

**BOYS & GIRLS CLUBS OF NORTHWEST COLORADO**

Financial Statements

December 31, 2023

# BOYS & GIRLS CLUBS OF NORTHWEST COLORADO

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## Independent Auditor's Report

The Board of Directors  
Boys & Girls Clubs of Northwest Colorado  
Craig, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Boys & Girls Clubs of Northwest Colorado (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year 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 & Girls Clubs of Northwest Colorado as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (GAAP).

#### ***Basis for Opinion***

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 one year after the date that the financial statements are 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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.

#### **Report on Summarized Comparative Financial Information**

We have previously audited the Organization's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 8, 2023. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Steamboat Springs, Colorado  
April 10, 2024

**BOYS & GIRLS CLUBS OF NORTHWEST COLORADO**  
**Statement of Financial Position**  
**December 31, 2023**  
**(with summarized financial information as of December 31, 2022)**

	2023	2022
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,456,215	\$ 981,060
Accounts receivable:		
Program membership fees receivable, net of allowance	845	365
Contributions, grants and other	82,824	59,183
Prepaid expenses	120	120
Property and equipment, net of accumulated depreciation	274,579	298,902
<b>Total assets</b>	<b>\$ 1,814,583</b>	<b>\$ 1,339,630</b>
<b>Liabilities and net assets:</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 67,811	\$ 55,919
Accrued payroll	26,475	19,979
Accrued personal time off	13,968	12,755
<b>Total liabilities</b>	108,254	88,653
Net assets:		
Without donor restrictions:		
Undesignated	916,329	600,977
Board-designated reserve	650,000	650,000
With donor restrictions	140,000	-
<b>Total net assets</b>	1,706,329	1,250,977
<b>Total liabilities and net assets</b>	<b>\$ 1,814,583</b>	<b>\$ 1,339,630</b>

See accompanying notes to the financial statements.

**BOYS & GIRLS CLUBS OF NORTHWEST COLORADO**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**  
(with summarized financial information for the year ended December 31, 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Revenues and support:</b>				
Contributions and grants	\$ 1,209,920	\$ 20,000	\$ 1,229,920	\$ 1,016,213
Special events	822,984	120,000	942,984	625,926
Less: Direct event expenses	(86,196)	-	(86,196)	(85,195)
Program membership fees	170,806	-	170,806	163,404
Contributed goods, services and facilities	147,000	-	147,000	147,000
Investment income	40,477	-	40,477	3,070
Other Income	548	-	548	1,307
Net assets released from restrictions	-	-	-	-
<b>Total revenues and support</b>	<u>2,305,539</u>	<u>140,000</u>	<u>2,445,539</u>	<u>1,871,725</u>
<b>Expenses:</b>				
Program services	1,733,071	-	1,733,071	1,411,654
Management and general	115,175	-	115,175	103,474
Fundraising	141,941	-	141,941	145,889
<b>Total expenses</b>	<u>1,990,187</u>	<u>-</u>	<u>1,990,187</u>	<u>1,661,017</u>
Change in net assets	315,352	140,000	455,352	210,708
Net assets, beginning of year	<u>1,250,977</u>	<u>-</u>	<u>1,250,977</u>	<u>1,040,269</u>
<b>Net assets, end of year</b>	<u><u>\$ 1,566,329</u></u>	<u><u>\$ 140,000</u></u>	<u><u>\$ 1,706,329</u></u>	<u><u>\$ 1,250,977</u></u>

See accompanying notes to the financial statements.

**BOYS & GIRLS CLUBS OF NORTHWEST COLORADO**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2023**  
**(with summarized financial information for the year ended December 31, 2022)**

	2023			2022 Total
	Program Services	Management and General	Fundraising	
Wages and benefits	\$ 1,119,927	\$ 101,193	\$ 123,377	\$ 1,344,497
Rent	136,341	5,104	4,375	145,820
Program supplies and equipment	195,869	-	-	195,869
Kids meals	67,500	-	-	67,500
Scholarship awards	28,982	-	-	-
Utilities	28,555	1,069	916	30,540
Technology	2,394	284	379	3,057
Insurance	21,042	2,499	3,332	26,873
Dues and fees	34,327	2,624	-	36,951
Professional fees	6,949	825	1,100	8,874
Building maintenance	21,201	794	680	22,675
Depreciation	37,390	-	-	37,390
Other	32,594	783	7,782	41,159
<b>Total</b>	<b>\$ 1,733,071</b>	<b>\$ 115,175</b>	<b>\$ 141,941</b>	<b>\$ 1,990,187</b>

See accompanying notes to the financial statements.

**BOYS & GIRLS CLUBS OF NORTHWEST COLORADO**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2023**  
**(with summarized financial information for the year ended December 31, 2022)**

	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 455,352	\$ 210,708
Depreciation	37,390	28,871
Realized and unrealized (gains) losses on investments	-	4,321
(Increase) decrease in:		
Accounts receivable	(24,121)	(21)
Increase (decrease) in:		
Accounts payable	11,892	20,582
Accrued payroll	6,496	(527)
Accrued personal time off	1,213	116
	488,222	264,050
<b>Cash flows from investing activities:</b>		
Cash paid for property and equipment	(13,067)	(114,040)
Proceeds from sale of investments	-	56,381
	(13,067)	(57,659)
Net cash provided (used) by investing activities	(13,067)	(57,659)
Net change in cash and cash equivalents	475,155	206,391
Cash and cash equivalents, beginning of year	981,060	774,669
Cash and cash equivalents, end of year	\$ 1,456,215	\$ 981,060

See accompanying notes to the financial statements.



**BOYS & GIRLS CLUBS OF NORTHWEST COLORADO**  
**Notes to Financial Statements**  
**December 31, 2023**  
(with summarized financial information as of December 31, 2022 and for the year then ended)

**Note 1: Description of the Organization**

The Boys & Girls Clubs of Northwest Colorado (the Organization) is a Colorado not-for-profit corporation established in 2002 to provide a safe, positive place for the kids in the Craig and Steamboat Springs communities. The Organization's mission is to enable and inspire the young people of Northwest Colorado to realize their full potential as productive, responsible and caring citizens. The Organization's programs cover after school hours, school days off and the summer season.

Revenues are derived principally from contributions, grants, and program fees.

**Note 2: Summary of Significant Accounting Policies**

*Basis of Presentation*

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The accounting policies of the Organization have been designed to conform to GAAP as applicable to not-for-profit organizations.

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

Without donor restrictions: Net assets that are not subject to donor-imposed stipulations.

With donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

*Cash and Cash Equivalents*

Cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

*Fair Value Measurements*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 – Inputs other than quoted market prices that are observable for the asset/liability, either directly or indirectly.

Level 3 – Unobservable inputs that cannot be corroborated by market data.

**BOYS & GIRLS CLUBS OF NORTHWEST COLORADO**  
**Notes to Financial Statements**  
**December 31, 2023**  
(with summarized financial information as of December 31, 2022 and for the year then ended)

**Note 2: Summary of Significant Accounting Policies (continued)**

*Accounts Receivable, Net*

Accounts receivable consists of grant reimbursements due, contributions promised, and program membership fees billed to program participants. Management reviews receivable balances periodically to assess their collectability. As of December 31, 2023 and 2022, the accounts receivable balance is deemed fully collectible and management has not recorded an allowance for uncollectible accounts.

*Property and Equipment, Net*

Property and equipment are stated at cost at the date of acquisition or fair value if acquired through donation. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered. Depreciation is calculated using the straight-line method over the applicable estimated useful lives.

*Accrued Personal Time Off Payable*

The Organization's full-time employees accrue personal time off (PTO) benefits beginning on their employment date. A maximum of 80 hours of PTO per employee may be carried over from one calendar year to the next. The Organization has an accrued PTO liability as of December 31, 2023 and 2022 of \$13,968 and \$12,755, respectively.

*Revenue Recognition*

Contributions and Grants

Contributions and grants are recognized when cash, securities or other assets and unconditional promises to give are received. Conditional promises to give, that is, those with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend are substantially met. Payments received in advance of the conditions being met are recorded as refundable advances in the statement of financial position.

Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions and grants that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statement of activities.

Contributions of assets other than cash are recorded at their estimated fair value as of the date of the gift.

Program Membership Fees

Revenues from program membership fees are recognized as earned when the services are provided to the program participants.

*In-Kind Contributions*

Contributed nonfinancial assets include donated rent, meals and snow removal services, which are recorded as contributions and corresponding expenses at their estimated values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Many individuals volunteer their time and perform a variety of tasks within the Organization's programs. However, these services do not meet the criteria for recognition as contributed services in accordance with GAAP.

**BOYS & GIRLS CLUBS OF NORTHWEST COLORADO**  
**Notes to Financial Statements**  
**December 31, 2023**  
(with summarized financial information as of December 31, 2022 and for the year then ended)

**Note 2: Summary of Significant Accounting Policies (continued)**

*Functional Expenses*

The costs of providing program and supporting services have been summarized on a functional basis in the statement of functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also incurs expenses that are attributable to more than one function. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited. The expenses allocated include wages and benefits, rent, building maintenance, utilities, and insurance that are allocated on estimates of time and effort incurred by personnel.

*Advertising*

The Organization expenses the costs of advertising when incurred.

*Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

*Tax Status*

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Organization qualifies for the charitable contribution deduction. Income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income during 2023.

The Organization is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax periods in progress. The three previous tax years remain subject to examination by the IRS.

*Comparative Financial Statements*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Certain prior year amounts have been reclassified to conform to the current year presentation.

**Note 3: Liquidity and Availability of Financial Assets**

Financial assets available for general expenditure within one year as December 31, 2023:

Cash and cash equivalents	\$ 1,456,215
Accounts receivable, net	<u>83,669</u>
	1,539,884
Less amounts not available to be used:	
Board-designated reserve fund	(650,000)
Net assets with donor purpose restrictions	<u>(140,000)</u>
	<u><u>\$ 749,884</u></u>

**BOYS & GIRLS CLUBS OF NORTHWEST COLORADO**  
**Notes to Financial Statements**  
**December 31, 2023**  
(with summarized financial information as of December 31, 2022 and for the year then ended)

**Note 3: Liquidity and Availability of Financial Assets (continued)**

As part of the Organization's liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The board of directors has designated a \$650,000 reserve fund to help fulfill the Organization's mission with a goal to cover a year of operating expenses. Expenditure from the reserve fund requires approval of 75% of the board of directors.

**Note 4: Property and Equipment, Net**

Property and equipment, net consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	<u>Estimated Useful life</u>
Leasehold improvements	\$ 353,198	\$ 353,198	5-39 years
Furniture and equipment	140,103	122,229	5-10 years
Vehicles	<u>138,233</u>	<u>143,040</u>	5-10 years
	631,534	618,467	
Less accumulated depreciation	<u>(356,955)</u>	<u>(319,565)</u>	
	<u>\$ 274,579</u>	<u>\$ 298,902</u>	

**Note 5: Net Assets With Donor Restrictions**

Net assets with donor restrictions were as follows as of December 31, 2023:

Purpose restrictions:	
Van purchases	\$ 120,000
Employee wellness program	<u>20,000</u>
	<u>\$ 140,000</u>

**Note 6: Contributed Goods, Services and Facilities**

The Organization received the following contributed goods, services and facilities measured at estimated fair value during the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Building rent	\$ 72,000	\$ 72,000
Meals for program members	67,500	67,500
Snow removal services	<u>7,500</u>	<u>7,500</u>
	<u>\$ 147,000</u>	<u>\$ 147,000</u>

**Note 7: Retirement Plan**

The Organization offers its full-time employees' participation in the Boys & Girls Club of America Simple retirement plan. The plan requires a participating employee to contribute 3% of the employee's gross annual salary and the Organization provides a 3% matching contribution. The Organization provided matching contributions of \$15,497 and \$13,187 to the plan for the years ended December 31, 2023 and 2022, respectively.

**BOYS & GIRLS CLUBS OF NORTHWEST COLORADO**  
**Notes to Financial Statements**  
**December 31, 2023**  
(with summarized financial information as of December 31, 2022 and for the year then ended)

**Note 8: Leases**

The Organization leases its facilities under the following lease agreements:

- Operating lease with the City of Craig requiring annual payments of \$1 through December 31, 2027.
- Short-term operating lease with the Steamboat Springs School District RE-2 (the District) requiring monthly rent of \$6,484 through June 30, 2024.

During the years ended December 31, 2023 and 2022, the Organization recognized rent expense associated with these leases as follows:

	2023	2022
Operating lease cost:		
Fixed rent expense	\$ 73,820	\$ 69,827
Contributed rent expense	72,000	72,000
	\$ 145,820	\$ 141,827

The future payments due under operating leases as of December 31, 2023 is as follows:

Year ended December 31,

2024	\$ 38,907
2025	1
2026	1
2027	1
	\$ 38,910

**Note 9: Subsequent Events**

The Organization has evaluated subsequent events through April 10, 2024, the date these financial statements were available to be issued.