

**BOYS AND GIRLS CLUB OF THE COASTSIDE**

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2022 AND 2021**

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## **INTRODUCTORY SECTION**

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**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**Financial Statements**  
**For the Years Ended December 31, 2022 and 2021**

**Table of Contents**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Table of Contents .....	i
Board of Directors .....	ii
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor’s Report</b> .....	1
<b>Financial Statements</b>	
Statements of Financial Position .....	3
Statements of Activities.....	4
Statements of Functional Expenses.....	6
Statements of Cash Flows .....	8
Notes to Financial Statements .....	9

**BOYS AND GIRLS CLUB OF THE COASTSIDE**

**BOARD OF DIRECTORS**

**DECEMBER 31, 2022**

**BOARD OF DIRECTORS**

Betsy del Fierro, Co-President  
Roger A. Estrella, Co-President  
Chuck Ott, Treasurer  
Josh Warshauer, Secretary  
Steve Bacich  
Cathy Elchinoff  
Kris Hammerstrom  
Katie Howell  
Geronimo Jimenez  
Clodagh Larkin  
Susie Montgelas  
Alan O'Driscoll  
Virginia Perry  
Sandra Turner  
Ed Watkins  
Laurie Weigelt

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Boys and Girls Club of the Coastsides  
Half Moon Bay, California

### ***Opinion***

We have audited the financial statements of the Boys and Girls Club of the Coastsides (Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, respectively, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Boys and Girls Club of the Coastsides 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 Auditor's Responsibilities for the Audit of the Finance Statements section of our report. We are required to be independent of the Boys and Girls Club of the Coastsides 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 opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 for a reasonable period of time, generally within one year after the date that the financial statements are available to be issued.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the 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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 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 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 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.

*Maze & Associates*

Pleasant Hill, California  
September 19, 2023

BOYS AND GIRLS CLUB OF THE COASTSIDE  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current Assets:		
Cash (Note 3)	\$642,683	\$707,128
Investments (Note 3)	1,165,784	1,356,056
Accounts Receivable	51,523	22,142
Prepaid Expenses	5,909	1,751
Total Current Assets	1,865,899	2,087,077
Non-Current Assets:		
Property and Equipment, net (Note 4)	8,677	5,008
Total Assets	\$1,874,576	\$2,092,085
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$561	\$2,823
Other Current Liabilities	49,958	41,942
Total Current Liabilities	50,519	44,765
Non-Current Liabilities:		
Scholarships (Note 2K)	7,643	7,643
Total Non-Current Liabilities	7,643	7,643
Total Liabilities	58,162	52,408
Net Assets (Note 2A):		
Without Donor Restrictions	1,722,835	1,928,593
With Donor Restrictions (Note 9)	93,579	111,084
Total Net Assets	1,816,414	2,039,677
Total Liabilities and Net Assets	\$1,874,576	\$2,092,085

See accompanying notes to financial statements.

BOYS AND GIRLS CLUB OF THE COASTSIDE  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022		Total
	Without Donor Restrictions	With Donor Restrictions	
Support and Revenue:			
Program Revenue	\$432,606	\$13,560	\$446,166
Community Contributions	184,456		184,456
Fundraising	43,621		43,621
Special Events (Note 5)	313,828		313,828
Grants	171,647	70,000	241,647
In-Kind Contributions (Note 11)	186,544		186,544
Total Support and Revenue	<u>1,332,702</u>	<u>83,560</u>	<u>1,416,262</u>
Net Assets Released From Restrictions:			
Satisfaction of Usage Requirements (Note 9)	<u>101,065</u>	<u>(101,065)</u>	
Expenses:			
Program Services	875,840		875,840
Management and General	297,750		297,750
Fundraising	274,717		274,717
Total Expenses	<u>1,448,307</u>		<u>1,448,307</u>
Other Income and Losses:			
Other Income			
Net Investment Income (Loss)	<u>(191,218)</u>		<u>(191,218)</u>
Total Other Income and Losses	<u>(191,218)</u>		<u>(191,218)</u>
Changes in Net Assets	(205,758)	(17,505)	(223,263)
Net Assets, beginning of year	<u>1,928,593</u>	<u>111,084</u>	<u>2,039,677</u>
Net Assets, end of year	<u><u>\$1,722,835</u></u>	<u><u>\$93,579</u></u>	<u><u>\$1,816,414</u></u>

See accompanying notes to financial statements.

2021		
Without Donor Restrictions	With Donor Restrictions	Total
\$171,080	\$10,065	\$181,145
288,174		288,174
41,995		41,995
207,365		207,365
315,208	50,000	365,208
36,000		36,000
<u>1,059,822</u>	<u>60,065</u>	<u>1,119,887</u>
<u>66,577</u>	<u>(66,577)</u>	
676,279		676,279
220,878		220,878
113,919		113,919
<u>1,011,076</u>		<u>1,011,076</u>
487		487
59,598		59,598
<u>60,085</u>		<u>60,085</u>
175,408	(6,512)	168,896
<u>1,753,185</u>	<u>117,596</u>	<u>1,870,781</u>
<u>\$1,928,593</u>	<u>\$111,084</u>	<u>\$2,039,677</u>

BOYS AND GIRLS CLUB OF THE COASTSIDE  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

2022

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$467,360	\$233,680	\$77,893	\$778,933
Payroll taxes	38,041	19,021	6,340	63,402
Program expenses	153,513			153,513
Advertising (Note 2L)	12,787			12,787
Contract services	22,152			22,152
Depreciation (Note 4)	2,274	310		2,584
Travel	4,638			4,638
Shipping and postage	1,034			1,034
Insurance		22,628		22,628
Other expenses	15,971			15,971
Operating expenses	32,033			32,033
Professional and outside services		22,111		22,111
Repair and maintenance	42,756			42,756
Fundraising			70,328	70,328
Utilities and telecommunications	266			266
Furniture and equipment	16,627			16,627
In-kind rent (Note 11)	39,000			39,000
In-kind goods (Note 11)	27,388		120,156	147,544
	<u>\$875,840</u>	<u>\$297,750</u>	<u>\$274,717</u>	<u>\$1,448,307</u>
Total Expenses	<u>\$875,840</u>	<u>\$297,750</u>	<u>\$274,717</u>	<u>\$1,448,307</u>

See accompanying notes to financial statements.

BOYS AND GIRLS CLUB OF THE COASTSIDE  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

2021

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$340,585	\$170,292	\$56,764	\$567,641
Payroll taxes	29,179	14,589	4,863	48,631
Program expenses	123,939			123,939
Advertising (Note 2L)	9,668			9,668
Contract services	18,588			18,588
Depreciation (Note 4)	1,117	152		1,269
Travel	286			286
Shipping and postage	1,307			1,307
Insurance		15,496		15,496
Other expenses	14,697			14,697
Operating expenses	76,521			76,521
Professional and outside services		20,349		20,349
Repair and maintenance	7,343			7,343
Fundraising			52,292	52,292
Utilities and telecommunications	267			267
Furniture and equipment	16,782			16,782
In-kind rent (Note 11)	36,000			36,000
In-kind goods (Note 11)				
	<u>\$676,279</u>	<u>\$220,878</u>	<u>\$113,919</u>	<u>\$1,011,076</u>
Total Expenses	<u>\$676,279</u>	<u>\$220,878</u>	<u>\$113,919</u>	<u>\$1,011,076</u>

See accompanying notes to financial statements.

BOYS AND GIRLS CLUB OF THE COASTSIDE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash flow from operating activities:		
Changes in net assets	(\$223,263)	\$168,896
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,584	1,269
Loss on disposal of assets	408	
Loss (gain) on investments	191,218	(59,598)
(Increase) decrease in assets:		
Accounts receivable	(29,381)	(21,398)
Prepaid expenses and other current assets	(4,158)	(119)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(2,262)	(6,865)
Other current liabilities	8,016	20,986
Net cash (used) provided by operating activities	(56,838)	103,171
Cash flows from investing activities:		
Purchase of investments	(74,570)	(465,618)
Proceeds from sale of investments	66,963	205,528
Net cash (used) by investing activities	(7,607)	(260,090)
Net change in cash and cash equivalents	(64,445)	(156,919)
Cash and cash equivalents, beginning of year	707,128	864,047
Cash and cash equivalents, end of year	\$642,683	\$707,128
Supplemental disclosure of cash flow information:		
The Organization paid no interest or taxes in 2022 or 2021.		
Noncash transactions:		
Donated rent	\$39,000	\$36,000
Donated Goods	\$147,544	

See accompanying notes to financial statements.



**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2022 and 2021**

**NOTE 1 – REPORTING ENTITY**

**A. Description of the Organization**

The Boys and Girls Club of the Coastsides (the Organization) is an affiliate chartered under The Boys and Girls Clubs of America. Its mission is to enable all coastsides youth, especially those who need help most, to reach their full potential as productive, caring, responsible citizens. The Organization provides out-of-school programs promoting learning opportunities for youth typically 7 to 18 years of age on development of academic, citizenship, health, recreation, and community integration skills.

**B. Programs**

The Organization's middle school and teen programs are located at Cunha Intermediate School and occupy eight classrooms, including 6 portable units. The portables were added in 2020 to support remote learning and will be used for the Organization's after-school academic and enrichment programs. In 2021, the Organization took over management of the Cunha after school sports programs, which include 35 teams playing 8 sports competing in our local middle school sports league. In the Fall of 2022, the Organization added a 5<sup>th</sup> grade afterschool program. In addition, the Organization runs a golf program, a soccer club and a basketball program. In 2016, the Organization, in partnership with the Cabrillo Unified School District and the City, commenced construction on an 18,000 square-foot multi-use facility that will serve as a gymnasium for both the Organization and the school district. In partnership with the City, the Organization also constructed a new Skate Plaza. The operations are supported primarily through donor contributions, grants, auctions, and special events.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, Financial Statements of Not-for-Profit Organizations.

The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions.

*Net Assets With Donor Restrictions* – Net assets whose use is limited by donor-imposed time and/or purpose 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2022 and 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The Organization relies primarily on program service fees, grants from public and private foundations, community contributions, fundraising activities and membership dues. Public contributions are recorded upon receipt. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization considers that all contributions for long-lived assets have implied time restrictions and classifies this support as donor restricted until the purpose restriction is met.

***B. Cash and Cash Equivalents***

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

***C. Investments***

Investments are reported at their fair values in the statements of financial position using readily determinable market values. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

***D. Receivables***

Contributions and grants receivable are stated at the amount the Organization's management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation based on its assessment of the current status of individual accounts. Management believes the entire balance of receivables is collectible, and therefore, no allowance was recorded as of December 31, 2022 and 2021, respectively.

***E. Concentration of Credit Risk***

The Federal Deposit Insurance Corporation ("FDIC") insures account balances at each insured institution. The Organization maintains deposit accounts with a financial institution and frequently carries balances that exceed FDIC insurance limits. Management believes the Organization is not exposed to any significant credit risk related to cash.

**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2022 and 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***F. Property and Equipment***

Fixed asset additions in excess of \$1,000 are recorded at cost, or if donated, at fair value on the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives of the assets ranging from 5 to 7 years. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in changes in net assets.

***G. Use of Estimates***

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

***H. Income Taxes***

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The Organization paid no taxes on unrelated business income in the years ended December 31, 2022 or 2021.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Organization's tax returns remain open for federal income tax examination for three years from the date of filing.

***I. Functional Allocation of Expenses***

The costs for providing the various programs and activities have been summarized on a functional basis in the statements of activities. Those expenses which cannot be specifically identified by function type have been allocated to functions based upon management's best estimate of usage. For certain expenses, such as payroll costs and depreciation, these estimates are based on a time study performed in previous years.

**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2022 and 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***J. Fair Value Measurements***

The Organization reports certain assets and liabilities at fair value in the financial statements. Fair value is defined 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. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

***K. Scholarships***

Annually, the Organization awards a Junior Youth of the Year Scholarship to an 8th grader and a Youth of the Year Scholarship to a high school student. The recipients will receive the scholarship after graduating high school and enrolling in a college or trade school.

***L. Advertising Expenses***

The Organization incurs costs associated with advertising the various campaigns and program offerings provided. Advertising expenses for the years ended December 31, 2022 and 2021 were \$12,787 and \$9,668, respectively. These costs are expensed as incurred.

**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2022 and 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Lease Accounting**

The Organization recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of the existing contract are changed. As of December 31, 2022, the Organization did not have any significant leases that should be recorded on the Statement of Financial Position.

**N. New Accounting Pronouncements**

During the years ended December 31, 2022 and 2021, respectively, the Organization adopted the requirements of the following Financial Accounting Standards Board (FASB) Pronouncements and Accounting Standards Updates (ASUs):

In May 2014, FASB issued ASU 2014-09, *Revenue Recognition from Contracts with Customers* (“Topic 606”). The Update modifies the guidance used to recognize revenue from contracts with customers for transfers of goods or services and transfers of nonfinancial assets, unless those contracts are within the scope of other guidance. The Update eliminates all transaction and industry-specific accounting principles and replaces them with a unified, five step approach. The Organization adopted the standard for fiscal year ended December 31, 2021, under the full retrospective transition method. The adoption of Topic 606 did not have a material impact on the Organization’s financial statements as there were no adjustments recorded to previously recorded numbers.

In June 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (ASC Topic 958)*. This Standard applies to all entities that receive or make contributions and was issued to clarify and improve the scope and accounting guidance for contributions received and contributions made. The amendments in the Standard should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of ASC Topic 958, *Not for Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. This Standard was adopted by the Organization effective for the fiscal year ended December 31, 2021. The adoption of this Standard did not result in any cumulative change to the Organization’s financial statements.

During the year ended December 31, 2022, the Organization adopted the requirements of FASB ASU No. 2016-02, *Leases*. This Update requires entities to recognize right-of-use assets and lease obligation liabilities on the Statement of Financial Position. This includes leases of all property, plant, and equipment and excludes (1) leases of intangible assets, (2) leases to explore for or use nonregenerative resources, (3) leases of biological assets, (4) leases of inventory, and (5) leases of assets under construction. In fiscal year 2022, the Organization took an inventory of its leases and determined that the office lease did not apply to this Update, and its office equipment lease was below management’s threshold for recognizing leases, and therefore, the adoption of this Update did not result in any cumulative change to the Organization’s financial statements as no right-of-use assets or liabilities were recorded on the Statement of Financial Position related to leases.

**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2022 and 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

During the year ended December 31, 2022, the Organization adopted the requirements of FASB ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Gifts in Kind)*. This Update requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Expenses may be reported in the statement of activities by either natural classification or functional classification or by both.

An entity shall disclose in the notes to financial statements a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. For each category of contributed nonfinancial assets, an NFP also shall disclose the following:

- a. Qualitative information about whether contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used shall be disclosed.
- b. The NFP's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.
- c. A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.
- d. A description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition.
- e. The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient NFP is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

For the year ended December 31, 2022, the Organization ensured that In-Kind Contributions were reported on a separate line on the Statement of Activities, and footnote disclosures were updated for the additional requirements (see Note 11). The implementation of this Update did not result in any restatement of the financial statements.

***O. Subsequent Events***

Management has evaluated subsequent events through September 19, 2023, the date on which the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure in the financial statements.

**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2022 and 2021**

**NOTE 3 – CASH AND INVESTMENTS**

Cash and investments at December 31 consisted of the following:

	<u>2022</u>	<u>2021</u>
Cash in bank	\$642,683	\$707,128
Investments:		
Equities	47,843	133,456
Mutual Funds	<u>1,117,941</u>	<u>1,222,600</u>
Total Cash and Investments	<u><u>\$1,808,467</u></u>	<u><u>\$2,063,184</u></u>

The Organization invests in money market funds, equities and mutual funds with financial institutions. The Organization's investments are reported at their fair market values using level 1 fair value measures (quoted price in active markets) in the statement of financial position. Investment accounts held at one institution are in excess of the SIPC insurance limit of \$500,000 (of which \$250,000 may be utilized for cash accounts).

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment are shown net of accumulated depreciation. Property and equipment at December 31 consisted of the following:

	<u>2022</u>	<u>2021</u>
Office furniture and equipment	\$57,567	\$59,452
Teen Center	11,074	12,372
Software	<u>17,527</u>	<u>17,527</u>
Total property and equipment	86,168	89,351
Less: accumulated depreciation	<u>(77,491)</u>	<u>(84,343)</u>
Property and equipment, net	<u><u>\$8,677</u></u>	<u><u>\$5,008</u></u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$2,584 and \$1,269, respectively.

**NOTE 5 – SPECIAL EVENTS**

Income from the Organization's annual event consisted of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Contributions and sponsorships	\$313,828	\$207,365
Less cost of direct donor benefit	<u>(53,680)</u>	<u>(159,226)</u>
Total, net of direct costs	<u><u>\$260,148</u></u>	<u><u>\$48,139</u></u>

**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2022 and 2021**

**NOTE 6 – PROGRAM EXPENSES**

During the years ended December 31, 2022 and 2021, the Organization made irrevocable donations in the amount of \$33,988 and \$3,316, respectively, to renovate existing sports facilities at public schools in the Half Moon Bay area. As the Cabrillo Unified School District maintains ownership of the facilities and retains responsibility for ongoing maintenance and repair work, the expenditures are not capitalized in the accompanying financial statements but are included in the program expenses.

**NOTE 7 – CONTINGENCIES**

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

**NOTE 8 – RETIREMENT PLAN**

The Organization has a retirement plan that provides for a matching contribution up to 3% of an employee's annual compensation. For the years ended December 31, 2022 and 2021, the Organization contributed \$8,332 and \$7,324, respectively, to the plan.

**NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions activity for the year ended December 31, 2022 consisted of the following:

	<u>2021</u>	<u>Increases</u>	<u>Releases</u>	<u>2022</u>
Cunha Soccer Facility	\$23,983	\$11,660	\$23,190	\$12,453
Sports/Outreach	8,651	1,900	30,402	(19,851)
Community HUB	50,000		13,190	36,810
Time restricted	28,450	70,000	34,283	64,167
Net assets with donor restrictions	<u>\$111,084</u>	<u>\$83,560</u>	<u>\$101,065</u>	<u>\$93,579</u>

Net assets with donor restrictions activity for the year ended December 31, 2021 consisted of the following:

	<u>2020</u>	<u>Increases</u>	<u>Releases</u>	<u>2021</u>
Cunha Soccer Facility	\$30,155	\$8,420	\$14,592	\$23,983
Sports/Outreach	25,991	1,645	18,985	8,651
Community HUB		50,000		50,000
Time restricted	61,450		33,000	28,450
Net assets with donor restrictions	<u>\$117,596</u>	<u>\$60,065</u>	<u>\$66,577</u>	<u>\$111,084</u>



**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2022 and 2021**

**NOTE 10 – RELATED PARTIES**

One of the Organization's Board members participates as a coach for the soccer program and receives a pre-approved coaching stipend from the members of the Soccer Club Committee. For the years ended December 31, 2022 and 2021, this Board Member received \$9,201 and \$8,200, respectively, in coaching stipends.

**NOTE 11 – IN-KIND DONATIONS**

Many individuals volunteer their time and perform a variety of tasks that assist the Organization, however these services do not meet the criteria for recognition as contributed services. The Organization records the value of in-kind contributions when there is an objective basis available to measure their fair value.

The Organization is not charged for the use of its office space. Fair value of the office space was \$39,000 and \$36,000 for the years ended December 31, 2022 and 2021, respectively, and is recognized in the accompanying financial statements as in-kind contribution revenue, offset by in-kind rent expense. The Organization utilizes the office space for its programs and general and administrative purposes, is valued at what the Organization would pay for similar space, and has no donor restrictions.

The Organization also received in-kind donations that were all valued at fair value upon receipt in the total amount of \$147,544 for fiscal year 2022. Of the total amount donated, \$27,388 were donations for programs, \$120,156 were a result of its fundraising operations of which \$55,884 was used toward the annual gala event and the remaining \$64,272 was sold or used in the Organization's operations. In valuing these donations, the Organization estimated the fair value on the basis of estimation of wholesale values that would be received for selling similar products in the United States. There were not associated donor restrictions on these items.

**BOYS AND GIRLS CLUB OF THE COASTSIDE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2022 and 2021**

**NOTE 12 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consisted of the following at December 31, 2022:

Total current financial assets:	
Cash and cash equivalents	\$642,683
Short-term investments	1,165,784
Accounts receivable	<u>51,523</u>
Total current financial assets	<u>1,859,990</u>
Contractual or donor-imposed restrictions:	
Donor-imposed restrictions for specific purposes	(93,579)
Amounts set aside for Scholarships	<u>(7,643)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u><u>\$1,758,768</u></u>

**NOTE 13 – PAYCHECK PROTECTION PROGRAM**

On February 5, 2021, the Organization received a \$65,297 loan from the U.S. Small Business Administration Paycheck Protection Program (PPP), with an interest rate of 1.0% was to mature on February 5, 2026. The loan was made pursuant to Section 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 1106 of the CARES Act provides that up to the full principal amount plus interest accrued on loans guaranteed under the PPP may qualify for forgiveness if the Organization used the loan proceeds for forgivable purposes. As of December 31, 2021, the total amount of the loan has been forgiven and recognized as grant revenue.