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

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

BOYS & GIRLS CLUB OF GREATER 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, 2022 and 2021, 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, 2022 and 2021, 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 Consolidated 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
November 6, 2023

BOYS & GIRLS CLUB OF GREATER DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,413,452	$ 2,437,859
Prepaid Expenses	121,756	136,955
In-Kind Lease Receivable	3,096,652	1,761,706
Unconditional Promises to Give and Grants Receivable	1,652,917	1,572,522
Accounts Receivable	1,178,398	1,283,323
Total Current Assets	7,463,175	7,192,365
NONCURRENT ASSETS		
Unconditional Promises to Give and Grants Receivable	5,000	20,000
Investments	12,337,949	10,242,067
Property and Equipment, Net	2,869,377	2,794,716
Operating Right-of-Use Asset	299,953	-
Total Noncurrent Assets	15,512,279	13,056,783
Total Assets	$ 22,975,454	$ 20,249,148
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 255,909	$ 291,154
Current Portion Long-Term Debt	100,198	-
Current Lease Liability - Operating	154,087	-
Total Current Liabilities	510,194	291,154
NONCURRENT LIABILITIES		
Long-Term Lease Liability - Operating (Less Current Maturities)	147,468	-
Total Liabilities	657,662	291,154
NET ASSETS		
Without Donor Restrictions	15,005,232	13,560,668
With Donor Restrictions	7,312,560	6,397,326
Total Net Assets	22,317,792	19,957,994
Total Liabilities and Net Assets	$ 22,975,454	$ 20,249,148

See accompanying Notes to Consolidated Financial Statements.

BOYS & GIRLS CLUB OF GREATER DALLAS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions:			
O'Hara Trust	$ -	$ 1,488,039	$ 1,488,039
Other Contributions	7,113,863	546,587	7,660,450
Special Events (Net of Direct Expenses of $141,501)	321,625	-	321,625
Investment Income	(1,011,764)	(528,217)	(1,539,981)
Membership Dues	28,880	-	28,880
Program Service Fees	901,742	-	901,742
Contributions of Nonfinancial Assets	1,204,539	1,334,946	2,539,485
Other Income	3,107	-	3,107
Net Assets Released from Restrictions	1,926,121	(1,926,121)	-
Total Support and Revenue	10,488,113	915,234	11,403,347
EXPENSES			
Program Services:			
Character and Leadership Development	2,646,747	-	2,646,747
Education and Career Development	2,860,822	-	2,860,822
Health and Life Skills	2,093,852	-	2,093,852
Total Program Services	7,601,421	-	7,601,421
Support Services:			
Management and General	1,173,833	-	1,173,833
Fundraising	268,295	-	268,295
Total Support Services	1,442,128	-	1,442,128
Total Expenses	9,043,549	-	9,043,549
CHANGE IN NET ASSETS	1,444,564	915,234	2,359,798
Net Assets - Beginning of Year	13,560,668	6,397,326	19,957,994
NET ASSETS - END OF YEAR	$ 15,005,232	$ 7,312,560	$ 22,317,792

See accompanying Notes to Consolidated Financial Statements.

BOYS & GIRLS CLUB OF GREATER 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
Contributions of Nonfinancial Assets	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, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	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	$ 1,414,266	$ 1,582,720	$ 1,052,222	$ 4,049,208	$ 640,636	$ 163,366	$ 804,002	$ 4,853,210
Employee Benefits	170,225	190,500	126,649	487,374	77,109	19,662	96,771	584,145
Payroll Taxes	103,487	115,813	76,996	296,296	46,877	11,954	58,831	355,127
Total Personnel Costs	1,687,978	1,889,034	1,255,866	4,832,878	764,622	194,982	959,604	5,792,482
Professional Fees	26,408	20,266	18,389	65,064	59,109	3,828	62,937	128,001
Supplies	97,933	110,106	57,126	265,165	26,445	5,986	32,431	297,596
Telephone	16,020	14,788	18,112	48,920	17,915	2,067	19,982	68,902
Postage and Shipping	1,870	1,780	1,169	4,819	2,659	831	3,490	8,309
Occupancy	648,074	591,494	435,865	1,675,432	66,530	3,112	69,642	1,745,074
Printing	68	62	36	166	3,588	5,672	9,260	9,426
Local Transportation	18,813	43,586	79,449	141,848	17,424	5,130	22,554	164,402
Conferences and Training	15,289	13,505	9,428	38,222	10,192	2,548	12,740	50,962
Subscriptions	3,473	202	987	4,662	3	5,885	5,888	10,550
Assistance to Individuals	-	275	-	275	-	-	-	275
Membership Dues	4,209	4,172	1,719	10,100	1,122	-	1,122	11,222
Awards and Grants	22,890	56,270	18,941	98,101	8,249	4,949	13,198	111,299
Equipment Rental and Maintenance	11,408	9,660	127,810	148,879	102,789	23,976	126,765	275,644
Miscellaneous	6,046	8,364	1,713	16,123	52,805	-	52,805	68,928
Event Expenses	-	-	-	-	-	141,501	141,501	141,501
National Dues	6,751	6,695	2,759	16,204	1,800	-	1,800	18,004
Expenses Before Depreciation	2,567,229	2,770,259	2,029,369	7,366,858	1,135,253	400,467	1,535,719	8,902,577
Depreciation	79,518	90,563	64,483	234,564	38,581	9,329	47,909	282,473
Subtotal	2,646,747	2,860,822	2,093,852	7,601,421	1,173,833	409,796	1,583,629	9,185,050
Less: Expenses Netted Against Revenues on the Statement of Activities:								
Special Event Expenses	-	-	-	-	-	(141,501)	(141,501)	(141,501)
Total Expenses	$ 2,646,747	$ 2,860,822	$ 2,093,852	$ 7,601,421	$ 1,173,833	$ 268,295	$ 1,442,128	$ 9,043,549

BOYS & GIRLS CLUB OF GREATER 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, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 2,359,798	$ 2,713,930
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	282,473	629,975
Noncash Lease Expense	1,602	-
Forgiveness of Paycheck Protection Program Loan	-	(879,490)
Net Realized and Unrealized (Gain) Loss on Investments	1,780,345	(784,532)
In-Kind Lease Receivable	(1,334,946)	242,777
Net Change in:		
Prepaid Expenses	15,199	(90,460)
Unconditional Promises to Give and Grants Receivable	(65,395)	243,383
Accounts Receivable	104,925	(1,283,323)
Accounts Payable and Accrued Expenses	(35,245)	115,710
Net Cash Provided by Operating Activities	3,108,756	907,970
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(357,134)	(199,131)
Purchase of Investments	(22,099,085)	(3,134,614)
Proceeds from Sale or Maturities of Investments	18,222,858	2,059,853
Net Cash Used by Investing Activities	(4,233,361)	(1,273,892)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Note Payable	100,198	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,024,407)	(365,922)
Cash and Cash Equivalents - Beginning of Year	2,437,859	2,803,781
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,413,452	$ 2,437,859
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
In-Kind Lease Revenue and Expense on Month-to-Month Leases	$ 502,025	$ 206,531
In-Kind Lease Revenue on Long-Term Lease Agreements	$ 1,893,645	$ -
In-Kind Lease Expense on Long-Term Lease Agreements	$ 558,699	$ 242,777

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 ORGANIZATION

Boys & Girls Club of Greater Dallas, Inc. and Affiliates (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. Recently, the Club has been focused on helping young people during the aftermath of the pandemic. For example, after nearly two years of learning and social disruptions caused by Covid, many children and teenagers are lagging behind academically and grappling with various mental health issues, including anxiety and depression.

To address this critical situation, the Club has taken proactive measures. Firstly, we have enhanced our academic programs, offering additional support such as tutoring, literacy interventions, and homework assistance. Secondly, we've expanded opportunities for young people to engage in positive and emotionally nurturing environments. Kids now have access to additional mentorship programs, the chance to participate in sports teams again, and the opportunity to attend a new summer camp that emphasizes social connections and character development.

As a result of these efforts, starting in 2022, we've witnessed a significant uptick in demand for our services, with a sharp increase in the number of children enrolling in our programs.

Boys Clubs of Dallas, Inc. Foundation (BCDF) 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 BCDF and CST are considered, for financial reporting purposes, to be under the control of the Club's board of directors (board). The Club, BCDF and CST are hereinafter collectively referred to as the Club.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Club prepares its consolidated 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, BGCF 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, 2022 and 2021. 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 $2,500 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, 2022 and 2021, the Club has $-0- and $435,000, 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.

Special Event Revenue

Sponsorships are compromised of an exchange element based on the value of benefits provided, and a contribution element for the difference of the total sponsorship paid and the exchange element. The portion of sponsorship revenue that relates to commensurate value the sponsor received in return is recognized as performance obligations are met. Special fundraising event revenue consisted of the following for the years ended December 31:

	2022	2021
Contribution Revenue	$ 391,971	$ 617,686
Exchange Revenue	71,155	67,264
Total Special Fundraising Event Revenue	$ 463,126	$ 684,950

Contributions of Nonfinancial Assets

Donated goods are recognized as revenue at their estimated fair value during the period received. Donated services are recognized as revenue at their estimated fair value, if both of the following criteria are met: the services require special skills and the services are provided by individuals possessing those skills; and the services would typically need to be purchased, if not donated. Although the Club may utilize the services of outside volunteers, the fair value of these services has not been recognized in the accompanying consolidated financial statements since they do not meet the criteria for recognition under U.S. GAAP.

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 2022 and 2021 has been calculated based on similar rental rates and included in contributions of nonfinancial assets on the consolidated statements of activities. No in-kind lease receivable has been recognized because of the short-term nature of these agreements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases

The Club determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the consolidated statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the consolidated statements of financial position.

ROU assets represent the Club’s right to use an underlying asset for the lease term and lease liabilities represent the Club’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Club uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Club will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Club has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense is incurred and these leases are not included as lease liabilities or right-of-use assets on the consolidated statements of financial position. The Club has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Club's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Club use rates implicit in the lease, or if not readily available, a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Adoption of Accounting Pronouncements

Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This standard requires that contributed nonfinancial assets are reported on a separate line item in the statements of activities, apart from contributions of cash and other financial assets. It also requires disclosure of disaggregated amounts of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets along with additional qualitative information about the monetization of such assets, donor restrictions and valuation techniques. The adoption of this standard did not have any significant impact on the accompanying consolidated financial statements or disclosures.

Leases

In February 2016, FASB) issued ASU 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Club adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available.

The Club has elected to adopt the package of practical expedients available in the year of adoption. The Club has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Club' ROU assets.

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 consolidated statement of financial position date, comprise the following:1

	2022	2021
Cash and Cash Equivalents	$ 1,413,452	$ 2,437,859
Unconditional Promises to Give and Grants Receivable	1,652,917	1,572,522
Accounts Receivable	1,178,398	1,283,323
Board-Designated Endowment Distribution	208,519	266,445
Less: Donor Restricted Net Assets	(239,249)	(59,390)
Total Assets Available for General Expenditures in the next 12 months	$ 4,214,037	$ 5,500,759

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 $5,212,964 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:

	2022	2021
Government Bond Funds	$ 30,682	$ 33,513
Equity Funds	3,552,935	4,880,373
Fixed Income Funds	664,006	1,490,923
Corporate Bonds	6,675,928	2,002,076
Specialty Funds	449,460	405,684
Alternative Investments	964,938	1,429,498
Total Investments	$ 12,337,949	$ 10,242,067

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.

NOTE 4 INVESTMENTS (CONTINUED)

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.

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.

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

2022	Level 1	Level 2	Level 3	Total
Bond Funds	$ 30,682	$ -	$ -	$ 30,682
Equity Funds	3,552,935	-	-	3,552,935
Fixed Income Funds	664,006	-	-	664,006
Specialty Funds	449,460	-	-	449,460
Bonds	-	6,675,928	-	6,675,928
Total	$ 4,697,083	$ 6,675,928	$ -	11,373,011
Alternative Investments - Valued at Net Asset Value				964,938
Total Investments				$ 12,337,949

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

Net Asset Value

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

2022	Net Asset Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Alternative Investments	$ 964,938	-	Daily	30 - 60 Days

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

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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 consolidated 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 risk-free rate at the date of inception, ranging from 1.72% to 4.5%. 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, 2022:

Year Ending December 31,	Amount
2023	$ 552,299
2024	526,383
2025	411,503
2026	272,229
2027	267,583
Thereafter	1,066,655
Total	$ 3,096,652

Total in-kind lease expense was $1,060,724 and $449,308 for the years ended December 31, 2022 and 2021, respectively.

NOTE 7 UNCONDITIONAL PROMISES TO GIVE

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

	2022	2021
Without Donor Restrictions:		
General Operations	$ 169,878	$ 97,917
Total Without Donor Restrictions	169,878	97,917
With Donor Restrictions:		
O'Hara Trust	1,488,039	1,494,605
Total With Donor Restrictions	1,488,039	1,494,605
Total Unconditional Promises to Give	$ 1,652,917	$ 1,572,522

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:

	2022	2021
Amounts Due in:		
Less than One Year	$ 1,652,917	$ 1,572,522
One to Five Years	5,000	20,000
Pledges Receivable, Gross	$ 1,657,917	$ 1,592,522

NOTE 8 PROPERTY AND EQUIPMENT

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

	2022	2021
Land	$ 345,435	$ 345,435
Buildings and Improvements	7,170,990	6,932,296
Furniture and Equipment	3,387,193	3,268,753
Transportation Equipment	1,027,997	1,027,997
Total Property and Equipment	11,931,615	11,574,481
Less: Accumulated Depreciation and Amortization	(9,062,238)	(8,779,765)
Property and Equipment, Net	$ 2,869,377	$ 2,794,716

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 (8.62% at December 31, 2022). The line of credit is secured by the assets of the Club. The outstanding balance on the line of credit was $100,198 and $-0- at December 31, 2022 and 2021, respectively. 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:

	2022	2021
Without Donor Restrictions:		
Undesignated Net Assets	$ 6,922,891	$ 4,104,828
Board-Designated Endowment	5,212,964	6,661,124
Property and Equipment	2,869,377	2,794,716
Total Without Donor Restrictions	15,005,232	13,560,668
With Donor Restrictions:		
Subject to Expenditure for Specified Purpose:		
Capital	56,684	21,864
Scholarships	126,871	37,526
Academic Success	14,695	-
Programs	39,999	-
Supplies	1,000	-
Total	239,249	59,390
Subject to the Passage of Time:		
In-Kind Lease Receivable	3,096,652	1,761,706
O'Hara Trust	1,488,039	1,494,372
Other Donors	169,878	98,150
Total	4,754,569	3,354,228
Endowments:		
Subject to Appropriation and Expenditure When a Specified Event Occurs:		
Restricted by Donors for:		
Capital Asset Acquisitions	41,722	262,420
Creative Arts	318,640	251,106
Scholarships	837,644	1,349,446
Total	1,198,006	1,862,972
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
Total	1,120,736	1,120,736
Total With Donor Restrictions	7,312,560	6,397,326
Total Net Assets	$ 22,317,792	$ 19,957,994

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:

	2022	2021
Time Restrictions Expired - Operations:		
United Way of Metropolitan Dallas	$ -	$ 209,250
O'Hara Trust	1,494,372	1,426,764
Other Donors	-	234,369
Donor Restrictions Expired - Operations:		
Alternative Investment	50,323	82,252
In-Kind Lease Expense	-	242,777
Capital	260,698	2,496
Grants	120,728	50,744
Scholarships	-	12,474
College STEPS	-	50,000
UPS Road Code	-	7,000
Academic Success	-	6,250
Learning Centers and Wi-Fi for Two 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	$ 1,926,121	$ 2,504,141

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 $1,488,039 and $1,494,372 as of December 31, 2022 and 2021, 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 CLUBS OF DALLAS, INC. FOUNDATION

In 1985, BGCF was incorporated to benefit Boys & Girls Clubs of Greater Dallas, Inc. As of December 31, 2022 and 2021, the BGCF had net assets of $7,296,899 and $9,142,085 (of which $1,070,736 was restricted in perpetuity), respectively. Boys & Girls Clubs of Greater Dallas, Inc. received contributions from BGCF of $318,641 and $333,357 for the years ended December 31, 2022 and 2021, 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 BGCF are eliminated upon consolidation.

BGCF received no contributions from the Club for the years ended December 31, 2022 and 2021. BGCF paid the Club $-0- and $12,000, respectively, for the years ended December 31, 2022 and 2021 for administrative functions. Contributions from and payments to the Club are eliminated upon consolidation.

BGCF's net assets without donor restrictions are classified as net assets with donor restrictions in the accompanying consolidated financial statements until the BGCF'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, 2022 and 2021, CST's net assets with donor restrictions were $91,288 and $116,338 (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, 2022 and 2021.

NOTE 14 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 $79,558 and $94,024 to the plan as of December 31, 2022 and 2021, respectively.

NOTE 15 LEASES – ASC 842

The Club leases office space and equipment for various terms under a long-term, noncancelable lease agreement. The leases expire in 2027. In the normal course of business, it is expected that this lease will be renewed or replaced by a similar lease.

The following table provides quantitative information concerning the Club's leases at December 31, 2022:

Lease Costs:		
Operating Lease Costs	$	120,714
Short-Term Lease Costs		14,400
Total Lease Costs	$	135,114
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flow from Operating Leases	$	119,114
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$	417,772
Weighted-Average Remaining Lease Term - Operating Leases		2.6 Years
Weighted-Average Discount Rate - Operating		2.34%

The Club classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2022, is as follows:

Year Ending December 31,		Operating Leases
2023	$	159,554
2024		89,877
2025		22,568
2026		22,568
2027		18,807
Thereafter		-
Total Lease Payments		313,374
Less: Imputed Interest		(11,819)
Present Value of Lease Liabilities	$	301,555

NOTE 16 OPERATING LEASE AGREEMENTS – ASC 840

The Club elected to apply the provisions of FASB ASC 842 to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in FASB ASC 840.

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

Rent expense totaled $122,791 for the year ended December 31, 2021.

NOTE 17 CONCENTRATIONS

For the year ended December 31, 2022, approximately 55% of its support and revenue was from two donors. For the year ended December 31, 2021, approximately 15% of its support and revenue was from one donor.

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. GAAP, 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 directors 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.

NOTE 18 ENDOWMENT FUNDS (CONTINUED)

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:

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

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, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	$ 5,212,964	$ -	$ 5,212,964
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	-	1,200,149	1,200,149
Total	$ 5,212,964	$ 2,320,885	$ 7,533,849

NOTE 18 ENDOWMENT FUNDS (CONTINUED)

December 31, 2021	Without Donor Restrictions	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

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

December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 6,661,124	$ 2,983,708	$ 9,644,832
Investment Return, Net	(1,045,571)	(526,074)	(1,571,645)
Contributions	-	295,000	295,000
Appropriation of Endowment Assets Pursuant to Donor Restrictions	-	(431,749)	(431,749)
Distribution from Board-Designated Pursuant to Distribution Policy	(402,589)	-	(402,589)
Endowment Net Assets - End of Year	$ 5,212,964	$ 2,320,885	$ 7,533,849
December 31, 2021			
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

NOTE 19 FUNCTIONALIZED EXPENSES

The consolidated 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 consolidated statements 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.

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:

	2022	2021
Membership Dues	$ 28,880	$ 37,795
Program Service Fees	901,742	1,296,484
Total Revenue Recognized Over Time	$ 930,622	$ 1,334,279

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

	2022	2021	2020
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 RELATED PARTY TRANSACTIONS

The Club received $89,225 and $63,313 in contributions from board members for the years ended December 31, 2022 and 2021, respectively.

NOTE 24 CONTRIBUTIONS OF NONFINANCIAL ASSETS

Donated goods totaled $2,539,485 and $420,834 for the years ended December 31, 2022 and 2021, respectively. All donated goods are used by the Club, not monetized, and did not have donor-imposed restrictions associated with them. The Club estimates the fair value of donated goods such as recreation/education equipment, donated space, and other supplies using estimated retail prices of identical or similar products. The Club received the following contributions of goods for the years ended December 31:

	2022	2021
Goods:		
Recreation/education	$ 70,175	$ 31,715
Miscellaneous	33,640	11,800
Building Maintenance	35,000	55,000
Sports Equipment	5,000	-
Medical supplies	-	91,788
IT Supplies	-	24,000
Donated Space	2,395,670	206,531
Total Contributed Nonfinancial Assets	$ 2,539,485	$ 420,834

NOTE 25 SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Club has evaluated events and transactions for potential recognition or disclosure through November 6, 2023, the date the consolidated financial statements were available to be issued.