BOYS &GIRLS CLUBS OF GREATER WASHINGTON, INC AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

BOYS & GIRLS CLUBS OF GREATER WASHINGTON, INC. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Boys & Girls Clubs of Greater Washington, Inc. and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of Boys & Girls Clubs of Greater Washington, Inc. and Affiliate (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 Clubs of Greater Washington, Inc. and Affiliate as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Consolidated Financial Statements

The consolidated financial statements of Boys & Girls Clubs of Greater Washington, Inc. and Affiliate as of and for the year ended December 31,2020, were audited by other auditors whose report dated March 22, 2022, expressed an unmodified opinion on those state.

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 the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor’s 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 auditor’s 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 the Organization's 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 the Organization's 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental information on pages 28 and 29 for the year ended December 31, 2021 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Calibre CPA Group, PLLC

Bethesda, MD
July 22, 2022

BOYS & GIRLS CLUBS OF GREATER WASHINGTON, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021	2020
Assets		
Assets		
Cash and cash equivalents	$ 5,228,413	$ 5,163,197
Restricted cash	230,000	230,000
Investments	2,444,196	1,887,192
Promises to give, net of allowance	1,309,739	40,000
Accounts receivable	310,884	365,058
Deposits and other assets	117,577	133,156
Lease asset	2,390,260	2,420,692
Beneficial interest in perpetual trusts	1,181,129	1,100,668
Property and equipment, net	11,169,819	10,797,031
Total assets	$ 24,382,017	$ 22,136,994
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 391,844	$ 529,148
Accrued salaries and vacation	580,478	328,225
Refundable advances - grants	671,547	604,502
Refundable advance - Paycheck Protection Program	1,320,600	1,320,600
Deferred revenue	50,000	10,000
Economic Injury Disaster loan payable	500,000	500,000
Notes paybable	1,218,881	1,390,584
Total liabilities	4,733,350	4,683,059
Commitments and contigencies (Note 16)		
Net assets		
Without donor restrictions	15,919,121	14,797,567
With donor restrictions	3,729,546	2,656,368
Total net assets	19,648,667	17,453,935
Total liabilities and net assets	$ 24,382,017	$ 22,136,994

See accompanying notes to consolidated financial statements.

BOYS & GIRLS CLUBS OF GREATER WASHINGTON, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Activities without donor restrictions		
Revenue and support		
Special events	$ 1,668,417	$ 1,531,328
Costs of direct benefits to donors	(177,139)	(135,049)
Special events, net	1,491,278	1,396,279
Contributions	7,096,787	5,958,820
Program service fees	980,392	597,842
Government grants	1,725,364	1,828,661
Rental and other income	62,070	245,858
Membership dues	59,163	39,302
Investment income, net	359,846	128,917
Net assets released from restrictions	490,313	1,082,723
Total revenue and support	12,265,213	11,278,402
Expenses		
Program services		
Camps	4,638,257	2,473,749
Child care	1,447,708	4,260,236
After school	1,919,277	348,694
Supporting services		
Management and general	2,058,408	2,067,621
Fundraising	1,080,009	849,567
Total expenses	11,143,659	9,999,867
Change in net assets without donor restrictions	1,121,554	1,278,535
Activities with donor restrictions		
Contributions	1,498,569	1,885,738
Investment income, net	64,922	87,318
Net assets released from restrictions	(490,313)	(1,082,723)
Change in net assets with donor restrictions	1,073,178	890,333
Change in net assets	2,194,732	2,168,868
Net assets		
Beginning of year	17,453,935	15,285,067
End of year	$ 19,648,667	$ 17,453,935

See accompanying notes to consolidated financial statements.

BOYS & GIRLS CLUBS OF GREATER WASHINGTON, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	2021								
	Program Services					Supporting Services			
	BGCBW								
	Camps	Child Care	After School	Foundation	Subtotal	Management and General	Fundraising	Subtotal	Total Expenses
Salaries	$ 2,415,014	$ 749,487	$ 999,316	$ -	$ 4,163,817	$ 1,162,894	$ 586,240	$ 1,749,134	$ 5,912,951
Employee benefits	312,990	97,135	129,513	-	539,638	150,713	75,978	226,691	766,329
Payroll taxes	199,812	62,011	82,681	-	344,504	48,986	39,063	88,049	432,553
Total salaries and related	2,927,816	908,633	1,211,510	-	5,047,959	1,362,593	701,281	2,063,874	7,111,833
Professional fees	219,213	68,031	90,709	-	377,953	377,679	259,857	637,536	1,015,489
Occupancy	705,252	227,120	291,828	-	1,224,200	43,051	2,266	45,317	1,269,517
Travel	70,042	21,737	28,983	-	120,762	3,558	695	4,253	125,015
Supplies	129,521	40,196	53,595	-	223,312	6,710	8,077	14,787	238,099
Interest	23,651	7,340	9,786	-	40,777	-	-	-	40,777
Telephone	112,257	34,838	46,451	-	193,546	85,928	61,404	147,332	340,878
Bank and other related fees	593	184	245	-	1,022	100,779	18,221	119,000	120,022
Training, conferences and meetings	9,227	2,864	3,818	-	15,909	2,668	-	2,668	18,577
Miscellaneous	-	-	-	-	-	(273)	-	(273)	(273)
Registration fees and trophies/awards	6,189	1,921	2,561	-	10,671	1,122	-	1,122	11,793
Printing and publications	4,261	1,322	1,763	-	7,346	4,527	19,722	24,249	31,595
Clothing	11,905	3,695	4,926	-	20,526	-	-	-	20,526
Postage and shipping	1,914	594	792	-	3,300	29	2,212	2,241	5,541
Scholarships	1,160	360	480	-	2,000	-	6,274	6,274	8,274
Fines and penalties	412	128	170	-	710	16,587	-	16,587	17,297
Depreciation	414,844	128,745	171,660	-	715,249	53,450	-	53,450	768,699
Total expenses 2021	$ 4,638,257	$ 1,447,708	$ 1,919,277	$ -	$ 8,005,242	$ 2,058,408	$ 1,080,009	$ 3,138,417	$ 11,143,659

See accompanying notes to consolidated financial statements.

BOYS & GIRLS CLUBS OF GREATER WASHINGTON, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	2020								
	Program Services					Supporting Services			
		BGCBW							
	Camps	Child Care	After School	Foundation	Subtotal	Management and General	Fundraising	Subtotal	Total Expenses
Salaries	$ 1,309,865	$ 2,311,840	$ 184,636	$ -	$ 3,806,341	$ 996,621	$ 539,688	$ 1,536,309	$ 5,342,650
Employee benefits	190,603	336,405	26,867	-	553,875	149,607	78,532	228,139	782,014
Payroll taxes	97,217	171,583	13,703	-	282,503	45,049	36,305	81,354	363,857
Total salaries and related	1,597,685	2,819,828	225,206	-	4,642,719	1,191,277	654,525	1,845,802	6,488,521
Professional fees	138,322	138,336	19,498	-	296,156	319,581	138,111	457,692	753,848
Occupancy	323,301	570,609	45,572	-	939,482	325,285	-	325,285	1,264,767
Travel	23,071	40,719	3,252	-	67,042	1,682	413	2,095	69,137
Supplies	42,282	74,625	5,960	-	122,867	5,709	584	6,293	129,160
Interest	29,077	51,319	4,099	-	84,495	-	-	-	84,495
Telephone	35,766	63,125	5,042	-	103,933	110,022	23,196	133,218	237,151
Bank and other related fees	17,322	30,573	2,441	-	50,336	46,282	9,477	55,759	106,095
Training, conferences and meetings	3,547	6,260	500	-	10,307	2,098	567	2,665	12,972
Miscellaneous	-	-	-	-	-	14,009	14	14,023	14,023
Registration fees and trophies/awards	4,094	7,225	577	-	11,896	2,831	-	2,831	14,727
Printing and publications	1,433	2,529	202	-	4,164	5,080	19,616	24,696	28,860
Clothing	8,352	14,741	1,177	-	24,270	-	-	-	24,270
Postage and shipping	14	24	2	-	40	9	64	73	113
Scholarships	2,831	4,996	399	-	8,226	600	3,000	3,600	11,826
Fines and penalties	220	388	31	-	639	11,963	-	11,963	12,602
Depreciation	246,432	434,939	34,736	-	716,107	31,193	-	31,193	747,300
Total expenses 2020	$ 2,473,749	$ 4,260,236	$ 348,694	$ -	$ 7,082,679	$ 2,067,621	$ 849,567	$ 2,917,188	$ 9,999,867

See accompanying notes to consolidated financial statements.

BOYS & GIRLS CLUBS OF GREATER WASHINGTON, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 2,194,732	$ 2,168,868
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized and unrealized gain on investments	(408,458)	(202,161)
Amortization of lease asset	30,432	30,432
Depreciation	768,698	747,300
Donated securities not immediately liquidated	-	(449,134)
Donated property and equipment	(947,320)	(236,830)
Beneficial interest in perpetual trusts	(80,461)	(1,100,668)
Changes in net assets and liabilities		
(Increase) decrease in		
Promises to give	(1,269,739)	525,000
Receivables	54,174	428,870
Deposits and other assets	15,579	(12,149)
Increase (decrease) in		
Accounts payable	(137,304)	(430,708)
Accrued salaries and vacation	252,253	(41,862)
Refundable advances - grants	67,045	515,047
Refundable advance - PPP loans	-	1,320,600
Deferred revenue	40,000	-
Net cash provided by operating activities	579,631	3,262,605
Cash flows from investing activities		
Purchases of investments	(148,546)	(176,001)
Sales of investments	-	125,247
Purchases of property and equipment	(194,166)	(174,702)
Net cash used in investing activities	(342,712)	(225,456)
Cash flows from financing activities		
Proceeds from economic injury disaster loan	-	500,000
Principal payments on notes payable	(171,703)	(188,666)
Net cash provided by (used for) financing activities	(171,703)	311,334

See accompanying notes to financial statements.

BOYS & GIRLS CLUBS OF GREATER WASHINGTON, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Net change in cash, cash equivalents and restricted cash	$ 65,216	$ 3,348,483
Cash, cash equivalents and restricted cash:		
Beginning of year	5,393,197	2,044,714
Cash and cash equivalents	5,228,413	5,163,197
Restricted cash	230,000	230,000
End of year	$ 5,458,413	$ 5,393,197
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 40,777	$ 84,495
Donated property and equipment	$ 947,320	$ 236,830
Donated stock	$ -	$ 510,706

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Boys & Girls Clubs of Greater Washington, Inc. and Affiliate (collectively, the Organization) is comprised of two entities: Boys & Girls Clubs of Greater Washington. Inc. (BGCGW) and Boys & Girls Clubs of Greater Washington Foundation (Foundation). BGCGW is a District of Columbia nonprofit organization, incorporated in 1886, which is committed to helping youth of all backgrounds, with emphasis on at-risk youth, to develop the qualities needed to become productive, civic-minded and responsible citizens and leaders.

The Foundation is a District of Columbia nonprofit organization, incorporated in 1945, which is devoted to the promotion and support of BGCGW and its various individual clubs.

Clubs: BGCGW provides services at various sites in the following Washington, D.C. metropolitan areas.

District of Columbia	Maryland	Virginia	Total
4	4	7	15

Program Services: The Organization provides programming to youth in three settings: childcare, camps, and after school. The following five core developmental areas are included in each of the three program service area settings.

Education and Career Development: A top priority in all clubs, programs in this core area help members succeed in school and apply their knowledge and skills to daily challenges. Through activities that are educational and engaging, club members gain the strength they need to achieve their goals.

Character and Leadership Development: Empowering youth to become leaders, the Organization provides opportunities for members to sustain meaningful relationships, develop a positive self- image, participate in the democratic process, and respect their own and others' cultural identities.

The Arts: Youth who are engaged in arts programs do better in school and in their personal lives. Participation in the Arts promotes self-expression and young people gain the confidence, self-esteem, and motivation needed to reach their full potential.

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS (CONTINUED)

Health and Life Skills: Today's youth face overwhelming obstacles that affect their health and well- being. The Organization gives them the tools and the strength to engage in positive behaviors and good decision-making. Programs focus on building self-esteem, and deal with drug and violence prevention, teen pregnancy and disease prevention, fitness and wellness. The Organization helps club members set personal goals and establish a foundation to live as self-sufficient, healthy and wise adults.

Sports, Fitness and Recreation: The Organization sports programming gives members a way to channel their energy and enjoy opportunities to play in a safe environment. Through sports, children learn teamwork, leadership and responsibility. They experience the rewards of hard work, develop a love for sports and exercise and learn the benefits of friendly competition. Through recreational games, youth elevate their self-esteem and learn the importance of balancing serious and fun activities. Field trips and specialty programs provide members with opportunities to try something entirely new or different, or to gain more experiences in a specific area.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of BGCGW and the Foundation. All significant intercompany balances and transactions have been eliminated in the consolidation.

Consolidated Financial Statement Presentation: Consolidated Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Not-for-Profit Entities - Presentation of Financial Statements*. Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets - net assets without donor restrictions and net assets with donor restrictions:

Net assets without donor restrictions - These net assets are available to finance the general operations of the Organization. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its organizing documents.

Net assets with donor restrictions - These net assets result from contributions and other inflows of assets, the use of which by the Organization is limited by donor-imposed time or purpose restrictions that may be either temporary or perpetual.

Cash and Cash Equivalents: The Organization considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash and cash equivalents. Cash and cash equivalents held in investment portfolios are classified as investments.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash: Restricted cash relates to the lending bank's requirement for the notes payable that the Organization maintain a segregated cash account in the amount of $230,000 at both December 31, 2021 and 2020, in accordance with the terms of the notes payable agreements.

Financial Risk: The Organization maintains cash in bank deposit accounts which, at times, may exceed federally-insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant financial risk on cash.

The Organization invests in a professionally managed portfolio that contains money market funds, common stocks and mutual funds. Such investments are exposed to various risk, such as market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Investments: Investments in marketable equity and debt securities are reflected at fair value. To adjust the carrying value of these investments, the change in fair value is recorded as a component of investment income or loss in the consolidated statements of activities.

Receivables: Receivables are carried at original invoice or claim amounts, less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Management believes receivables are fully collectible and thus has not recorded an allowance for doubtful receivables for the years ended December 31, 2021 and 2020.

Promises to Give: Contributions are recognized when the donor makes a gift or written promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Management believes promises to give are fully collectible and thus has not recorded an allowance for doubtful receivables for the years ended December 31, 2021 and 2020.

Beneficial Interest in a Perpetual Trust: Irrevocable trusts held by third parties are recorded as donor restricted support in the year the assets are placed in trust, or the Organization is made aware of its existence. Annual distributions from the trust are recorded as investment income as a component of net assets without donor restrictions. The change in balance from year to year is recorded as a component of net assets with donor restrictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment: Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the related asset, ranging from 3 to 50 years. Normal repairs and maintenance are expensed as incurred. The Organization capitalizes all property and equipment purchased with a cost of $3,000 or more.

Valuation of Long-Lived Assets: The Organization accounts for the subsequent measurement of certain long-lived assets in accordance with subsections of the FASB ASC Topic, *Property, Plant and Equipment*, that address impairment or disposal of long-lived assets. The accounting standard requires that property, plant and equipment, and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Revenue Recognition: Revenue is derived from both exchange transactions and contribution transactions. Revenue from exchange transactions is recognized when control of promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. All services are transferred at a point in time. Payments are generally required in advance and are reported as deferred revenue until the related revenue is recognized.

Contributions: Unconditional contributions are recognized upon receipt of cash or other assets, or when a donor promises to transfer cash or other assets in the future. Contribution revenue is recorded as increases in net assets without donor restrictions, unless their use is limited by time or donor-imposed restrictions. Contributions received and spent in the same year are included as net assets without donor restrictions.

Conditional contributions, which can include certain government and foundation grants, are recognized when donor-imposed conditions are met. These revenues are subject to right of return if funds are not spent and also have barriers that must be met in order to be entitled to the funds. Most conditional grants are recognized as qualifying expenditures are incurred. Accordingly, amounts received, but not yet recognized as revenue, are classified as refundable advance in the consolidated statements of financial position. There are $671,547 and $604,502 of additional revenues to be earned on various conditional grants as of December 31, 2021 and 2020, respectively.

Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Generally, it is BGCGW's policy to liquidate donated securities immediately.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Exchange Transactions: The Organization's revenue streams from contracts with customers are comprised of special event revenue and program service fees. All of the Organization's revenue under contracts with customers is earned in the United States and the customers consist of the families of child members. The Organization's revenue is recognized when a given performance obligation is satisfied at a point in time when the service is provided. Deferred revenue represents fees collected in advance for services to be provided in the next fiscal year.

Contract Balances: The timing of billings, cash collections, and revenue recognition result in contract assets and contract liabilities associated with revenue from exchange transactions. Contract assets consist entirely of trade accounts receivable, which are recognized only to the extent it is probable that the Organization will collect substantially all of the consideration to which the Organization is entitled in exchange for the goods or services that will be or have been transferred. The Organization did not have any contract assets at December 31, 2021 and 2020. Contract liabilities consist entirely of deferred revenue that results when the Organization receives advance payments from its customers before revenue is recognized. Balances in these accounts as of the beginning and end of the years ended December 31, 2021 and 2020 are as follows:

	2021	2020	2019
Deferred revenue			
Special event	$ 50,000	$ 10,000	$ -

Special Event Revenue: Revenue and support from special events are typically comprised of two parts: an exchange component (for value received) and a non-exchange component (contribution). The exchange component is recognized at the time goods and/or services are provided. The contribution component is recognized consistent with the Organization's revenue policy for contribution income. Typically, the non-exchange component is determined to be conditional support and recognized as conditions are met associated with the special event.

Costs of Direct Benefits to Donors: Costs of direct benefits to donors include: (1) the venue, entertainment, and refreshments provided to participants at major fund-raising dinners and (2) the refreshments or other items provided to participants at other fund-raising events.

Functional Allocation of Expense: The costs of providing program and supporting services activities have been summarized on a functional basis in the consolidated financial statements. Accordingly, certain costs have been allocated among the program and supporting services benefited. Costs related to a specific functional entity are charged directly to that activity. However, other management and general costs are allocated among the program and supporting services benefits based on management's best estimates. In particular, employee benefits are allocated based on employee time and effort. Occupancy costs are allocated based on the percentage of square footage for the respective sites.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Reclassifications: Certain items in the December 31, 2020 comparative information have been reclassified to conform to the December 31, 2021 consolidated financial statement presentation. The reclassifications had no effect on the previously reported change in net assets or net assets.

NOTE 3. TAX STATUS

BGCGW and the Foundation are both tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) and are not considered to be a private foundation. Both entities are exempt from federal taxes on income other than unrelated business income. The Organization did not have any net unrelated business income for the years ended December 31, 2021 and 2020.

The Organization follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods.

The Organization files income tax returns in the U.S. federal jurisdiction. As of December 31, 2021 and 2020, there were no material unrecognized/derecognized tax benefits or tax penalties or interest. Generally, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2018.

NOTE 4. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated balance sheets date, comprise the following:

	2021	2020
Cash and cash equivalents	$ 5,228,413	$ 5,163,197
Investments	2,444,196	1,887,192
Promises to give, net	1,309,739	40,000
Accounts receivable	310,884	365,058
Total financial assets available	9,293,232	7,455,447
Donor restricted net assets not available within one year		
Restricted cash	230,000	230,000
Grants receivable in more than one year	814,148	-
Refundable advances - grants	671,547	604,502
Deferred compensation investments	78,594	45,116
Net assets with donor restrictions	3,729,546	2,656,368
	5,523,835	3,535,986
Total financial assets available to meet cash needs for general expenditures within one year	$ 3,769,397	$ 3,919,461

NOTE 5. PROMISES TO GIVE

The Organization records promises to give that are expected to be collected within one year at net realizable value. Promises to give as of December 31, 2021 and 2020 are as follows:

	2021	2020
Amount due within one year	$ 577,156	$ 40,000
Amount due between one and five years	814,148	-
	1,391,304	40,000
Less: discount to net present value	(81,565)	-
	$ 1,309,739	$ 40,000

Amounts due in excess of one year have been discounted to present value using a discount rate of 2.71% as of December 31, 2021.

NOTE 6. FAIR VALUE MEASUREMENTS

Accounting standards provide the framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include other significant observable inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following are the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used at December 31, 2021 and 2020:

Mutual funds, exchange traded funds and common stocks - Investments valued using Level 1 inputs include mutual funds and common stocks, the values for which were based on quoted prices for identical assets in active markets.

Deferred compensation liability - is based on observable inputs of the related assets and is, therefore, considered a Level 2 item.

Beneficial interest in perpetual trusts is considered a Level 3 item which is measured at fair value on a recurring basis using significant unobservable inputs. The trust payments are based on a percentage of the fair value of the trust assets. The only activity impacting the Level 3 items during the years ended December 31, 2021 and 2020, was the initial recording of a beneficial interest in two perpetual trusts. The value of the recording is based on the holdings of the trust multiplied by the Organization's beneficial share (percentage) of the trust.

NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Organization's assets and liabilities at fair value as of December 31, 2021 and 2020:

	2021 Total	Quoted Market Prices for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds - equities	$ 1,010,902	$ 1,010,902	$ -	$ -
Mutual funds - fixed income	419,345	419,345	-	-
Exchange traded funds	45,580	45,580	-	-
Common stock	922,077	922,077	-	-
	2,397,904	$ 2,397,904	$ -	$ -
Investments, at cost*				
Cash and cash equivalents	46,292			
	$ 2,444,196			
Beneficial interest in perpetual trusts	$ 1,181,129	$ -	$ -	$ 1,181,129
Liabilities at fair value				
Deferred compensation	$ 78,594	$ -	$ 78,594	-

	2020 Total	Quoted Market Prices for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds - equities	$ 894,399	$ 894,399	$ -	$ -
Mutual funds - fixed income	360,668	360,668	-	-
Exchange traded funds	3,739	3,739	-	-
Common stock	572,071	572,071	-	-
	1,830,877	$ 2,397,904	$ -	$ -
Investments, at cost*				
Cash and cash equivalents	56,315			
	$ 1,887,192			
Beneficial interest in perpetual trusts	$ 1,100,668	$ -	$ -	$ 1,100,668
Liabilities at fair value				
Deferred compensation	$ 78,594	$ -	$ 78,594	-

* Investments recorded at cost include cash and cash equivalents. Investments recorded at cost are not required to be classified in one of the levels prescribed by the fair value hierarchy.

NOTE 6. FAIR VALUE MEASUREMENTS (CONTINUED)

Investment income consisted of the following for the years ended December 31, 2021 and 2020:

	2021	2020
Realized and unrealized gain	$ 408,458	$ 202,161
Interest and dividends	23,274	19,077
Investment fees	(6,964)	(5,003)
	$ 424,768	$ 216,235

NOTE 7. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2021 and 2020, members of the Board of Directors collectively supported the Organization in the approximate amount of $800,400 and $1,407,550. respectively. Approximately $651,300 of this total was included in promises to give at December 31, 2021. Approximately $450,000 of this total was included in refundable advances - grants at December 31, 2020.

NOTE 8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2021 and 2020:

	2021	2020
Land	$ 416,851	$ 416,851
Buildings	20,543,716	19,228,387
Furniture, fixtures and equipment	1,496,017	1,451,543
Automotive equipment	834,142	834,142
Construction in progress	18,516	236,830
	23,309,242	22,167,753
Less accumulated depreciation	(12,139,423)	(11,370,722)
	$ 11,169,819	$ 10,797,031

NOTE 9. PAYCHECK PROTECTION PROGRAM LOANS

On April 17, 2020, the Organization received a loan in the amount of $1,320.600, under the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). On March 16, 2021, the Organization received a second PPP loan in the amount of $1,320,600. PPP loans and accrued interest are forgivable after a covered period (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, primarily payroll, benefits, rent and utilities. Any unforgiven portion of a PPP loan is

NOTE 9. PAYCHECK PROTECTION PROGRAM LOANS (CONTINUED)

payable over two to five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. Management of the Organization believes it has used the loan proceeds for purposes consistent with the PPP requirements and applied for forgiveness within 10 months of the end of the covered period.

The Organization initially recorded the first PPP Loan as a refundable advance and subsequently recognized contribution revenue related to the debt forgiveness, in accordance with guidance for recognizing conditional contributions. The amount of contribution revenue recognized during the years ended December 31, 2021 and 2020 was $1,320,600 and $-0-, respectively.

NOTE 10. ECONOMIC INJURY DISASTER LOANL

Due to the economic uncertainty created by the COVID-19 pandemic, the Organization also secured an Economic Injury Disaster Loan on April 19, 2020, administered by the Small Business Administration. The full value of the loan is $500,000 and accrues interest at the rate of 2.75% per annum. Monthly installment payments will begin 30 months from initial date of the promissory note and will continue until maturity of the note April 19, 2050.

NOTE 11. NOTES PAYABLE

Hylton: BGCGW has a loan secured by a deed of trust on the improvements made at the Hylton club facility located in Woodbridge, Virginia. The maturity date of the note was to be June 2019. The loan called for monthly payments of principal and interest, at a rate of 4.99%. In addition, the agreement required that BGCGW establish a Payment Reserve Account totaling $230,000 and stipulated that BGCGW may not access the cash in the account during the term of the note payable. The loan had a balance of $765,436 at December 31, 2018. On April 22, 2019, the loan was modified which extended the due date to April 17, 2021. The loan had a principal balance of $747,589 on the modification date. The loan modification maintained the interest rate at 4.99% and called for 24 monthly fixed payments of $10,446 and one final payment for the balance of the obligation. In December 2020, the loan was modified which extended the due date to August 31, 2021. The loan had a principal balance of $623,702 on the modification date. The loan modification decreased the interest rate to 3.45% and called for eight monthly fixed payments of $8,379 and one final payment for the balance of the obligation. In September 2021, the loan was modified which extended the due date to October 31, 2027. The loan had a principal balance of $554,313 on the modification date. The loan modification increased the interest rate to 4% and calls for 74 monthly fixed payments of $8,473. The outstanding balance at December 31, 2021 and 2020, was $534,368 and $609,594, respectively.

NOTE 11. NOTES PAYABLE (CONTINUED)

Martin K. Alloy Club of Manassas: BGCGW has a loan which is secured by a deed of trust on the improvements made at the Martin K. Alloy Club of Manassas facility located in Manassas, Virginia. The maturity date of the note was to be March 2019. Payments of principal and interest, at a rate of 5.04%, were due monthly. On March 6, 2019, the loan was modified which extended the due date to June 2, 2019. On April 22, 2019, the loan was modified which extended the due date to April 17, 2021. The loan had a principal balance of $934,168 on the modification date. The loan modification maintained the interest rate at 5.04% and called for 24 monthly fixed payments of $11,669 and one final payment for the balance of the obligation. In December 2020, the loan was modified which extended the due date to August 31, 2021. The loan had a principal balance 0 of $798,977 on the modification date. The loan modification decreased the interest rate to 3.45% and called for eight monthly fixed payments of $10,774 and one final payment for the balance of the obligation. In September 2021, the loan was modified which extended the due date to October 31, 2027. The loan had a principal balance of $713,667 on the modification date. The loan modification increased the interest rate to 4% and calls for 74 monthly fixed payments of $10,908. The outstanding balance at December 31, 2021 and 2020, was $684,513 and $780,990, respectively.

Both modified loans have a prepayment fee of 2% of the principal prepayment if made between September 2021 and September 2024, and a 1 % fee if paid off between September 2025 and September 2027. There were no prepayments made in 2021 and 2020.

Guarantee of Notes Payable: As a part of previous loan modifications, the Foundation signed an agreement with the lending bank to guarantee the notes payable.

Covenants: The terms of both notes originally required compliance with certain financial and non-financial covenants, as stipulated in the loan documents. The April 2019 loan modifications suspended compliance with the financial covenants but still requires the Organization to provide such information to the bank as scheduled.

Including all 2021 note amendments, future maturities of principal on the notes payable are as follows:

	Hylton	Manassas	Total
Year Ending December 31,			
2022	$ 81,861	$ 105,394	$ 187,255
2023	85,243	109,748	194,991
2024	88,724	114,231	202,955
2025	92,431	119,003	211,434
2026	96,250	123,919	220,169
Thereafter	89,859	112,218	202,077
	$ 534,368	$ 684,513	$ 1,218,881

NOTE 12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2021 and 2020:

	2021	2020
BGCGW		
Purpose	$ 1,024,136	$ 888,924
Time	832,583	40,000
Perpetual	1,181,129	1,100,668
Substotal BGCGW	3,037,848	2,029,592
Foundation		
Endowment funds	580,167	525,713
Purpose (non-endowment)	111,531	101,063
Subtotal Foundation	691,698	626,776
	$ 3,729,546	$ 2,656,368

Net assets with donor restrictions are released from restriction when specified purposes have been fulfilled or when time restrictions expire. Net assets released from restriction consisted of the following for the years ended December 31, 2021 and 2020:

	2021	2020
BGCGW		
Purpose	$ 450,313	$ 547,723
Time	40,000	525,000
Substotal BGCGW	490,313	1,072,723
Foundation		
Purpose (non-endowment)	-	10,000
Subtotal Foundation	-	10,000
	$ 490,313	$ 1,082,723

NOTE 13. ENDOWMENTS

The Foundation's endowments include several traditional donor-restricted endowment funds, which are classified within net assets with donor restrictions. Donor-restricted net assets are required by donor stipulation to be maintained in perpetuity by the Foundation and, in some instances, the donors of these funds have restricted the income for specific uses, and these are considered purpose restricted. Certain other endowment contributions were received from various sources without restrictions as to the use of income and these are considered time restricted until appropriated for use by the Board of Directors.

NOTE 13. ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law: The Board of Directors has interpreted the District of Columbia Uniform Prudent Management of Institutional Funds Act of 2007 (DCUPMIFA) 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 Foundation classifies as net assets with donor restrictions: (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Earnings on endowment funds are also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by DCUPMIFA.

Return Objectives and Risk Parameters: The Foundation's Board of Directors has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under these policies, as approved by the Board of Directors, endowment assets are invested in a manner that is intended to produce returns higher than specified market indices while assuming a moderate level of risk.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Foundation has a policy of appropriating for distribution each year certain amounts as approved by its Board of Directors in the budget. In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor originally contributed as an endowment fund to the Foundation. The Foundation had no funds with deficiencies for the years ended December 31, 2021 and 2020.

NOTE 13. ENDOWMENTS (CONTINUED)

Endowment net assets by donor-restricted fund consist of the following at December 31, 2021 and 2020:

	2021		
	Corpus	Appreciation	Total
Purpose restricted			
Harry F. Duncan Foundation, Inc.	$ 50,000	$ 147,353	$ 197,353
Henry Parsons Erwin Scholarship Fund	11,000	25,459	36,459
Sidney L. Hechinger Scholarship Fund	2,885	7,044	9,929
	63,885	179,856	243,741
Time restricted			
F. Elwood Davis Fund	89,406	76,173	165,579
Harry F. Duncan Foundation, Inc.	50,000	64,828	114,828
William R. Winslow Trust	22,000	28,525	50,525
Franklin Marsh Fund	1,744	2,261	4,005
Ernest E. Norris Fund	648	841	1,489
	163,798	172,628	336,426
	$ 227,683	$ 352,484	$ 580,167

	2020		
	Corpus	Appreciation	Total
Purpose restricted			
Harry F. Duncan Foundation, Inc.	$ 50,000	$ 128,830	$ 178,830
Henry Parsons Erwin Scholarship Fund	11,000	22,037	33,037
Sidney L. Hechinger Scholarship Fund	2,885	6,112	8,997
	63,885	156,979	220,864
Time restricted			
F. Elwood Davis Fund	89,406	60,632	150,038
Harry F. Duncan Foundation, Inc.	50,000	54,050	104,050
William R. Winslow Trust	22,000	23,783	45,783
Franklin Marsh Fund	1,744	1,885	3,629
Ernest E. Norris Fund	648	701	1,349
	163,798	141,051	304,849
	$ 227,683	$ 298,030	$ 525,713

NOTE 13. ENDOWMENTS (CONTINUED)

Changes in endowment net assets consisted of the following for the years ended December 31, 2021 and 2020:

	Corpus	Appreciation	Total
December 31, 2019	$ 227,683	$ 225,941	$ 453,624
Investment return	-	72,089	72,089
Appropriations	-	-	-
December 31, 2020	227,683	298,030	525,713
Investment return	-	54,454	54,454
Appropriations	-	-	-
December 31, 2021	$ 227,683	$ 352,484	$ 580,167

NOTE 14. IN-KIND CONTRIBUTIONS

Recorded Amounts: Donated services are recognized as contributions and expensed in accordance with U.S. GAAP, if the services: (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Donated goods are recorded at the estimated fair value of the goods provided to the Organization. Donated long-lived assets are recognized as contributions and capitalized within property and equipment.

During the year ended December 31, 2020, a contractor donated labor and materials for renovations at the headquarters office with an anticipated total of $1,184,150. On December 31, 2020, only $236,830 of the renovations had been completed and were capitalized in property and equipment. The remaining renovations were completed and capitalized in property and equipment during the year ended December 31, 2021.

Unrecorded Amounts: The Organization uses certain club facilities on a rent-free basis. Management has determined that no objective basis is available to measure the fair value of the rental of such facilities. Thus, an amount for donated facilities has not been recorded.

The Organization receives donated services from the District of Columbia Metropolitan Police Department in the form of police officers acting as program staff at a number of the Organization's D.C. club facilities. Although such services are important to the mission of the Organization, the services donated by the police officers do not require specialized skills as defined by U.S. GAAP and are, therefore, not recorded in the consolidated financial statements.

NOTE 14. IN-KIND CONTRIBUTIONS (CONTINUED)

The Organization relies on contributions of both time and expertise from its pool of adult volunteers. In particular, volunteers work on the Organization's programs and fund-raising activities. The Organization's volunteers donate many hours of service, the total value of which cannot be easily calculated or estimated, yet these volunteers contribute significantly to the work, impact and success of the Organization. These volunteer services have not been reflected in the accompanying consolidated financial statements because the volunteer services provided do not meet the criteria necessary for recognition.

NOTE 15. RETIREMENT PLANS

BGCGW has adopted the Boys & Girls Club of America Master Pension Plan and Trust Standardized Plan (the Plan). The Plan is a defined contribution savings plan for employees who meet age and length of service requirements. BGCGW contributes 5% of eligible employees' salaries to the Plan. The balances vest over 3 years, and employees do not contribute to the plan. The assets of the Plan are held in a trust for the benefit of participants and are not included in the consolidated financial statements.

BGCGW also maintains a 403(b) elective retirement plan, which covers all eligible employees. The plan is entirely employee funded through elective deferrals. The assets of the plan are held in a trust for the benefit of participants and are not included in the consolidated financial statements.

The Organization has a 457(b) deferred compensation plan agreement for benefit of the Chief Executive Officer. The Organization contributes a percentage of the Chief Executive Officer's annual salary, or a fixed amount as defined in the agreement. The Organization contributed $28,700 and $34,772 during the years ended December 31, 2021 and 2020, respectively, to the Chief Executive Officer's deferred compensation plan. The cumulative contributions with the related investment income for the Chief Executive Officer's deferred compensation plan totaling $78,594 is reported as a liability in the accompanying statement of consolidated financial position within accrued salaries and vacation. The Organization has also established a 457(f) deferred compensation plan agreement, but it is dormant with no outstanding balance at both December 31, 2021 and 2020.

In April 2021, BGCGW established a new 401 (k) plan to replace the aforementioned defined contribution plans. Employees are eligible to participate after year of service if 21 years of age or older. Discretionary contributions are made to the 401 (k) plan by BGCGW, which are 100% vested after 3 years of service.

BGCGW's contributions to the plans totaled $298,890 and $362,544 for the years ended December 31, 2021 and 2020, respectively.

NOTE 16. COMMITMENTS AND CONTINGENCIES

Leases: BGCGW leases club space within the Town Hall Entertainment Arts Recreation Center (THE ARC) in Washington, D.C. The lease expires in 2021 and the lease agreement stipulates that the landlord will maintain and care for the property over the term of the lease. At the beginning of the lease, BGCGW prepaid the total rent due in accordance with the term of the lease. As a result, no future minimum lease payments are required under the terms of the lease. Prepaid rent of $2,390,260 and $2,420,692 at December 31, 2021 and 2020, respectively, has been recorded to reflect the future benefit over the term of the lease.

BGCGW also leases other facilities on short-term lease agreements. Rent expense for all leases totaled $206,642 and $248,920 for the years ended December 31, 2021 and 2020, respectively.

Government Grants: Amounts received or receivable from government agencies under various grants are subject to audit and adjustment by the government agencies. The amount of expenditures which may be potentially disallowed cannot be determined at this time, and management expects such amounts, if any, to be immaterial.

Litigation: On occasion, BGCGW may be named as a defendant in a lawsuit resulting from activities related to its normal operations. In the opinion of management, resolution of such matters will not have a material adverse effect on the consolidated financial statements of the Organization.

Geographic Diversity: BGCGW operates programs and facilities in the District of Columbia, Maryland and Virginia. The geographic diversity of BGCGWs operations is impacted by certain localized events, such as economic hardship or changes in population demographics that may occur faster than BGCGW can adapt to such conditions.

NOTE 17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 22, 2022, which is the date the consolidated financial statements were available to be issued. As of May 2022, the Organization received the second PPP loan forgiveness. This review and evaluation revealed no other material event or transaction which would require an adjustment to or disclosure in the accompanying consolidated financial statements.

SUPPLEMENTAL INFORMATION

BOYS & GIRLS CLUBS OF GREATER WASHINGTON, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	BGCGW	Foundation	Eliminations	Total
Assets				
Assets				
Cash and cash equivalents	$ 5,228,413	$ -	$ -	$ 5,228,413
Restricted cash	230,000	-	-	230,000
Investments	1,069,528	1,374,668	-	2,444,196
Promises to give, net	1,309,739	-	-	1,309,739
Accounts receivable	310,884	-	-	310,884
Deposits and other assets	117,577	-	-	117,577
Lease asset	2,390,260	-	-	2,390,260
Beneficial interest in perpetual trusts	1,181,129	-	-	1,181,129
Property and equipment, net	11,169,819	-	-	11,169,819
Total assets	$ 23,007,349	$ 1,374,668	$ -	$ 24,382,017
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$ 391,844	$ -	$ -	$ 391,844
Accrued salaries and vacation	580,478	-	-	580,478
Refundable advances - grants	671,547	-	-	671,547
Refundable advance - PPP loan	1,320,600	-	-	1,320,600
Deferred revenue	50,000	-	-	50,000
Economic injury disaster loan payable	500,000	-	-	500,000
Notes paybable	1,218,881	-	-	1,218,881
Total liabilities	4,733,350	-	-	4,733,350
Net assets				
Without donor restrictions	15,236,151	682,970	-	15,919,121
With donor restrictions	3,037,848	691,698	-	3,729,546
Total net assets	18,273,999	1,374,668	-	19,648,667
Total liabilities and net assets	$ 23,007,349	$ 1,374,668	$ -	$ 24,382,017

BOYS & GIRLS CLUBS OF GREATER WASHINGTON, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES

DECEMBER 31, 2021

	BGCGW	Foundation	Eliminations	Total
Activities without donor restrictions				
Revenue and support				
Special events	$ 1,668,417	$ -	$ -	$ 1,668,417
Costs of direct benefits to donors	(177,139)	-	-	(177,139)
Special events, net	1,491,278	-	-	1,491,278
Contributions	7,096,787	-	-	7,096,787
Program service fees	980,392	-	-	980,392
Government grants	1,725,364	-	-	1,725,364
Rental and other income	62,070	-	-	62,070
Membership dues	59,163	-	-	59,163
Investment income, net	295,742	64,104	-	359,846
Net assets released from restrictions	490,313	-	-	490,313
Total revenue and support	12,201,109	64,104	-	12,265,213
Expenses				
Program services				
Camps	4,638,257	-	-	4,638,257
Child care	1,447,708	-	-	1,447,708
After school	1,919,277	-	-	1,919,277
Supporting services				
Management and general	2,058,408	-	-	2,058,408
Fundraising	1,080,009	-	-	1,080,009
Total expenses	11,143,659	-	-	11,143,659
Change in net assets without donor restrictions	1,057,450	64,104	-	1,121,554
Activities with donor restrictions				
Contributions	1,498,569	-	-	1,498,569
Investment income, net	-	64,922	-	64,922
Net assets released from restrictions	(490,313)	-	-	(490,313)
Change in net assets with donor restrictions	1,008,256	64,922	-	1,073,178
Change in net assets	2,065,706	129,026	-	2,194,732
Net assets				
Beginning of year	16,208,294	1,245,641	-	17,453,935
End of year	$ 18,274,000	$ 1,374,667	$ -	$ 19,648,667