289,230	-	2,289,230
Health and Life Skills	1,533,127	-	1,533,127
Total Program Services	5,907,158	-	5,907,158
Support Services:			
Management and General	715,687	-	715,687
Fundraising	223,875	-	223,875
Total Support Services	939,562	-	939,562
Total Expenses	6,846,720	-	6,846,720
CHANGE IN NET ASSETS	577,899	1,523,129	2,101,028
Net Assets - Beginning of Year	10,084,436	5,058,600	15,143,036
NET ASSETS - END OF YEAR	$ 10,662,335	$ 6,581,729	$ 17,244,064

See accompanying Notes to Consolidated Financial Statements.

BOYS & GIRLS CLUB OF GREATER DALLAS, DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services				Support Services			
	Character and Leadership Development	Education and Career Development	Health and Life Skills	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
EXPENSES								
Personnel Costs:								
Salaries	$ 1,086,882	$ 1,223,186	$ 813,176	$ 3,123,244	$ 464,304	$ 136,209	$ 600,513	$ 3,723,757
Employee Benefits	133,746	150,518	100,067	384,331	57,135	16,762	73,897	458,228
Payroll Taxes	83,641	94,130	62,578	240,349	35,731	10,482	46,213	286,562
Total Personnel Costs	1,304,269	1,467,834	975,821	3,747,924	557,170	163,453	720,623	4,468,547
Professional Fees	63,287	48,565	44,070	155,922	18,344	9,172	27,516	183,438
Supplies	122,559	121,074	81,698	325,331	8,370	1,839	10,209	335,540
Telephone	18,550	17,124	20,973	56,647	20,744	2,394	23,138	79,785
Postage and Shipping	617	588	385	1,590	878	274	1,152	2,742
Occupancy	407,751	362,538	222,726	993,015	53,738	2,664	56,402	1,049,417
Printing	-	-	-	-	-	576	576	576
Local Transportation	10,196	22,251	39,543	71,990	9,272	2,694	11,966	83,956
Conferences and Training	935	826	577	2,338	623	156	779	3,117
Subscriptions	1,757	1,622	637	4,016	139	2,468	2,607	6,623
Assistance to Individuals	-	22,233	-	22,233	-	-	-	22,233
Membership Dues	3,410	3,381	1,394	8,185	909	-	909	9,094
Awards and Grants	18,325	45,544	15,163	79,032	6,604	3,962	10,566	89,598
Equipment Rental and Maintenance	20,438	16,465	154,664	191,567	111,214	28,258	139,472	331,039
Miscellaneous	10,596	14,658	3,002	28,256	133,085	-	133,085	161,341
Event Expenses				-		156,479	156,479	156,479
National Dues	7,064	7,003	2,886	16,953	1,884	-	1,884	18,837
Expenses before Depreciation	1,989,754	2,151,706	1,563,539	5,704,999	922,974	374,389	1,297,363	7,002,362
Depreciation	174,575	200,236	140,027	514,838	93,411	21,726	115,137	629,975
Subtotal	2,164,329	2,351,942	1,703,566	6,219,837	1,016,385	396,115	1,412,500	7,632,337
Less: Expenses Netted Against Revenues on the Statement of Activities:								
Special Event Expenses	-	-	-	-	-	(156,479)	(156,479)	(156,479)
Total Expenses	$ 2,164,329	$ 2,351,942	$ 1,703,566	$ 6,219,837	$ 1,016,385	$ 239,636	$ 1,256,021	$ 7,475,858

BOYS & GIRLS CLUB OF GREATER DALLAS,
DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services				Support Services			
	Character and Leadership Development	Education and Career Development	Health and Life Skills	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
EXPENSES								
Personnel Costs:								
Salaries	$ 1,097,266	$ 1,232,351	$ 833,009	$ 3,162,626	$ 372,772	$ 137,086	$ 509,858	$ 3,672,484
Employee Benefits	130,875	146,987	99,356	377,218	44,462	16,351	60,813	438,031
Payroll Taxes	85,202	95,691	64,685	245,578	28,945	10,645	39,590	285,168
Total Personnel Costs	1,313,343	1,475,029	997,050	3,785,422	446,179	164,082	610,261	4,395,683
Professional Fees	46,910	35,999	32,664	115,573	15,301	6,798	22,099	137,672
Supplies	136,135	133,726	89,745	359,606	6,054	1,249	7,303	366,909
Telephone	15,513	14,320	17,539	47,372	17,348	2,002	19,350	66,722
Postage and Shipping	917	874	575	2,366	1,305	408	1,713	4,079
Occupancy	365,266	336,578	144,296	846,140	21,405	1,232	22,637	868,777
Printing	285	264	151	700	620	7,968	8,588	9,288
Local Transportation	10,916	24,977	45,294	81,187	10,070	2,956	13,026	94,213
Conferences and Training	864	763	533	2,160	576	144	720	2,880
Subscriptions	897	1,782	412	3,091	158	2,668	2,826	5,917
Assistance to Individuals	-	26,172	-	26,172	-	-	-	26,172
Membership Dues	3,772	3,739	1,542	9,053	1,006	-	1,006	10,059
Awards and Grants	16,252	37,558	13,448	67,258	5,857	3,514	9,371	76,629
Equipment Rental and Maintenance	2,731	2,811	69,681	75,223	54,533	13,639	68,172	143,395
Miscellaneous	9,373	12,967	2,656	24,996	80,131	-	80,131	105,127
Event Expenses	-	-	-	-	-	85,926	85,926	85,926
National Dues	6,395	6,340	2,615	15,350	1,705	-	1,705	17,055
Expenses before Depreciation	1,929,569	2,113,899	1,418,201	5,461,669	662,248	292,586	954,834	6,416,503
Depreciation	155,232	175,331	114,926	445,489	53,439	17,215	70,654	516,143
Subtotal	2,084,801	2,289,230	1,533,127	5,907,158	715,687	309,801	1,025,488	6,932,646
Less: Expenses Netted Against Revenues on the Statement of Activities:								
Special Event Expenses	-	-	-	-	-	(85,926)	(85,926)	(85,926)
Total Expenses	$ 2,084,801	$ 2,289,230	$ 1,533,127	$ 5,907,158	$ 715,687	$ 223,875	$ 939,562	$ 6,846,720

BOYS & GIRLS CLUB OF GREATER DALLAS,
DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 2,713,930	$ 2,101,028
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	629,975	516,143
Forgiveness of Paycheck Protection Program Loan	(879,490)	-
Net Realized Gain on Investments	(369,706)	(148,720)
Net Unrealized Gain on Investments	(414,826)	(801,688)
In-Kind Contributions of Property and Equipment	-	(249,369)
In-Kind Lease Receivable	242,777	(857,795)
Net Change in:		
Prepaid Expenses	(90,460)	(12,827)
Unconditional Promises to Give and Grants Receivable	243,383	(471,866)
Accounts Receivable	(1,283,323)	-
Accounts Payable and Accrued Expenses	115,710	(46,419)
Net Cash Provided by Operating Activities	907,970	28,487
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(199,131)	(481,424)
Purchase of Investments	(3,134,614)	(1,795,131)
Proceeds from Sale or Maturities of Investments	2,059,853	1,813,856
Net Cash Used by Investing Activities	(1,273,892)	(462,699)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Note Payable	-	879,490
Net Cash Provided by Investing Activities	-	879,490
NET CHANGE IN CASH AND CASH EQUIVALENTS	(365,922)	445,278
Cash and Cash Equivalents - Beginning of Year	2,803,781	2,358,503
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,437,859	$ 2,803,781
NONCASH TRANSACTIONS		
In-Kind Lease Revenue and Expense on Month-to-Month Leases	$ 206,531	$ 437,467
In-Kind Lease Revenue on Long-Term Lease Agreements	$ -	$ 959,238
In-Kind Lease Expense on Long-Term Lease Agreements	$ 242,777	$ 101,443
In-Kind Contributions of Property and Equipment	$ -	$ 249,369

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 ORGANIZATION

Boys & Girls Clubs of Greater Dallas, Inc. (the Club) is a Texas nonprofit corporation formed on November 14, 1961. The Club's mission is to enable all young people, especially those who need us most, to reach their full potential as productive, caring, responsible citizens. The Club's vision is to provide a world-class Club experience assuring success is within reach of each young person who enters its doors, with members on track to graduate from high school with a plan for the future, demonstrating good character and citizenship, and living a healthy lifestyle.

The Club, a designee chapter of the Boys & Girls Clubs of America and a United Way member agency, operates more than 20 sites in the Dallas, Texas area. As the Club worked to respond to the COVID-19 pandemic, its operations evolved in several ways that enabled the Club to better serve its members well into the future. For example, the Club equipped three buses with Wi-Fi broadcasting capabilities. These buses are deployed to densely populated apartment buildings to provide our members with the high-speed internet they need to succeed in the modern academic environment. Additionally, BGCD significantly improved its technology to serve Club members virtually. The Club now offers the Collegiate STEPS program over virtual conferencing software, connects kids with virtual career panels, and has even offered an online dance class. The Club is currently responding to the severe learning loss many children are experiencing on account of the pandemic by bolstering its academic programming such as tutoring, literacy interventions, and homework assistance.

Boys & Girls Clubs of Greater Dallas, Inc. Foundation (BGCDF) is a Texas nonprofit corporation formed in 1985 to support the Club. The Chamber-Schoellkopf-Trim Scholarship Foundation (CST) is a Texas nonprofit corporation formed in 1987 to provide educational assistance to participants in the Club's programs. Both BGCDF and CST are considered, for financial reporting purposes, to be under the control of the Club's board of directors (board). The Club, BGCDF and CST are hereinafter collectively referred to as the Club.

During 2020, the Club merged with Trinity River Mission and was the surviving entity. See additional disclosures in Note 14.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Club prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when an obligation is incurred. The accompanying consolidated financial statements include the accounts of the Club, BGCDF and CST. All inter-entity balances and transactions have been eliminated.

Cash and Cash Equivalents

Cash available for use in current operations is classified as cash and cash equivalents. Cash and cash equivalents designated or restricted for investment is classified as investments.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Lease Receivable

The Club has several leases for space which it utilizes to provide program services. Terms of the lease agreements are at rates considered to be below fair market value. The Club recognizes the fair value of each lease as contribution revenue in the period in which the lease agreement is signed and recognizes the related expense in the period the lease is used. In-kind lease receivable represents the remaining amount to be received under lease agreements currently in effect. The in-kind lease revenue is reported as an in-kind contribution at its present value and as restricted support that increases net assets with donor restrictions.

Unconditional Promises to Give

Unconditional promises to give are from foundations, trusts, and individuals, which are primarily located in the Dallas, Texas area. The receivables are unsecured and evaluated periodically by management for collectability. There was no allowance for doubtful pledges as of December 31, 2021 and 2020. Amounts that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected.

Investments

The Club invests in a variety of investment vehicles. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position. Investments in debt securities and marketable securities are carried at fair value, based upon quoted market prices or values provided by external investment managers. Unrealized gains and losses are recognized in the period in which they occur.

Property and Equipment

Property and equipment expenditures in excess of $500 are capitalized at cost. Donated property and equipment are recorded at estimated fair value on the date of donation. Property and equipment are depreciated using the straight-line method over the estimated useful lives of 3 years for automobiles, 5 to 15 years for furniture, equipment, and building improvements, and 40 years for buildings and leasehold improvements.

The Club reviews its property and equipment periodically to determine potential impairment. If determined that the carrying value exceeds the fair market value, an impairment loss is recognized.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Club and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

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.

The Club has elected to present donor-restricted contributions, which are fulfilled in the same time period, within net assets without donor restrictions.

Contributions

Contributions are recognized as revenue in the period received or unconditionally promised, whichever is earlier, and are classified as net assets without donor restrictions or net assets with donor restrictions depending on the existence or absence of any donor restrictions. The Club reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 to net assets without donor restrictions and reported in the consolidated statements of activities as “Net Assets Released from Restrictions”.

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. At December 31, 2021 and 2020, the Club has $435,000 and $555,000, respectively, of conditional promises to give.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue

Revenue streams have various performance obligations and are recognized over time, as described below.

Membership Dues – Membership dues to the Club are recognized as revenue over time, as the performance obligation is access to sign up for Club programs.

Program Fees – Program fees for parent-pay programs are recognized over time as weekly programming is delivered. Fees for delivering programming in certain schools in the Dallas Independent School District (DISD) as part of a service contract are recognized over time as programming is delivered.

Sponsorships – Sponsorships are comprised of an exchange element based on the value of benefits provided, and a contribution element for the between the total sponsorship paid and the exchange element. The portion of sponsorship revenue that relates to the commensurate value the sponsor received in return is recognized as performance obligations are met.

In-Kind Contributions

Donated goods are recorded at their estimated fair market value on the date of receipt. Volunteers have contributed significant amounts of time to the Club's activities without compensation. As these services do not meet the recognition criteria for donated services under generally accepted accounting standards for financial reporting, the consolidated financial statements do not reflect the value of such contributed services.

In-Kind Month-to-Month Site Agreements

The Club has entered into agreements with the Dallas Independent School District and Dallas Housing Authority (DHA) to provide afterschool activities. The Club is allowed to use the schools and DHA property at no cost, but has not entered into a long-term lease arrangement. As a result, the value of the facilities used in 2021 and 2020 has been calculated based on similar rental rates and included in "In-Kind Lease Revenue" on the consolidated statements of activities. No in-kind lease receivable has been recognized because of the short-term nature of these agreements.

Functional Allocation of Expenses

The costs of providing the programs and support services are presented on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the allocation of expenses to the programs and support services. These allocations are based upon estimates of facilities usage, activities of personnel, specifically identifiable costs and various other bases.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Club follows the provisions of *Fair Value Measurements*, which defines fair value as 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 and establishes a framework for measuring fair value. Fair value measurements established a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of the asset or liability as of the measurement date.

As noted above, *Fair Value Measurements* establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 – Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity’s own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Income Tax

The Club is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Club adopted the income tax standard for uncertain tax positions. This standard clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements in accordance with the income tax standard. This standard prescribes recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized.

The Club’s income tax returns are subject to review and examination by Federal, State, and Local authorities. The Club is not aware of any activities that would jeopardize its tax exempt status. The Club is not aware of any activities that are subject to tax on unrelated business income or excise or other tax.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Club's leasing activities. The standard is effective for the year ending December 31, 2022.

NOTE 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 statement of financial position date, comprise the following:

	2021	2020
Cash and Cash Equivalents	$ 2,437,859	$ 2,803,781
Time Restricted Promises to Give	1,494,605	1,426,764
Promises to Give Without Donor Restrictions	97,917	245,891
Board-Designated Endowment Distribution	266,445	243,997
Total Assets Available for General Expenditures in the next 12 months	$ 4,296,826	$ 4,720,433

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment of $6,661,124 is subject to an annual spending rate of 4% (beginning in 2019) as described in Note 18. Although we do not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditures), these amounts could be made available if necessary.

NOTE 4 INVESTMENTS

Investments as defined by asset allocation category consist of the following at December 31:

	2021	2020
Government Bond Funds	$ 33,513	$ 34,246
Equity Funds	4,880,373	4,658,060
Fixed Income Funds	1,490,923	126,600
Corporate Bonds	2,002,076	2,032,232
Specialty Funds	405,684	249,476
Alternative Investments	1,429,498	1,282,160
Total Investments	$ 10,242,067	$ 8,382,774

Investments in debt securities and marketable securities are carried at fair value, based upon quoted market prices or values provided by external investment managers. Unrealized gains and losses are recognized in the period in which they occur.

As noted above, within the portfolio certain investments are invested in funds for which value is not determinable on a daily basis and are held by private companies. These are commonly referred to as alternative investments.

Alternative investments may be structured through limited partnerships, limited liability corporations, trusts, or corporations. The estimated fair values of alternative investments may differ significantly from the values that would have been used had a ready market existed for these investments, and these differences could be material.

The Alternative investments within the Club's portfolio consist of the Maverick Fund, Ltd., which is a hedge fund. The investment objective of the fund is to preserve and grow capital.

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following is a description of the valuation methodologies used for assets measured at fair value:

Equity Funds: Valued at the daily closing price as reported by the fund.

Fixed Income and Bond Funds: Valued at the daily closing price as reported by the fund.

Specialty Funds: Valued at the daily closing price as reported by the fund.

Bonds: Valued based on quoted prices in an active market in which similar assets are traded

Alternative Investments: Valued at the net asset value (NAV) per unit at year-end.

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The methods described above may produce fair value estimates that may not be indicative of net realized 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 different fair value measurements at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Club's investments at estimated fair value as of December 31:

	2021			
	Level 1	Level 2	Level 3	Total
Bond Funds	$ 33,513	$ -	$ -	$ 33,513
Equity Funds	4,880,373	-	-	4,880,373
Fixed Income Funds	1,490,923	-	-	1,490,923
Specialty Funds	405,684	-	-	405,684
Bonds	-	2,002,076	-	2,002,076
Total	$ 6,810,493	$ 2,002,076	$ -	8,812,569
Alternative Investments - Valued at Net Asset Value				1,429,498
Total Investments				$ 10,242,067

	2020			
	Level 1	Level 2	Level 3	Total
Bond Funds	$ 34,246	$ -	$ -	$ 34,246
Equity Funds	4,658,060	-	-	4,658,060
Fixed Income Funds	126,600	-	-	126,600
Specialty Funds	249,476	-	-	249,476
Bonds	-	2,032,232	-	2,032,232
Total	$ 5,068,382	$ 2,032,232	$ -	7,100,614
Alternative Investments - Valued at Net Asset Value				1,282,160
Total Investments				$ 8,382,774

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Net Asset Value

Fair value measurements of investments that calculate net asset value per share (or its equivalent) as of December 31:

	2021			
	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Alternative Investments	$ 1,429,498	-	Daily	30 - 60 Days

	2020			
	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Alternative Investments	$ 1,282,160	-	Daily	30 - 60 Days

Alternative Investments is the Maverick Fund, Ltd. (the Company). The Company is registered in the Cayman Islands as an exempt Company. The Company is an open-ended investment Company. The Company invests substantially all of its assets in the Maverick Fund, LDC (the Fund). The investment objective of the fund is to preserve and grow capital by operating as a traditional hedge fund. The Company provides full disclosure financial statements of the underlying holdings, whereby the Club is able to verify its account balances.

NOTE 6 IN-KIND LEASE RECEIVABLE

In-kind lease receivable is amortized over the life of the lease. Future amounts due are recorded at their net present value utilizing the Club's incremental borrowing rate at the date of inception, ranging from 4.12% to 4.50%. When amortized, the in-kind lease expense is recognized as occupancy expense. The following is an estimated future amortization of the in-kind lease receivable as of December 31, 2021:

Year Ending December 31,	Amount
2022	$ 319,649
2023	323,531
2024	309,752
2025	235,068
2026	104,606
Thereafter	469,100
Total	$ 1,761,706

Total in-kind lease expense was $449,308 and $538,910 for the years ended December 31, 2021 and 2020, respectively.

NOTE 7 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consisted of the following as of December 31:

	2021	2020
Without Donor Restrictions:		
General Operations	$ 97,917	$ 245,891
Total Without Donor Restrictions	97,917	245,891
With Donor Restrictions:		
O'Hara Trust	1,494,605	1,426,764
Purpose Restrictions	-	163,250
Total With Donor Restrictions	1,494,605	1,590,014
Total Unconditional Promises to Give	$ 1,592,522	$ 1,835,905

Unconditional promises to give are to be received over future periods, in accordance with donor agreements. Unconditional promises to give expected to be collected in the next fiscal period, and thereafter are as follows:

	2021	2020
Amounts Due in:		
Less than One Year	$ 1,572,522	$ 1,835,905
One to Five Years	20,000	-
Pledges Receivable, Gross	$ 1,592,522	$ 1,835,905

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	2021	2020
Land	$ 345,435	$ 345,435
Buildings and Improvements	6,932,296	6,962,214
Furniture and Equipment	3,268,753	3,135,022
Transportation Equipment	1,027,997	911,815
Construction in Progress	-	19,018
Total Property and Equipment	11,574,481	11,373,504
Less: Accumulated Depreciation and Amortization	(8,779,765)	(8,147,944)
Property and Equipment, Net	$ 2,794,716	$ 3,225,560

NOTE 9 LINE OF CREDIT

The Club has a line of credit up to $250,000 with an interest rate at .87% above the prime rate (4.37% at December 31, 2021). The line of credit is secured by the assets of the Club. The outstanding balance on the line of credit was $-0- at December 31, 2021 and 2020. The line of credit is a business banking line of credit that currently does not have a maturity date.

NOTE 10 NET ASSETS

Net assets consisted of the following as of December 31:

	2021	2020
Without Donor Restrictions:		
Undesignated Net Assets	$ 4,104,828	$ 1,336,845
Board-Designated Endowment	6,661,124	6,099,930
Property and Equipment	2,794,716	3,225,560
Total Without Donor Restrictions	13,560,668	10,662,335
With Donor Restrictions:		
Subject to Expenditure for Specified Purpose:		
College STEPS	-	50,000
UPS Road Code	-	7,000
Navarro County Fencing and Security	21,864	24,360
Christopher Littles, Jr. Scholarship	37,526	50,000
Academic Success	-	6,250
Learning Centers and Wi-Fi for 2 Buses	-	100,000
Food Program	-	17,600
Better Together Implementation	-	14,855
Club Care Packages, Adopt A Kid, Bus Conversion	-	47,310
	59,390	317,375
Subject to the Passage of Time:		
In-Kind Lease Receivable	1,761,706	2,004,483
O'Hara Trust	1,494,372	1,426,764
Other Donors	98,150	234,369
	3,354,228	3,665,616
Endowments:		
Subject to Appropriation and Expenditure When a Specified Event Occurs:		
Restricted by Donors for:		
Capital Asset Acquisitions	262,420	57,132
Creative Arts	251,106	248,456
Scholarships	1,349,446	1,172,414
	1,862,972	1,478,002
Not Subject to Appropriation or Expenditure:		
Scholarships for Qualifying Members	50,000	50,000
Creative Arts Program	802,500	802,500
Repairs and Maintenance (Maverick Fund)	268,236	268,236
	1,120,736	1,120,736
Total With Donor Restrictions	6,397,326	6,581,729
Total Net Assets	$ 19,957,994	$ 17,244,064

NOTE 10 NET ASSETS (CONTINUED)

The following is a summary of net assets released from donor restrictions by incurring expenditures satisfying the restricted purposes or by the passage of time specified by the donor(s) as of December 31:

	2021	2020
Time Restrictions Expired - Operations:		
United Way of Metropolitan Dallas	$ 209,250	$ 366,000
O'Hara Trust	1,426,764	1,424,700
Other Donors	234,369	2,922
Donor Restrictions Expired - Operations:		
School Bus	-	78,850
School Bus and Oak Cliff Pool Heater	-	28,850
Alternative Investment	82,252	40,531
In-Kind Lease Expense	242,777	101,443
Navarro County Fencing and Security	2,496	11,320
Grants	50,744	-
Christopher Littles, Jr. Scholarship	12,474	-
College STEPS	50,000	-
UPS Road Code	7,000	-
Academic Success	6,250	-
Learning Centers and Wi-Fi for 2 Buses	100,000	-
Food Program	17,600	-
Better Together Implementation	14,855	-
Club Care Packages, Adopt A Kid, Bus Conversion	47,310	-
Total Restrictions Released	$ 2,504,141	$ 2,054,616

NOTE 11 O'HARA TRUST

The Boys & Girls Clubs of America is the beneficiary of a trust created pursuant to the last will and testament of J.B. O'Hara (the Trust). In accordance with the terms of the Trust, its income is to be used for the charitable purpose of maintaining and supporting one or more chapters of the Boys & Girls Clubs of America located in Dallas County, Texas.

The Club, as one of the designee chapters of the Boys & Girls Clubs of America in Dallas County, Texas, receives distributions from the Trust. The O'Hara committee of the Boys & Girls Clubs of America annually authorizes distributions to the Club which are based upon approved fund allocation requests made by the O'Hara committee. Regular contributions received or pledged totaled $1,494,605 and $1,426,764 as of December 31, 2021 and 2020, respectively.

The Trust's net assets are not included in the accompanying consolidated financial statements because the Club is not the ultimate beneficiary of the Trust's assets.

NOTE 12 BOYS & GIRLS CLUBS OF GREATER DALLAS, INC. FOUNDATION

In 1985, BGCDF was incorporated to benefit Boys & Girls Clubs of Greater Dallas, Inc. As of December 31, 2021 and 2020, the BGCDF had net assets of $9,142,085 and $8,429,485 (of which $1,070,736 was restricted in perpetuity), respectively. Boys & Girls Clubs of Greater Dallas, Inc. received contributions from BGCDF of $333,357 and $248,456 for the years ended December 31, 2021 and 2020, respectively. These contributions are currently for use in Boys & Girls Clubs of Greater Dallas, Inc.'s Education and Career Development Program – Youth Education and The Arts Program – Creative Arts. Contributions from BGCDF are eliminated upon consolidation.

BGCDF received no contributions from the Club for the years ended December 31, 2021 and 2020. BGCDF paid the Club $12,000 and $-0-, respectively, for the years ended December 31, 2021 and 2020 for administrative functions. Contributions from and payments to the Club are eliminated upon consolidation.

BGCDF's net assets without donor restrictions are classified as net assets with donor restrictions in the accompanying consolidated financial statements until the BGCDF's board of directors approves disbursements to Boys & Girls Clubs of Greater Dallas, Inc.

NOTE 13 CHAMBERS-SCHOELLKOPF-TRIM SCHOLARSHIP FOUNDATION (CST)

In October 1987, CST was formed to provide education assistance to participants in Boys & Girls Clubs of Greater Dallas, Inc.'s programs. As of December 31, 2021 and 2020, CST's net assets with donor restrictions were $116,388 and $96,753 (of which $50,000 were required to be held in perpetuity), respectively. CST has no net assets without donor restrictions. CST awarded no scholarships for the years ended December 31, 2021 and 2020.

NOTE 14 BUSINESS COMBINATION

On April 1, 2020, the Club acquired Trinity River Mission (TRM) for no cash consideration. TRM's mission of promoting literacy, encouraging success, and developing life skills for the youth in its area is very similar to the Club's. As a result of the acquisition, the Club seeks to further their common mission by integrating their programs and achieving operational and budgetary economies of scale through integrating their services. As part of the acquisition, the Club established an Advisory Council of former TRM board members, and the TRM board and entity were completely dissolved.

In addition to the TRM assets acquired via inherent contribution in the following table, the Club also sublet TRM's facility and a major donor agreed to transfer the remainder TRM's multi-year grant award to the Club.

NOTE 14 BUSINESS COMBINATION (CONTINUED)

The following table summarizes consideration and the amounts of assets acquired and liabilities assumed recognized at the acquisition date.

	TRM
Consideration Received	$ -
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Property, plant, and equipment	249,369
Total identifiable net assets	249,369
Inherent contribution received	(249,369)
Total	$ -

On the statement of activities, the inherent contribution received is recorded as the excess of assets acquired over liabilities assumed in donation of TRM and increases net assets without donor restrictions.

NOTE 15 EMPLOYEE BENEFIT PLAN

The Club has a 401(k) plan for its employees. The plan includes matching contributions by the Club up to 5% of employees' compensation. The Club contributed $94,024 and $80,974 to the plan as of December 31, 2021 and 2020, respectively.

NOTE 16 COMMITMENTS AND CONTINGENCIES

Operating Leases

The Club has entered into several lease agreements for office space and equipment. The following is an estimated future minimum lease payment as of December 31:

Year Ending December 31,	Amount
2022	$ 134,631
2023	126,002
2024	59,465
2025	9
2026	1
Thereafter	5
Total	$ 320,113

Total rent expense was $122,791 and $101,598 for the years ended December 31, 2021 and 2020, respectively.

NOTE 17 CONCENTRATIONS

The Club received approximately 15% and 16% of its support and revenue from The O'Hara Trust during the fiscal years ended December 31, 2021 and 2020, respectively.

Substantially all of the Club's remaining support and revenue are derived from businesses, foundations, and individuals in the Dallas, Texas area.

NOTE 18 ENDOWMENT FUNDS

The Club's endowment consists of three individual funds established by donors for a variety of purposes. The endowment also includes funds designated by the board to function as endowments. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

The board of the Club has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Club retains in perpetuity:

1. The original value of initial gifts donated to the endowment; and
2. The original value of subsequent gifts to the endowment.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Club in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Club considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the funds;
2. The purposes of the donor-restricted endowment funds;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments; and
6. Other resources of the Club.

NOTE 18 ENDOWMENT FUNDS (CONTINUED)

Investment and Spending Policies

The Club has adopted investment and spending policies, approved by the board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. The spending rate shall be 4% for the entire endowment fund based on the market value of the portfolio as of December 31 of that year. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distributions with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, which are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution based on the spending policies below, while growing the funds, if possible. Therefore, the Club expects its endowment assets, over time, to produce an average (nontaxable) rate of return of approximately 7% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Endowment net asset composition by type of fund as of December 31 was as follows:

December 31, 2021	Without Donor Restriction	With Donor Restrictions	Total
Board-Designated Endowment Funds	$ 6,661,124	$ -	$ 6,661,124
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	1,120,736	1,120,736
Accumulated Investment Gains	-	1,862,972	1,862,972
Total	$ 6,661,124	$ 2,983,708	$ 9,644,832

December 31, 2020	Without Donor Restriction	With Donor Restrictions	Total
Board-Designated Endowment Funds	$ 6,099,930	$ -	$ 6,099,930
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	1,120,736	1,120,736
Accumulated Investment Gains	-	1,478,002	1,478,002
Total	$ 6,099,930	$ 2,598,738	$ 8,698,668

NOTE 18 ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets for the years ended December 31 are as follows:

December 31, 2021	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 6,099,930	$ 2,598,738	$ 8,698,668
Investment Return, Net	836,512	302,619	1,139,131
Contributions	-	260,059	260,059
Appropriation of Endowment Assets Pursuant to Donor Restrictions	-	(177,708)	(177,708)
Distribution from Board-Designated Pursuant to Distribution Policy	(275,318)	-	(275,318)
Endowment Net Assets - End of Year	$ 6,661,124	$ 2,983,708	$ 9,644,832
December 31, 2020			
Endowment Net Assets - Beginning of Year	$ 5,576,571	$ 2,422,264	$ 7,998,835
Investment Return, Net	777,495	298,348	1,075,843
Contributions	-	32,000	32,000
Appropriation of Endowment Assets Pursuant to Donor Restrictions	-	(153,874)	(153,874)
Distribution from Board-Designated Pursuant to Distribution Policy	(254,136)	-	(254,136)
Endowment Net Assets - End of Year	$ 6,099,930	$ 2,598,738	$ 8,698,668

NOTE 19 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on the nature of the account and best estimates of time and effort into 12 different programs, as well as management and general, and fundraising expenses. These 12 programs are then consolidated into the three programs reported on the statement of functional expenses.

NOTE 20 PAYCHECK PROTECTION PROGRAM

On April 6, 2020, the Club received a loan from Chase Bank in the amount of $879,490 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for seven months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Loan bears interest at a fixed rate of 1% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Club fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. The amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period from May 1, 2020 to October 15, 2020 is the time that the Club has to spend their PPP Loan funds. On August 18, 2021, the Club was notified by Chase Bank that the SBA authorized forgiveness in the amount of $879,490 and was legally released from the debt.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Club’s financial position.

NOTE 21 REVENUE FROM CARES ACT

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. On November 5, 2021, the Club complied with the conditions of Employee Retention Credit (ERC) funding from Department of Treasury in the amount of $1,160,628 in compliance with the program.

Grants related to this program are classified as other income and grants receivable. The Club recognized $1,160,628 of Revenue from CARES Act and grants receivable related to performance requirements being met and costs being incurred in compliance with the program during the year ended December 31, 2021.

Eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors are subject to review. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Club’s financial position.

NOTE 22 CONTRACT ASSETS, LIABILITIES, AND REVENUE

The following table shows the Club's revenue disaggregated according to the timing of the transfer of goods or services:

	2021	2020
Membership Dues	$ 37,795	$ 24,640
Special Event Sponsorships	65,148	34,328
Program Service Fees	1,296,484	529,804
Total Revenue Recognized Over Time	$ 1,399,427	$ 588,772

The following table shows the Club's contract assets at December 31:

	2021	2020	2019
Accounts Receivable-Program Service Fees	$ 98,319	$ -	$ -

There is no contract revenue recognized at a point in time, and the Club does not have any contract liabilities.

NOTE 23 SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Club has evaluated events and transactions for potential recognition or disclosure through October 18, 2022, the date the consolidated financial statements were available to be issued.