

**McKINNEY COMMUNITY DEVELOPMENT CORPORATION**  
**Project Grant Application**  
**Fiscal Year 2022**

***Applications must be completed in full, using this form, and received by MCDC, via email or on a thumb drive. Contact us to discuss your plans and schedule a meeting with the Projects Subcommittee prior to completing the application.***

Please submit application, including all supporting documentation, via email or on a thumb drive for consideration by the MCDC to:

McKinney Community Development Corporation  
5900 S. Lake Forest Blvd., Suite 110  
McKinney, TX 75070

Attn: Cindy Schneible ([cschneible@mckinneycdc.org](mailto:cschneible@mckinneycdc.org))

**2022 Project Grant Application Schedule**

<b>Application Deadline</b>	<b>Presentation to MCDC Board</b>	<b>Board Vote and Award Notification</b>
Cycle I: December 31, 2021	January 27, 2022	February 24, 2022
Cycle II: March 31, 2022	April 28, 2022	May 26, 2022
Cycle III: June 30, 2022	July 28, 2022	August 25, 2022

**APPLICATION**

**Project Grants** support for projects eligible for consideration under Sections 501 and 505 of the Texas Local Government Code. These include:

- Projects Related to the Creation or Retention of Primary Jobs
- Infrastructure Improvement Projects Necessary to Develop New or Expanded Business Enterprises
- Public Parks and Open Space Improvements
- Projects Related to Recreational or Community (city/public access) Facilities
- Professional and Amateur Sports and Athletic Facilities, including Children’s Sports
- Entertainment, Tourist and Convention Facilities
- Projects Related to Low Income Housing
- Mass Transit-Related Facilities (facilities and/or equipment)
- Airport Facilities

## McKinney Community Development Corporation – Overview

In 1996 McKinney voters approved the creation of a 4B (now Type B) sales tax corporation to support community and economic development projects and initiatives to enhance quality of life improvements and economic growth for McKinney residents. MCDC receives revenue from a half-cent sales tax and awards grant funds for projects, promotional activities and community events that showcase the City of McKinney and support business development and tourism.

Guided by a City Council-appointed board of seven McKinney residents, the impact of investments made by MCDC can be seen throughout the community.

Projects eligible for funding are authorized under The Development Corporation Act and Chapters 501 to 505 of the Texas Local Government Code.

## McKinney Community Development Corporation – Mission

To proactively work, in partnership with others, to promote and fund community, cultural and economic development projects that maintain and enhance the quality of life in McKinney and contribute to business development.

### Guiding Principles:

- Serve ethically and with integrity
- Provide responsible stewardship
- Embrace our role and responsibility
- Honor the past – provide innovative leadership for the future
- Make strategic and transparent decisions that best serve the community

## McKinney Community Development Corporation – Goals

- Ensure application/project eligibility for MCDC consideration under Sections 501 to 505 of the Texas Local Government Code (see information below)
- Meet citizen needs for quality of life improvements, business development and sustainable economic growth for residents in the City of McKinney
- Provide support for cultural, sports, fitness, entertainment, community projects and events that attract resident and visitor participation and contribute to quality of life, business development and increased McKinney sales tax revenue
- Highlight and promote McKinney as a unique destination for residents and visitors alike
- Demonstrate informed financial planning – addressing long-term costs, budget consequences and sustainability of projects for which funding is requested
- Educate the community about the impact that local dining and shopping has on investment in quality of life improvements in McKinney

### General Guidelines

- Applications must be completed in full, **and provide all information requested**, to be considered by the MCDC board.
- Applicant must have been in business (preferably within the City of McKinney) for a minimum of two (2) years. The MCDC board may waive this requirement for economic development projects.

## General Guidelines - continued

- The land, building or facility where the proposed project will be located should be owned by the Applicant. However, if the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed use of the property or facility; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- **Preference may be given** to Applicants who have **not** received funding from MCDC within the previous 12-month period.
- Performance agreements are required for all approved grants.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.
- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding for ten (10) years.
- Grant recipients must maintain financial books and records of the funded project and of their operations as a whole for at least two years, should MCDC or the City of McKinney require an audit. The books and records must be available upon request, and create a clear audit trail documenting revenues and expenses of the funded project.
- Within 30 days of completion of the funded project, the grant recipient is required to submit a final report that includes detailed information on the activity; visual documentation of pre and post-project completion; and any outstanding receipts for expenditures included under the scope of the grant.
- Grant recipient must recognize McKinney Community Development Corporation as a sponsor/funder of the project improvements. MCDC will provide a logo for grant recipient use.

## Process

The McKinney Community Development Corporation Board of Directors are responsible for reviewing and voting on applications for grant funding, in accordance with requirements of the Texas Local Government Code.

- A completed application form must be submitted to MCDC in accordance with the schedule outlined above.
- The application will be evaluated to determine eligibility for MCDC funding under State law.
- Once eligibility for consideration is confirmed, a public hearing will be conducted, during a regularly scheduled MCDC board meeting, on the grant application submitted.
- Prior to the public hearing, notice will be published and posted in accordance with the requirements of the Open Meetings Act and the Texas Local Government Code. **The application, along with all documents/attachments will become public information once submitted to MCDC.**
- Following the public hearing, grant requests will be referred to a subcommittee of the MCDC board for evaluation and recommendation of approval or denial to the full board.
- Board action on the grant application will be scheduled for the board meeting the month following the public hearing.

- If a grant is approved, a performance agreement will be drafted for execution between MCDC and applicant.
- Funds awarded for approved applications are provided on a reimbursement basis, following submission of receipts and documentation of payment for qualified expenditures.
- The final 20% of the award may be withheld until a final project report is submitted to MCDC and compliance with all requirements of the executed performance agreement are confirmed.

**APPLICANT INFORMATION**

Name: Marianne Radley; CEO

Company: The Boys & Girls Clubs of Collin County

Federal Tax I.D.: 75-1296869

Incorporation Date: 1969

Mailing Address: 7700 W Main Street; Suite E

City Frisco

ST: TX

Zip: 75077

Phone: 469.888.4620

Fax: 469.888.4621

Email: mradley@bgccc.org

Cell: 951.317.3002

Website: www.bgccc.org

**Check One:**

Corporation

Partnership

Sole Proprietorship

Governmental entity

Nonprofit – 501(c) Attach a copy of IRS Determination Letter

Other

**PROJECT INFORMATION:**

Project/Business Name: McKinney Boys & Girls Club Improvements

Location of Project: McKinney Boys & Girls Club

Physical Address: 701 S. Church Street

City: McKinney

ST: TX

Zip: 75069

Property Size: 2 acres

Collin CAD Property ID: Lot 1 R1 Block A Boys Club Addition

**Please provide the information requested below:**

- An expansion/improvement  Yes  No
- A replacement/repair  Yes  No
- A multi-phase project  Yes  No
- A new project  Yes  No

**PROPERTY OWNER INFORMATION** *(if different from Applicant info above):*

Name:

Company:

Mailing Address:

City:

ST:

Zip:

Phone

Fax:

Email:

Cell:

**DETAILED PROJECT INFORMATION:**

Project Details and Proposed Use: Project includes required children’s bathroom remodeling to bring up to new code, conversion of additional bathroom and storage closet to a classroom in order to serve more children, expansion / extension of outer wall of current classroom to provide expanded space to serve additional children, removal of current sport court netting and addition of coated metal fencing with gate for court that is open to the community.

Estimated Date of Project Completion: July 2022

Days/Hours of Business Operation: After School program 2:30pm – 7pm Monday through Friday; during week provide use of facilities to McKinney home school groups and Community Christian church.

Estimated Annual Taxable Sales: Non-profit; no taxable sales

Current Appraised Value of Property: 2,050,000 Estimated Appraised Value (*Post-Improvement*): 2,870,000

Estimated Construction Cost for Total Project: \$100,400 (construction only)

Total Estimated Cost for Project Improvements included in grant request: \$225,526

Total Grant Amount Requested: \$147,746

Will funding be requested from any other City of McKinney entity (e.g. TIRZ Grant, City of McKinney 380, CDBG Grant)?

Yes

No

If yes, please provide details and funding requested:

**Has a request for grant funding been submitted to MCDC in the past?**

Yes

No

**Date(s):**

**Will the project be competitively bid?**

Yes

No

If yes, please attach bids for the project: AMMENDED BIDS SINCE FIRST SUBMITTED ON 12/31. HAVE REMOVED INCLUSION OF TEEN LAB AND ROOM ADDITION / EXTENSION. SPORT COURT ESTIMATE HAS INCREASED AS WELL AS PAINTING

**Has a feasibility study or market analysis been completed for this proposed project? No** *If so, please attach a copy of the Executive Summary.*

**Additional Information – please attach the following**

- Business plan
- Current financial report
- Audited financials for previous two years (if not available, please indicate why)
- Plat/map of property extending 200' beyond property in all directions (if applicable to your project)
- Detailed budget for the project
- Describe planned support activities; use; admission fees if applicable
- Timeline and schedule – from design to completion
- Plans for future expansion/growth

**Acknowledgements**

***If funding is approved by the MCDC board of directors, Applicant acknowledges the following:***

- The Project for which financial assistance is sought will be administered by or under the supervision of the applying individual/company.
- All funds awarded will be used exclusively for the purpose described in this application.
- Applicant owns the land, building or facility where the proposed infrastructure improvements will be made. If the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed improvements and use of the property or building; and the property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.
- MCDC will be recognized as a funder of the Project. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement.
- Individual/company representative who has signed the application is authorized to submit the application.
- Applicant will comply with the Grant Guidelines in executing the Project for which funds were awarded.
- Funded Projects must be completed within one year of the date the grant is approved by the MCDC board, unless an exception is granted.
- Completed Project must be inspected for Code compliance.

- A signed Contractor's Sworn Statement and Waiver of Lien to Date form must be completed, notarized and provided to MCDC prior to receiving grant funds.
- Property owner will be responsible for maintaining the infrastructure improvements made with funding from Grant for ten (10) years.

## **Acknowledgements** - *continued*

- A final report detailing the successful completion of the Project will be provided to MCDC no later than 30 days following completion of the Project.
- Grant funding is provided on a reimbursement basis subsequent to submission of a reimbursement request, with copies of invoices and paid receipts for qualified expenses.
- Up to 20% of the grant funds awarded may be withheld until a final report on completion of the Project is provided to MCDC.
- A performance agreement will be required that may outline requirements for acknowledging MCDC funding support for the project. Additionally, it will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120<sup>th</sup> day after the date the MCDC notifies the applicant of the violation.

**[The Remainder of this Page Intentionally Left Blank]**



**BY SIGNING THIS APPLICATION, I CERTIFY THAT I AM THE LEGAL OWNER OF THE ABOVE REFERENCED PROPERTY OR THAT I AM AUTHORIZED TO REPRESENT AND ACT ON THE BEHALF OF THE OWNER OF THE ABOVE REFERENCED PROPERTY. I ALSO CERTIFY THAT ALL OF THE INFORMATION PROVIDED HEREON IS ACCURATE AND TRUE SO FAR AS I AM AWARE AND UNDERSTAND THAT I AM LEGALLY RESPONSIBLE FOR THE ACCURACY OF THIS APPLICATION. I FURTHER UNDERSTAND THAT I AM NOT GUARANTEED A GRANT.**

**Applicant's Signature**




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Signature

Marianne Radley  
Printed Name

12/31/21  
Date

**Property Owner's Signature**



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Signature

Marianne Radley; CEO  
Printed Name

12/31/21  
Date

***INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.***

***A FINAL REPORT IS TO BE PROVIDED TO MCDC WITHIN 30 DAYS OF THE COMPLETION OF THE PROJECT. FINAL PAYMENT OF FUNDING AWARDED WILL BE MADE UPON RECEIPT OF FINAL REPORT.***

----- Estimate -----

1531 Inspiration Dr. #2034  
Dallas, TX 75207 US  
+1 7605258557  
[www.hwgctx.com](http://www.hwgctx.com)

Estimate #: 1019  
Date: 12/13/2021  
\$60,075.00

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Address:

Boy's and Girls Clubs of Collin County-Mckinney  
701 s. church st  
Mckinney, texas 75069 USA

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Service	Description	Qty	Rate	Amount
CommercialDemo-	(2) Primary B/G bathrooms	1	5,800.00	5,800.00
	-Remove floor Tile -Remove Bathroom stall Partitions -Remove Sinks -Remove/Save Grab Rails/Fixtures -Remove/Save Commodes -Demo Elevator Shaft Closet -Demo entrances to restrooms' as far as wall starts to curve			
CommercialFraming-	Primary Bathrooms	1	2,800.00	2,800.00
	-Backing for new partitio Stalls -Floating Countertop Fram			
CommercialDrywall-	Primary Bathrooms	1	2,150.00	2,150.00
	-Drywall patching from partition Backing, Plumbing relocation and multiple other areas. -Patch where elevator shaft walls were removed			
CommercialPlumbing-	Primary Bathrooms	1	11,550.00	11,550.00

- Move commode Sewer drain in each bathroom (2) total to accommodate ADA compliancy.
- New Angle Stops for (2) relocated ADA commodes
- New angle stop water supplies for sinks
- Move (1) urinal Plumbing in Boys bathroom to standard height
- Hook up new top mounted sinks on new floating countertop
- Remove Concrete to tie into sewer line
- Remove Wall tile to move wall plumbing (2) commodes and (1) urinal
- Install a base compactio and pour back concrete to set new commode flange.
- Remove Commodes, Save, replace with new wax rings and re-Install
- Remove/Replace Existing Water heater, bring up to code specs and proper function.

Note:

To convert to "Instahot" system for each sink electrical will need to be ran to each unit and will likely not be a cost effective way. If this option is wanted we can discuss options

CommercialElectrical-Primary Bathroom	1	4,800.00	4,800.00
<ul style="list-style-type: none"> <li>-Replace Existing light bulbs and Diffusers</li> <li>- Replace (2) Emergency Flood lights</li> <li>-New switches on existing circuits</li> <li>-Includes Permit and Inspections</li> </ul>			
CommercialHVAC-Primary Bathroom	1	1,700.00	1,700.00
<ul style="list-style-type: none"> <li>-Duct Work Modification using existing duct work to frame out boots in restrooms (2) supply and (2) return boots, grilles labor and material</li> </ul>			

included- 1 year Warranty

Recommended option not  
include in price- \$375  
Bi/Annual AC unit  
Inspection/Cleaning/Maint  
enance, check pressure an  
major components ie  
wiring, belts etc.

Change Filters  
(4) per visit, \$20 each  
additional

Dumpster/DO	1	2,000.00	2,000.00
nsite Dumpster-Primary Bathrooms Dump trailer rental and disposal costs			
CommercialWall Fixtures Install- Primary Bathroom -Install grab bars per AD compliance -Install Commode Seat Gasket dispensers -Install soap dispenser -Install Paper Towel Dispenser	1	675.00	675.00
*Using existing fixtures to reinstall *If new fixtures wanted the cost to purchase is not included			
CommercialCountertops-Primary -Install an approximate 6 wide standard size floating countertop to accommodate (2) ADA sinks and compliance	1	3,700.00	3,700.00
Note: Material hasn't bee chosen at this time.. Based on commercial grade Quartz material at a standard "Not Custom" size.			
CommercialBathroom Partitions -(6) Stalls Solid Plastic (Color TBD), floor mount, overhead braced Restroom Partitions  (3) Urinal screens	1	9,200.00	9,200.00
CommercialFlooring-Primary Bathrooms -Install 13" standard Tiles in both Bathrooms and connecting area.	1	4,150.00	4,150.00

-Grout Line as small as possible  
 -Patch Wall Tile where plumbing was removed for relocation

-Not Including tile material cost.

Option:  
 Install 12"x24" tiles in above areas-\$4380

CommercialMasking Work Barrier	1	750.00	750.00
-Masking work areas to limit particles in occupied areas			
-Material/Equipment/Labor needed for cleanliness and daily clean-up			
CommercialPaint/Finish	1	2,500.00	2,500.00
Paint Restroom walls from wall tile up to T-bar ceiling			
ResidentialOverheads Costs, Profit and Construction Management	1	7,500.00	7,500.00
Permit feeCosts for permits and city costs	1	800.00	800.00

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 Total: \$60,075.00

Exclusions

- Not responsible Fire sprinkler system
- Not responsible for current conditions pertaining to Plumbing, Electrical, HVAC Structural or environmental.
- Unforeseen issues will be given a change order and will need to be paid to move forward for any "Off Contract" Work.

-If Estimate is excepted a contract will be drawn up and a payment schedule "Milestone payment will be issued

Notes:

-Finish material hasn't been chosen at this time.. Such as sinks, fixtures, tile ,countertops, Bathroom partitions..etc. Price may vary depending on material chosen.

# HW General Contracting TX

1531 Inspiration Dr. #2034  
Dallas, TX 75207 US  
nwilbur@hwgeneralcontracting.com  
www.hwgctx.com



## Estimate

ADDRESS  
Boy's and Girls Clubs of Collin County-Mckinney  
701 s. church st  
Mckinney, texas 75069 USA

ESTIMATE 1038  
DATE 01/07/2022  
EXPIRATION DATE 01/21/2022

SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
Commercial-Exterior	Basketball Court Fencing  1. Removal includes cutting existing posts at concrete surface and filling holes with concrete.  2. Fence includes up to 265 ft of fence and (1) ea 3-ft pedestrian gate.  3. Fence is quoted with the following materials and methods: • Black vinyl-coated pipe and wire, black powder-coated fittings • 3" x SS40 corner and terminal posts, cored into existing concrete slab and set 36" deep • 3" x SS40 line posts at 10-ft o.c., cored into existing concrete slab and set 36" deep. • (3) ea 1-5/8" x SS40 horizontal rails (top, center, and bottom) • Class 2A vinyl-coated chain link fabric, 9ga core wire • 2" x SS40 gate frame  4. Prices excludes Sub-Contractors sales tax on incorporated materials.	1	36,771.00	36,771.00

\*Engineering/Permits/ City costs not included if needed (unlikely)

TOTAL

**\$36,771.00**

Accepted By

Accepted Date

## HW General Contracting TX

1531 Inspiration Dr. #2034  
Dallas, TX 75207 US  
nwilbur@hwgeneralcontracting.com  
www.hwgctx.com



## Estimate

ADDRESS  
Boy's and Girls Clubs of Collin County-Mckinney  
701 s. church st  
Mckinney, texas 75069 USA

ESTIMATE 1034  
DATE 1/5/2022  
EXPIRATION DATE 2/4/2022

SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
Commercial Interior	Interior Paint  Scope of Work: Gym: 1 Wall (wall closest to main entry)  Remaining of Interior: All Walls, Metal Doors and Metal Door Frames Includes: Men's Room, Women's Room, Entry, Gym (1 wall), Game Room, Hallways, Kids Cafe, Staff Restroom, Staff Area, Office/Reception, Lab, Teen Club, Directors Office, Asst Directors Office, Additional Restroom, Buck Store  Paint / Process: Pole Sand all walls and scrape loose/peeling paint Repair holes/cracks, texture to match Prime all walls with SW ProBlock primer Apply 2 Coats of SW PreCatalyzed Epoxy to all Walls Metal Doors / Frames: Prime with SW Procryl and top coat with SW WB Alkyd Urethane	1	31,550.00	31,550.00
Commercial-Exterior	Option for Room Addition:  Prime all interior walls with PVA Primer Paint all interior walls with SW PreCatalyzed Epoxy Paint 2 new exterior walls; SW A100  Notes:  -Paint Specification - due to a nationwide shortage on paint, we reserve the right to substitute an equivalent quality of paint if the paint specification is not available.  -COLORS — Colors may be chosen by the client prior to commencement of work. If, after the job starts, a color change is required, the independent Contractor will have to charge for time and material expenses incurred on the original color.  -UNFORESEEN CONDITIONS — Should conditions arise	1	2,350.00	2,350.00

which could not be determined by visual inspection prior to starting work, the client must pay an agreed upon extra for the completion of such work.

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If estimate is accepted a Contract will be drawn up to include disclosures, warranty and legal info.

TOTAL

**\$33,900.00**

-If estimate is accepted a Payment Schedule will be issued.

-Due to supply/Material shortages, estimate price may vary based on the fluctuation of material prices.

Accepted By

Accepted Date



**CONNELLY & ASSOCIATES**

**REAL ESTATE APPRAISERS & CONSULTANTS**

RESTRICTED APPRAISAL

OF

BOYS AND GIRLS CLUB OF COLLIN COUNTY  
701 S. CHURCH STREET  
MCKINNEY, COLLIN COUNTY, TEXAS 75069  
PROJECT NUMBER: 20-000575-01-01

FOR

MR. BENTON GAY, MAI  
CAPITAL ONE BANK, N.A.  
3840 HIGHWAY 22  
MANDERVILLE, LOUISIANA 70471  
[Benton.gay@capitalone.com](mailto:Benton.gay@capitalone.com)

BY

CONNELLY & ASSOICATES  
REAL ESTATE APPRAISERS AND CONSULTANTS  
1527 N. BUCKNER BOULEVARD  
DALLAS, TEXAS 75218  
214-682-0506  
[greg\\_connelly@hotmail.com](mailto:greg_connelly@hotmail.com)

## **Restricted Appraisal Report**

This appraisal is being presented in a Restricted format per the Uniform Standards of Professional Appraisal Practice (USPAP). This report is restricted to the client's use only and may not be fully understood without additional information maintained in our files. The data and analyses are being presented with limited discussion of the appraiser's opinion of value. We have discussed the report format with the client and have agreed on the followed abbreviated format for this assignment.

### **Report Information**

Subject Property	Boys and Girls Club of Collin County
Address	701 S. Church Street, McKinney, Collin County, Texas 75069
Project No.	20-000575-01-01
Concluded Value	\$2,050,000 – “As Is”
Insurable Replacement Costs	\$1,668,000
Real Property Interest Appraised	Fee Simple Estate
Effective Date of Value	June 13, 2020
Date of Report Issue	June 25, 2020
Client/Intended User	Capital One and-of affiliates (only intended user)
Intended Use of the Report	Loan underwriting and/or credit decisions
Marketing Time/Exposure Period	12 months – “As Is”

Scope of Work

The assignment has requested the most meaningful approach to value to be presented. The Subject is the Boys & Girls Club of Collin County, which is 100% owner occupied. Thus, the Sales Comparison Approach will be presented in this restricted appraisal.

The Subject Property and surrounding developments were physically viewed by the appraiser signing this report. Our viewing included an interior and exterior viewing and photography of the site and improvements. Data pertaining to the subject property was provided by the borrower, loan officer or other individuals associated with the lender. It is assumed the information provided is correct. We are not responsible for errors of omission or commission contained within the provided data. Additional data was assembled from sources including tax records, flood maps, and other public sources.

Market data has been collected from our prior work files, subscription services including CoStar, LoopNet, Roddy Report, MLS, or other similar sources. Broker interviews and discussions with buyers, sellers and other market participants may also be reflected in the data and analysis.

## Definition of Value

Market value is defined by the Financial Institutions, Reform, Recovery and Enforcement Act as follows:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeable, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Fee Simple is defined as "A Fee Simple Estate implies absolute ownership unencumbered by any other interest or estate."

Market Value "As Is" is defined as "An estimate of the Market Value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of appraisal."

## Ownership/Sales History

According to the Collin Central Appraisal District (CCAD), the Subject Property is currently owned by Boys and Girls Club of Collin County, Inc. The Subject has been under its current ownership for +10 years. There have been no other known sale transactions during the past three years. The Subject is not currently listed for sale and there are no known sale contracts.

## Neighborhood

The Subject is located along the east side of S. Church Street, just south of W. Standifer Street in the City of McKinney, Collin County, Texas.

The neighborhood is generally defined as McDonald Street (SH-5) to the east, Graves Street to the west, Wilson Creek Parkway to the south and Lamar Street to the north. The Subject is located in the east central portion of the Neighborhood. The neighborhood in which the Subject Property is located is predominately residential with a complementary mixture of commercial uses along the primary arterials and at major intersections.

Primary access to the Neighborhood is provided by Central Expressway (US-75) and McDonald Street (SH-5). Central Expressway (US-75) is a major, north/south freeway that provides access to the Dallas CBD to the south. McDonald Street (State Highway 5) is the primary north/south roadway that provides access to US-380 to the north and Central Expressway and Sam Rayburn Turnpike to the south.

Louisiana Street and Virginia Street are the primary east/west routes on the Historic Square and Tennessee Street and Kentucky Streets are the primary north/south routes, respectively. On and near the Historic Square, these are one-way, two-lane roads with on-street parking. Johnson Street, Herndon Street, Cloyd Street and Wood Street near the Historic Square are effectively one-lane alleys. West of the Historic Square, Louisiana Street is a one-way east road that intersects with McDonald Street (Highway 5), and Virginia Street is a one-way west road that intersects with both McDonald Street and Central Expressway (US Highway 75). Virginia Street and Louisiana Street divide/merge approximately three blocks to the east of Central Expressway, which results in Virginia Street becoming Virginia Parkway to the west of the Central Expressway interchange. Wilson Creek Parkway is also a primary east/west thoroughfare within the defined neighborhood.

Development within the neighborhood is primarily residential in nature.

New apartment complexes are located on the southeast corner of S. Tennessee Street and E. Davis Street and southeast corner of S. Tennessee Street and Howell Street, just south of the McKinney CBD. A new three-story office building is located on the southwest corner of SH-5 and E. Davis Street.

Land uses surrounding the Subject include: single-family development to the north and east, vacant land to the south and city park (Finch Park) to the west across Church Street.

The neighborhood is considered to be in the stable to growth stage of the life cycle. There are no known nuisances or hazardous characteristics affecting the area. Market conditions within the Neighborhood appear to be stable.

**Description of the Real Estate**

Address/Location

701 S. Church Street, McKinney, Collin, Texas 75069  
East side S. Church Street, ±475' South of W. Standifer Street

Legal Description

Being Lot 1R1, Block A, Boys Club Addition, an addition to the City of McKinney, Collin County, Texas.

Land Size

2.000 acres, or 87,114 SF (per survey & CCAD)

Access/Frontage

±200.93' along the east side of S. Church Street. Church Street is a two-lane, north/south, secondary roadway. Access to the site is available via one curb cut. The overall location, access and visibility are considered to be average.

Shape/Topography

Irregular in shape, with a level to slightly sloping topography situated slightly above the street grade of Church Street. Sufficient slope for adequate drainage.

Zoning

According to the City of McKinney, the improved north portion of the Subject is zoned RS-60 and the unimproved (fields/playground) south portion of the site is zoned PD 02-09-091.

The "RS 60" Single Family Residence zone is designed to encourage a suitable family life on medium size lots. Allowable uses include single family, religious, civic and governmental uses.

The PD 02-09-091 allows for development under the “MF-3” Multiple Family Residential District. The “MF-3” Multiple Family Residential-Medium-High Density zone is designed to provide for moderately high density multiple family residential development characterized by smaller scale buildings and more open space. This district is appropriately located with direct access to major thoroughfares. This district permits three story apartments, fourplexes, and duplexes. Refer to PD in the addenda.

According to the Kathy Wright with the City of McKinney, the required parking for the Subject Property is one space per 200 SF for the first 2,000 SF of building area and one space per 300 SF for the remaining 13,856 SF. The total required parking is 57 spaces.

The Subject has four on-site parking spaces, but has a joint use parking agreement with the city for an additional 33 parking spaces in a parking lot located across Church Street in Finch Park. The total available parking is 37 spaces. Refer to the Finch Park Joint Use Parking Agreement located in the addenda.

According to Kathy Wright with the City of McKinney, the Subject is considered to be a legal, but non-conforming use.

There is a 25-year joint use parking agreement with the City of McKinney. Under the terms of the agreement, the Boys and Girls Club of Collin County constructed a 33 space concrete parking lot adjacent to an existing 20 space parking lot within Finch Park. The agreement started on February 29, 1996 and expires on February 28, 2021, with one 25-year renewal option. The City of McKinney is responsible for the maintenance costs of the parking lot.

It should be noted that responsibilities, obligations, and rights created by the agreement are for the exclusive benefit of the Boys and Girls Club of Collin County and may not be assigned without prior written consent of the City. Based on the definition of market value herein and the inherent assumption of the sale of the property as of the effective date of appraisal it is the appraiser’s opinion that additional on-site parking would be required to meet code. The southern portion of the site was donated a few years ago; thus, there is adequate land area for on-site parking.

Utilities All utilities available to the site. Water and sanitary sewer are provided by the City of McKinney. A fire hydrant is located on site.

Flood Plain According to FEMA Map #48085C0280J, dated June 2, 2009, the Subject is not located within the 100-year flood plain. This appraisal assumes that the Subject is not negatively affected by the 100-year flood plain.

Easements/Restrictions According to the survey/site plan, there are no easements or restrictions that negatively affect the tract. It is assumed that common (i.e., utility, drainage, etc.) easements exist but they are not detrimental to the site. Additionally, no private (deed) restrictions were noted during the course of this appraisal that would have a negative effect on the Subject. Only a recent title search would provide information on all possible restrictions and easements affecting the site. No title search was provided to the appraisers.

Environmental A Phase I Environmental Assessment Report was not provided to the appraiser. The appraiser has not made a soil test or test of underground water. The appraiser is not qualified to detect such substances, and therefore, the extent of any toxic waste remaining on the property, if any, is not known. In the absence of specific information to the contrary, we have estimated the value of the property as if “clean” and uncontaminated. The value estimate does not take into account any negative or positive factors caused by existing or forthcoming EPA or other regulations. A Phase I Environmental Assessment was not provided, but is recommended. This appraisal assumes that the Property is not negatively affected by environmental hazards or conditions.

**Improvement Description** The Subject Property is improved with a 2,376 SF office building (teen center) and a 13,456 SF recreational building for a total building area of 15,832 SF. The office building was constructed in 1996 as a boxing venue and was renovated/converted to office use in 2006. The recreational building was constructed in 1972 and 1996, but was substantially renovated in 2011. The buildings are 100% air-conditioned, with a land-to-building ratio of 5.50:1.

No construction plans were provided. The following construction summary is based on the physical inspection and discussions with the Kareem Evans (owner's representative).

### **Construction Summary – Office Building (Teen Center)**

Size	2,376 SF
Year Built	1996; renovated in 2006
Layout	The building is finished out with an entry/lobby, four offices, conference room, breakroom (with sink) and one restroom.
Foundation	5" concrete slab over vapor barrier and sand cushion. There are concrete piers.
Frame	Wood/steel frame.
Exterior Walls	Brick veneer exterior walls over sheathing.
Roof	Pitched standing seam metal roof over wood truss. The building has gutters and downspouts.
Interior Walls	Textured and painted gypsum board over steel studs. Interior finishout is considered to be average quality.
Ceilings	Combination of textured sheetrock and suspended grid, with lay-in acoustical tile ceilings, with recessed fluorescent lighting. Insulation above the ceiling tiles.
Floors	The majority of the building is carpeted, with ceramic tile in the entry/lobby, breakroom and restroom.
HVAC	The building is 100% HVAC space with ground roof mounted units.
Electrical	Assumed to be complete electrical system in accordance with city code.



Plumbing Assumed to be complete plumbing system in accordance with city code. Hot water is provided by a gas water heater. There is one restroom and a breakroom that has a sink.

Fire Protection The building is not fire sprinklered. The building has smoke detectors and fire alarm system.

### **Construction Summary – Multi-Purpose Recreational Building**

Size 13,456 SF

Year Built 1972/1996; renovated in 2011

Layout The building is finished on the interior with an entry/lobby, gymnasium, game room, multi-purpose room, educational room, kitchen/dining room, teen room, staff office, director's office and two storage rooms. The building has four exit doors.

Foundation 5" concrete slab over vapor barrier and sand cushion. There are concrete piers.

Frame Steel frame structure with load bearing exterior tilt-wall. The west portion of the building is steel frame.

Exterior Walls Combination of concrete tilt-wall, pre-engineered metal siding and brick veneer.

Roof The concrete tilt-wall portion has a flat built-up tar and gravel roof over steel deck and metal truss. The metal/brick portion has a pitched standing seam metal roof, with gutters and downspouts.

Interior Walls Combination of concrete tilt-wall and textured/painted gypsum board over steel studs. Interior finishout is considered to be average quality.

Ceilings The gymnasium has an exposed ceiling, with halide lighting. The other portions of the building have suspended grid, with lay-in acoustical tile ceilings and recessed fluorescent lighting. Insulation is above the ceiling tiles.

Floors The gymnasium has wood flooring. The others areas are a

	combination of vinyl, ceramic tile (kitchen/restrooms/education center) and carpet.
HVAC	The building is 100% HVAC space with roof-top mounted units.
Electrical	Assumed to be complete electrical system in accordance with city code.
Plumbing	Assumed to be complete plumbing system in accordance with city code. Hot water is provided by a gas water heater. There are five restrooms and a full-service kitchen that has a sink and grease-trap. The appraisers are not qualified to determine the compliance of the bathrooms with ADA.
Fire Protection	The building is 100% fire sprinklered for fire protection, with smoke detectors.
Site Improvements	The south portion of the tract is unimproved and is used as athletic fields and playground area. There are picnic tables, sports court, play center and playground. There is approximately 8,500 SF of concrete parking, drive and walks with 4 marked parking spaces. The Subject is landscaped with an underground sprinkler system. The exterior of the building is illuminated with street lighting and building mounted lighting.
Age/Condition/Deferred Maintenance	The Subject improvements were constructed from 1972 and 1996, but were significantly renovated in 2006 and 2011, respectively. The improvements are considered to be in good condition, with no significant items of deferred maintenance that are not a part of everyday maintenance. No deduction for deferred maintenance will be made.
Effective Age/Remaining Economic Life	According to the Marshall Valuation Service, buildings similar to the Subject have an economic life of approximately 50 years. Based on the condition of the improvements, the estimated effective age is less than its actual age. For our report, the effective age is estimated to be 15 years (30.0% depreciated). The improvements have a remaining economic life of 35 years.
American with Disabilities Act (ADA)	As the appraisers are not qualified to detect compliance issues, we have not made a specific compliance survey and analysis of the

Subject to see if it conforms to the American's with Disabilities Act (see Assumptions & Limiting Conditions No. 16). The extent of the Subject's ADA compliance is unknown.

FF&E/Personal Property

Personal property such as office furniture, removable kitchen appliances, video equipment, sports/exercise equipment, supplies, or non-permanently affixed equipment, etc. is not considered in the final value estimate of this report.

Lease Data

The Subject is 100% owner occupied and is not encumbered by a lease.

Real Estate Assessment

Account No.: 2728232  
Certified 2019 assessment - \$1,927,822 (Preliminary 2020 assessment is not available)  
(Land - \$217,800; Improvements - \$1,707,022)  
Tax Rate – 2.260123%  
Estimated Taxes – None (tax exempt)  
According to the Collin County Tax Collector, there are no past due taxes.

Highest and Best Use

As Vacant

Highest and Best Use of the Subject Property "As If Vacant" would be to market or develop the site with a community-service, school use or religious use. Given the Subject's location, an alternative Highest and Best Use would be for a small single family residential development, duplex or multi-family use.

As Improved

The Subject Property is improved with the 15,856 SF Boys and Girls Club of Collin County. The improvements were built from 1972 to 1996 and were significantly renovated in 2006 and 2011, respectively. The improvements are considered to be in good condition, with no significant items of deferred maintenance.

The current Subject improvements represent a legal, but non-conforming use of the Subject site. Additionally, there is not an alternative legal use that would justify redevelopment of the Subject site at this time. Therefore, it is the appraisers' opinion that the current improvements represent the Highest and Best Use of the Subject Property "As Improved".

## Sales Comparison Approach

An indication of value can be obtained by comparison with other similarly improved properties that have sold on the market. The critical element in the application of this approach is the determination of what constitutes "the market". It may or may not be appropriate to consider only those sales in the immediate vicinity of the Subject. Judgment must be applied in selecting the market sales, which would compete in the market with the Subject Property for investor monies.

There are several units of comparison, which may be used to compare one operating property against another. These comparison units include:

1. The Gross Rent/Income Multiplier - Purchasers pay so many times gross earnings when they purchase income-producing real estate (Sales Price ÷ by Gross Income). The Gross Income estimate for the Subject Property reflects its ability to compete in the market. The location, condition, size, etc. of the Subject is reflected in this Gross Income estimate. Therefore, no comparison adjustments are necessary when market multipliers are used with the Gross Income estimate of the Subject Property to arrive at a value indication.
2. Price/SF, Price/Unit, or other comparatives require subjective adjustments to compensate for dissimilarities between the sales and the Subject Property. Generally, such comparisons are less reliable than the Gross Rent/Income Multiplier Method.

The following is a summary of similar special use (assembly, recreation, etc.) building sales in the DFW area. These sales are all within similar market environments as the Subject and are considered to reflect a probable range of investor attitudes toward the Subject. The improved sales are summarized as follows:

Comparable Sales Summary											
Sale	Location	Sale Date	Year Built	Bldg. Size SF	Land Size SF	LBR	Sale Price	Sale Price	Construction	Amenities	Condition
1	5333 Independence, Plano (W/S Independence Pky, 1,300' S/of Spring Creek Parkway)	04/19/2018	1983	36,429	217,452	5.97	\$5,055,000	\$138.76	Brick/metal, pitched & flat roof,	Similar	Similar
2	880 Fox Avenue, Lewisville (S/S Fox Avenue, SW/of IH-35E0)	08/01/2018	1970	13,000	238,360	18.34	\$1,598,000	\$122.92	Brick veneer, pitched roof	Inferior	Inferior
3	4501 Mathew Road, Grand Prairie (E/S Mathew Road, 650' North of Polo Road)	10/11/2019	1980	11,732	184,694	15.74	\$1,200,000	\$102.28	Brick/stucco, pitched and flat roof	Inferior	Inferior
4	4700 Nash Drive, The Colony (SEC Main Street & Nash Drive)	11/20/2019	2010	16,604	193,014	11.62	\$2,305,133	\$138.83	Brick/stucco, pitched and flat roof	Similar	Superior
5	2901 N. MacArthur Blvd., Irving (W/S N. MacArthur Blvd., at Metker Street)	02/25/2020	1985	15,000	240,451	16.03	\$1,600,000	\$106.67	Brick veneer, flat roof	Inferior	Inferior
6	2256 Arapaho Road, Garland (SW/S Arapaho Road at Holford Road)	Contract (July 2020)	2000	28,900	132,362	4.58	\$3,200,000	\$110.73	Brick veneer, flat roof	Similar	Similar
Average		-	1988	20,278	201,056	12.05	\$2,493,022	\$120.03	-	-	-
Subject - 701 S. Church Street, McKinney		-	1972-1996	15,832	87,114	5.50	-	-	Tit-wall, brick/metal, pitched & flat roof	Good	Good



**SALE NO. 1 – 5333 INDEPENDENCE PARKWAY, PLANO, COLLIN COUNTY**



**SALE NO. 2 – 880 FOX AVENUE, LEWISVILLE, DENTON COUNTY**



**SALE NO. 3 – 4501 MATTHEW ROAD, GRAND PRAIRIE, DALLAS COUNTY**



**SALE NO. 4 – 4700 NASH DRIVE, THE COLONY, DENTON COUNTY**

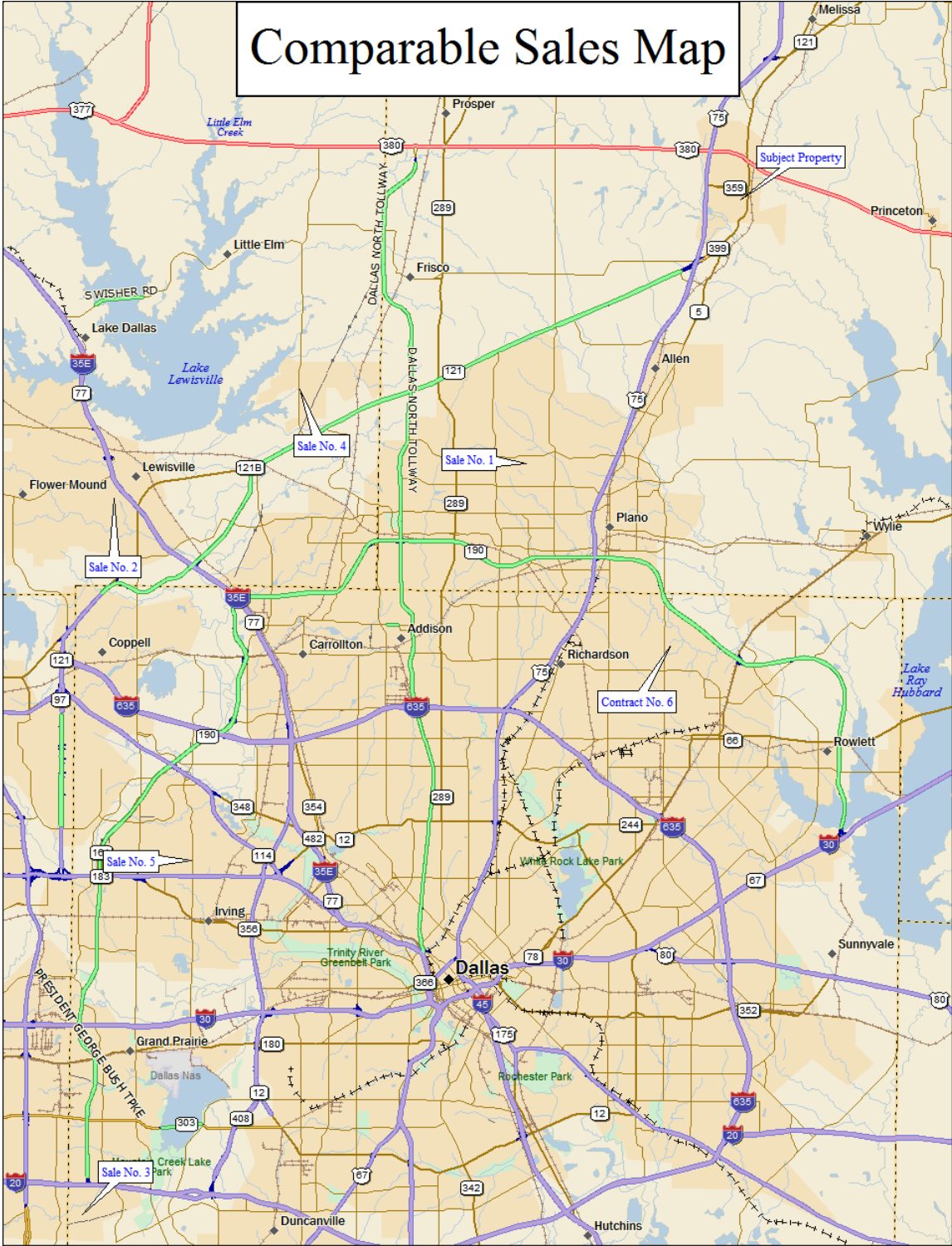


**SALE NO. 5 – 2901 N. MACARTHUR BLVD., IRVING, DALLAS COUNTY**

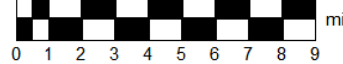


**CONTRACT NO. 6 – 2256 ARAPAHO ROAD, GARLAND, DALLAS COUNTY**

# Comparable Sales Map



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Data Zoom 9-4



### Sales Price/SF Analysis

In the Sales Comparison Approach, the property appraised is compared with known prices paid for similar properties in the open market. Typically, for properties of this type the most common units of comparison used are the sales price per square foot (SP/SF). To produce a meaningful value, the comparable properties should be as similar in locational attributes, age/condition, operating expense ratio, land-value and economic/demographic trade areas as possible. Whenever possible, sales are paired to determine adjustments for differences in the properties. While the sales information gathered was the best information available we were not able to identify any paired adjustments and the appraiser has relied upon previous experience and discussions with purchasers to arrive at the adjustments.

The following improved sales are useful in establishing the probable value of the Subject Property by the Sales Comparison Approach.

**Improved Adjustment Grid "AsIs"**

	Subject	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4	Sale No. 5	Contract No. 6
Sale Date	-	04/2018	08/2018	10/2019	11/2019	02/2020	Current Contract
Location	701 S. Church Street, McKinney, Collin County	5333 Independence Parkway, Plano, Collin County	880 Fox Avenue, Lewisville, Denton County	4501 Matthew Road, Grand Prairie, Dallas County	4700 Nash Drive, The Colony, Denton County	2901 N. MacArthur Blvd., Irving, Dallas County	2256 Arapaho Road, Garland, Dallas County
Access/Visibility	Average	Good	Average	Average	Good	Good	Good
2019 Population (3-miles)	56,550	150,729	112,105	90,576	70,841	147,979	118,400
2019-2024 Population Growth	12%	6%	8%	8%	14%	5%	7%
Median HH Income (3-miles)	\$65,524	\$99,099	\$68,062	\$80,371	\$102,109	\$54,636	\$70,815
Traffic Count	NA	27,832	10,000	NA	40,071	26,000	19,677
Construction	One-story, steel frame, concrete tilt-wall, metal & brick veneer exterior, flat built-up and pitched metal roof, concrete	One/two-story, brick/metal exterior, pitched metal roof and flat built-up roof, concrete paving	One-story, brick veneer exterior, pitched composition roof, asphalt paving	One-story, brick/stucco veneer exterior, pitched composition roof and flat built-up roof, asphalt and concrete paving	One-story, brick/stucco veneer exterior, pitched metal roof and flat built-up roof, asphalt and concrete paving	One-story, brick veneer, flat built-up roof, asphalt and concrete paving	One-story, steel frame, brick veneer exterior, flat built-up roof, concrete paving
Building Size SF	15,832	36,429	13,000	11,732	16,604	15,000	28,900
Land-to-Building Ratio	5.50	5.97	18.34	15.74	11.62	16.03	4.58
Condition at Sale	Good	Good	Average	Average	Average	Average	Good
Year Built; Renovated	1972-1996; 2006/2011	1983	1970	1980	2010	1985	2000
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Terms	Cash	Cash	Cash	Cash	Cash	Cash	Cash
Condition of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Price Per SF		\$138.70	\$122.92	\$102.28	\$138.83	\$106.67	\$110.73
<b>ADJUSTMENTS</b>							
Property Rights Conveyed		0%	0%	0%	0%	0%	0%
Terms		0%	0%	0%	0%	0%	0%
Condition of Sale		0%	0%	0%	0%	0%	0%
Market Conditions (Time)		6%	5%	0%	0%	0%	0%
<b>Adjusted Price SF</b>		<b>\$147.02</b>	<b>\$129.07</b>	<b>\$102.28</b>	<b>\$138.83</b>	<b>\$106.67</b>	<b>\$110.73</b>
Location/Access/Visibility		-10%	0%	10%	-5%	10%	10%
Building Size SF		5%	0%	0%	0%	0%	5%
Age/Condition		0%	10%	10%	0%	10%	0%
LBR/Density		0%	-5%	-5%	-5%	-5%	0%
Construction/Design/Finishout		0%	0%	0%	0%	0%	0%
Amenities		0%	5%	5%	5%	5%	5%
COVID 19		-5%	-5%	-5%	-5%	-5%	-5%
<b>Total Adjustment</b>		<b>-10%</b>	<b>5%</b>	<b>15%</b>	<b>-10%</b>	<b>15%</b>	<b>15%</b>
<b>Adjusted Sale Price SF</b>		<b>\$132.32</b>	<b>\$135.52</b>	<b>\$117.62</b>	<b>\$124.95</b>	<b>\$122.67</b>	<b>\$127.34</b>

## **Explanation of Adjustments**

The following is a description of the adjustments made to the comparable sales.

Real Property Rights Conveyed/Condition of Sale - No adjustments for Property Rights Conveyed or Condition of Sale are necessary.

Terms - All of the sales sold for cash to seller, no adjustment for Terms in needed.

Market Conditions - Sale Nos. 1 and 2 occurred in April and August of 2018 and will be adjusted upward for upward for improving market conditions from the date of sale to March 2020 (COVID date) based on a 3% annual rate. Sale Nos. 3, 4, 5 and Contract No. 6 occurred from October 2019 to present and will not be adjusted for market conditions. Refer to COVID 19 adjustment.

Location - The Subject Property is located along the east side of Church Street, just north of Christian Street and abutting Finch Park in the City of McKinney. Church Street is a secondary roadway that provides average access and visibility in a residential area. The Property is located in an established area that has a 3-mile population of 56,550 and median household income of \$65,524. The population is projected to increase 12% during the next five years.

Sale No. 1 is located along west side of Independence Parkway, approximately 1,300' south of Spring Creek Parkway in the City of Plano. Independence Parkway is a primary thoroughfare, with a traffic count of  $\pm 27,832$  cars. The property has a 3-mile median household income of \$99,099 and 3-mile population of 150,729 that is projected to increase 6% during the next 5-years. Sale 1 has superior traffic counts, population base, income levels and population growth rates. The overall location is slightly superior to the Subject and a downward adjustment of 10% will be applied.

Sale No. 2 is located along the southeast side of Fox Avenue, approximately 2,000' southwest of Stemmons Freeway (IH-35E) in the City of Lewisville. Fox Avenue is a four-lane roadway that has a daily traffic count of  $\pm 10,000$  cars. The property has a 3-mile median household income of \$68,062 and population of 112,105 that is projected to increase 8% during the next 5-years. Sale No. 2 has a superior population base and traffic counts, but has similar income levels and inferior population growth rates. For our analysis, the overall location is considered similar to the Subject and no adjustment will be made.

Sale No. 3 is located the east side of Matthew Drive, approximately 850' north of Polo Road in the City of Grand Prairie. Matthew Drive is a two-lane, north/south, secondary roadway that provides similar access and visibility as the Subject. The property has a 3-mile median household income of \$80,371 and population of 90,876 that is projected to increase 8% during the next 5-years. Despite the superior data, the Subject's McKinney location is deemed superior to Grand Prairie and an upward adjustment of 10% will be applied.

Sale No. 4 is located on the southeast corner of Nash Drive and Main Street (FM-423) in the City of The Colony. Main Street is a six-lane, divided, north/south, primary thoroughfare, while Nash Drive is a secondary roadway. The property is considered to have good access and visibility, with a daily traffic count of  $\pm 40,071$ . The property has a 3-mile median household income of \$102,109 and population of 70,841 that is projected to increase 14% during the next 5-years. Sale No. 4 has superior income levels and traffic counts. Thus, the overall location is superior to the Subject and a downward adjustment of 5% will be made.

Sale No. 5 is located along the west side of N. MacArthur Boulevard, approximately 500' north of Rochelle Road in an older area of the City of Irving. MacArthur Boulevard is a six-lane, divided, north/south, primary

thoroughfare that has a daily traffic count of  $\pm 26,000$  cars. The property has a 3-mile median household income of \$54,636 and population of 147,979 that is projected to increase 5% during the next 5-years. Sale No. 5 has superior traffic counts and population base, but has inferior income levels, population growth rate and is located in an older, less desirable area of Irving. The overall location is considered inferior to the Subject and an upward adjustment of 10% will be made.

Contract No. 6 is located along the southwest side of Arapaho Road at Holford Road in the City of Garland. Arapaho Road is a primary thoroughfare, with a traffic count of  $\pm 19,677$  cars. The property has a 3-mile median household income of \$70,815 and 3-mile population of 118,400 that is projected to increase 7% during the next 5-years. Contract No. 6 has superior traffic counts, population base and income levels, but has an inferior population growth rate and is located in an older, less desirable area of Garland. Thus, the overall location is considered inferior to the Subject and an upward adjustment of 10% will be applied.

Size - Typically, larger size buildings will sell for less on a square foot basis as opposed to smaller size buildings. The reverse holds true when comparing smaller size buildings to larger buildings. The Subject contains 15,832 SF, which is similar to the Sale Nos. 2, 3, 4 and 5 and no adjustment will be made. Sale Nos. 1 and Contract No. 6 contain 36,429 SF and 28,900 SF, respectively and will be adjusted upward 5% for their larger (inferior) size.

Age/Condition - The Subject improvements were built from 1972 and 1996, but were substantially renovated in 2006 and 2011, respectively and are considered to be in good condition. Sale Nos. 1, 4 and Contract No. 6 were built in 1983, 2010 and 2000, respectively and are considered to be in good condition, similar to the Subject. No adjustments will be made to these sales. Sale Nos. 2, 3 and 5 were built in 1970, 1980 and 1985, respectively. These sales are deemed to be in average condition, inferior to the Subject. Upward adjustments of 10% will be applied to these sales.

Land-to-Building Ratio (LBR) - Typically, more land allows for greater parking, expansion, storage, greenbelt, athletic fields, amenities, etc. The Subject has a land-to-building ratio of 5.50:1, which is similar to the 5.97:1 and 4.58:1 land-to-building ratio of Sale No. 1 and Contract No. 6. No adjustments will be made to these sales. Sale Nos. 2, 3, 4 and 5 have superior LBRs ranging from 11.62:1 to 18.34:1, respectively and downward adjustments of 5% will be applied.

Construction/Design/Finishout - The Subject and comparable sales were specifically built as churches and/or community centers and are generally similar in terms of overall construction, layout/design, finish and no adjustment is necessary.

Amenities - The Subject Property has office space, full-service kitchen, dining room, gymnasium, outdoor greenbelt, sports court and playground. In addition, the Subject abuts a large park, which is a positive aesthetic. The Subject's amenity package is superior to Sale Nos. 2, 3, 4, 5 and Contract No. 6 and upward adjustments of 5% will be applied.

COVID 19 - The effect of the COVID-19 outbreak on the regional and national scale is unknown at this time. However, an extended period of societal response (shelter-in-place, closed businesses, restricted travel, high unemployment) could have significant impact on property values. As this situation continues to evolve, there is no specific data to support any related market changes as of the date of the appraisal. However, it is our opinion that the real estate markets will suffer due this outbreak. In order to account for the future uncertainty of the real property market, we have applied a downward 5% adjustment to all of the comparable sales in order to account for this factor.

Conclusions

The adjusted comparable range from \$117.62/SF to \$135.52/SF, with an average of \$126.74/SF. All of the sales are considered good indicators of value. However, Sale Nos. 1, 4 and Contract No. 6 are most similar to the Subject and will receive greater emphasis. The adjusted price for these sales is \$132.32/SF, \$124.95/SF and \$127.34/SF, respectively indicating the mid to upper end of the adjusted range. Therefore, based upon the physical and location characteristics of the Subject Property as compared to the market sales, an appropriate price per unit range for the Subject is considered to be \$127.00/SF to \$132.00/SF. This range is applied to the Subject as follows:

<b>“As Is” Value Via Sales Comparison Approach</b>				
Size/SF	x	Price/SF	=	“As Is” Value
15,832	x	\$127.00	=	\$2,010,664
15,832	x	\$132.00	=	\$2,089,824

Indicated “As Is” Value Range, Say,

\$2,010,000 to \$2,090,000

**“As Is” Market Value Via Sales Comparison Approach, Say**

**\$2,050,000**

### **Insurable Replacement Costs**

At the client's request, the appraisers have developed an estimate of insurable replacement cost. As discussed in the report, the appraiser did not use the Cost Approach to value, as this approach is generally not considered meaningful in appraising the Subject. As a result, the appraiser relied upon the Marshall Valuation Service to estimate a replacement cost new for the building improvements. The Marshall Valuation Service is a recognized cost estimating service that publishes current costs for building components.

Insurance exclusions estimated at 6.5% of replacement costs new are deducted from replacement costs new of the building improvements, based on costs of indestructible components contained in the costs estimator.

The Subject is comprised of a 2,376 SF teen center and 13,456 SF multi-purpose recreation building. Per Marshall Valuation Service, the teen center is considered to be an office building, while the multi-purpose recreation building is considered to be a 7,259 SF gymnasium and 6,197 SF community recreation center.

The teen center building is considered to be a Good, Class D, Office Building (Section 15, Page 17), per Marshall Valuation Service. Costs per square foot for these structures are \$151.00/SF (Refer to addenda for Marshall Valuation cost page). Applying the regional and local multipliers of 1.04 and 0.91, respectively reduces the costs to \$142.91/SF.

The gymnasium portion of the multi-purpose building is considered to be an Average, Class C, Gymnasium (Section 19, Page 25). Costs per square foot for these structures are \$114.00/SF (Refer to addenda for Marshall Valuation cost page). Applying the regional and local multipliers of 0.98 and 0.91, respectively reduces the costs to \$101.67/SF.

The recreation portion of the multi-purpose building is considered to be an Average, Class D and S, Community Recreation Center (Section 16, Page 18). Costs per square foot for these structures are \$130.00/SF for Class C structures and \$126.00/SF for Class S structures, with an average of \$128.00/SF (Refer to addenda for Marshall Valuation cost page). Applying the Class D and Class S regional and local multipliers of 1.00 and 0.91 and 0.96 and 0.90, respectively reduces the costs to \$118.30/SF and \$108.86/SF. The mid-point, say \$114.15/SF will be applied to the 6,197 SF of building area.

The insurable replacement costs are summarized as follows.

# CALCULATOR METHOD

## OFFICE BUILDINGS (344)

CLASS	TYPE	EXTERIOR WALLS	INTERIOR FINISH	LIGHTING, PLUMBING AND MECHANICAL	HEAT	Sq. M.	COST Cu. Ft.	Sq. Ft.
<b>A</b>	Excellent	Best metal or stone, brick or block backup, solar glass	Plaster, best veneers, vinyl wall coverings, vinyl, terrazzo, carpet	*Luminous ceilings, many outlets, many private restrooms	Hot and chilled water (zoned)	2906.25	22.49	270.00
	Good	Good metal and solar glass, face brick, precast concrete panels	Drywall or plaster, some wall cover, acoustic tile, vinyl tile, carpet	*Good fluorescent, high intensity lighting, good restrooms	Hot and chilled water (zoned)	2303.47	17.83	214.00
	Average	Brick, concrete or metal and glass panels, little trim	Average partitions, acoustic tile, vinyl composition, some extras	*Average intensity fluorescent lighting, average restrooms	Warm and cool air (zoned)	1732.99	13.41	161.00
	Low cost	Minimum-cost walls and fenestration, little trim	Drywall, acoustic ceilings, asphalt tile, few partitions	*Minimum office lighting and plumbing	Warm and cool air (zoned)	1388.54	10.75	129.00
<b>B</b>	Excellent	Best metal or stone, brick or block backup, tinted glass	Plaster, best veneers, vinyl wall coverings, vinyl tile, terrazzo	*Luminous ceilings, many outlets, many private restrooms	Hot and chilled water (zoned)	2852.43	22.07	265.00
	Good	Good metal and solar glass, face brick, precast concrete panels	Drywall/plaster, some wall cover, acoustic tile, vinyl tile, carpet	*Good fluorescent, high intensity lighting, good restrooms	Hot and chilled water (zoned)	2238.89	17.33	208.00
	Average	Brick, concrete or metal and glass panels, little trim	Average partitions, acoustic tile, vinyl composition, some extras	*Average intensity fluorescent lighting, average restrooms	Warm and cool air (zoned)	1679.17	12.99	156.00
	Low cost	Minimum-cost walls and fenestration, little trim	Drywall, acoustic ceilings, asphalt tile, few partitions	*Minimum office lighting and plumbing	Warm and cool air (zoned)	1323.96	10.25	123.00
<b>C</b>	Excellent	Steel frame, masonry and glass, stone ornamentation, top quality	Plaster, paneling, carpet and terrazzo, suspended ceilings	*Best fluorescent ceiling panels, tiled restrooms, good fixtures	Warm and cool air (zoned)	2443.41	18.91	227.00
	Good	Steel frame or bearing walls, brick/conc. panels, some ornamentation	Plaster or drywall, good partitions, acoustic tile, carpet and vinyl	*Good fluorescent lighting, good restrooms and fixtures	Package A.C.	1711.46	13.24	159.00
	Average	Steel or concrete frame, or bearing walls, some trim	Paint, drywall partitions, acoustic tile, vinyl composition	*Fluorescent lighting, adequate outlets and plumbing	Forced air	1216.32	9.41	113.00
	Low cost	Masonry bearing walls, light rafters, very plain	Paint, few low-cost partitions, acoustic tile, asphalt tile	Minimum office lighting and plumbing	Wall furnace	818.06	6.33	76.00
<b>D</b>	Excellent	Studs or steel columns, bar or web joists, brick or stone veneer, EIFS	Best plaster, paneling, carpet and vinyl tile	*Fluorescent panels, many outlets, good tiled restrooms	Warm and cool air (zoned)	2325.00	17.99	216.00
	Good	Best stucco on good frame, brick or stone trim, good front	Plaster or drywall, good partitions, acoustic tile, carpet and vinyl	*Good fluorescent lighting, good restrooms and fixtures	Package A.C.	1625.35	12.58	151.00
	Average	Stucco or wood siding on wood or steel studs, some trim	Drywall, acoustic tile, low-cost carpet or vinyl composition	*Adequate lighting and plumbing	Forced air	1151.74	8.91	107.00
	Low cost	Light stucco or siding on wood or steel studs, very plain	Drywall, few partitions, acoustic tile, asphalt tile	Minimum lighting and plumbing	Wall furnace	769.62	5.96	71.50
<b>D POLE</b>	Good	Good metal panels, fenestration, some brick or stone trim	Plaster or drywall, good partitions, acoustic tile, carpet and vinyl	*Good fluorescent lighting, good restrooms and fixtures	Package A.C.	1485.42	11.50	138.00
	Average	Pole frame, insulated metal panels, some ornamentation	Drywall, acoustic tile, low-cost carpet or vinyl composition	Adequate lighting and plumbing	Forced air	1017.19	7.87	94.50
	Low cost	Pole frame, finished interior, some insulation	Drywall, few partitions, acoustic tile, asphalt tile	Minimum lighting and plumbing	Wall furnace	688.89	5.33	64.00
	Good	Good sandwich panels and fenestration, some brick or stone	Plaster or drywall, good partitions, acoustic tile, carpet and vinyl	*Good fluorescent lighting, good restrooms and fixtures	Package A.C.	1517.71	11.75	141.00
<b>S</b>	Average	Insulated wall or sandwich panels, adequate fenestration	Drywall, acoustic tile, low-cost carpet or vinyl composition	Adequate lighting and plumbing	Forced air	1044.10	8.08	97.00
	Low cost	Steel or aluminum on light frame, finished interior, some insulation	Drywall, few partitions, acoustic tile, asphalt tile	Minimum lighting and plumbing	Wall furnace	705.04	5.46	65.50

**MULTISTORY BUILDINGS** – Add .5% (12%) for each story, over three, above ground, to all base costs, including basements but excluding mezzanines, up to 30 stories; over 30 add .4% (4/10%) for each additional story.

**SPRINKLERS** – Systems are not included. Costs should be added from Page 37.

**BALCONIES** – Exterior balconies see Page 37, or they may be computed from the Segregated Costs.

**CANOPIES** – For large entrance marquees or carport canopies, see Page 37.

Classes A & B	Excellent	Sq. M.	Sq. Ft.
Average	Good	130.78	12.15
Low cost	Good	89.13	8.28
Classes C/D/S	Excellent	Sq. M.	Sq. Ft.
Average	Good	65.98	6.13
Low cost	Good	39.61	3.68

**ELEVATORS** – Base costs of buildings marked with an asterisk (\*) include elevator costs. If the subject building has no elevators, deduct the following from the base costs for buildings on this page. See Notes on Page 19.

# CALCULATOR METHOD

## COMMUNITY RECREATION CENTERS (514)

CLASS	TYPE	EXTERIOR WALLS	INTERIOR FINISH	LIGHTING, PLUMBING AND MECHANICAL	HEAT	Sq. M	COST Cu Ft.	Sq. Ft.
<b>A-B</b>	Good	Heavy frame, best masonry walls, good entrance and lobby	Good main court, rink, pools, viewing and food facilities, many extras	Good lighting and outlets, good plumbing, extra features, spa	Warm and cool air (zoned)	2464.93	14.31	229.00
	Average	Steel columns and girders, face brick, best ornamental block	Meeting and activity rooms, gym or rink, sports courts, municipal pools	Adequate lighting and plumbing, locker rooms, catering kitchen	Heat pump system	1894.45	11.00	176.00
	Excellent	Steel columns and girders, face brick, best ornamental block	Good main court, rink, pools, viewing and food facilities, many extras	Best lighting and outlets, good plumbing, extra features, spa	Warm and cool air (zoned)	2518.75	14.63	234.00
<b>C</b>	Good	Steel or Glulam trusses or girders, brick, block or tilt-up, good trim	Meeting and activity rooms, gym or rink, sports courts, municipal pools	Good lighting and plumbing, locker rooms, catering kitchen	Heat pump system	1905.21	11.06	177.00
	Average	Light frame, block or tilt-up, good entrance and lobby	Sports flooring, some tile, main gym or rink, single pool or sports courts	Adequate sports lighting and plumbing, lockers, kitchen	Package A.C.	1453.13	8.44	135.00
	Low-cost	Light frame, block or tilt-up, very plain, small entrance	Sports flooring, main gym or rink only, few extra activities	Minimum sports lighting and plumbing, small kitchen	Package A.C.	1130.21	6.56	105.00
<b>D</b>	Excellent	Steel or Glulam frame, trusses and girders, brick veneer, best stucco	Good main court, rink, pools, viewing and food facilities, many extras	Best lighting and outlets, good plumbing, extra features, spa	Warm and cool air (zoned)	2443.41	14.19	227.00
	Good	Heavy frame, trusses or girders, good stucco or siding and trim	Meeting and activity rooms, gym or rink, sports courts, municipal pools	Good lighting and plumbing, locker rooms, catering kitchen	Heat pump system	1840.63	10.69	171.00
	Average	Light frame, siding or stucco, good entrance and lobby	Sports flooring, some tile, main gym or rink, single pool or sports courts	Adequate sports lighting and plumbing, lockers, kitchen	Package A.C.	1399.31	8.13	130.00
	Low-cost	Light frame, siding or stucco, very plain, small entrance	Sports flooring, main gym or rink only, few extra activities	Minimum sports lighting and plumbing, small kitchen	Package A.C.	1087.15	6.31	101.00
	Good	Insulated sandwich panels, good entrance and trim	Meeting and activity rooms, gym or rink, sports courts, municipal pools	Good lighting and plumbing, locker rooms, catering kitchen	Heat pump system	1786.81	10.38	166.00
<b>S</b>	Average	Good metal panels, front and lobby, some trim	Sports flooring, some tile, main gym or rink, single pool or sports courts	Adequate sports lighting and plumbing, lockers, kitchen	Package A.C.	1356.25	7.88	126.00
	Low-cost	Metal panels, finished interior, small entrance	Sports flooring, main gym or rink only, few extra activities	Minimum sports lighting and plumbing, small kitchen	Package A.C.	1044.10	6.06	97.00

## ARCADE BUILDINGS (573)

<b>C</b>	Excellent	Steel columns/girders, face brick, best ornamental block, storefront	Sports flooring, theme rooms, shops, restaurant, gaming facilities	Best lighting and outlets, good plumbing, kitchen, bar	Warm and cool air (zoned)	1679.17	9.75	156.00
	Good	Steel frame, good brick, block or tilt-up, tapered girders, good trim	Acoustic treatment, some theme finishes and extra facilities and rooms	Good game lighting, sound, restrooms, limited food service	Heat pump system	1237.85	7.19	115.00
	Average	Steel or wood frame or bearing walls, brick, block or tilt-up	Painted walls, VCT, carpet, large eating or game rooms	Adequate lighting, outlets and plumbing, snack bar	Package A.C.	914.93	5.31	85.00
	Low-cost	Block, tilt-up, light roof construction	Low-cost finishes, few partitions	Minimum lighting and plumbing	Forced air	645.83	3.75	60.00
	Good	Heavy wood frame, wood, stucco or brick veneer, good ornamentation	Acoustic treatment, some theme finishes and extra facilities and rooms	Good game lighting, sound, restrooms, limited food service	Heat pump system	1173.27	6.81	109.00
<b>D</b>	Average	Stucco on wood frame, wood trusses, small front	Drywall, acoustic tile, VCT, carpet, large eating area and game rooms	Adequate lighting, outlets and plumbing, snack bar	Package A.C.	871.88	5.06	81.00
	Low-cost	Stucco or siding on studs	Low-cost finishes, few partitions	Minimum lighting and plumbing	Forced air	613.54	3.56	57.00
	Average	Pole frame, good metal siding, insulated, small front	Drywall, acoustic tile, VCT, carpet, large eating area and game rooms	Adequate lighting, outlets and plumbing, snack bar	Package A.C.	801.91	4.66	74.50
<b>D POLE</b>	Low-cost	Pole frame, metal siding	Low-cost game area, minimum finish, asphalt tile, open counter	Minimum lighting and plumbing, adequate outlets	Forced air	559.72	3.25	52.00
	Average	Good metal panels and roof, little ornamentation, small front	Drywall, acoustic tile, VCT, carpet, large eating area and game rooms	Adequate lighting, outlets and plumbing, small snack bar	Package A.C.	828.82	4.81	77.00
<b>S</b>	Low-cost	Steel or aluminum panels	Drywall, acoustic and asphalt tile	Minimum lighting and plumbing	Forced air	575.87	3.34	53.50

**MULTI-STORY BUILDINGS** – Add .5% (1/2%) for each story over three, above ground, to all base costs of the building, including basements, but excluding mezzanines.

**SPRINKLERS** – Systems are not included. Costs should be added from Page 25.

**ELEVATORS AND HANDICAPPED LIFTS** – See Page 24. Other notes, see Page 17.

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# CALCULATOR METHOD

## GYMNASIUMS (358)

CLASS	TYPE	EXTERIOR WALLS	INTERIOR FINISH	LIGHTING, PLUMBING AND MECHANICAL	HEAT	Sq. M.	COST Cu. Ft.	Sq. Ft.
<b>A-B</b>	Good	Heavy frame, best masonry walls, solar glass, good entrance and lobby	Basketball floor, high-cost finishes, many extra facilities	Good lighting and outlets, good plumbing, extra features	Heat pump system	2271.18	21.10	211.00
	Average	Steel columns and girders, face brick, glass, best ornamental block	Plaster or drywall, basketball floor, vinyl, good detail	Good lighting and outlets, tiled showers and restrooms	Heat pump system	1668.40	15.50	155.00
	Excellent	Heavy frame, best masonry walls, good entrance and lobby	Basketball floor, high-cost finishes, many extra facilities	Good lighting and outlets, good plumbing, extra features	Heat pump system	2325.00	21.60	216.00
<b>C</b>	Good	Steel columns and girders, face brick, best ornamental block	Plaster or drywall, basketball floor, vinyl, good detail	Good lighting and outlets, tiled showers and restrooms	Heat pump system	1711.46	15.90	159.00
	Average	Steel or Glulam, trusses or girders, brick, block or tilt-up	Basketball floor, showers, vinyl composition, some interior finish	Adequate lighting and plumbing, shower rooms	Package A.C.	1227.08	11.40	114.00
	Low cost	Light frame, block or tilt-up, very plain	Concrete floor, some vinyl composition, minimal finish	Minimum gym lighting, plumbing and shower facilities	Space heaters	818.06	7.60	76.00
<b>D</b>	Excellent	Heavy frame, masonry veneer walls, good entrance and lobby	Basketball floor, high-cost finishes, many extra facilities	Good lighting and outlets, good plumbing, extra features	Heat pump system	2249.66	20.90	209.00
	Good	Steel or Glulam frame, trusses and girders, brick veneer, best stucco	Plaster or drywall, basketball floor, vinyl, good detail	Good lighting and outlets, tiled showers and restrooms	Heat pump system	1636.11	15.20	152.00
	Average	Heavy frame, trusses or girders, good stucco or siding, little trim	Plaster or drywall, basketball floor, asphalt tile, few partitions	Adequate lighting and plumbing, shower rooms	Package A.C.	1162.50	10.80	108.00
<b>DPOLE</b>	Low cost	Light frame, stucco or siding, very plain	Concrete floor, some vinyl composition, minimal finish	Minimum gym lighting, plumbing and shower facilities	Space heaters	764.24	7.10	71.00
	Average	Pole frame, good metal panels, finished inside, little trim	Basketball floor, showers, vinyl composition, some interior finish	Adequate lighting and plumbing, shower rooms	Package A.C.	1076.39	10.00	100.00
	Low cost	Pole frame, metal siding, finished interior, insulated	Concrete floor, vinyl composition, minimal finish	Minimum gym lighting, plumbing and shower facilities	Space heaters	705.04	6.55	65.50
<b>S</b>	Cheap	Pole frame, metal siding, partly finished interior, some insulation	Concrete floor, some vinyl composition, minimal finish	Minimum gym lighting and plumbing	Space heaters	592.01	5.50	55.00
	Good	Pre-engineered, good sandwich panels, some brick or stone trim	Plaster or drywall, basketball floor, vinyl, good detail	Good lighting and outlets, tiled showers and restrooms	Heat pump system	1582.29	14.70	147.00
	Average	Pre-engineered, finished interior, insulation, little trim	Basketball floor, showers, vinyl composition, some interior finish	Adequate lighting and plumbing, shower rooms	Package A.C.	1108.68	10.30	103.00
<b>CDS</b>	Low cost	Pre-engineered, finished interior, insulated	Concrete floor, vinyl composition, minimal finish	Minimum gym lighting, plumbing and shower facilities	Space heaters	715.80	6.65	66.50
	Cheap	Pre-engineered, partly finished interior, some insulation	Concrete floor, some vinyl composition, minimal finish	Minimum gym lighting and plumbing	Space heaters	597.40	5.55	55.50

## MEZZANINES †

<b>A-B</b>	Finished classroom	Not included	Classroom and office, typical school finishes	Adequate school lighting and plumbing	In bldg. cost	957.99	-----	89.00
	Good open	Not included	Finished running track, plaster or drywall soffit	Average lighting, no plumbing	In bldg. cost	522.05	-----	48.50
	Average open	Not included	Finished floors and soffit, add for spectator seating	Average lighting, no plumbing	In bldg. cost	384.81	-----	35.75
<b>CDS</b>	Finished classroom	Not included	Classroom and office, typical school finishes	Adequate school lighting and plumbing	In bldg. cost	742.71	-----	69.00
	Good open	Not included	Finished running track, plaster or drywall soffit	Average lighting, no plumbing	In bldg. cost	425.17	-----	39.50
	Average open	Not included	Finished floors and soffit, add for spectator seating	Average lighting, no plumbing	In bldg. cost	287.93	-----	26.75

†Mezzanines should not be modified for size or shape. Bleacher costs and air-supported structures may be found in Section 67. Add for fitness equipment from Section 65. For load-bearing sports court roof, add 6.21 per finished dressing room basements, see Page 23. square foot (66.84 per square meter).

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## Insurable Replacement Cost Worksheet

Capital One defines Insurable Replacement Cost as replacement cost new (GBA x base cost x multipliers) of the primary improvements (vertical construction including parking structures) exclusive of site improvements, landscaping, indirect costs and entrepreneurial profit, less exclusions (i.e., foundations, piping below grade, architect's fees) without consideration of debris removal. FF&E (including appliances) and personal property are also to be excluded from this IRC estimate.

### Project/Property Information

Current Date:	June 25, 2020
Effective Date:	
Property Address:	701 S. Church Street, McKinney, Collin County, Texas 75069
RIMS Number:	20-000575-01-01
Year Constructed:	1972 and 1996

### Insurable Replacement Cost Calculation

**Instructions: \*\* ALL yellow fields must be populated for applicable buildings. \*** For uniform property types outside the flood plain, enter applicable cost information under the first column. To break out mixed use types or individual buildings (required when improvements are in the flood plain), use as many columns as necessary, then total Insurable Replacement Cost in the "Total" column. Additional worksheets can be added when more columns are required. Blue fields will autocalculate. **FF&E (including appliances), personal property, site improvements, landscaping, indirect costs and entrepreneurial profit are NOT to be included in this IRC.**

Description: Address:	Building/Area 1	Building/Area 2	Building/Area 3	Building/Area 4	Total (All Buildings on All Pages)
add a no	2,376	7,259	6,197		15,832
MVS Section/Page:	15/17	19/25	16/18		
Quality/Building Class:	Good/D	Average/C	Average/D & S		
Building Type:	Office	Gymnasium	Community Recreation		
Base Cost per SF (\$):	\$151.00	\$114.00	\$128.00		
Cost per SF Adjustment (+/-):					
Cost per SF Adjustment (+/-):					
Cost per SF Adjustment (+/-):					
Total Cost per SF:	\$151.00	\$114.00	\$128.00	\$0.00	
Current Cost Multiplier:	1.04	0.98	0.98	1.00	
Local Multiplier:	0.91	0.91	0.91	1.00	
Number of Stories Mult.:	1.00	1.00	1.00	1.00	

Height Multiplier:	1.00	1.00	1.00	1.00
Floor Area Multiplier:	1.00	1.00	1.00	1.00
Other Multiplier (describe below):	1.00	1.00	1.00	1.00

Adjusted Cost per SF:	\$142.91	\$101.67	\$114.15	\$0.00
Replacement Cost New:	\$339,546	\$737,988	\$707,390	\$0
				\$1,784,923

**NOTE:** *Insurable exclusions must be allocated between "foundation" and "other" categories below. Non-compliant forms will be returned for revision.*

<u>Insurable Exclusions:</u>				
- Foundations (\$)	\$10,186	\$22,140	\$21,222	
- Other (\$)	\$11,884	\$25,830	\$24,759	
Total Exclusions:	\$22,070	\$47,969	\$45,980	\$0

Ins. Replacement Cost:	\$317,475	\$690,018	\$661,410	\$0
Rounded:	\$317,000	\$690,000	\$661,000	\$0

Chronological Age (Yrs):				
Effective Age (Yrs):	15	15	15	
Property Condition (select):	Good	Good	Good	

Life Expectancy (Yrs):	50	50	50	
Estimated % Depreciation:	30.0%	30.0%	30.0%	
Estimated \$ Depreciation:	\$101,864	\$221,396	\$212,217	\$0
Actual Cash Value:	\$237,682	\$516,591	\$495,173	\$0
				\$1,249,446

**NOTE:** *To clear the #DIV/0! error(s) above, delete depreciation and ACV formulas (in blue fields) from unused columns only.*

Comments: (this section can be used to describe any atypical characteristics/calculations, such as a description of the additional costs or multipliers applied)

The 13,456 SF multi-purpose recreation building is considered to be comprised of 7,259 SF of gymnasium and 6,197 SF of community recreation center.

**Correlations and Conclusions**

The purpose of this appraisal is to estimate the Fee Simple Market Value "As Is" as of June 13, 2020. The methods used to estimate the Market Value of the Subject Property are outlined in the Appraisal Procedure section of this appraisal. The estimated market value is summarized below.

Market Value via Sales Comparison Approach "As Is" .....\$2,050,000

Physical factors control the effectiveness of the Subject Property (the ability to compete in the market for customers). The design, condition, and amenity package of the Subject Improvements are similar as compared to similar special use buildings in the Subject area.

The Sale Comparison Approach is derived from recent sales of similar special use properties in North Texas area. The market sales are similar to the Subject Property in terms of overall location, size, condition, and owner occupancy. The Sale Comparison Approach reflects current investor attitudes toward properties similar to the Subject Property. The Sales Capitalization Approach is considered to provide the best indication of value given the Subject's owner occupancy.

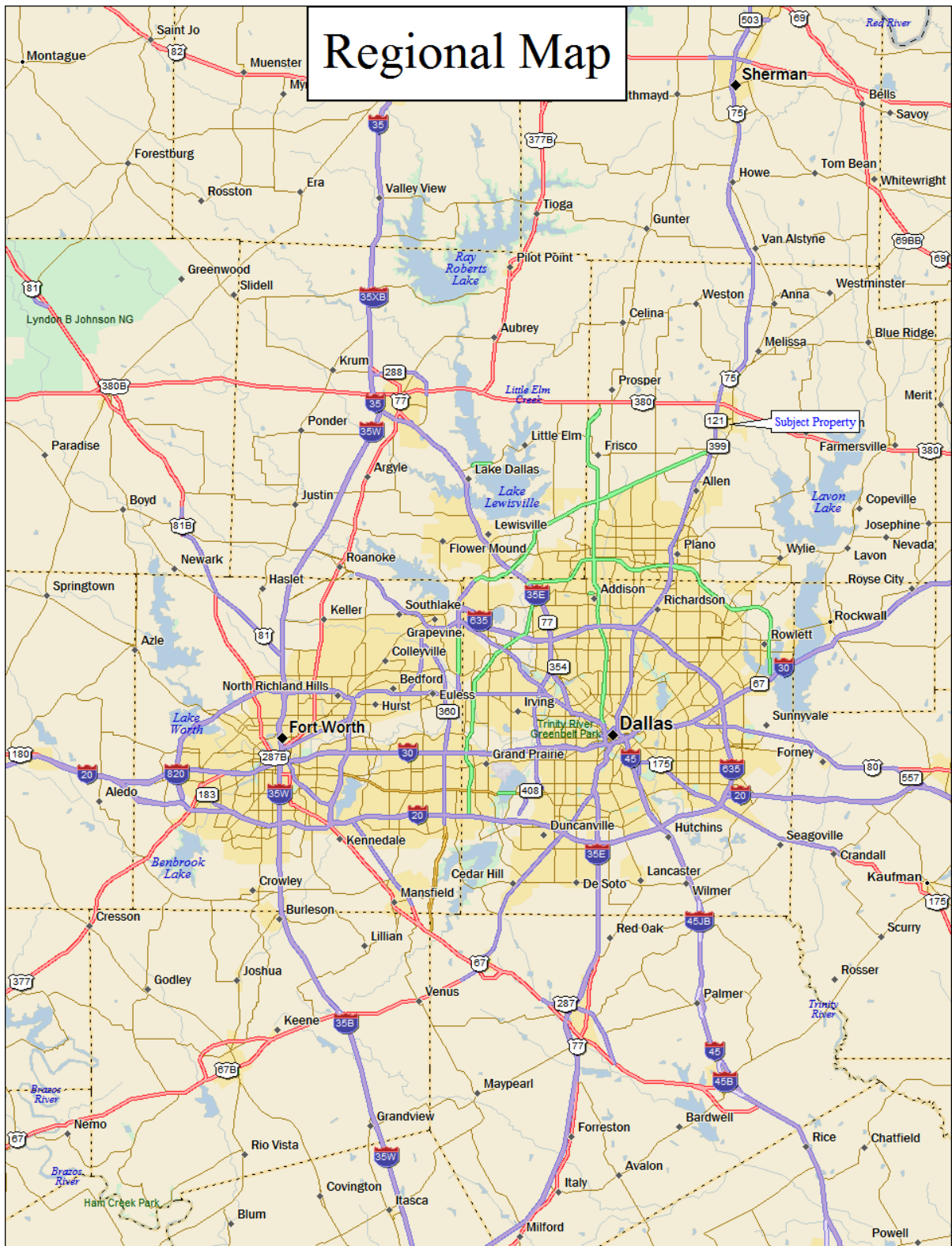
The estimate the Fee Simple Market Value "As Is" as of June 13, 2020, subject to the assumptions and conditions stated herein, is:


**Estimated "As Is" Fee Simple Market Value as of June 13, 2020** **\$2,050,000**

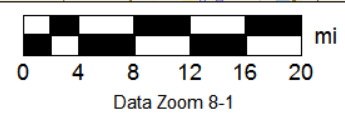
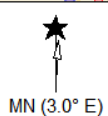
The estimated Insurable Replacement Cost is as follows.

**Estimated Insurable Replacement Costs** **\$1,668,000**

# Regional Map



 DeLorme  
Data use subject to license.  
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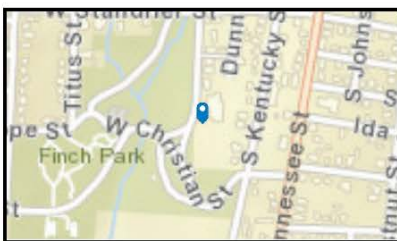
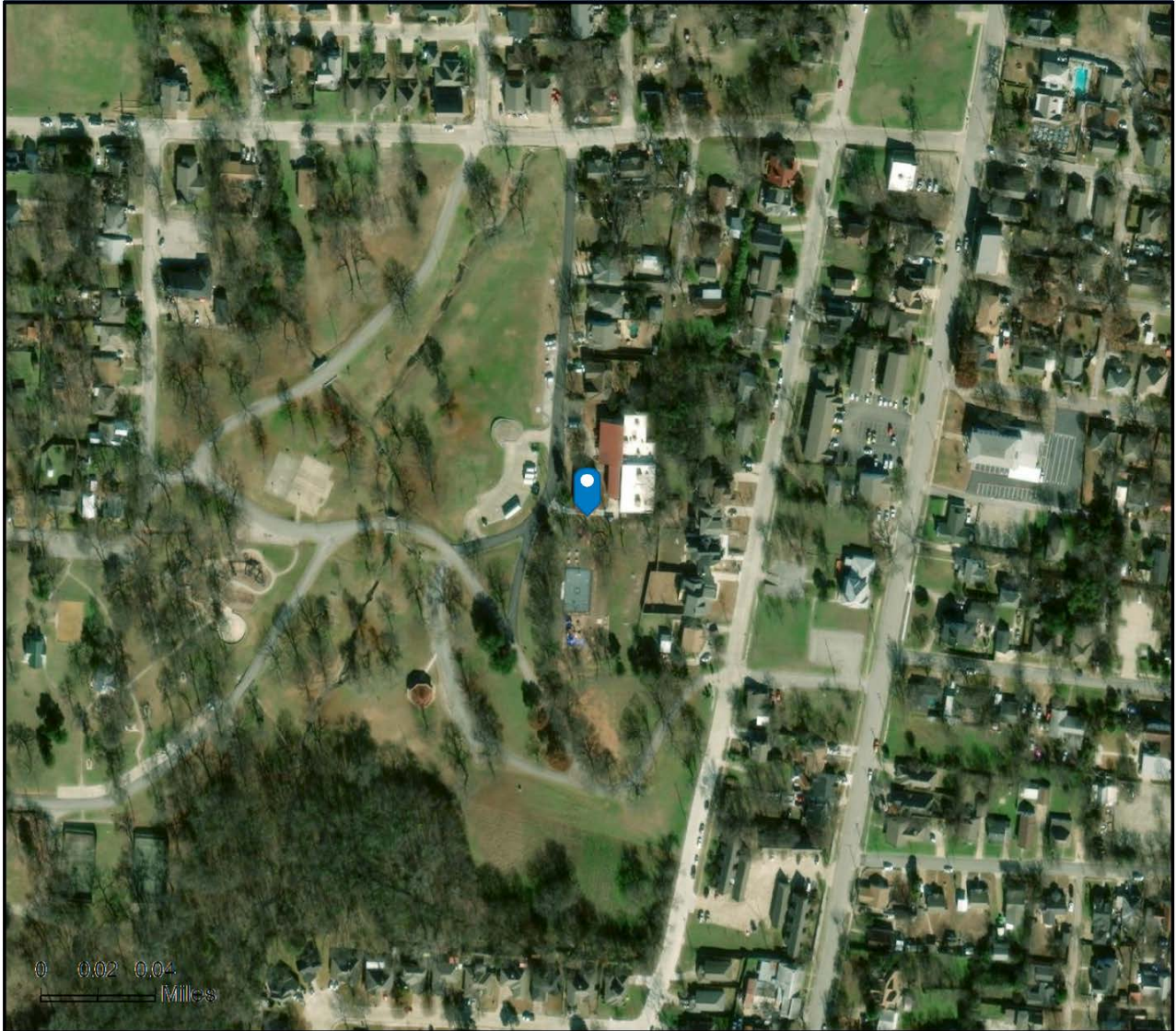




## Site Map on Satellite Imagery - 0.4 Miles Wide

701 S Church St  
701 S Church St, McKinney, Texas, 75069  
Rings: 1, 3, 5 mile radii

Prepared by Esri  
Latitude: 33.19137  
Longitude: -96.61758



Source: ArcGIS Online World Imagery Basemap



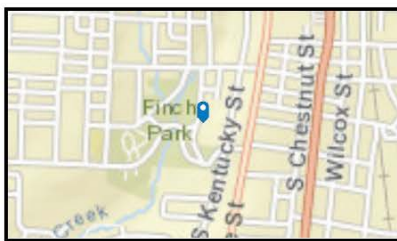
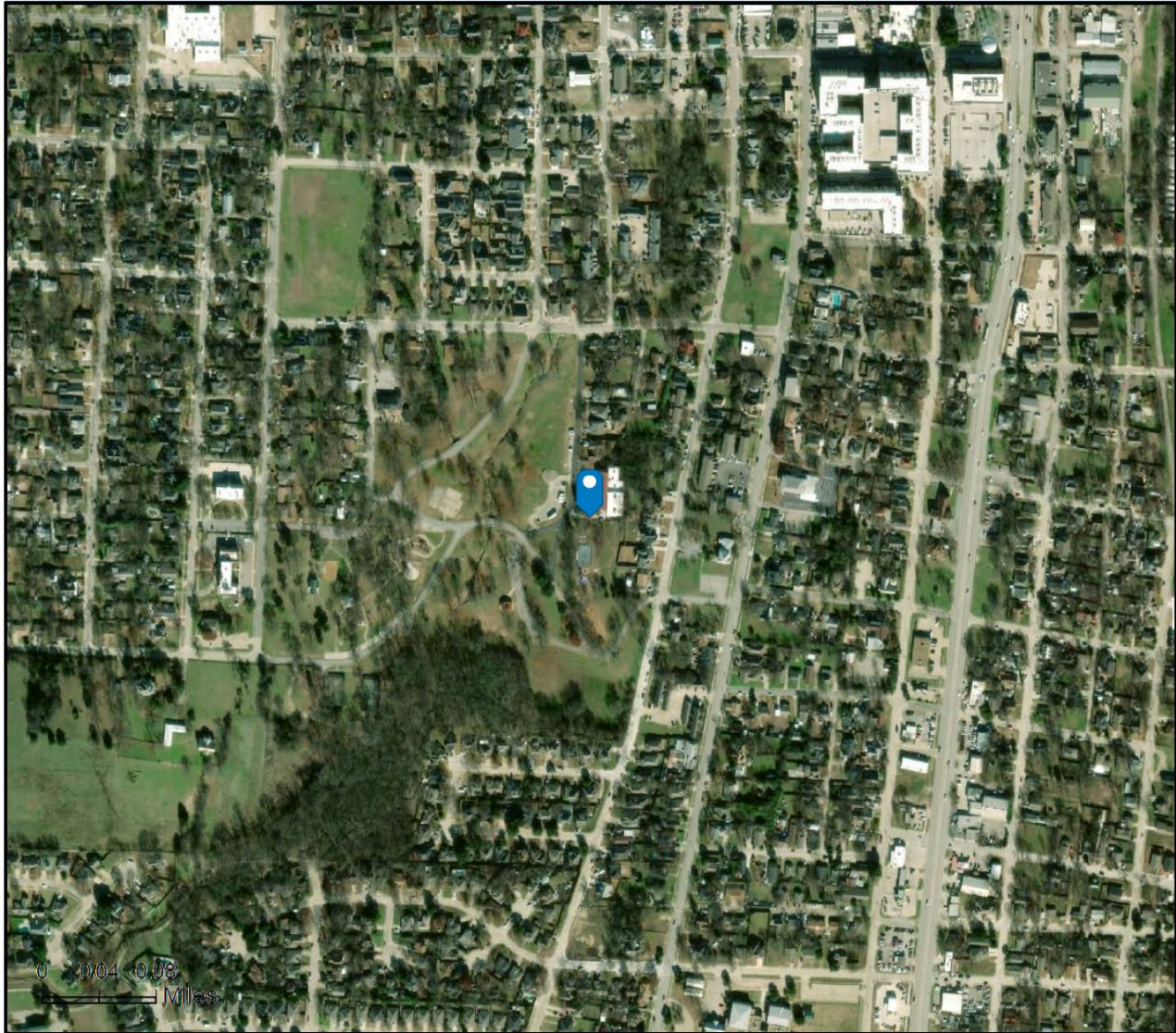
June 16, 2020



## Site Map on Satellite Imagery - 0.8 Miles Wide

701 S Church St  
701 S Church St, Mckinney, Texas, 75069  
Rings: 1, 3, 5 mile radii

Prepared by Esri  
Latitude: 33.19137  
Longitude: -96.61758



Source: ArcGIS Online World Imagery Basemap



June 16, 2020

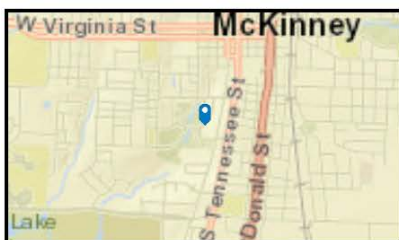
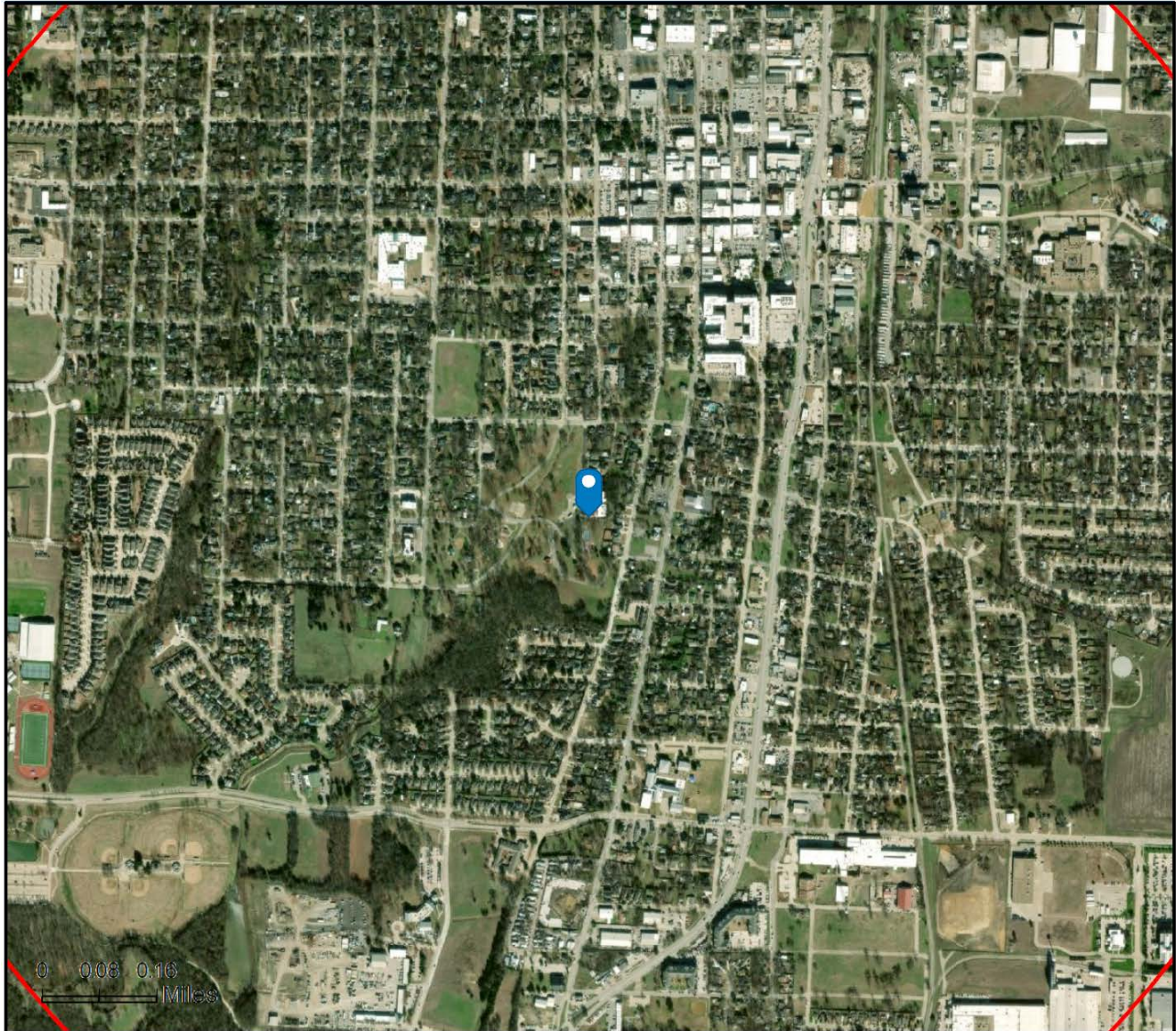




## Site Map on Satellite Imagery - 1.6 Miles Wide

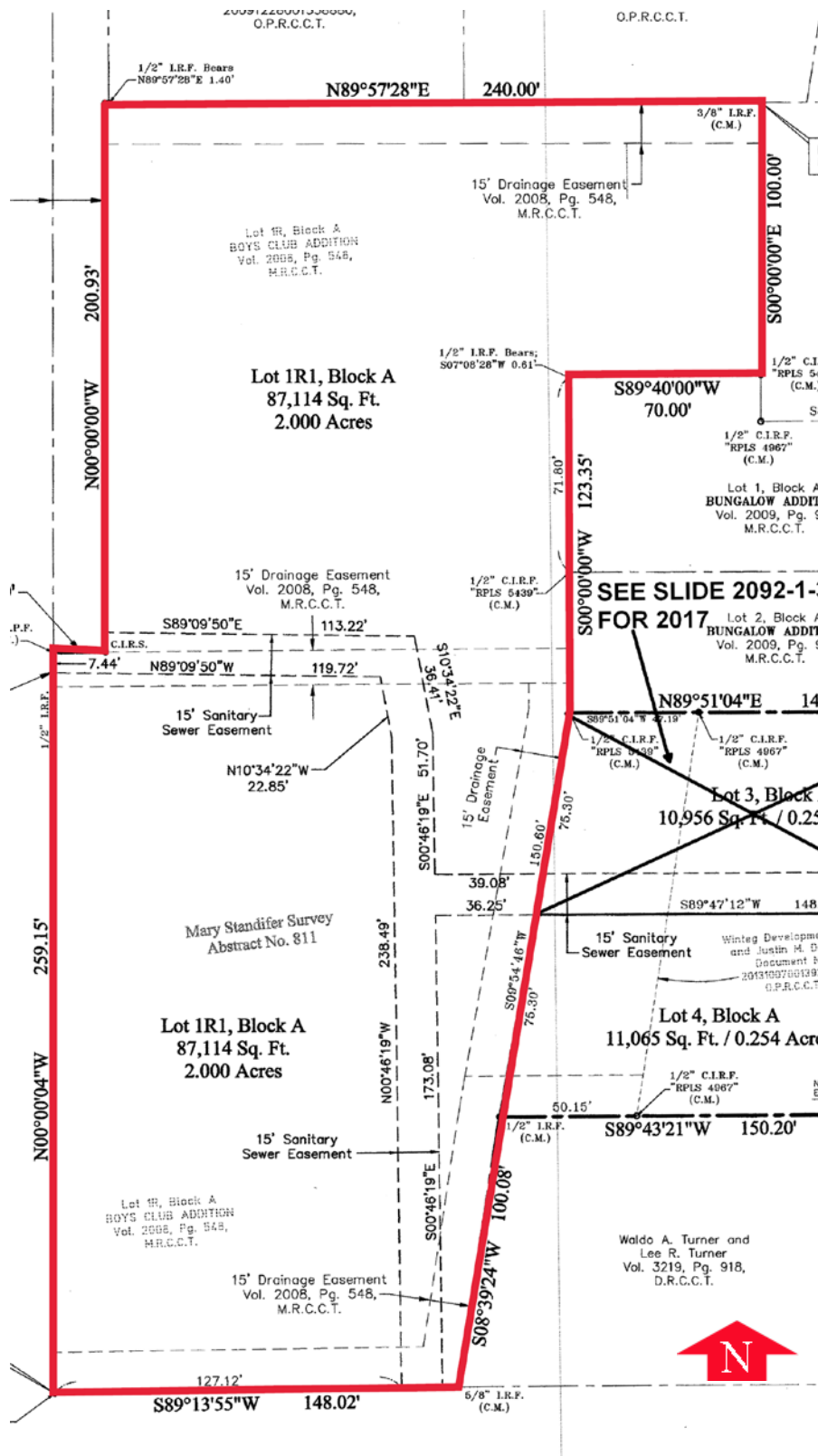
701 S Church St  
701 S Church St, Mckinney, Texas, 75069  
Rings: 1, 3, 5 mile radii

Prepared by Esri  
Latitude: 33.19137  
Longitude: -96.61758



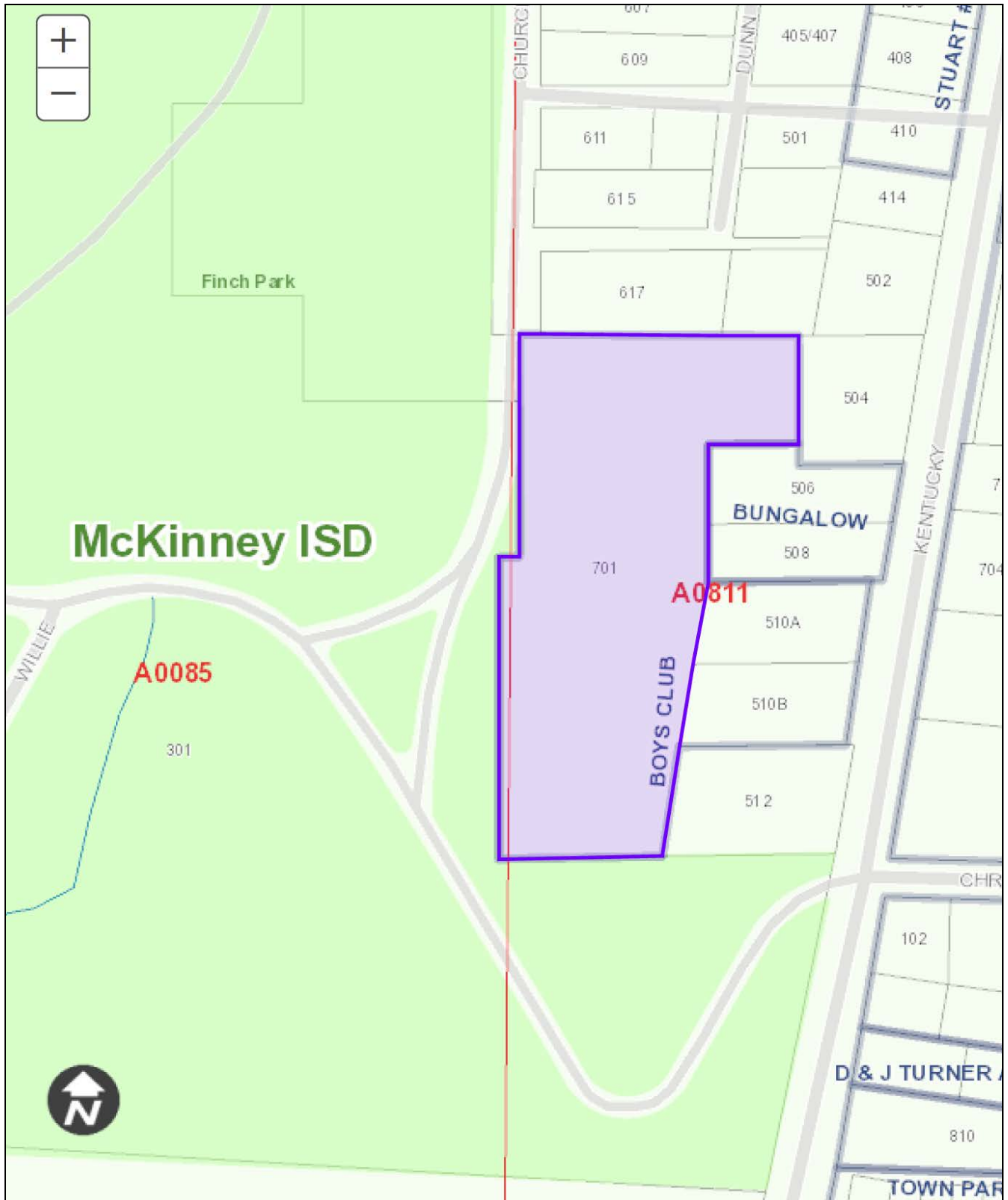
Source: ArcGIS Online World Imagery Basemap

June 16, 2020



**SURVEY**





**COLLIN CENTRAL APPRAISAL DISTRICT PLAT**

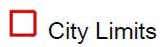
# Aerial Plat Map



6/16/2020, 2:52:07 PM



Address



McKinney Imagery 2019

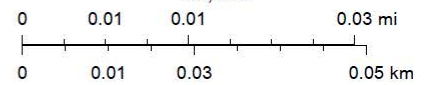


Red: Band\_1



Green: Band\_2

1:1,128

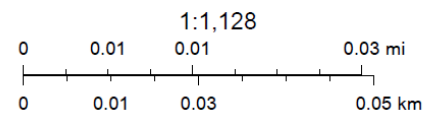


Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community



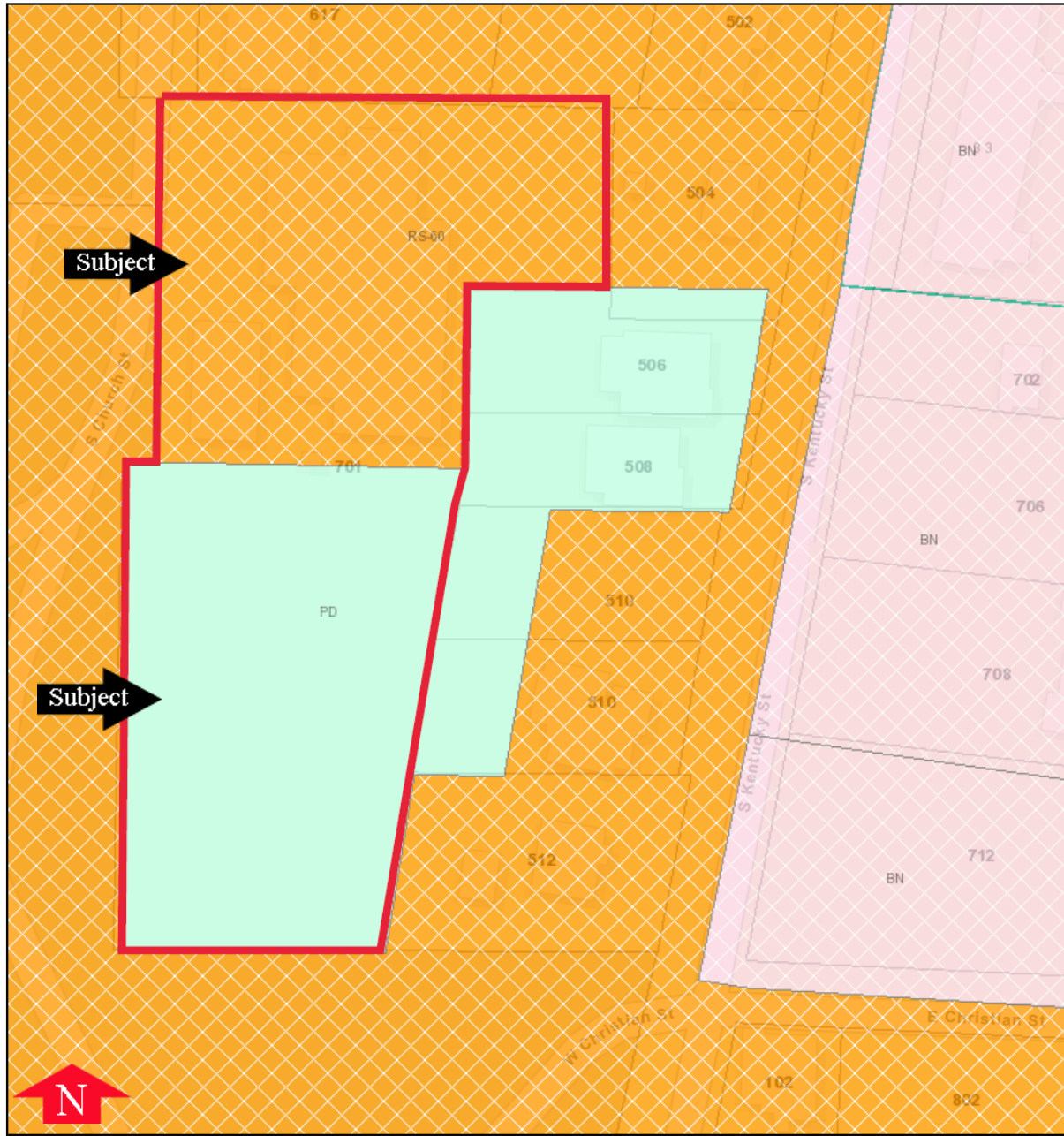
6/16/2020, 2:49:41 PM

- ETJ
- Parcels
- City Limits
- 12345 Address



### SITE PLAN

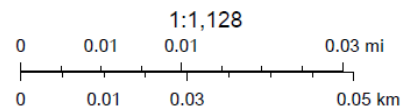
# Zoning Map



6/15/2020, 5:28:34 PM

## Zoning

- |                           |                              |
|---------------------------|------------------------------|
| SUP: Special Use Permit   | MTC : McKinney Town Center   |
| AG : Agriculture          | PD : Planned Development     |
| FP : Floodplain           | C1 : Neighborhood Commercial |
| GC : Governmental Complex | BN : Neighborhood Business   |
| AP : Airport              | C2 : Local Commercial        |
|                           | BG : General Business        |

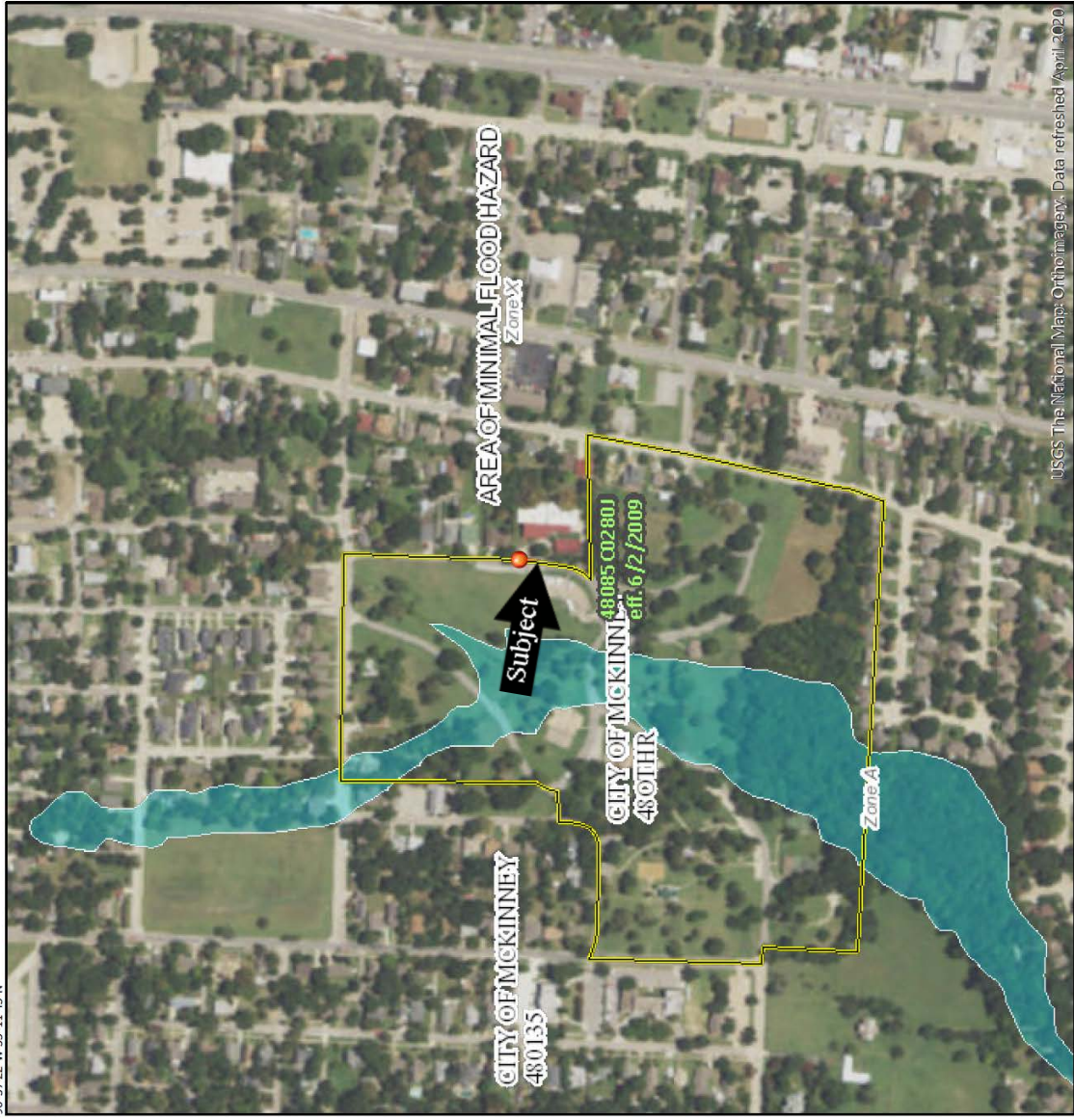


Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

# National Flood Hazard Layer FIRMette



96°37'22"W, 33°11'45"N



USGS The National Map, Orthoimagery, Data refreshed April 2020  
96°36'45"W, 33°11'15"N



1:6,000

## Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

<p><b>SPECIAL FLOOD HAZARD AREAS</b></p> <ul style="list-style-type: none"> <li> Without Base Flood Elevation (BFE) Zone A, V, A99</li> <li> With BFE or Depth Zone AE, AO, AH, VE, AR</li> <li> Regulatory Floodway</li> </ul>	<p>0.2% Annual Chance Flood Hazard, Areas or 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile, Zone X</p> <p>Future Conditions 1% Annual Chance Flood Hazard, Zone X</p> <p>Area with Reduced Flood Risk due to Levee, See Notes, Zone X</p> <p>Area with Flood Risk due to Levee, Zone D</p>
<p><b>OTHER AREAS OF FLOOD HAZARD</b></p> <ul style="list-style-type: none"> <li> NO SCREEN Area of Minimal Flood Hazard Zone X</li> <li> Effective LOMRs</li> <li> Area of Undetermined Flood Hazard Zone D</li> </ul>	<p><b>OTHER AREAS</b></p> <p><b>GENERAL STRUCTURES</b></p> <ul style="list-style-type: none"> <li> Channel, Culvert, or Storm Sewer</li> <li> Levee, Dike, or Floodwall</li> </ul>
<p><b>OTHER FEATURES</b></p> <ul style="list-style-type: none"> <li> Cross Sections with 1% Annual Chance Water Surface Elevation</li> <li> Coastal Transsect</li> <li> Base Flood Elevation Line (BFE)</li> <li> Limit of Study</li> <li> Jurisdiction Boundary</li> <li> Coastal Transsect Baseline</li> <li> Profile Baseline</li> <li> Hydrographic Feature</li> </ul>	<p><b>MAP PANELS</b></p> <ul style="list-style-type: none"> <li> Digital Data Available</li> <li> No Digital Data Available</li> <li> Unmapped</li> </ul>



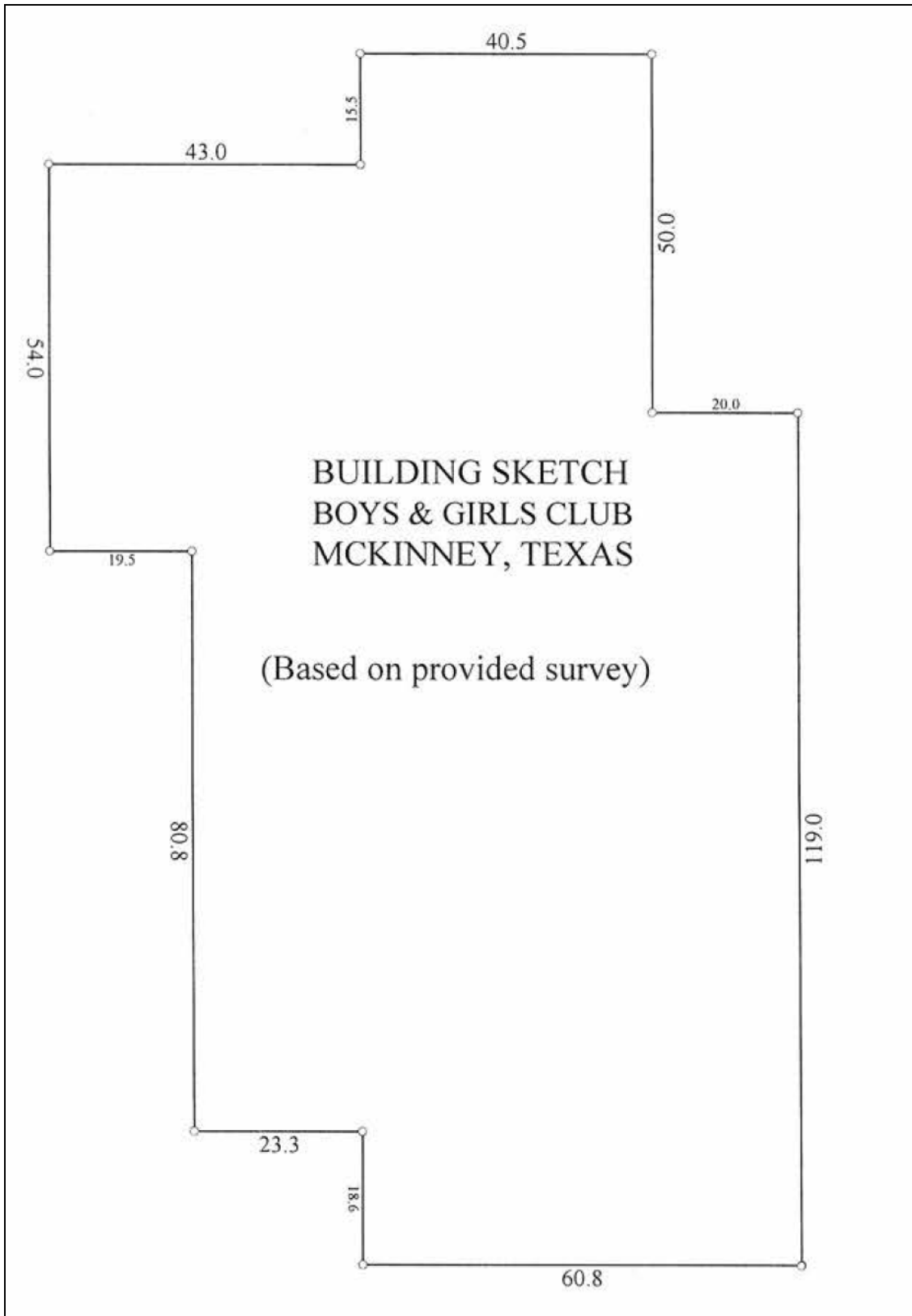
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 6/15/2020 at 6:51 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

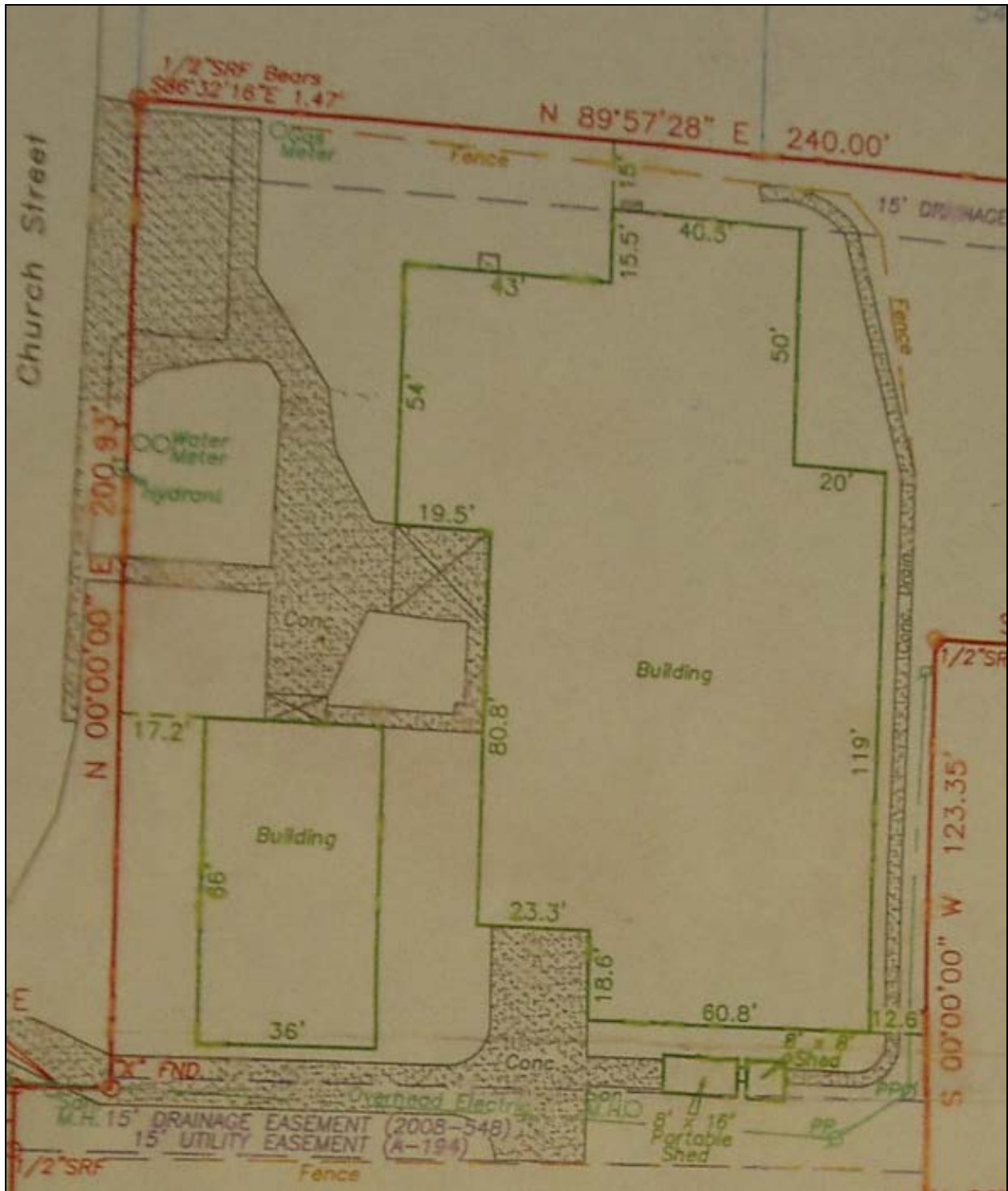
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

FLOOD PLAIN MAP



**FLOOR PLAN – MULTI-PURPOSE RECREATION BUILDING**






FLOOR PLAN


# Property Search

Property ID: 2728232 - Tax Year: 2020

## General Information

Property ID	2728232
Property Status	Active
Geographic ID	R-1531-00A-01R1-1
Property Type	Real
Property Address	701 S Church St McKinney, TX 75069
DBA Name	Boys & Girls Club Of Mckinney
Total Land Area	87,120 sq. ft.
Total Improvement Main Area	20,740 sq. ft.
Abstract/Subdivision	 <a href="#">Boys Club Addition</a>
Primary State Code	F1 (Public Charity)
Legal Description	Boys Club Addition, Blk A, Lot 1r1; (Replat)

## Owner Information

Owner ID	138113
Owner Name(s)	 <a href="#">Boys &amp; Girls Club Of McKinney</a>
Exemptions	EX-XI (11.19 Youth Spiritual, Mental, And Physical Development Organizations)
Percent Ownership	100.00%
Mailing Address	701 S Church St McKinney, TX 75069-5538

## 2020 Value Information

Value information for Property ID 2728232 in the 2020 tax year is unavailable. Value information for prior years may be available in the [Value History](#) section below.

## Entities

Taxing Entity	Tax Rate	Collected By
CMC (McKinney City)	0.515600 (2019 Rate)	<a href="#">Collin County Tax Office</a>
GCN (Collin County)	0.174951 (2019 Rate)	<a href="#">Collin County Tax Office</a>
JCN (Collin College)	0.081222 (2019 Rate)	<a href="#">Collin County Tax Office</a>
SMC (McKinney ISD)	1.488350 (2019 Rate)	<a href="#">Collin County Tax Office</a>

## Improvements

Improvement #1	Commercial
State Code	F1 (Public Charity)
Homesite	No
Market Value	
Total Main Area	18,580 sq. ft.

Detail #	Type	Year Built	Sq. Ft.
1	MA - Main Area	2008	8,836
2	MA - Main Area	2008	4,872
3	MA - Main Area	2008	4,872

Improvement #2	Commercial
State Code	F1 (Public Charity)
Homesite	No
Market Value	
Total Main Area	2,160 sq. ft.

## Land Segments

Land Segment #1	Industrial
State Code	F1 (Public Charity)
Homesite	No
Market Value	
Ag Use Value	n/a
Land Size	2.0000 acres 87,120 sq. ft.

Detail #	Type	Year Built	Sq. Ft.
1	MA - Main Area	2008	2,160

### Value History

Year	Improvement	Land	Market	Ag Loss	Appraised	HS Cap Loss	Assessed
2019	\$1,707,022	\$217,800	\$1,924,822	\$0	\$1,924,822	\$0	\$1,924,822
2018	\$1,775,303	\$217,800	\$1,993,103	\$0	\$1,993,103	\$0	\$1,993,103
2017	\$1,820,824	\$217,800	\$2,038,624	\$0	\$2,038,624	\$0	\$2,038,624
2016	\$1,889,105	\$217,800	\$2,106,905	\$0	\$2,106,905	\$0	\$2,106,905

### Deed History

Deed Date	Seller	Buyer	Instr #	Volume/Page
12/21/2015	** n/a **	BOYS & GIRLS CLUB OF MCKINNEY	20151221010004620	2015/753

#### **SB 541 – Amends Section 25.027 of the Property Tax Code, effective September 1, 2005**

**RESTRICTION ON POSTING DETAILED IMPROVEMENT INFORMATION ON INTERNET WEBSITE:**

Information in appraisal records may not be posted on the Internet if the information is a photograph, sketch, or floor plan of an improvement to real property that is designed primarily for use as a human residence. This section does not apply to an aerial photograph that depicts five or more separately owned buildings.

#### **HB 394 – Amends Section 25.027 of the Property Tax Code, effective September 1, 2015**

**RESTRICTION ON POSTING AGE RELATED INFORMATION ON INTERNET WEBSITE:**

Information in appraisal records may not be posted on the Internet if the information indicates the age of a property owner, including information indicating that a property owner is 65 years of age or older.



**EXTERIOR VIEW OF RECREATION BUILDING**



**ENTRY TO RECREATION BUILDING**



**EXTERIOR VIEW OF RECREATION BUILDING**



**EXTERIOR VIEW**



**EXTERIOR VIEW OF TEEN CENTER**



**EXTERIOR VIEW OF TEEN CENTER**



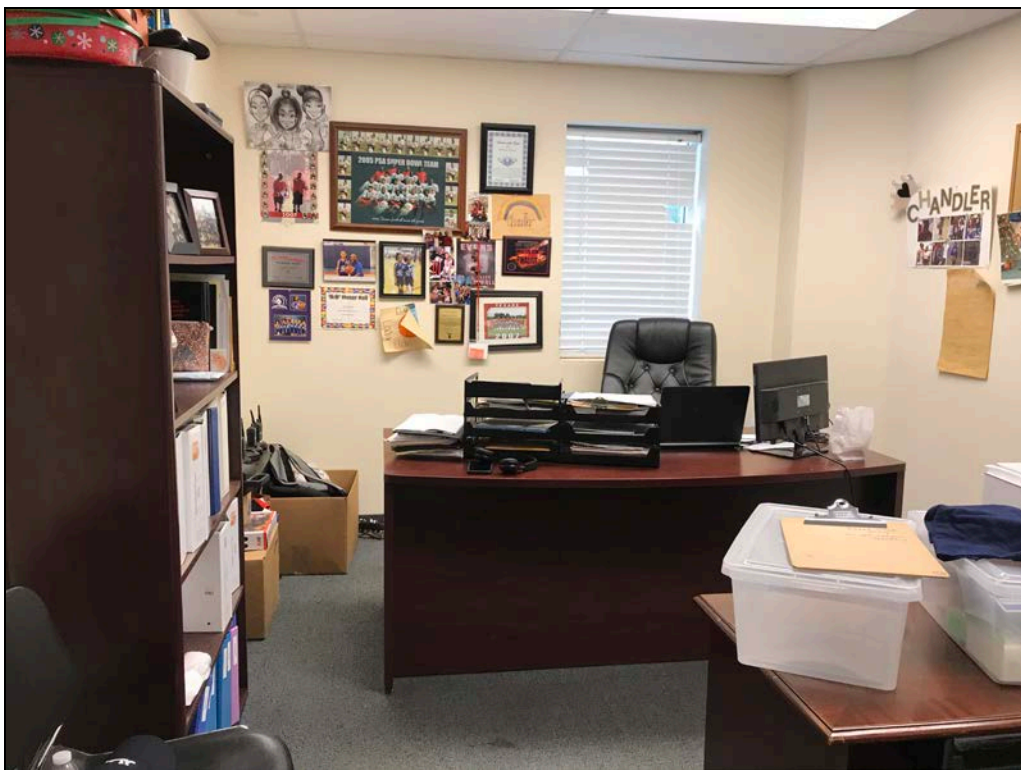
**EXTERIOR VIEW OF TEEN CENTER**



**INTERIOR VIEW OF RECREATION BUILDING**

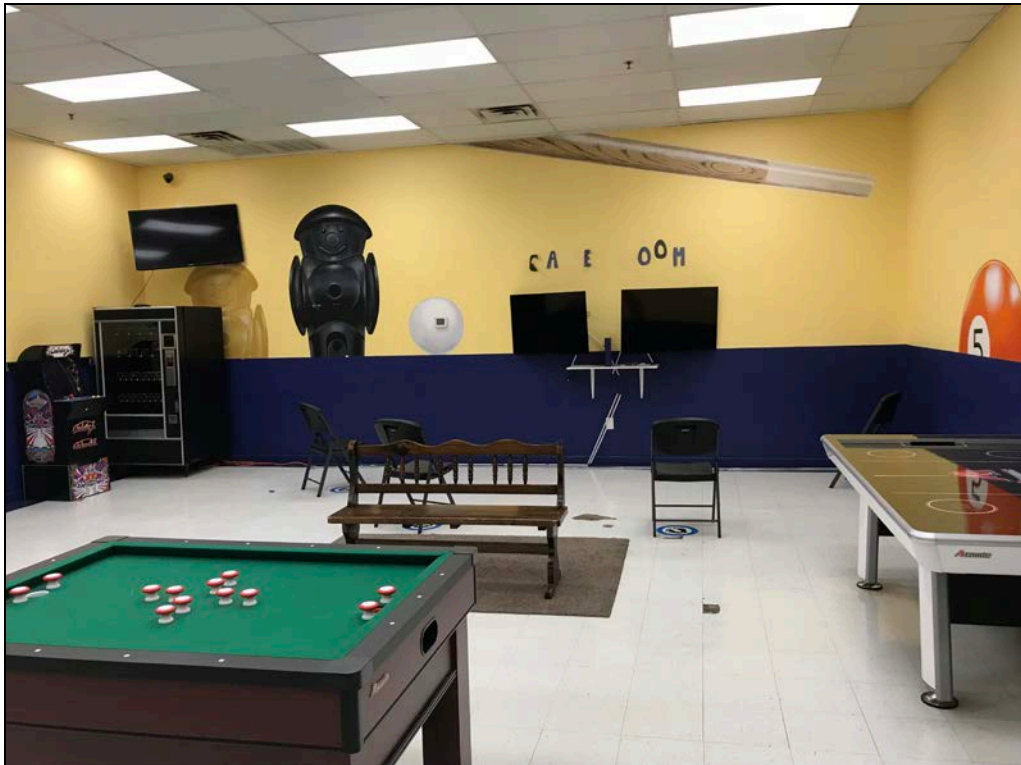


**INTERIOR VIEW OF RECREATION BUILDING**

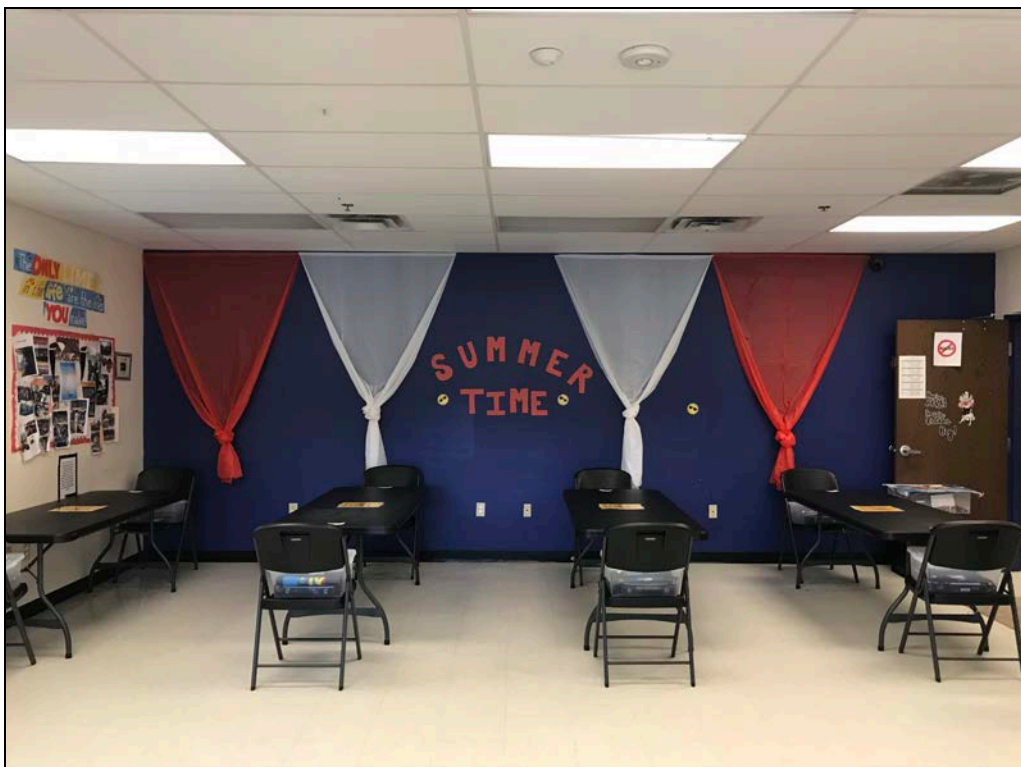


**INTERIOR VIEW OF RECREATION BUILDING**





**INTERIOR VIEW OF RECREATION BUILDING**



**INTERIOR VIEW OF RECREATION BUILDING**



**INTERIOR VIEW OF RECREATION BUILDING**



**INTERIOR VIEW OF RECREATION BUILDING**



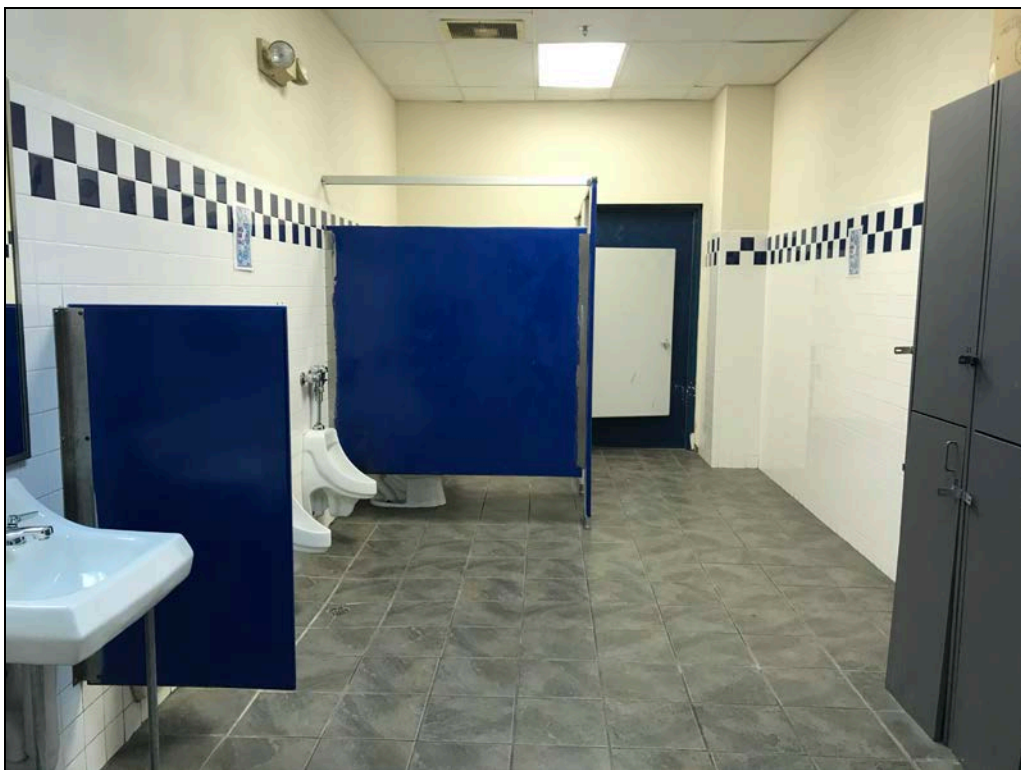
**INTERIOR VIEW OF RECREATION BUILDING**



**INTERIOR VIEW OF RECREATION BUILDING**



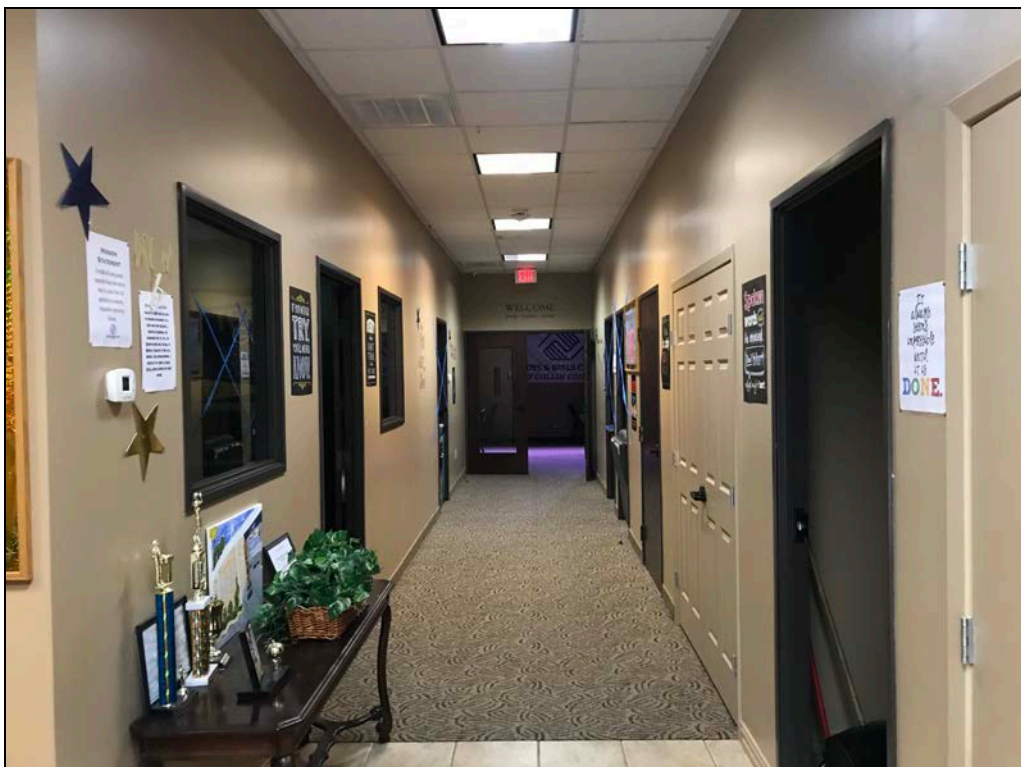
**INTERIOR VIEW OF RECREATION BUILDING**



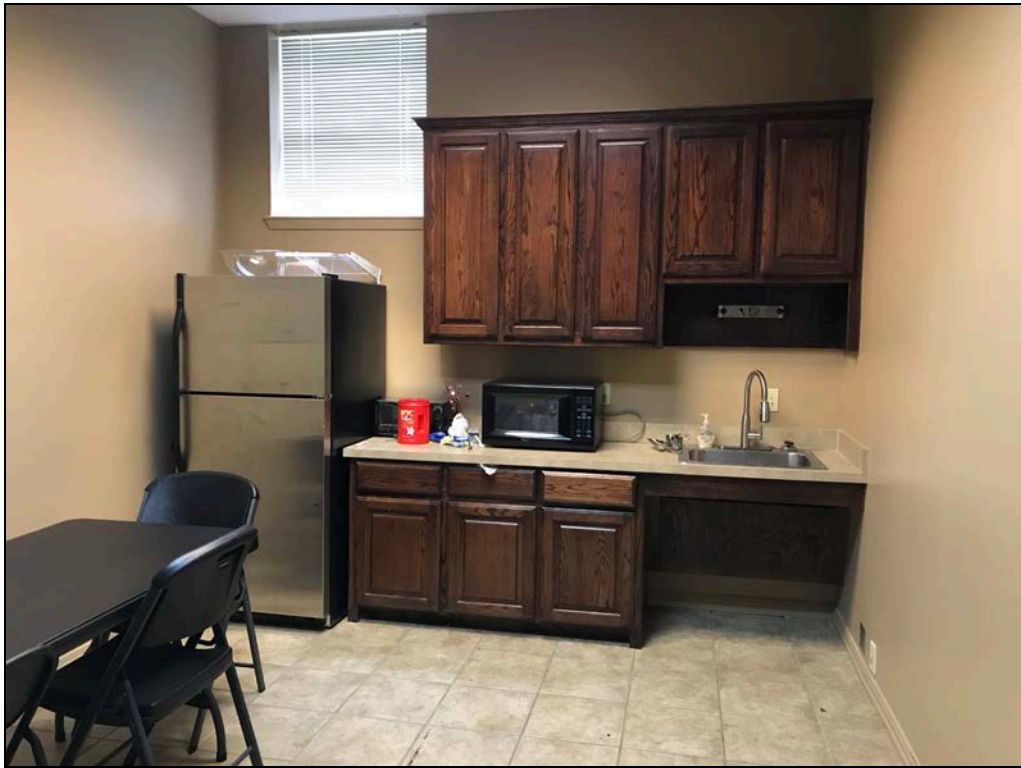
**INTERIOR VIEW OF RECREATION BUILDING**



**INTERIOR VIEW OF TEEN CENTER**



**INTERIOR VIEW OF TEEN CENTER**



**INTERIOR VIEW OF TEEN CENTER**



**INTERIOR VIEW OF TEEN CENTER**



**INTERIOR VIEW OF TEEN CENTER**



**INTERIOR VIEW OF TEEN CENTER**



**PLAYGROUND**



**PLAYGROUND**





**PLAYGROUND**



**PLAYGROUND**



**PLAYGROUND**



**EXTERIOR VIEW**



**PARKING LOT**



**PARKING LOT**



**PLAYGROUND**



**LOOKING SOUTH ALONG CHURCH STREET**

## CERTIFICATION

We certify that, to the best of our knowledge and belief:

- \* the statements of fact contained in this report are true and correct;
- \* the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analysis, opinions, and conclusions;
- \* as of the date of this report, the signator(s) below have completed the requirements of the continuing education programs of the Appraisal Institute;
- \* We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- \* We have no bias with the respect to the property that is the subject of this report or to the parties involved with the assignment;
- \* our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- \* our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal;
- \* The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- \* No one provided significant real estate property appraisal assistance to the persons signing this certification;
- \* My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice;
- \* The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- \* The appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan;

Certification, continued

\*The appraiser (Greg Connelly) made a personal inspection of the property that is the subject of this report;

\*The appraisers have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within a three-year period immediately preceding acceptance of this assignment.



---

Greg Connelly  
Texas Cert. #TX-1324452-G

### **CONTINGENT AND LIMITING CONDITIONS**

The certification of the appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

1. It is assumed the legal description furnished is correct.
2. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable.
3. The property is appraised as though free and clear, under responsible ownership and competent management. All existing liens and encumbrances have been disregarded.
4. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraiser has made no survey of the property.
5. The appraiser is not required to give testimony or appear in court because of having made the study with reference to the property in question, unless arrangements have been previously made.
6. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures, which would affect the proposed development. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
8. The appraiser assumes no responsibility for determining if the property lies within a flood hazard area and its consequences to the property. It is advised that a Topographic Survey be obtained and local officials be contacted.
9. Information, estimates and opinions furnished to the appraiser and contained in this report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraisers can be assumed by the appraisers.
10. Disclosure of the contents of this report is governed by the bylaws and regulations of the professional appraisal organizations with which the appraisers are affiliated.
11. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the applicant without the previous written consent of the appraiser or the applicant and, in any event, only in its entirety.
12. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the feasibility of the proposed development, property value, the identity of the appraiser, professional designations, firm with which the appraisers are connected) shall be used for any purposes by anyone but the client specified in the report, the mortgagee or its successors and assigns, mortgage insurers and consultants.
13. On all appraisals subject to satisfactory completion of repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
14. The value is reported in dollars on the basis of the currency prevailing at the date of the appraisal.
15. Unless otherwise stated within the following appraisal report, the existence of hazardous substances which includes below ground or above ground chemicals/contaminates, insulation, coatings, or other environmental conditions, which may or may not be present on or within the subject property, were not called to the attention of nor did the appraisers become aware of such during the course of the appraisal including the inspection. We are not qualified in detecting these substances and are not representing ourselves as being qualified in environmental matters.

CONTINGENT AND LIMITING CONDITIONS, Continued

16. The Americans with Disabilities Act became effective January 26, 1992. We have not and are not qualified to make a specific determination as to the compliance with this law by the subject property. We did not consider possible non-compliance with the requirements of this law in estimating the value of the subject property. We recommend a compliance survey be performed by a qualified firm. If the subject is found to be in non-compliance, this could negatively affect the value of the subject.
17. This appraisal has been made in accordance with the Codes and Ethics of the Appraisal Institute and the Appraisal Foundation.

According to the plat provided by the Collin Central Appraisal District, the Subject site contains 2.000 acres, or 87,114 SF of land. The building sizes of 2,376 SF and 13,456 SF are based measurements from an “As Built” survey. The land and building sizes are considered to be correct and will be used in this report.

Extraordinary Assumption and/or Hypothetical Conditions

Extraordinary assumptions presume uncertain information to be factual. If found to be false these assumptions could alter the appraiser’s opinions or conclusions. Hypothetical conditions are contrary to what exists, but the conditions are asserted by the appraiser for the purposes of analysis. No extraordinary assumptions, or hypothetical conditions are used in this report.

**The Coronavirus outbreak, declared a Global Pandemic by the World Health Organization on March 11, 2020, has caused uncertainty on a global scale in all sectors of society, including financial and real estate markets. President Donald Trump issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak on March 13, 2020. Since this declaration, the U.S. financial markets have seen severe fluctuations on a daily basis, due to the uncertainty of the length of the pandemic and the effect on the overall economy.**

**The effect of the COVID-19 outbreak on the regional and national scale is unknown at this time. Certain sectors of the real estate market (including retail, office, and hospitality industries) will most likely see the most immediate impact. However, an extended period of societal response (shelter-in-place, closed businesses, and restricted travel) could have significant impact on property values. Revenues, income streams, and the associated values could change rapidly as the outbreak and national response continues.**

**The situation is unprecedented; therefore, there is no data to support any related market changes. There may be a future economic impact on the market due to this event which cannot be measured at this time. The valuation within this appraisal is based on the most current information as of the date of valuation.**



**ENGAGEMENT LETTER / INSTRUCTIONS**



As the response to the COVID-19 public health emergency develops, Capital One continues to consider ways to support our customers and service providers. In all cases service providers should follow the national health authorities' regarding proper preventative care as well as local or governmental guidance as it may apply in your respective area(s). Effective immediately RETECHS is amending the commercial valuation inspection requirements to ensure the safety for all involved.

1. If service providers believe that a property must be fully inspected in order to produce a credible estimate of market value the RETECHS Job Manager should be contacted immediately so further direction can be provided regarding the assignment.
2. If a service provider is unable to perform an interior or exterior inspection, due to health and safety concerns or municipal/government restrictions, then the service provider may:
  - a. Request that the property contact provide digital photos be taken by an individual while on-site or
  - b. Arrange for a virtual inspection via video call in order to ascertain the condition and relevant characteristics of the property for use in their assignment
  - c. If a. or b. above cannot be provided then contact your RETECHS Job Manager for other possible solutions

Communication with Capital One RETECHS is imperative throughout this process. This amended guidance will remain in place unless otherwise instructed. Please be mindful of updates or modifications to this notice as monitoring of the COVID-19 public health emergency continues.

Date: 6-9-2020

Project Number: 20-000575-01-01

Dear Greg Connelly

This letter will serve as Capital One's engagement of your services with regard to the following property. The specifics of the engagement including the agreed upon fee and delivery date are listed below. The reports must be addressed to the Capital One Job Manager and an electronic copy of the report and invoice MUST be uploaded to the Award record on RIMSCentral (<http://www.rimscentral.com>). Please reference on the invoice an invoice number, invoice date, your Tax ID #, the Capital One Order #, and a Property Reference. Any questions pertaining to this assignment should be addressed with the Capital One contact in RETECHS.

Fee: PER BID AWARD

Due Date: June 25, 2020

Property Location:

701 S CHURCH STREET, McKinney, TX 75069

Property Type:

Assembly/Meeting Place - Community/Recreation Center

Report Type:

Restricted Appraisal Report

Report Format:

Narrative - please provide adequate detail

Property Contact(s):

JOAN ROE, Property Contact

Phone: 972-369-2597

[jroe@bgccc.org](mailto:jroe@bgccc.org)

Capital One Job Manager:

Benton Gay

Phone and Email:

985-674-8110, [benton.gay@capitalone.com](mailto:benton.gay@capitalone.com)

Report Addressee(s):

Benton Gay, MAI

Capital One

3840 Highway 22

Mandeville, LA 70471

Award Comments:

None

Intended Use:

The intended use of this appraisal is for loan underwriting and-or credit decisions by Capital One Bank and-or participants

Intended User:

The intended users of this report is Capital One Bank and-or affiliates

Approaches to Value:

The single most appropriate valuation approach



**Additional Scope of Work:**

The appraisal must be signed by the person to whom this RFP is addressed or someone else on the Capital One Bank approved appraiser list identified during the RFP process. The Signatory should be the primary or one of the primary appraisers responsible for directly developing and writing the appraisal report. If this directive is not followed the report will be returned.

The property must be inspected (interior and exterior) by a certified general appraiser licensed in the state where the subject property is located.

Any atypical extraordinary assumptions and all hypothetical conditions must be approved by the RETECHS job manager prior to submission of the appraisal report.

USING THE CAPITAL ONE BANK IRC WORKSHEET (available in RIMS), you must estimate the Insurable Replacement Cost (IRC) and Actual Cash Value (ACV), as defined by Capital One, of every building on the appraised site. When a portion of the subject improvements are located in the flood plain, insurable replacement cost must be provided individually for each building in the flood plain. When none of the improvements are in the flood plain, a single collective insurable replacement cost estimate is acceptable.

If you have appraised the subject for Capital One Bank in the past three years, you must reconcile your current market value opinion with your previous value opinion, noting the primary drivers of value change.

**Other Requirements:**

You must make contact with the property contact within 2 business days of bid award. Please notify the Capital One Bank Job Manager immediately of any potential delays, and be clear in your communication with the Job Manager if the delivery date is in jeopardy due to a lack of response from the property contact. If the Job Manager is not able to secure the required information in a reasonable timeframe, then a delivery date extension may be granted. Capital One reserves the right to pay a reduced fee in the event of an unexcused delay in report delivery.

While your appraisal report is needed on time, it may not be reviewed by RETECHS immediately. Please notify the job manager if you expect to be out of the office for any period soon after delivering your appraisal so that the reviewer can plan accordingly.

<u>Premise</u>	<u>Qualifier</u>	<u>Interest</u>	<u>Comment</u>
Market Value	As-Is	Fee Simple	
Insurable Replacement Cost Estimate	Insurable Cost	-----	Must use Capital One IRC Worksheet

An appraisal service must comply with the Comptroller of Currency appraisal standards as delineated by ruling 12 U.S.C. 93 a and Title XI of FIRREA dated 1989. Failure to comply with any of the above requirements may result in rejection of the appraisal. In addition, payment of the fee is subject to a review of the appraisal for compliance with the above mentioned requirements. Should you experience any delays in the performance of this appraisal, please notify us in writing via email no less than seven days prior to the due date.

As confirmation of your acceptance of this assignment under the terms specified in this letter, please include a signed copy of this engagement letter in the addenda to the report. Signing of this engagement letter indicates that an appraisal report will comply with the most current USPAP and all guidelines specified. Evaluations must comply with the OCC's requirements for same. Also, by signing this letter you understand that Capital One is the client and that you are prohibited from appraising or performing an evaluation relative to this property for the next six months without the express written permission of the undersigned. Such permission will not be unreasonably withheld.

By signing the engagement letter, you also attest that you have read the Capital One Third Party Vendor Insurance Requirements stored under the Reference Documents for Capital One in RIMS Central.



Capital One Bank will not honor limiting conditions which attempt to restrict potential damages to the fee collected for an assignment or suggest that the Bank should indemnify the vendor for a loss or claim stemming from their assignment.

If upon review, the appraisal report or evaluation is deemed unacceptable by Capital One for non-compliance issues, and requested changes and/or additions are not properly made, Capital One may elect to refuse payment of the appraiser's invoice.

#### **Capital One Appraisal Requirements**

1. If a direct sales comparison approach is utilized for land and improved valuation, the subject and comparables should be arranged on an adjustment grid. A matched paired analysis is the preferred method to estimate the amount of adjustments in the sales comparison approach. If a matched paired analysis is not applicable, provide explanation and support for all adjustments.
2. For all significant multi-tenant income producing property appraisals, a discounted cash flow analysis should be prepared. Any elimination of this technique should be fully supported.
3. If applicable, perform a direct capitalization analysis using a capitalization rate that is adequately supported by market evidence. If Ellwood or Akerson techniques are used, clear market support must be provided for the projected change in property value and for the applicability of the technique.
4. If your appraisal firm has appraised the subject for Capital One Bank in the past three years, you must reconcile the current concluded market values with the previous values. This should include a summary of the primary drivers of the value change.

#### **Insurable Replacement Cost Estimate Requirements**

Insurable Replacement Cost is defined as Replacement Cost New (GBA x base cost x multipliers) of the primary improvements (vertical construction including parking structures) exclusive of site improvements, landscaping, indirect costs, entrepreneurial profit, less exclusions (i.e., foundations, piping below grade, architect's fees) without consideration of debris removal. This must be provided on the Capital One spreadsheet available in RIMS (Vendor Reference Documents).

#### **Market Value Definition**

**"Market Value" is defined by the United States Treasury Department, Comptroller of the Currency 12 CFR part 34, 34.42 (f) as,**

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

#### **FIRREA Appraisal Standards**

**MINIMUM STANDARDS.** For federally related transactions, all appraisals shall, at a minimum:

- (1) Comply with the Uniform Standards of Professional Appraisal Practice ("USPAP");
- (2) Be sufficiently informative to support the institution's lending decision;
- (3) Analyze and report deductions and discounts, when appropriate;
- (4) State a Market Value estimate, as defined by this appraisal regulation;
- (5) Be performed by State licensed or certified appraiser.

The following items should be included in the addenda of every report:

- Signed copy of engagement letter
- Copy of appropriate state certifications



A properly completed invoice should be uploaded separately to RIMSCentral.

This engagement letter and the attached Capital One Engagement Letter Terms and Conditions (which are hereby made a part of this engagement letter and, together with this engagement letter, constitute the "Agreement"), reflect the entire agreement between the parties relating to the Services and replaces and supersedes any previous proposals, correspondence, and understandings, whether written or oral. If any term of this Agreement is found unenforceable or invalid, all other terms shall continue in effect as if such unenforceable or invalid term had not been included in this Agreement. This Agreement may not be amended or varied except by a written document signed by both parties.

Sincerely,

Benton Gay

A handwritten signature in blue ink that reads "Greg Connelly".

Accepted: \_\_\_\_\_

Date: June 13, 2020

## ***SUMMARY OF QUALIFICATIONS***

### **GREGORY M. CONNELLY**

Currently: President of Connelly and Associates

### **PROFESSIONAL EXPERIENCE:**

Independent real estate fee appraiser: 1990 - Present. Over twenty-five years of experience in the appraisal and valuation of real properties. Commercial appraisal experience includes: land, apartment complexes, subdivisions, industrial properties, office buildings, medical facilities, shopping centers, restaurants, hotel/motels, ranches, special purpose properties and various commercial land tracts for mortgage bankers, banks, savings and loan associations, insurance companies, attorneys, private individuals, public utilities, and governmental agencies.

Completed appraisals in the Dallas/Fort Worth area and other parts of Texas as well as Alabama, Arkansas, Arizona, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Pennsylvania, Tennessee and Wisconsin.

Graduated from Southwest Texas State University: B.B.A. (Finance)

Completed college and Appraisal Institute courses in real estate appraisal.

- Standards of Professional Practice A & B
- Principles of Real Estate Appraisal 1A-1
- Basic Valuation 1A-2
- Capitalization Theory & Techniques, Part A
- Capitalization Theory & Techniques, Part B
- Advanced Income Capitalization (510)
- Advanced Sales Comparison and Cost Approach (530)
- Report Writing & Valuation Analysis (540)
- Highest and Best Use and Market Analysis (520)

### **PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS:**

APPRAISER - Certified Appraiser (TX-1324452-G), State of Texas

You may wish to laminate the pocket identification card to preserve it.

GREGORY MICHAEL CONNELLY  
1527 N BUCKNER BLVD  
DALLAS, TX 75218

The person named on the reverse is licensed by the Texas Appraiser Licensing and Certification Board.

Inquiry as to the status of this license may be made to:

Texas Appraiser Licensing and Certification Board  
P.O. Box 12188  
Austin, Tx 78711-2188  
www.talcb.texas.gov  
(512) 936-3001  
Fax:(512) 936-3899

**Texas Appraiser Licensing and Certification Board**  
P.O. Box 12188 Austin, Texas 78711-2188  
**Certified General Real Estate Appraiser**

Number#: **TX 1324452 G**  
Issued: **07/30/2018** Expires: **07/31/2020**  
Appraiser: **GREGORY MICHAEL CONNELLY**


Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

  
Douglas E. Oldmixon  
Commissioner

**Texas Appraiser Licensing and Certification Board**  
P.O. Box 12188 Austin, Texas 78711-2188  
**Certified General Real Estate Appraiser**

Number: **TX 1324452 G**  
Issued: **07/30/2018** Expires: **07/31/2020**  
Appraiser: **GREGORY MICHAEL CONNELLY**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

  
Douglas E. Oldmixon  
Commissioner

**ADDENDA**



ORDINANCE NO. 2002-09-091

AN ORDINANCE AMENDING ZONING ORDINANCE NO. 1270, AND AS AMENDED, OF THE CODE OF ORDINANCES OF THE CITY OF MCKINNEY, TEXAS; SO THAT AN APPROXIMATELY 1.612 ACRE TRACT LOCATED ON THE WEST SIDE OF KENTUCKY STREET, EAST OF CHURCH STREET AND NORTH OF FINCH PARK, IS HEREBY REZONED FROM "RS-60" – SINGLE FAMILY RESIDENTIAL DISTRICT TO "PD" – PLANNED DEVELOPMENT DISTRICT, GENERALLY FOR "MF-3" – MULTIPLE FAMILY RESIDENTIAL USES; ALLOWING MODIFIED PARKING REQUIREMENTS; AND MODIFIED BUILDING HEIGHT REQUIREMENTS; PROVIDING REGULATIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR INJUNCTIVE RELIEF, PROVIDING FOR NO VESTED INTEREST; PROVIDING FOR THE PUBLICATION OF THE CAPTION OF THIS ORDINANCE; PROVIDING FOR A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.

WHEREAS, the City of McKinney has considered the rezoning of an approximately 1.612 acre tract located on the west side of Kentucky Street and north of Finch Park, from "RS-60" – Single Family Residential District to "PD" – Planned Development District, generally for "MF-3" – Multiple Family Residential Uses, allowing modified parking requirements, and modified building height requirements; and

WHEREAS, after due notice of the requested rezoning as required by law, and the required public hearings held before the Planning and Zoning Commission and the City Council of the City of McKinney, Texas, the City Council is of the opinion that the change in zoning district should be made.

**NOW THEREFORE, BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:**

Section 1. Zoning Ordinance No. 1270, of the City of McKinney is hereby amended so that an approximately 1.612 acre tract located on the west side of Kentucky Street and north of Finch Park, in the City of McKinney, Collin County, Texas, which is more fully depicted on Exhibit "A" attached hereto, is hereby rezoned from its present classification of "RS-60" – Single Family Residential District to "PD" – Planned Development District, generally for "MF-3" – Multiple Family Residential Uses, allowing modified parking requirements, and modified building height requirements; and

Section 2. Use and development of the subject property shall conform to all regulations applicable to the "MF-3" – Multiple Family Residential District as set forth in Section 41-90 of the City of McKinney Code of Ordinance, and as amended, except as listed below:

1. The property shall develop according to the "MF-3" zoning district with the exception that the maximum height of the building shall be forty feet (4 stories).
2. The masonry requirement be reduced to 50%.

3. Covered parking spaces shall not be required.
4. 1½ parking spaces per unit shall be provided.
5. Four story buildings shall be allowed around the perimeter of the property and four story buildings may be allowed within 50 feet of adjacent residential property.

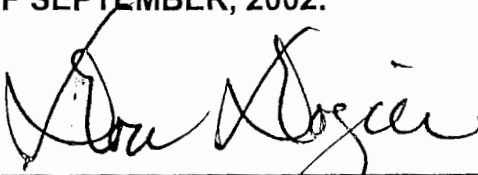
Section 3. If any section, subsection, paragraph, sentence, phrase or clause of this Ordinance shall be declared invalid for any reason whatsoever, such decision shall not affect the remaining portions of this Ordinance which shall remain in full force and effect, and to this end, the provisions of this Ordinance are declared to be severable.

Section 4. It shall be unlawful for any person, firm or corporation to develop this property, or any portion thereof, in any manner other than is authorized by this Ordinance, and upon conviction therefore, shall be fined any sum not exceeding \$2000.00, and each day that such violation shall continue shall be considered a separate offense. These penal provisions shall not prevent an action on behalf of the City of McKinney to enjoin any violation or threatened violation of the terms of this Ordinance, or an action for mandatory injunction to remove any previous violation hereof.

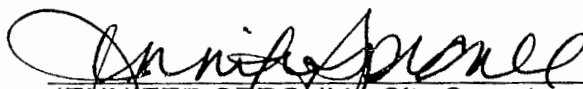
Section 5. That no developer or property owner shall acquire any vested interest in this Ordinance, the Planned Development, or specific regulations contained herein. The ordinance, and the subsequent site plans (if any) and regulations may be amended or repealed by the City Council of the City of McKinney, Texas, in the manner provided by law.

Section 6. The caption of this Ordinance shall be published one time in a newspaper having general circulation in the City of McKinney, and shall become effective upon such publication.

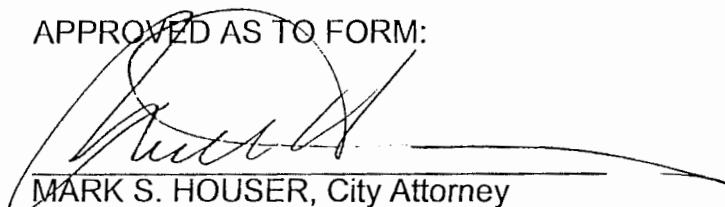
**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, ON THIS 3<sup>rd</sup> DAY OF SEPTEMBER, 2002.**

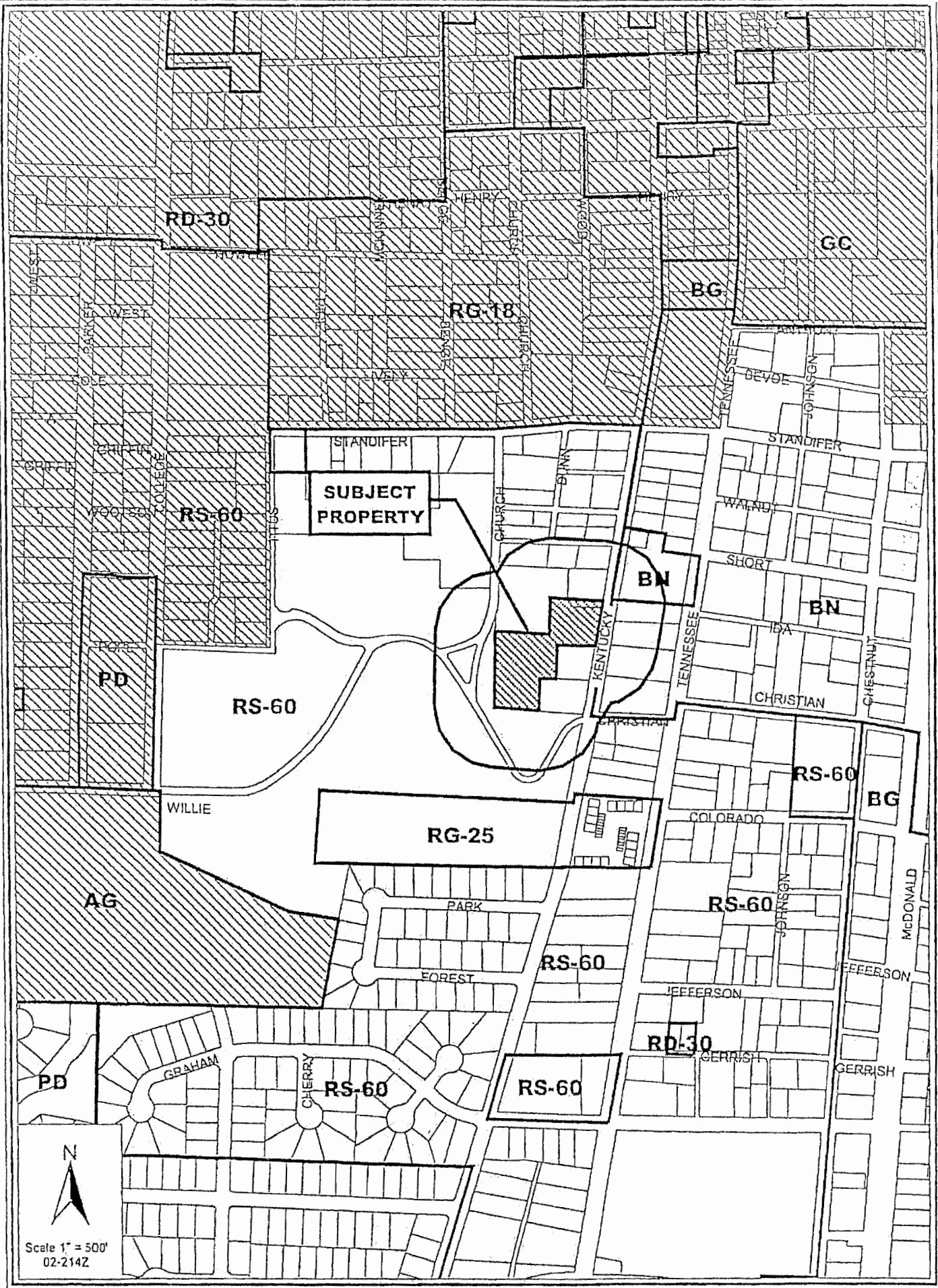
  
\_\_\_\_\_  
DON DOZIER, Mayor

ATTEST:

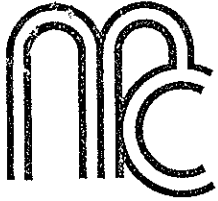
  
\_\_\_\_\_  
JENNIFER SPROULI, City Secretary  
BEVERLY COVINGTON, Deputy City Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
MARK S. HOUSER, City Attorney



**EXHIBIT "A"**



CITY OF MCKINNEY, 222 N. Tennessee, P.O. Box 517, McKinney, Texas 75069 (214) 542-2675

March 15, 1996

Mr. Robert Darling  
Facilities Chairman  
6900 Virginia Parkway  
McKinney, Texas 75070

Re: Executed Agreement for  
Parking Area for Boys and Girls Club

Dear Bob:

Enclosed please find an executed copy of the Joint Use Agreement for the proposed parking area at Finch Park for the Boys and Girls Club Project.

Please forward a construction schedule for this project.

Please give me a call, if I can be of further service.

Sincerely,

Larry Offerdahl  
Director of Parks and Recreation

LO:sl

Enclosure

## JOINT USE AGREEMENT

WHEREAS, THIS JOINT USE AGREEMENT (the "Agreement") is entered into effective as of the 24th day of February, 1996 by and between Boys and Girls Club of Collin County, Inc. (the "Club") and the City of McKinney, Texas, a municipality organized under the laws of the State of Texas (the "City");

WHEREAS, the Club desires to construct a parking lot on City property located in Finch Park (the "Project"), such Project being sufficient to provide parking for approximately thirty-three (33) automobiles. An existing parking lot with twenty (20) automobile capacity currently exists in Finch Park and shall also be subject to the terms and conditions of this Agreement, save and except the Club's obligation to pave or otherwise construct improvements on the existing parking lot. The parking lots (the existing lot and the lot to be constructed pursuant to this Agreement) shall be jointly referred to as the "Parking Lots". A diagram of the Parking Lots showing the location of the affected property, including Finch Park, is attached hereto as Exhibit "A" and incorporated by reference for all purposes;

WHEREAS, the City hereby agrees to allow the Club to jointly use the Parking Lots, and the Parties desire to set forth their respective responsibilities, obligations and rights relative thereto.

NOW THEREFORE, the Club and City hereby agree as follows:

1. Plans and Specifications. The Club and City hereby acknowledge and approve the plans and specifications prepared by Architects Phelps & Wood (the "Architect") dated September 11, 1995. The City reserves the right to review the plans and specifications at any time during and after construction in order to insure that the Project conforms to the minimum construction standards adopted by the City. Thickness of concrete shall be 6" at City approaches and 5" at the parking lot area, all in accordance with City standards.

2. Ownership and Term. The Parties acknowledge and agree that the land in Finch Park upon which the Parking Lots are located is City property and shall remain City property after completion of the Project. The City makes no representations or warranties of suitability or title concerning the land. Upon completion of the Project, the Club shall donate the improvements to the City. Final inspection and approval by the City shall be sufficient evidence of the donation by the Club. The Club may use the Project for the purposes set forth in Section 3 for an initial term of twenty-five (25) years, with an option to renew for an additional twenty-five (25) years upon the mutual agreement of the Parties. The request for extension must be submitted to the City in writing at least ninety (90) days prior to the end of the initial term for the City's consideration.

3. Joint Use of the Parking Lots. The City hereby agrees to allow the Club to jointly use the Parking Lots. At any time during the term of this Agreement, the Club shall use the Parking Lots solely to provide parking spaces for the visitors and employees of the Club and for Club activities which are consistent with the stated goals and objectives of the Club. The City may utilize the Parking Lots for any lawful purpose not inconsistent with the Club's authorized use of the Parking Lots. Notwithstanding the foregoing, the use granted to the Club shall immediately terminate if the Club, or any successor entity, ceases to operate the adjacent Club facility for youth developmental, educational, and recreational activities and/or such other activities consistent with the goals and objectives of the Club.

4. Construction Management. The Club shall be solely responsible for the coordination and management of the Project's construction, which responsibilities shall include, but not be limited to, the advertising and receipt of bids, the review of payment and performance bonds, evidence of insurance coverage and other documents related to the construction contract, the inspection and oversight of construction activities, the approval of applications for payment, the receipt and review of warranties and post-performance bonds, and all other activities related to the construction of the Project.

5. Documentation and Insurance. The Club shall require certificates of insurance covering the construction of the Project in amounts and coverages acceptable to the City. All certificates of insurance covering the construction of the Project shall be the sole financial responsibility of the Club and shall list both the Club and City as beneficiaries and/or insureds. All warranties covering the Project shall name both parties as beneficiaries. All verifications and affidavits delivered by or on behalf of the contractor or any subcontractor shall be in favor of both parties. Upon the completion of the Project, the Club shall include the Project in the coverage afforded by its general liability policy and list the City as an additional insured on such policy.

6. Construction Costs. The Club and City hereby agree that the Club shall be solely financially responsible for the payment of all costs and expenses associated with the construction of the Project.

7. Payments for Construction. All payments for construction shall be made pursuant to an application for payment submitted by the contractor and approved by the Architect. The Architect, at the time of approving such application, shall approve the amount of payment based upon the value of work performed and materials suitably stored for the Project.

8. Construction Change Orders and Change Directives. The City shall approve, in writing, all change orders. All change orders concerning the scope of the work and change

directives shall be in writing and shall include any change in the construction costs, all of which are the responsibility of the Club.

9. Substantial Completion. The Club shall not approve any substantial completion application submitted by the contractor or issue any substantial completion certificate without the prior written consent of the City Manager.

10. Landscaping and Maintenance. The Club shall be solely responsible for the repair of damaged turf areas and final regrading of all disturbed areas around the Project and shall reseed bermuda grass in all disturbed areas around the Project. Any other tree, bush or shrub disturbed or destroyed in the construction process shall be replaced with a comparable item. The City shall be solely responsible for any Project maintenance costs and expenses during the initial term of this Agreement. However, the Club shall be responsible for all Project maintenance costs and expenses during any renewal or extended term.

11. Indemnification. The Club shall indemnify and hold harmless the City from and against any and all claims, demands and suits arising from the construction of the Project, including all court costs and attorneys' fees. Furthermore, the Club shall indemnify and hold harmless the City from and against any and all claims, demands and suits arising from the future use of the Parking Lots, provided that said claims, demands or suits arise out of or are directly or indirectly incident to Club activities, including all court costs and attorneys' fees.

12. Miscellaneous.

a. This Agreement expresses the entire agreement between the parties hereto regarding the subject matter contained herein and may not be modified or amended except by written agreement duly executed by both parties.

b. This Agreement has been duly and properly approved by each party's governing body and constitutes a binding obligation on each party.

c. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, and venue for all purposes hereunder shall be in Collin County, Texas.

d. If any provision of this Agreement is determined by any court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be fully severable herefrom and the remainder of this Agreement shall be fully enforced.

e. The responsibilities, obligations and rights created by this Agreement are for the exclusive benefit of the Club and may not be assigned without the prior written consent of the City.

APPROVED BY THE BOARD OF DIRECTORS OF BOYS AND GIRLS CLUB OF COLLIN COUNTY, INC. in its meeting held the 26<sup>th</sup> day of FEBRUARY, 1996, and executed by its authorized representative.

BOYS AND GIRLS CLUB OF COLLIN COUNTY, INC.

By: Robert C. Darling  
Robert C. Darling, Board Member  
Facilities Committee Chairman

APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, in its meeting held the 21<sup>st</sup> day of November, 1995 and executed by its authorized representative.

By: Donald E. Paschal, Jr.  
Donald E. Paschal, Jr.  
City Manager

H:\BUS\SHC\CORP\49875.1





# Community Profile

701 S Church St 2  
 701 S Church St, Mckinney, Texas, 75069  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 33.19162  
 Longitude: -96.61752

	1 mile	3 miles	5 miles
<b>Population Summary</b>			
2000 Total Population	9,914	35,691	57,502
2010 Total Population	10,419	45,920	104,952
2019 Total Population	12,161	56,550	135,813
2019 Group Quarters	37	1,139	2,701
2024 Total Population	13,429	63,323	153,657
2019-2024 Annual Rate	2.00%	2.29%	2.50%
2019 Total Daytime Population	14,680	66,551	129,177
Workers	7,795	36,453	57,105
Residents	6,885	30,098	72,072
<b>Household Summary</b>			
2000 Households	3,247	12,324	19,276
2000 Average Household Size	3.04	2.81	2.89
2010 Households	3,349	15,969	35,467
2010 Average Household Size	3.10	2.81	2.90
2019 Households	3,879	19,533	45,691
2019 Average Household Size	3.13	2.84	2.91
2024 Households	4,256	21,811	51,576
2024 Average Household Size	3.15	2.85	2.93
2019-2024 Annual Rate	1.87%	2.23%	2.45%
2010 Families	2,370	11,268	27,200
2010 Average Family Size	3.65	3.35	3.33
2019 Families	2,719	13,676	34,733
2019 Average Family Size	3.69	3.39	3.36
2024 Families	2,970	15,222	39,074
2024 Average Family Size	3.73	3.42	3.39
2019-2024 Annual Rate	1.78%	2.17%	2.38%
<b>Housing Unit Summary</b>			
2000 Housing Units	3,403	13,193	20,476
Owner Occupied Housing Units	44.7%	55.6%	66.9%
Renter Occupied Housing Units	50.7%	37.8%	27.2%
Vacant Housing Units	4.6%	6.6%	5.9%
2010 Housing Units	3,698	17,419	37,996
Owner Occupied Housing Units	43.9%	51.2%	66.7%
Renter Occupied Housing Units	46.6%	40.5%	26.6%
Vacant Housing Units	9.4%	8.3%	6.7%
2019 Housing Units	4,338	21,015	48,576
Owner Occupied Housing Units	35.7%	47.9%	63.3%
Renter Occupied Housing Units	53.7%	45.1%	30.7%
Vacant Housing Units	10.6%	7.1%	5.9%
2024 Housing Units	4,725	23,436	54,777
Owner Occupied Housing Units	34.5%	47.7%	63.5%
Renter Occupied Housing Units	55.6%	45.3%	30.7%
Vacant Housing Units	9.9%	6.9%	5.8%
<b>Median Household Income</b>			
2019	\$41,850	\$65,524	\$86,406
2024	\$51,652	\$78,231	\$98,222
<b>Median Home Value</b>			
2019	\$209,107	\$273,142	\$296,332
2024	\$252,621	\$316,576	\$328,681
<b>Per Capita Income</b>			
2019	\$21,025	\$31,768	\$37,613
2024	\$24,807	\$36,300	\$42,156
<b>Median Age</b>			
2010	30.3	32.5	33.9
2019	31.1	33.8	34.9
2024	31.6	34.6	35.2

**Data Note:** Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Community Profile

701 S Church St 2  
 701 S Church St, Mckinney, Texas, 75069  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 33.19162  
 Longitude: -96.61752

	1 mile	3 miles	5 miles
<b>2019 Households by Income</b>			
Household Income Base	3,879	19,529	45,686
<\$15,000	15.5%	8.3%	6.2%
\$15,000 - \$24,999	13.8%	9.4%	6.0%
\$25,000 - \$34,999	12.4%	8.8%	6.1%
\$35,000 - \$49,999	15.4%	13.0%	9.6%
\$50,000 - \$74,999	14.9%	14.9%	14.8%
\$75,000 - \$99,999	9.2%	14.0%	13.9%
\$100,000 - \$149,999	7.8%	14.9%	20.8%
\$150,000 - \$199,999	6.8%	8.3%	10.9%
\$200,000+	4.3%	8.3%	11.7%
Average Household Income	\$66,086	\$91,694	\$110,940
<b>2024 Households by Income</b>			
Household Income Base	4,256	21,807	51,571
<\$15,000	11.9%	6.3%	5.1%
\$15,000 - \$24,999	11.3%	7.7%	4.9%
\$25,000 - \$34,999	10.9%	7.5%	5.1%
\$35,000 - \$49,999	14.4%	11.5%	8.4%
\$50,000 - \$74,999	15.8%	14.5%	13.7%
\$75,000 - \$99,999	11.4%	14.6%	13.5%
\$100,000 - \$149,999	10.5%	17.8%	22.7%
\$150,000 - \$199,999	8.7%	10.6%	13.2%
\$200,000+	5.1%	9.5%	13.3%
Average Household Income	\$78,414	\$105,102	\$124,675
<b>2019 Owner Occupied Housing Units by Value</b>			
Total	1,550	10,059	30,765
<\$50,000	5.2%	2.2%	1.2%
\$50,000 - \$99,999	24.0%	9.8%	4.4%
\$100,000 - \$149,999	10.9%	8.1%	4.6%
\$150,000 - \$199,999	8.3%	10.1%	9.8%
\$200,000 - \$249,999	9.0%	14.9%	17.4%
\$250,000 - \$299,999	8.3%	10.3%	13.6%
\$300,000 - \$399,999	16.8%	22.3%	25.0%
\$400,000 - \$499,999	8.0%	11.5%	12.0%
\$500,000 - \$749,999	4.0%	7.1%	9.0%
\$750,000 - \$999,999	5.4%	2.7%	1.8%
\$1,000,000 - \$1,499,999	0.1%	0.5%	0.6%
\$1,500,000 - \$1,999,999	0.0%	0.1%	0.3%
\$2,000,000 +	0.0%	0.2%	0.3%
Average Home Value	\$259,220	\$308,808	\$335,738
<b>2024 Owner Occupied Housing Units by Value</b>			
Total	1,630	11,182	34,764
<\$50,000	4.1%	1.7%	0.8%
\$50,000 - \$99,999	17.1%	6.7%	2.7%
\$100,000 - \$149,999	8.3%	5.6%	3.1%
\$150,000 - \$199,999	6.9%	7.8%	7.2%
\$200,000 - \$249,999	13.2%	14.1%	15.7%
\$250,000 - \$299,999	7.6%	9.8%	12.3%
\$300,000 - \$399,999	19.1%	26.2%	28.8%
\$400,000 - \$499,999	11.8%	15.7%	15.6%
\$500,000 - \$749,999	5.2%	8.0%	10.1%
\$750,000 - \$999,999	6.6%	3.4%	2.3%
\$1,000,000 - \$1,499,999	0.1%	0.6%	0.7%
\$1,500,000 - \$1,999,999	0.0%	0.2%	0.4%
\$2,000,000 +	0.0%	0.2%	0.4%
Average Home Value	\$298,651	\$342,551	\$365,997

**Data Note:** Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Community Profile

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 701 S Church St, Mckinney, Texas, 75069  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 33.19162  
 Longitude: -96.61752

	1 mile	3 miles	5 miles
<b>2010 Population by Age</b>			
Total	10,418	45,921	104,952
0 - 4	9.7%	8.4%	8.0%
5 - 9	8.9%	8.3%	8.9%
10 - 14	8.2%	8.0%	8.7%
15 - 24	15.3%	14.6%	12.6%
25 - 34	15.3%	14.5%	13.3%
35 - 44	14.2%	14.5%	16.8%
45 - 54	12.3%	13.4%	13.7%
55 - 64	8.1%	9.0%	9.0%
65 - 74	4.3%	5.0%	5.5%
75 - 84	2.5%	3.0%	2.6%
85 +	1.2%	1.5%	1.0%
18 +	68.5%	70.5%	69.3%
<b>2019 Population by Age</b>			
Total	12,162	56,549	135,813
0 - 4	8.8%	7.7%	7.3%
5 - 9	8.6%	7.6%	7.9%
10 - 14	8.3%	7.4%	7.9%
15 - 24	14.6%	13.9%	13.1%
25 - 34	15.6%	15.3%	13.9%
35 - 44	13.3%	13.3%	14.6%
45 - 54	11.2%	11.8%	13.0%
55 - 64	9.8%	10.8%	10.6%
65 - 74	5.7%	7.0%	7.4%
75 - 84	2.7%	3.5%	3.2%
85 +	1.3%	1.6%	1.1%
18 +	69.8%	73.1%	72.4%
<b>2024 Population by Age</b>			
Total	13,428	63,322	153,659
0 - 4	8.9%	7.7%	7.4%
5 - 9	8.5%	7.4%	7.8%
10 - 14	8.3%	7.3%	7.7%
15 - 24	14.6%	13.3%	12.1%
25 - 34	15.0%	15.0%	14.7%
35 - 44	13.7%	14.1%	15.2%
45 - 54	10.8%	11.0%	11.8%
55 - 64	9.5%	10.4%	10.2%
65 - 74	6.2%	7.7%	7.7%
75 - 84	3.3%	4.4%	4.2%
85 +	1.2%	1.7%	1.2%
18 +	69.7%	73.4%	72.8%
<b>2010 Population by Sex</b>			
Males	5,230	22,439	51,713
Females	5,189	23,481	53,239
<b>2019 Population by Sex</b>			
Males	6,114	27,575	66,764
Females	6,047	28,975	69,050
<b>2024 Population by Sex</b>			
Males	6,756	30,841	75,359
Females	6,673	32,482	78,298

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Community Profile

701 S Church St 2  
 701 S Church St, Mckinney, Texas, 75069  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 33.19162  
 Longitude: -96.61752

	1 mile	3 miles	5 miles
<b>2010 Population by Race/Ethnicity</b>			
Total	10,419	45,921	104,952
White Alone	56.3%	68.0%	74.6%
Black Alone	14.1%	11.4%	9.9%
American Indian Alone	1.3%	1.0%	0.8%
Asian Alone	0.8%	1.9%	3.8%
Pacific Islander Alone	0.0%	0.1%	0.1%
Some Other Race Alone	23.5%	14.2%	7.9%
Two or More Races	4.0%	3.4%	3.0%
Hispanic Origin	51.3%	31.6%	20.4%
Diversity Index	83.1	73.0	61.7
<b>2019 Population by Race/Ethnicity</b>			
Total	12,161	56,551	135,813
White Alone	52.2%	63.5%	69.0%
Black Alone	16.3%	13.6%	12.0%
American Indian Alone	1.1%	0.9%	0.7%
Asian Alone	1.3%	3.2%	6.4%
Pacific Islander Alone	0.0%	0.1%	0.1%
Some Other Race Alone	24.6%	14.8%	8.2%
Two or More Races	4.5%	3.9%	3.6%
Hispanic Origin	52.6%	32.5%	20.9%
Diversity Index	85.0	76.3	66.9
<b>2024 Population by Race/Ethnicity</b>			
Total	13,428	63,323	153,656
White Alone	50.3%	60.9%	66.2%
Black Alone	17.3%	14.8%	13.3%
American Indian Alone	1.1%	0.9%	0.7%
Asian Alone	1.4%	3.7%	7.3%
Pacific Islander Alone	0.0%	0.1%	0.1%
Some Other Race Alone	25.3%	15.4%	8.6%
Two or More Races	4.6%	4.1%	3.8%
Hispanic Origin	54.5%	34.2%	22.3%
Diversity Index	85.7	78.3	69.9
<b>2010 Population by Relationship and Household Type</b>			
Total	10,419	45,920	104,952
In Households	99.7%	97.9%	98.0%
In Family Households	87.2%	84.9%	88.2%
Householder	22.7%	24.5%	25.9%
Spouse	14.2%	17.7%	20.9%
Child	37.8%	34.5%	35.4%
Other relative	8.3%	5.4%	4.1%
Nonrelative	4.3%	2.7%	1.8%
In Nonfamily Households	12.5%	12.9%	9.9%
In Group Quarters	0.3%	2.1%	2.0%
Institutionalized Population	0.1%	0.7%	1.3%
Noninstitutionalized Population	0.2%	1.5%	0.7%

**Data Note:** Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Community Profile

701 S Church St 2  
 701 S Church St, Mckinney, Texas, 75069  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 33.19162  
 Longitude: -96.61752

	1 mile	3 miles	5 miles
<b>2019 Population 25+ by Educational Attainment</b>			
Total	7,252	35,843	86,616
Less than 9th Grade	19.7%	9.2%	4.8%
9th - 12th Grade, No Diploma	10.8%	5.9%	3.6%
High School Graduate	29.7%	20.8%	15.4%
GED/Alternative Credential	2.8%	2.5%	2.0%
Some College, No Degree	14.4%	19.4%	20.1%
Associate Degree	6.3%	9.0%	9.8%
Bachelor's Degree	11.0%	21.9%	29.8%
Graduate/Professional Degree	5.3%	11.4%	14.5%
<b>2019 Population 15+ by Marital Status</b>			
Total	9,030	43,728	104,426
Never Married	39.6%	33.2%	28.0%
Married	42.0%	51.0%	57.9%
Widowed	6.0%	5.0%	4.1%
Divorced	12.4%	10.9%	10.0%
<b>2019 Civilian Population 16+ in Labor Force</b>			
Civilian Employed	94.9%	96.9%	96.9%
Civilian Unemployed (Unemployment Rate)	5.1%	3.1%	3.1%
<b>2019 Employed Population 16+ by Industry</b>			
Total	5,353	26,916	63,579
Agriculture/Mining	1.3%	1.0%	0.9%
Construction	12.3%	9.7%	7.3%
Manufacturing	9.6%	10.1%	9.6%
Wholesale Trade	1.6%	2.5%	2.7%
Retail Trade	12.9%	12.2%	11.8%
Transportation/Utilities	3.9%	3.3%	3.8%
Information	1.3%	1.8%	3.0%
Finance/Insurance/Real Estate	5.6%	8.9%	10.3%
Services	48.3%	47.3%	47.4%
Public Administration	3.3%	3.4%	3.1%
<b>2019 Employed Population 16+ by Occupation</b>			
Total	5,354	26,918	63,580
White Collar	45.9%	62.7%	72.3%
Management/Business/Financial	7.9%	15.8%	20.4%
Professional	12.0%	19.7%	24.4%
Sales	12.5%	13.5%	14.4%
Administrative Support	13.4%	13.7%	13.1%
Services	26.1%	18.1%	14.0%
Blue Collar	28.0%	19.2%	13.8%
Farming/Forestry/Fishing	0.0%	0.0%	0.1%
Construction/Extraction	10.3%	7.1%	4.3%
Installation/Maintenance/Repair	4.6%	3.3%	2.4%
Production	5.6%	3.8%	2.8%
Transportation/Material Moving	7.5%	4.9%	4.1%
<b>2010 Population By Urban/ Rural Status</b>			
Total Population	10,419	45,920	104,952
Population Inside Urbanized Area	99.9%	99.1%	97.9%
Population Inside Urbanized Cluster	0.0%	0.0%	0.0%
Rural Population	0.1%	0.9%	2.1%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Community Profile

701 S Church St 2  
 701 S Church St, Mckinney, Texas, 75069  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 33.19162  
 Longitude: -96.61752

	1 mile	3 miles	5 miles
<b>2010 Households by Type</b>			
Total	3,350	15,970	35,467
Households with 1 Person	23.6%	23.9%	19.0%
Households with 2+ People	76.4%	76.1%	81.0%
Family Households	70.7%	70.6%	76.7%
Husband-wife Families	44.1%	50.9%	61.7%
With Related Children	26.3%	28.3%	34.9%
Other Family (No Spouse Present)	26.6%	19.6%	15.0%
Other Family with Male Householder	7.7%	5.4%	4.2%
With Related Children	4.3%	3.4%	2.7%
Other Family with Female Householder	18.9%	14.2%	10.8%
With Related Children	13.6%	10.3%	7.8%
Nonfamily Households	5.7%	5.5%	4.3%
All Households with Children	44.8%	42.5%	45.9%
Multigenerational Households	8.2%	5.2%	4.5%
Unmarried Partner Households	6.6%	6.0%	4.6%
Male-female	6.0%	5.3%	4.0%
Same-sex	0.7%	0.7%	0.6%
<b>2010 Households by Size</b>			
Total	3,350	15,969	35,467
1 Person Household	23.6%	23.9%	19.0%
2 Person Household	24.3%	28.7%	30.3%
3 Person Household	15.7%	16.9%	17.5%
4 Person Household	14.8%	15.6%	18.4%
5 Person Household	10.1%	8.3%	9.0%
6 Person Household	6.1%	3.8%	3.5%
7 + Person Household	5.4%	2.9%	2.3%
<b>2010 Households by Tenure and Mortgage Status</b>			
Total	3,349	15,969	35,467
Owner Occupied	48.5%	55.8%	71.5%
Owned with a Mortgage/Loan	33.2%	43.5%	59.6%
Owned Free and Clear	15.3%	12.3%	11.8%
Renter Occupied	51.5%	44.2%	28.5%
<b>2010 Housing Units By Urban/ Rural Status</b>			
Total Housing Units	3,698	17,419	37,996
Housing Units Inside Urbanized Area	99.8%	99.1%	97.6%
Housing Units Inside Urbanized Cluster	0.0%	0.0%	0.0%
Rural Housing Units	0.2%	0.9%	2.4%

**Data Note:** Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Community Profile

701 S Church St 2  
 701 S Church St, Mckinney, Texas, 75069  
 Rings: 1, 3, 5 mile radii

Prepared by Esri  
 Latitude: 33.19162  
 Longitude: -96.61752

	1 mile	3 miles	5 miles
<b>Top 3 Tapestry Segments</b>			
1.	Barrios Urbanos (7D)	Middleburg (4C)	Boomburbs (1C)
2.	Bright Young Professionals (8C)	Bright Young Professionals	Soccer Moms (4A)
3.	Metro Fusion (11C)	Up and Coming Families (7A)	Up and Coming Families (7A)
<b>2019 Consumer Spending</b>			
Apparel & Services: Total \$	\$6,785,331	\$45,490,660	\$126,642,702
Average Spent	\$1,749.25	\$2,328.91	\$2,771.72
Spending Potential Index	82	109	129
Education: Total \$	\$4,364,822	\$31,337,834	\$89,931,640
Average Spent	\$1,125.24	\$1,604.35	\$1,968.26
Spending Potential Index	71	101	124
Entertainment/Recreation: Total \$	\$9,473,289	\$66,327,299	\$187,069,137
Average Spent	\$2,442.20	\$3,395.65	\$4,094.22
Spending Potential Index	75	104	125
Food at Home: Total \$	\$16,060,493	\$107,770,936	\$292,912,434
Average Spent	\$4,140.37	\$5,517.38	\$6,410.72
Spending Potential Index	80	107	124
Food Away from Home: Total \$	\$11,579,219	\$77,974,823	\$217,559,401
Average Spent	\$2,985.10	\$3,991.95	\$4,761.54
Spending Potential Index	81	109	130
Health Care: Total \$	\$17,169,108	\$119,687,752	\$332,383,335
Average Spent	\$4,426.17	\$6,127.46	\$7,274.59
Spending Potential Index	75	103	123
HH Furnishings & Equipment: Total \$	\$6,601,786	\$45,072,283	\$127,683,302
Average Spent	\$1,701.93	\$2,307.49	\$2,794.50
Spending Potential Index	80	108	131
Personal Care Products & Services: Total \$	\$2,714,744	\$18,915,922	\$53,693,651
Average Spent	\$699.86	\$968.41	\$1,175.15
Spending Potential Index	79	109	133
Shelter: Total \$	\$55,587,235	\$380,888,896	\$1,051,620,819
Average Spent	\$14,330.30	\$19,499.76	\$23,015.93
Spending Potential Index	77	105	124
Support Payments/Cash Contributions/Gifts in Kind: Total \$	\$7,009,657	\$50,312,024	\$142,392,516
Average Spent	\$1,807.08	\$2,575.74	\$3,116.42
Spending Potential Index	73	104	126
Travel: Total \$	\$6,228,890	\$45,303,833	\$132,488,249
Average Spent	\$1,605.80	\$2,319.35	\$2,899.66
Spending Potential Index	72	103	129
Vehicle Maintenance & Repairs: Total \$	\$3,519,370	\$24,147,015	\$65,557,176
Average Spent	\$907.29	\$1,236.22	\$1,434.79
Spending Potential Index	79	108	125

**Data Note:** Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

**Source:** Consumer Spending data are derived from the 2016 and 2017 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024 Esri converted Census 2000 data into 2010 geography.



# Demographic and Income Profile

701 S Church St 2  
 701 S Church St, McKinney, Texas, 75069  
 Ring: 1 mile radius

Prepared by Esri  
 Latitude: 33.19162  
 Longitude: -96.61752

Summary	Census 2010	2019	2024
Population	10,419	12,161	13,429
Households	3,349	3,879	4,256
Families	2,370	2,719	2,970
Average Household Size	3.10	3.13	3.15
Owner Occupied Housing Units	1,624	1,550	1,630
Renter Occupied Housing Units	1,725	2,329	2,626
Median Age	30.3	31.1	31.6
Trends: 2019 - 2024 Annual Rate	Area	State	National
Population	2.00%	1.59%	0.77%
Households	1.87%	1.55%	0.75%
Families	1.78%	1.53%	0.68%
Owner HHs	1.01%	1.63%	0.92%
Median Household Income	4.30%	2.50%	2.70%

Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	602	15.5%	506	11.9%
\$15,000 - \$24,999	534	13.8%	482	11.3%
\$25,000 - \$34,999	482	12.4%	463	10.9%
\$35,000 - \$49,999	597	15.4%	614	14.4%
\$50,000 - \$74,999	577	14.9%	673	15.8%
\$75,000 - \$99,999	357	9.2%	487	11.4%
\$100,000 - \$149,999	301	7.8%	445	10.5%
\$150,000 - \$199,999	264	6.8%	372	8.7%
\$200,000+	166	4.3%	215	5.1%
Median Household Income	\$41,850		\$51,652	
Average Household Income	\$66,086		\$78,414	
Per Capita Income	\$21,025		\$24,807	

Population by Age	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,008	9.7%	1,074	8.8%	1,195	8.9%
5 - 9	931	8.9%	1,045	8.6%	1,145	8.5%
10 - 14	854	8.2%	1,012	8.3%	1,116	8.3%
15 - 19	792	7.6%	885	7.3%	1,002	7.5%
20 - 24	804	7.7%	893	7.3%	961	7.2%
25 - 34	1,593	15.3%	1,900	15.6%	2,011	15.0%
35 - 44	1,477	14.2%	1,613	13.3%	1,833	13.7%
45 - 54	1,285	12.3%	1,366	11.2%	1,451	10.8%
55 - 64	839	8.1%	1,191	9.8%	1,271	9.5%
65 - 74	450	4.3%	699	5.7%	833	6.2%
75 - 84	262	2.5%	329	2.7%	445	3.3%
85+	121	1.2%	155	1.3%	165	1.2%

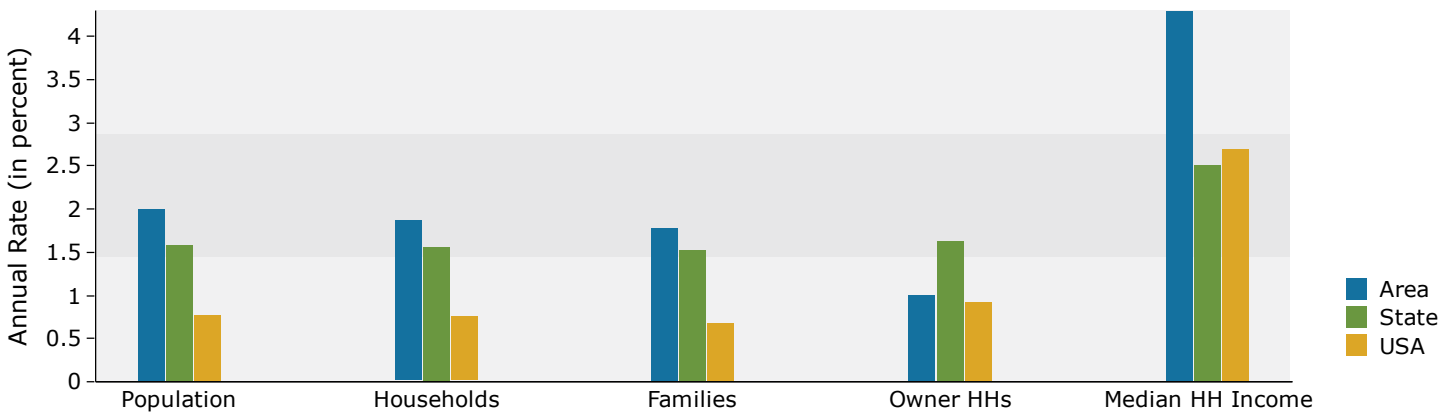
Race and Ethnicity	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
White Alone	5,869	56.3%	6,349	52.2%	6,753	50.3%
Black Alone	1,465	14.1%	1,981	16.3%	2,317	17.3%
American Indian Alone	132	1.3%	138	1.1%	144	1.1%
Asian Alone	82	0.8%	153	1.3%	185	1.4%
Pacific Islander Alone	4	0.0%	6	0.0%	6	0.0%
Some Other Race Alone	2,449	23.5%	2,987	24.6%	3,403	25.3%
Two or More Races	418	4.0%	547	4.5%	620	4.6%
Hispanic Origin (Any Race)	5,347	51.3%	6,404	52.7%	7,320	54.5%

**Data Note:** Income is expressed in current dollars.

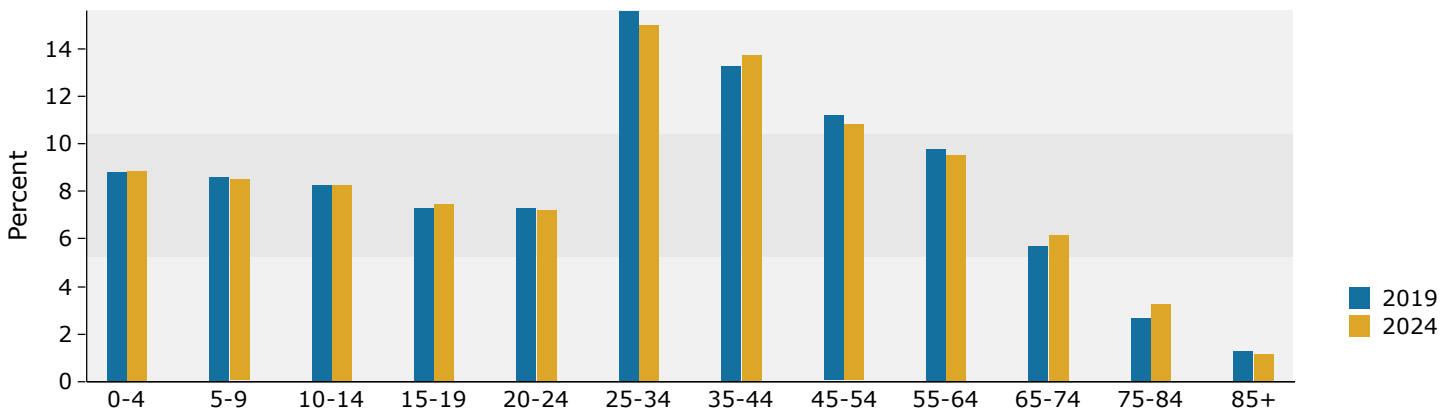
**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024.



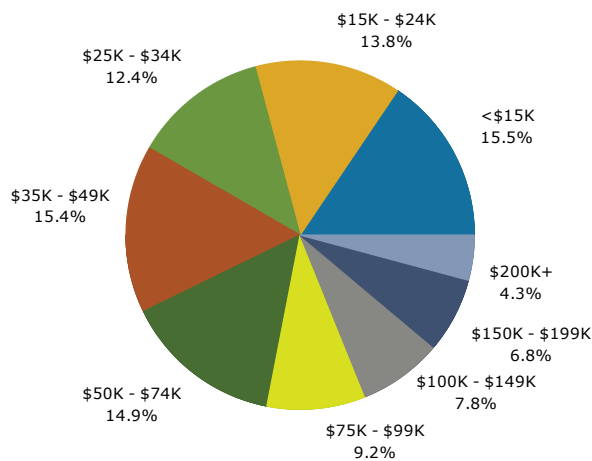
## Trends 2019-2024



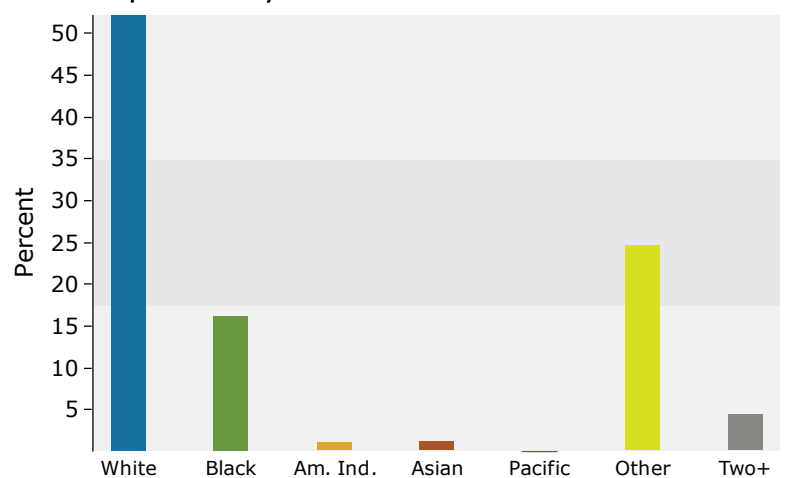
## Population by Age



## 2019 Household Income



## 2019 Population by Race



2019 Percent Hispanic Origin: 52.7%



# Demographic and Income Profile

701 S Church St 2  
 701 S Church St, McKinney, Texas, 75069  
 Ring: 3 mile radius

Prepared by Esri  
 Latitude: 33.19162  
 Longitude: -96.61752

Summary	Census 2010	2019	2024
Population	45,920	56,550	63,323
Households	15,969	19,533	21,811
Families	11,268	13,676	15,222
Average Household Size	2.81	2.84	2.85
Owner Occupied Housing Units	8,911	10,061	11,185
Renter Occupied Housing Units	7,058	9,472	10,626
Median Age	32.5	33.8	34.6
Trends: 2019 - 2024 Annual Rate	Area	State	National
Population	2.29%	1.59%	0.77%
Households	2.23%	1.55%	0.75%
Families	2.17%	1.53%	0.68%
Owner HHs	2.14%	1.63%	0.92%
Median Household Income	3.61%	2.50%	2.70%

Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	1,621	8.3%	1,377	6.3%
\$15,000 - \$24,999	1,840	9.4%	1,676	7.7%
\$25,000 - \$34,999	1,725	8.8%	1,638	7.5%
\$35,000 - \$49,999	2,543	13.0%	2,511	11.5%
\$50,000 - \$74,999	2,916	14.9%	3,165	14.5%
\$75,000 - \$99,999	2,725	14.0%	3,193	14.6%
\$100,000 - \$149,999	2,916	14.9%	3,883	17.8%
\$150,000 - \$199,999	1,615	8.3%	2,302	10.6%
\$200,000+	1,627	8.3%	2,061	9.5%
Median Household Income	\$65,524		\$78,231	
Average Household Income	\$91,694		\$105,102	
Per Capita Income	\$31,768		\$36,300	

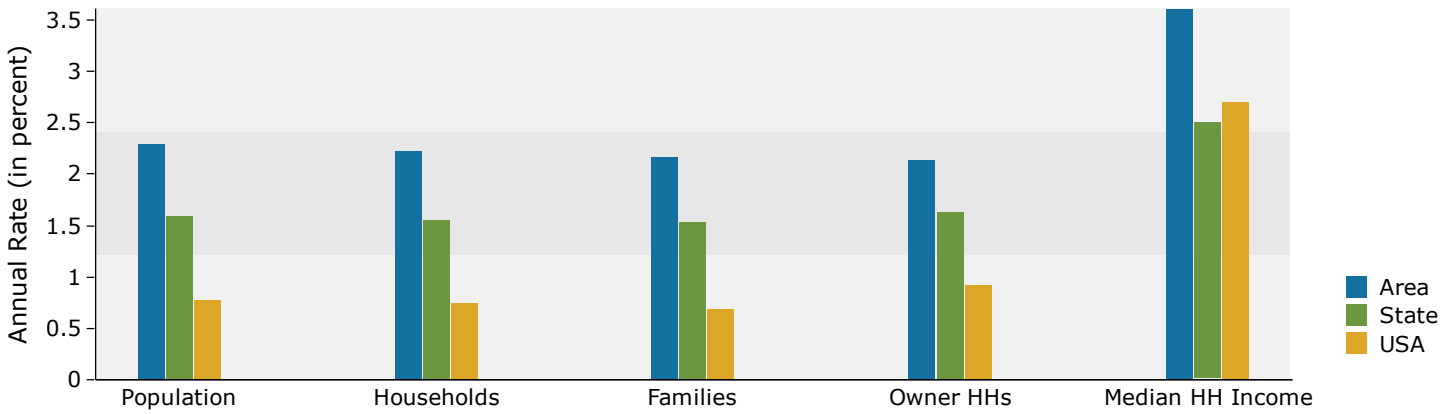
Population by Age	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	3,871	8.4%	4,326	7.7%	4,882	7.7%
5 - 9	3,796	8.3%	4,290	7.6%	4,701	7.4%
10 - 14	3,687	8.0%	4,206	7.4%	4,612	7.3%
15 - 19	3,543	7.7%	4,069	7.2%	4,462	7.0%
20 - 24	3,155	6.9%	3,815	6.7%	3,934	6.2%
25 - 34	6,645	14.5%	8,643	15.3%	9,481	15.0%
35 - 44	6,640	14.5%	7,532	13.3%	8,951	14.1%
45 - 54	6,143	13.4%	6,676	11.8%	6,971	11.0%
55 - 64	4,119	9.0%	6,105	10.8%	6,576	10.4%
65 - 74	2,289	5.0%	3,981	7.0%	4,893	7.7%
75 - 84	1,355	3.0%	1,979	3.5%	2,794	4.4%
85+	678	1.5%	927	1.6%	1,065	1.7%

Race and Ethnicity	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
White Alone	31,249	68.0%	35,887	63.5%	38,582	60.9%
Black Alone	5,233	11.4%	7,666	13.6%	9,398	14.8%
American Indian Alone	462	1.0%	511	0.9%	552	0.9%
Asian Alone	891	1.9%	1,834	3.2%	2,336	3.7%
Pacific Islander Alone	33	0.1%	49	0.1%	55	0.1%
Some Other Race Alone	6,513	14.2%	8,373	14.8%	9,782	15.4%
Two or More Races	1,540	3.4%	2,231	3.9%	2,618	4.1%
Hispanic Origin (Any Race)	14,530	31.6%	18,398	32.5%	21,655	34.2%

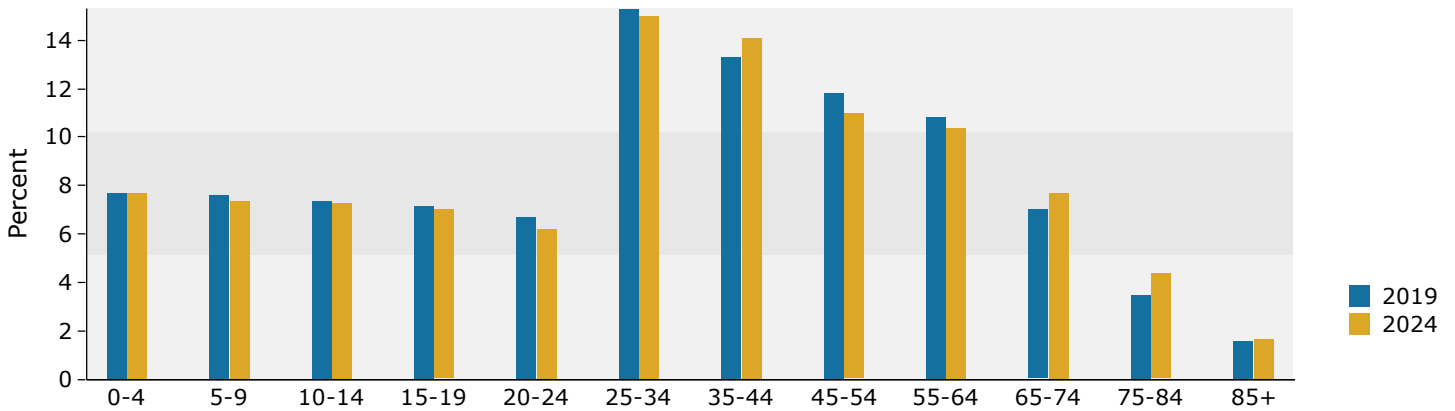
**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024.

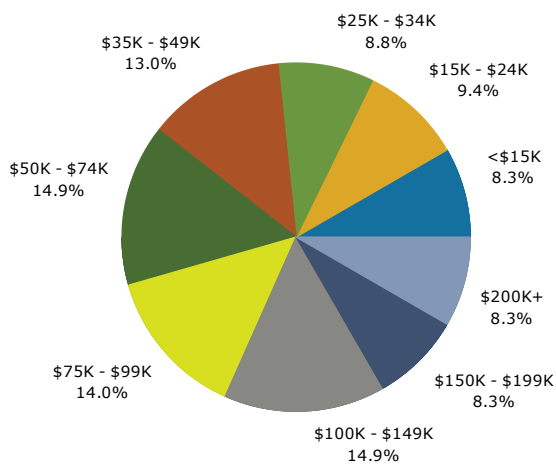
## Trends 2019-2024



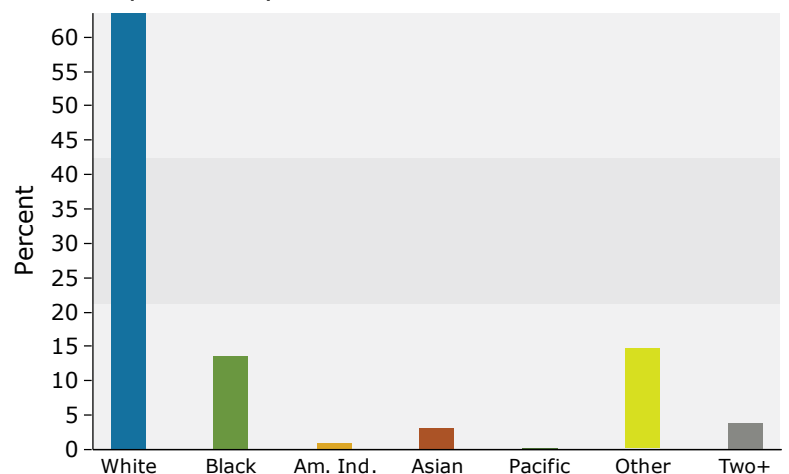
## Population by Age



## 2019 Household Income



## 2019 Population by Race



2019 Percent Hispanic Origin: 32.5%



# Demographic and Income Profile

701 S Church St 2  
 701 S Church St, McKinney, Texas, 75069  
 Ring: 5 mile radius

Prepared by Esri  
 Latitude: 33.19162  
 Longitude: -96.61752

Summary	Census 2010	2019	2024
Population	104,952	135,813	153,657
Households	35,467	45,691	51,576
Families	27,200	34,733	39,074
Average Household Size	2.90	2.91	2.93
Owner Occupied Housing Units	25,347	30,768	34,767
Renter Occupied Housing Units	10,120	14,923	16,809
Median Age	33.9	34.9	35.2
Trends: 2019 - 2024 Annual Rate	Area	State	National
Population	2.50%	1.59%	0.77%
Households	2.45%	1.55%	0.75%
Families	2.38%	1.53%	0.68%
Owner HHs	2.47%	1.63%	0.92%
Median Household Income	2.60%	2.50%	2.70%

Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	2,852	6.2%	2,635	5.1%
\$15,000 - \$24,999	2,722	6.0%	2,512	4.9%
\$25,000 - \$34,999	2,775	6.1%	2,651	5.1%
\$35,000 - \$49,999	4,370	9.6%	4,314	8.4%
\$50,000 - \$74,999	6,783	14.8%	7,091	13.7%
\$75,000 - \$99,999	6,343	13.9%	6,970	13.5%
\$100,000 - \$149,999	9,510	20.8%	11,700	22.7%
\$150,000 - \$199,999	4,973	10.9%	6,829	13.2%
\$200,000+	5,358	11.7%	6,870	13.3%
Median Household Income	\$86,406		\$98,222	
Average Household Income	\$110,940		\$124,675	
Per Capita Income	\$37,613		\$42,156	

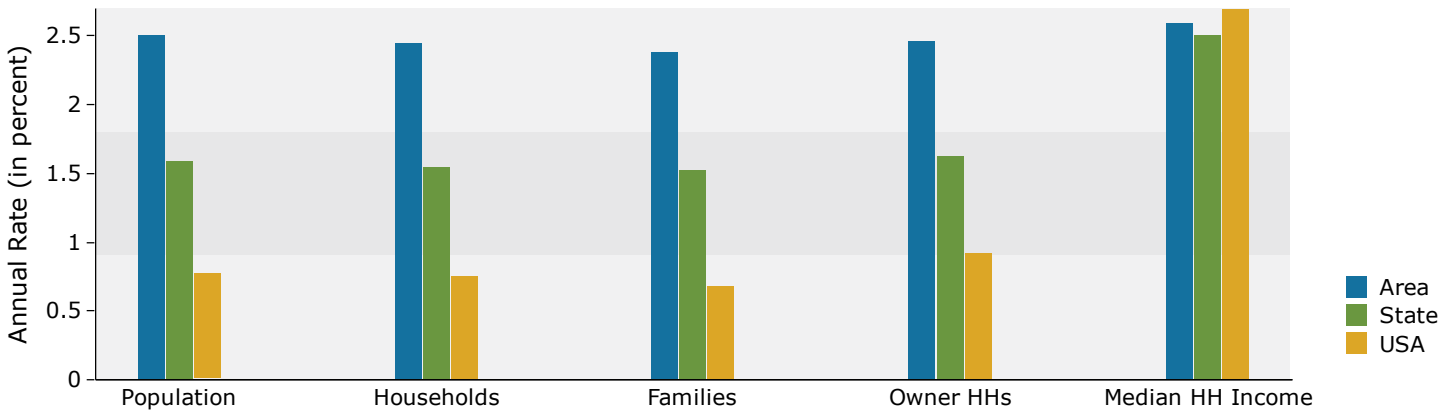
Population by Age	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	8,422	8.0%	9,950	7.3%	11,446	7.4%
5 - 9	9,377	8.9%	10,687	7.9%	11,913	7.8%
10 - 14	9,143	8.7%	10,751	7.9%	11,771	7.7%
15 - 19	7,860	7.5%	9,887	7.3%	10,659	6.9%
20 - 24	5,394	5.1%	7,924	5.8%	7,974	5.2%
25 - 34	13,917	13.3%	18,873	13.9%	22,602	14.7%
35 - 44	17,582	16.8%	19,861	14.6%	23,423	15.2%
45 - 54	14,409	13.7%	17,669	13.0%	18,137	11.8%
55 - 64	9,407	9.0%	14,406	10.6%	15,728	10.2%
65 - 74	5,724	5.5%	9,988	7.4%	11,802	7.7%
75 - 84	2,701	2.6%	4,337	3.2%	6,393	4.2%
85+	1,015	1.0%	1,480	1.1%	1,811	1.2%

Race and Ethnicity	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
White Alone	78,277	74.6%	93,679	69.0%	101,655	66.2%
Black Alone	10,350	9.9%	16,329	12.0%	20,466	13.3%
American Indian Alone	830	0.8%	954	0.7%	1,055	0.7%
Asian Alone	3,952	3.8%	8,731	6.4%	11,248	7.3%
Pacific Islander Alone	75	0.1%	118	0.1%	138	0.1%
Some Other Race Alone	8,333	7.9%	11,108	8.2%	13,224	8.6%
Two or More Races	3,135	3.0%	4,894	3.6%	5,870	3.8%
Hispanic Origin (Any Race)	21,433	20.4%	28,418	20.9%	34,239	22.3%

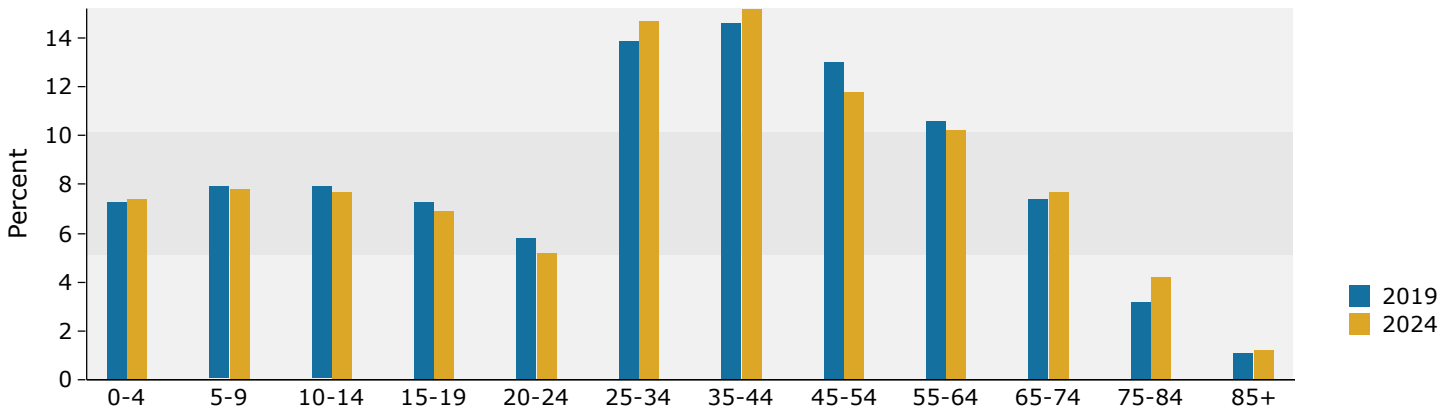
**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024.

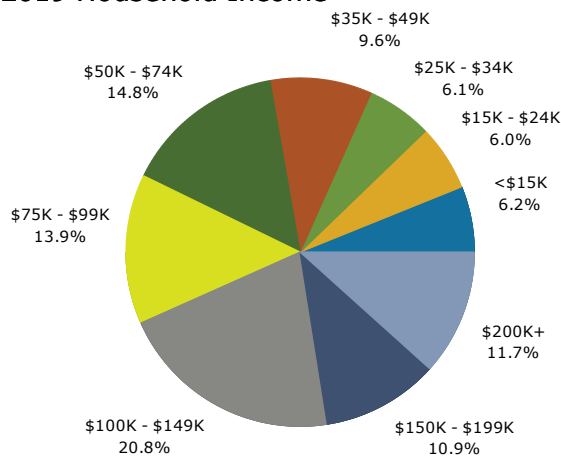
## Trends 2019-2024



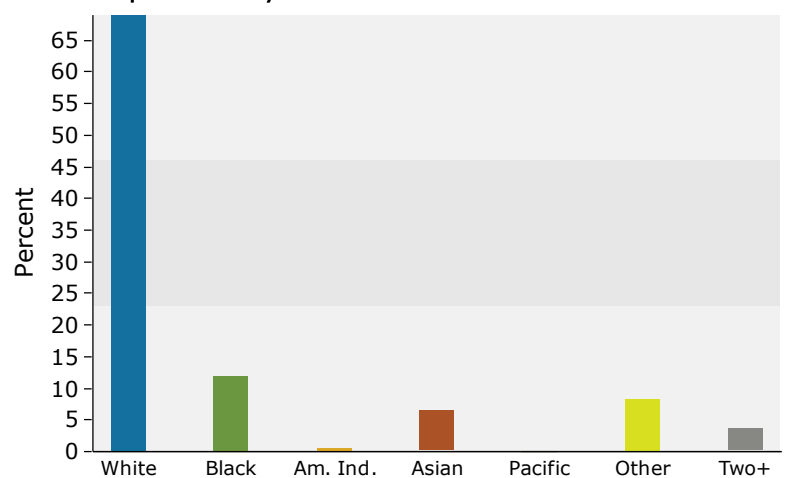
## Population by Age



## 2019 Household Income



## 2019 Population by Race



2019 Percent Hispanic Origin: 20.9%



**Boys & Girls Clubs of Collin County, Inc.**

**Financial Statements  
December 31, 2020**

**Boys & Girls Clubs of Collin County, Inc.**  
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Statement of Functional Expenses	5
Statement of Cash Flows	6
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## **Independent Auditors' Report**

Board of Directors  
Boys & Girls Clubs of Collin County, Inc.

We have audited the accompanying financial statements of Boys & Girls Clubs of Collin County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of Collin County, Inc. as of December 31, 2020, 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.

A handwritten signature in black ink that reads "Sutton Frost Cary". The signature is written in a cursive, flowing style.

A Limited Liability Partnership

Arlington, Texas  
June 16, 2021

**Boys & Girls Clubs of Collin County, Inc.**  
**Statement of Financial Position**  
**December 31, 2020**

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**Assets**

Cash and cash equivalents	\$ 197,946
Grants receivable	55,966
Pledges receivable	50,366
Other receivable	90,730
Investments	850,129
Other assets	5,750
Property and equipment, net	4,056,392
<b>Assets restricted for capital expenditures:</b>	
Cash and cash equivalents	403,647
Pledges receivable, net	488,562
<b>Assets restricted for endowment:</b>	
Cash and cash equivalents	5,000
<b>Total assets</b>	<b>\$ 6,204,488</b>

**Liabilities and Net Assets**

<b>Liabilities:</b>	
Accounts payable	\$ 31,701
Accrued expenses	92,792
Refundable advance	850,129
Notes payable	916,768
<b>Total liabilities</b>	1,891,390
<b>Net assets:</b>	
Net assets without donor restrictions	3,390,889
Net assets with donor restrictions	922,209
<b>Total net assets</b>	<b>4,313,098</b>
<b>Total liabilities and net assets</b>	<b>\$ 6,204,488</b>

See notes to financial statements.

**Boys & Girls Clubs of Collin County, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support:</b>			
Program fees	\$ 265,971	\$ -	\$ 265,971
Contributions	749,970	75,550	825,520
Grant support	1,178,563	-	1,178,563
Special events (net of direct costs of \$146,094)	412,098	-	412,098
In-kind contributions	153,750	-	153,750
Miscellaneous	93,823	-	93,823
Net assets released from restrictions	26,231	(26,231)	-
<b>Total revenue and support</b>	<b>2,880,406</b>	<b>49,319</b>	<b>2,929,725</b>
<b>Operating expenses:</b>			
Program services:			
McKinney Branch	606,738	-	606,738
Plano Branch	638,758	-	638,758
Frisco Branch	658,716	-	658,716
Total program services	1,904,212	-	1,904,212
Supporting services:			
General and administrative	216,399	-	216,399
Fundraising	354,417	-	354,417
<b>Total operating expenses</b>	<b>2,475,028</b>	<b>-</b>	<b>2,475,028</b>
<b>Excess of revenue over operating expenses</b>	<b>405,378</b>	<b>49,319</b>	<b>454,697</b>
<b>Non-operating loss:</b>			
Loss on disposal of assets	(7,065)	-	(7,065)
<b>Total non-operating loss</b>	<b>(7,065)</b>	<b>-</b>	<b>(7,065)</b>
<b>Change in net assets</b>	<b>398,313</b>	<b>49,319</b>	<b>447,632</b>
<b>Net assets at beginning of year</b>	<b>2,992,576</b>	<b>872,890</b>	<b>3,865,466</b>
<b>Net assets at end of year</b>	<b>\$ 3,390,889</b>	<b>\$ 922,209</b>	<b>\$ 4,313,098</b>

See notes to financial statements.

**Boys & Girls Clubs of Collin County, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2020**

	Program Services				Supporting Services			Total Expenses
	McKinney Branch	Plano Branch	Frisco Branch	Total	General and Administrative	Fundraising	Total	
Salaries	\$ 321,790	\$ 264,546	\$ 285,913	\$ 872,249	\$ 142,219	\$ 279,058	\$ 421,277	\$ 1,293,526
Payroll taxes	24,467	19,536	31,934	75,937	2,414	25,732	28,146	104,083
Employee benefits	44,630	29,689	47,121	121,440	-	17,504	17,504	138,944
<b>Total payroll related expense</b>	<b>390,887</b>	<b>313,771</b>	<b>364,968</b>	<b>1,069,626</b>	<b>144,633</b>	<b>322,294</b>	<b>466,927</b>	<b>1,536,553</b>
Professional fees	13,030	13,725	12,016	38,771	24,436	4,047	28,483	67,254
Supplies and program	4,858	4,473	4,793	14,124	2,539	3,345	5,884	20,008
Telephone	5,926	4,511	6,710	17,147	2,080	1,971	4,051	21,198
Dues and memberships	6,251	6,376	5,976	18,603	25	128	153	18,756
Occupancy	48,180	191,468	60,948	300,596	23,171	12,315	35,486	336,082
Local transportation/travel	9,725	6,641	7,192	23,558	-	-	-	23,558
Equipment repair	3,245	3,245	3,245	9,735	45	45	90	9,825
Bank and merchant fees	4,823	3,644	3,722	12,189	403	1,003	1,406	13,595
Miscellaneous	986	373	525	1,884	690	1,579	2,269	4,153
Depreciation	78,216	47,280	115,444	240,940	6,235	-	6,235	247,175
Special event	-	-	-	-	-	146,094	146,094	146,094
Equipment rental	6,012	2,952	2,952	11,916	3,110	3,171	6,281	18,197
Insurance	31,684	37,383	37,618	106,685	12,267	1,429	13,696	120,381
Interest	2,915	2,915	32,463	38,293	-	-	-	38,293
<b>Total expenses by function</b>	<b>606,738</b>	<b>638,757</b>	<b>658,572</b>	<b>1,904,067</b>	<b>219,634</b>	<b>497,421</b>	<b>717,055</b>	<b>2,621,122</b>
<b>Less expenses not included in operating expenses on the statement of activities</b>								
Direct costs of special events	-	-	-	-	-	(146,094)	(146,094)	(146,094)
<b>Total operating expenses included in the expense section on the statement of activities</b>	<b>\$ 606,738</b>	<b>\$ 638,757</b>	<b>\$ 658,572</b>	<b>\$ 1,904,067</b>	<b>\$ 219,634</b>	<b>\$ 351,327</b>	<b>\$ 570,961</b>	<b>\$ 2,475,028</b>

See notes to financial statements.

**Boys & Girls Clubs of Collin County, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 447,632
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	247,175
Realized and unrealized losses on investments	57,100
Loss on disposal of property and equipment	7,065
Allowance for doubtful accounts - pledges receivable restricted for capital expenditures	(925)
Amortization of discount - pledges receivable restricted for capital expenditures	(10,764)
Contributions restricted for capital expenditures	(51,600)
Changes in assets and liabilities:	
Grants receivable	4,438
Pledges receivable	(50,366)
Other receivable	(90,730)
Prepaid expenses	30,211
Accounts payable	(97,399)
Accrued expenses	(49,242)
Grant refund payable	(12,455)
Refundable advance	(52,568)
<b>Net cash provided by operating activities</b>	<b>377,572</b>
<b>Cash flows from investing activities:</b>	
Purchases of property and equipment	(211,688)
Purchases of investments	(772,697)
Proceeds from sales of investments	768,165
<b>Net cash used by investing activities</b>	<b>(216,220)</b>
<b>Cash flows from financing activities:</b>	
Collections of pledges receivable restricted for capital expenditures	58,602
Payments on notes payable	(60,835)
<b>Net cash used by financing activities</b>	<b>(2,233)</b>
<b>Net increase in cash and cash equivalents</b>	<b>159,119</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>447,474</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 606,593</b>
<b>Supplemental cash flow in formation:</b>	
Cash paid during the year for interest	\$ 38,294
<b>Reconciliation of cash and restricted cash reported within the statement of financial position to the statement of cash flows:</b>	
Cash and cash equivalents	\$ 197,946
Cash and cash equivalents restricted for capital expenditures	403,647
Cash and cash equivalents restricted for endowment	5,000
<b>Total cash and restricted cash and cash equivalents shown in the statement of cash flows</b>	<b>\$ 606,593</b>

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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### 1. Organization

The Boys & Girls Clubs of Collin County, Inc. (Organization) is a Texas nonprofit corporation incorporated in 1968 under the laws of the State of Texas for the purpose of enhancing the quality of life for the youth of Collin County by providing a diversity of quality programs in the areas of character and leadership development, education and career development, health and life skills, sport fitness, recreation and the arts. The Organization's primary revenue sources are donations from individuals and foundations, income from various branches, grants and special events. The Organization's programs are as follows:

After School Programs – The Organization provides after-school for kids ages 5-18 at three sites across Collin County. Each Club operates programs utilizing nationally recognized evidence-based curricula developed by Boys & Girls Clubs of America in partnership with some of the country's most prestigious universities. We customize programs to meet the needs of our communities and the youth we serve.

Summer Programs – The Organization offers exciting, fun and engaging summer camp programs. The Organization's camps include various activities and field trips.

Athletics – Team sports are open to all Organization members. Participants learn athletic skills, values of teamwork, good sportsmanship, anger management and discipline.

### 2. Summary of Significant Accounting Policies

The accounting policies of the Organization conform to U.S. generally accepted accounting principles (GAAP). The more significant accounting policies of the Organization are described below.

#### ***Basis of Accounting***

The Organization prepares the financial statements on the accrual basis of accounting.

#### ***Financial Statement Presentation***

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

*Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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*Net assets with donor restrictions* - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy.

Revenues are reported as increases in net assets without donor restrictions 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 are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of net assets with donor restrictions (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. In the absence of donor restrictions to the contrary, restrictions on contributions of property or on assets restricted to the acquisition or construction of property expire when the property is placed in service.

### ***Financial Instruments and Credit and Market Risk Concentrations***

Financial instruments, which are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents, grants receivable, pledges receivable and investments in marketable securities. Cash and cash equivalents are placed with high credit quality financial institutions to minimize risk. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had uninsured cash balances of \$400,238 as of December 31, 2020. Grants and pledges receivable are unsecured and are due from various members, donors and governmental agencies.

The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of the investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes.

### ***Cash and Cash Equivalents***

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization classifies cash and money market accounts held by external investment managers as investments as these funds are not readily available for operations.

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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### ***Concentrations***

During the year ended December 31, 2020, the Organization received approximately 14% of total contributions from one donor.

During the year ended December 31, 2020, the Organization received approximately 45% of total grant support from two grantors.

During the year ended December 31, 2020, the Organization received approximately 94% of total in-kind donations from one donor.

At December 31, 2020, pledges from three donors totaled approximately 48% of total pledges receivable.

### ***Grants and Pledges Receivable***

Pledges receivable are recorded at the estimated fair value when made, and grants receivable are recorded based on the reimbursable amount incurred. The collectability of the Organization's receivables is reviewed on an ongoing basis, using an assessment of the current status of individual accounts and current economic conditions.

### ***Investments***

At December 31, 2020, the Organization's investments in marketable securities consist of cash equivalents and mutual funds and are stated at fair value in the statement of financial position. Interest, dividends and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

### ***Property and Equipment***

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, fair market value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000; the fair value of donated property and equipment is similarly capitalized. Depreciation is calculated using the straight-line method based upon the estimated useful lives of 20 to 40 years for buildings and improvements and 3 to 5 years for vehicles, furniture and equipment. Leasehold improvements are depreciated at the lesser of lease term or asset life.

### ***Impairment of Long-Lived Assets***

Management of the Organization periodically reviews the carrying value of its long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that



# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based on the estimated future cash inflows attributable to the asset less estimated future cash outflows. No such loss was recognized during the year ended December 31, 2020.

### ***Revenue Recognition***

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Program fees are recognized as revenue when the contracted services are performed.

Event sponsorship revenue is recognized at the date the event occurs. Advanced payments for the event sponsorships are reported as deferred until the date of the event.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

As of December 31, 2020, the Organization has approximately \$305,640 of conditional grants from various government agencies. The grants will be recognized as revenue when the conditions, which include performance of allowable activities and incurring allowable expenses, are met.

Donated materials, rent and equipment are reflected as contributions at their estimated fair values at date of receipt.

### ***Grants and Contracts***

The Organization receives grants and contracts from federal and state agencies, as well as private organizations, to be used for specific programs. For government grants and contracts, the excess of reimbursable expenditures over cash receipts is included in grants receivable.

# **Boys & Girls Clubs of Collin County, Inc.**

## **Notes to Financial Statements**

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The Organization's costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the financial position or changes in net assets of the Organization.

### ***Federal Income Tax***

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the year ended December 31, 2020. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2020, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

### ***Allocation of Functional Expenses***

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the financial statements. Costs are allocated between program services and supporting services based on management's judgment considering space used, time spent or direct relation to the program or supporting service benefited.

### ***Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

### ***New Accounting Pronouncement***

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASU) to the FASB's Accounting Standards Codification.

The Organization considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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impact on the Organization's financial position and changes in net assets.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases (ASC Topic 842)* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use (ROU) assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2021.

The Organization is currently assessing the impact that adopting this new guidance will have on the financial statements.

### 3. Investments

Under the Fair Value Measurements and Disclosures topic of the Codification, ASC 820, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

- |         |   |
|---------|---|
| Level 1 | Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;   |
| Level 2 | Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;                                   |
| Level 3 | Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk. |

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

#### ***Mutual Funds***

These investments are public investment vehicles valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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### ***Cash Equivalents***

Cash equivalents are valued using a NAV of \$1.

The Organization's investments are valued using Level 1 inputs and their fair values are as follows at December 31, 2020:

Cash equivalents	\$	118,497
Mutual funds:		
Equities		123,728
Fixed income funds		607,904
		<u>607,904</u>
	\$	<u>850,129</u>

The following investments represent 10% or more of total investments at December 31, 2020:

Vanguard S&P 500 EFT	\$	123,728
Ishares Core US Aggregate BD ETF		188,513
SPDR Bloomberg Barclays 1-3		261,747
Vanguard Total Intl Bond Index		89,874

Net investment loss consists of the following for the year ended December 31, 2020:

Interest and dividends	\$	10,699
Realized losses		(23,063)
Unrealized losses		(34,037)
Investment expenses		(6,217)
		<u>(6,217)</u>
	\$	<u>(52,618)</u>

Net investment income has been included with refundable advance in the statement of financial position. See Note 6 regarding assets held in trust.

**Boys & Girls Clubs of Collin County, Inc.**  
**Notes to Financial Statements**

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#### **4. Pledges Receivable**

Pledges receivable at December 31, 2020 are as follows:

Pledges receivable	\$ 577,403
Less discount to present value	(2,400)
Less allowance for uncollectible pledges receivable	<u>(36,075)</u>
Net pledges receivable	<u>\$ 538,928</u>
Receivable in less than one year	\$ 502,595
Receivable between one and five years	\$ 36,333

Pledges receivable due in more than one year are valued using a discount rate of 3.25%.

#### **5. Property and Equipment**

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

Land	\$ 510,435
Buildings and improvements	3,835,481
Construction in progress	355,311
Leasehold improvements	336,287
Furniture, fixtures and equipment	185,295
Vehicles	<u>1,044,274</u>
	6,267,083
Accumulated depreciation	<u>(2,210,691)</u>
	<u>\$ 4,056,392</u>

#### **6. Refundable Advance**

During 2016, the Organization received a bequest which is conditional upon the funds being used to build a camp upon land to be bequeathed to the Organization from the donor's brother. The funds must be expended within ten years or returned to the other heirs. The funds are being held in a trust account and earnings are considered additions to the refundable advance. At December 31, 2020, contributions totaling \$850,129 have not been recognized in the accompanying financial statements because the conditions have not been met.

**Boys & Girls Clubs of Collin County, Inc.**  
**Notes to Financial Statements**

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**7. Line of Credit**

The Organization had a \$250,000 line of credit with a bank with interest at the *Wall Street Journal* prime rate (3.25% at December 31, 2020) maturing in May 2022. The line of credit had no outstanding balance at December 31, 2020.

**8. Notes Payable**

Notes payable consists of the following at December 31, 2020:

	2020
Note payable to a bank, interest at 5.00%, interest payable monthly until maturity in October 2023 when all unpaid interest and principal is due, secured by a vehicle.	\$ 15,693
Note payable to a bank, interest at 5.45%, principal and interest payable monthly until maturity in December 2024 when all unpaid interest and principal is due, secured by three passenger buses.	143,819
Note payable to a bank, interest at 5.74%, principal and interest payable monthly until maturity in April 2024 when all unpaid interest and principal is due, secured by a vehicle.	13,582
Note payable to a bank, interest at 5.74%, principal and interest payable monthly until maturity in April 2024 when all unpaid interest and principal is due, secured by a vehicle.	13,581
Note payable to a bank, interest at 4.75%, principal and interest payable monthly until maturity in October 2024 when all unpaid interest and principal is due, collateralized by real property.	730,093
	\$ 916,768

Maturities of long-term debt are as follows for the years ending December 31:

2021	\$ 70,900
2022	74,677
2023	77,104
2024	694,087
	\$ 916,768

**Boys & Girls Clubs of Collin County, Inc.**  
**Notes to Financial Statements**

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**9. Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following as of December 31, 2020:

Subject to expenditure for specified purpose:	
CEO salary	\$ 25,000
Capital campaign	<u>892,209</u>
	917,209
Subject to restriction in perpetuity:	
Endowment	<u>5,000</u>
Total net assets with donor restrictions	<u><u>\$ 922,209</u></u>

As of December 31, 2020, \$315,311 of capital campaign funds had been spent on construction in progress.

**10. Related Party Transactions**

The Organization has unconditional promises to give from various board members totaling \$85,193 at December 31, 2020.

**11. Commitments**

The Organization leases various office space and equipment under non-cancelable operating lease agreements expiring through 2023. Operating lease expense related to these leases totaled \$89,151 for the year ended December 31, 2020.

The following is a schedule of future minimum lease payments under the Organization's lease agreements for the years ending December 31:

2021	\$ 89,151
2022	46,236
2023	13,831

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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### 12. Liquidity and Availability of Resources

The following is a schedule of the Organization's financial assets available to meet cash needs for general expenditures within one year at December 31, 2020:

Cash and cash equivalents	\$ 606,593
Grants receivable	55,966
Pledges receivable, net	538,928
Other receivable	90,730
Investments	<u>850,129</u>
Total financial assets	2,142,346
Less amounts not available for general expenditure within one year:	
Cash and cash equivalents restricted for capital expenditures	(403,647)
Pledges receivable restricted for capital expenditures	(488,562)
Cash and cash equivalents restricted for endowment	(5,000)
Investments held in trust for refundable advance	<u>(850,129)</u>
	<u>(1,747,338)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 395,008</u>

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stabilities, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Organization's goal is to maintain current financial assets less current liabilities at a minimum of 90 days operating expenses. To achieve these targets, the Organization forecasts its future cash flows and monitors its reserves and liquidity on a monthly basis.



**Boys & Girls Clubs of Collin County, Inc.**  
**Notes to Financial Statements**

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**13. Special Event Revenue**

During the year ended December 31, 2020, the Organization held special events including a gala that generated significant revenue of \$498,161. The loss of this revenue would have a significant effect on the operation of the Organization. Total costs associated with the gala totaled \$124,451 for the year ended December 31, 2020.

**14. In-Kind Donations**

The Organization received donations of in-kind rent with a total value of \$153,750 during the year ended December 31, 2020.

**15. Boys & Girls Clubs of America**

The Organization is affiliated with a national organization, Boys & Girls Clubs of America (BGCA). BGCA has no governing power over its affiliates and serves as a trade association providing supporting services and nationally recognized standards for agency operations and program management at the local level. Annual dues paid by the Organization to BGCA during the year ended December 31, 2020 totaled \$11,429 and were included with dues and memberships in the statement of functional expenses.

**16. Defined Contribution Retirement Plan**

The Organization maintains a defined contribution retirement plan provided for employees meeting certain minimum eligibility requirements. Employees may contribute a portion of their earnings to this plan with the Organization making safe harbor and discretionary contributions to the plan. During the year ended December 31, 2020, the Organization contributed \$44,287 to the plan.

**17. Uncertainties**

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID- 19, as a pandemic. The coronavirus outbreak has severely restricted the level of economic activity around the world. Given the uncertainty of the spread of the coronavirus, the related financial impact to the Organization, if any, cannot be determined at this time.

## **Boys & Girls Clubs of Collin County, Inc.**

### **Notes to Financial Statements**

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#### **18. Coronavirus Aid, Relief, and Economic Security Act and Other Coronavirus Events**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act was signed into law. On April 29, 2020, the Organization received a forgivable loan in the amount of \$300,000 pursuant to the Paycheck Protection Program. The Organization used all of the proceeds to make eligible payments by December 31, 2020. The Organization has elected to account for the Paycheck Protection Program forgivable loan as a conditional grant in accordance with Topic 958 and expects all of the loan to be forgiven.

Accordingly, the Organization has recognized \$300,000 as grant support revenue in the accompanying statement of activities for the year ended December 31, 2020.

#### **19. Subsequent Events**

On January 15, 2021, the Organization received notification that the PPP loan was forgiven in full by the Small Business Administration.

In April 2021, the Organization received a second PPP loan totaling \$300,000.

The Organization evaluated subsequent events through the date the financial statements were available to be issued and concluded that no additional disclosures are required.



**Boys & Girls Clubs of Collin County, Inc.**

**Financial Statements  
December 31, 2019**

# Boys & Girls Clubs of Collin County, Inc.

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## **Independent Auditors' Report**

Board of Directors  
Boys & Girls Clubs of Collin County, Inc.

We have audited the accompanying financial statements of Boys & Girls Clubs of Collin County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of Collin County, Inc. as of December 31, 2019, 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.

***Correction of Error***

As discussed in Note 2 to the financial statements, certain errors as of December 31, 2018 were discovered by management of Boys & Girls Clubs of Collin County, Inc. during the current year. Accordingly, the amount reported for net assets with donor restrictions and total net assets at December 31, 2018 has been restated in the financial statements now presented to correct the errors. Our opinion is not modified with respect to that matter.



A Limited Liability Partnership

Arlington, Texas  
June 22, 2020

**Boys & Girls Clubs of Collin County, Inc.**  
**Statement of Financial Position**  
**December 31, 2019**

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**Assets**

Cash and cash equivalents	\$	238,477
Grants receivable		60,404
Prepaid expenses		30,211
Investments		902,697
Other assets		5,750
Property and equipment, net		4,098,944
<b>Assets restricted for capital expenditures:</b>		
Cash and cash equivalents		203,997
Pledges receivable, net		483,875
<b>Assets restricted for endowment:</b>		
Cash and cash equivalents		5,000
<b>Total assets</b>	<b>\$</b>	<b>6,029,355</b>

**Liabilities and Net Assets**

<b>Liabilities:</b>		
Accounts payable	\$	129,100
Accrued expenses		142,034
Grant refund payable		12,455
Refundable advance		902,697
Notes payable		977,603
<b>Total liabilities</b>		<b>2,163,889</b>
<b>Net assets:</b>		
Net assets without donor restrictions		2,992,576
Net assets with donor restrictions		872,890
<b>Total net assets</b>		<b>3,865,466</b>
<b>Total liabilities and net assets</b>	<b>\$</b>	<b>6,029,355</b>

See notes to financial statements.

**Boys & Girls Clubs of Collin County, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support:</b>			
Program fees	\$ 615,163	\$ -	\$ 615,163
Contributions	821,027	753,550	1,574,577
Grant support	650,199	22,417	672,616
Special events (net of direct costs of \$561,220)	871,454	-	871,454
In-kind contributions	159,000	-	159,000
Miscellaneous	20,191	-	20,191
Net assets released from restrictions	150,808	(150,808)	-
<b>Total revenue and support</b>	<b>3,287,842</b>	<b>625,159</b>	<b>3,913,001</b>
<b>Expenses:</b>			
Program services:			
McKinney Branch	783,595	-	783,595
Plano Branch	944,129	-	944,129
Frisco Branch	994,838	-	994,838
Other programs	18,126	-	18,126
Total program services	2,740,688	-	2,740,688
Supporting services:			
General and administrative	275,657	-	275,657
Fundraising	487,783	-	487,783
<b>Total expenses</b>	<b>3,504,128</b>	<b>-</b>	<b>3,504,128</b>
<b>Change in net assets</b>	<b>(216,286)</b>	<b>625,159</b>	<b>408,873</b>
<b>Net assets at beginning of year, as restated</b>	<b>3,208,862</b>	<b>247,731</b>	<b>3,456,593</b>
<b>Net assets at end of year</b>	<b>\$ 2,992,576</b>	<b>\$ 872,890</b>	<b>\$ 3,865,466</b>

See notes to financial statements.



**Boys & Girls Clubs of Collin County, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2019**

	Program Services					Supporting Services			Total Expenses
	McKinney Branch	Plano Branch	Frisco Branch	Other Programs	Total	General and Administrative	Fundraising	Total	
Salaries	\$ 409,191	\$ 448,299	\$ 489,517	\$ -	\$ 1,347,007	\$ 159,399	\$ 345,261	\$ 504,660	\$ 1,851,667
Payroll taxes	31,501	34,069	37,843	-	103,413	11,913	24,926	36,839	140,252
Employee benefits	51,622	49,419	73,093	-	174,134	49,455	23,205	72,660	246,794
<b>Total payroll related expense</b>	<b>492,314</b>	<b>531,787</b>	<b>600,453</b>	<b>-</b>	<b>1,624,554</b>	<b>220,767</b>	<b>393,392</b>	<b>614,159</b>	<b>2,238,713</b>
Professional fees	15,666	26,052	20,342	3,695	65,755	6,945	22,594	29,539	95,294
Supplies and program	28,769	22,998	22,340	13,015	87,122	9,893	9,927	19,820	106,942
Telephone	8,007	9,761	9,452	-	27,220	2,202	2,207	4,409	31,629
Postage and shipping	24	77	93	-	194	478	2,390	2,868	3,062
Dues and memberships	2,467	2,592	2,542	-	7,601	375	181	556	8,157
Occupancy	54,892	195,738	60,688	-	311,318	15,382	14,392	29,774	341,092
Local transportation/travel	28,924	45,646	39,309	1,276	115,155	2,466	1,661	4,127	119,282
Conferences and conventions	1,936	2,256	2,511	-	6,703	808	708	1,516	8,219
Uniforms and clothing	2,313	2,029	1,919	-	6,261	-	-	-	6,261
Fieldtrips	12,134	13,566	32,092	140	57,932	-	-	-	57,932
Awards and grants	73	167	-	-	240	253	-	253	493
Equipment repair	3,853	3,363	3,830	-	11,046	-	140	140	11,186
Bank and merchant fees	6,482	5,662	7,414	-	19,558	384	-	384	19,942
Miscellaneous	474	1,485	1,246	-	3,205	471	304	775	3,980
Depreciation	81,487	41,159	108,308	-	230,954	6,733	(584)	6,149	237,103
Special event	-	-	-	-	-	-	561,220	561,220	561,220
Dues to affiliates	3,809	3,809	3,809	-	11,427	-	-	-	11,427
Equipment rental	7,253	3,331	3,331	-	13,915	3,451	3,451	6,902	20,817
Insurance	32,123	32,356	35,570	-	100,049	3,181	-	3,181	103,230
Licenses and permits	595	295	395	-	1,285	20	20	40	1,325
Bad debt	-	-	-	-	-	-	37,000	37,000	37,000
Interest	-	-	39,194	-	39,194	1,848	-	1,848	41,042
<b>Total expenses by function</b>	<b>783,595</b>	<b>944,129</b>	<b>994,838</b>	<b>18,126</b>	<b>2,740,688</b>	<b>275,657</b>	<b>1,049,003</b>	<b>1,324,660</b>	<b>4,065,348</b>
<b>Less expenses not included in operating expenses on the statement of activities</b>									
Direct costs of special events	-	-	-	-	-	-	561,220	561,220	561,220
<b>Total operating expenses included in the expense section on the statement of activities</b>	<b>\$ 783,595</b>	<b>\$ 944,129</b>	<b>\$ 994,838</b>	<b>\$ 18,126</b>	<b>\$ 2,740,688</b>	<b>\$ 275,657</b>	<b>\$ 487,783</b>	<b>\$ 763,440</b>	<b>\$ 3,504,128</b>

See notes to financial statements.

**Boys & Girls Clubs of Collin County, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 408,873
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	237,103
Realized and unrealized gain on investments	(144,359)
Allowance for doubtful accounts - pledges receivable restricted for capital expenditures	37,000
Amortization of discount - pledges receivable restricted for capital expenditures	13,164
Contributions restricted for capital expenditures	(681,500)
Changes in assets and liabilities:	
Grants receivable	(60,404)
Prepaid expenses	2,177
Other assets	(1,200)
Accounts payable	(10,760)
Accrued expenses	16,721
Grant refund payable	12,455
Refundable advance	165,645
<b>Net cash used by operating activities</b>	<b>(5,085)</b>
<b>Cash flows from investing activities:</b>	
Purchases of property and equipment	(298,172)
Purchases of investments	(654,499)
Proceeds from sales of investments	633,213
<b>Net cash used by investing activities</b>	<b>(319,458)</b>
<b>Cash flows from financing activities:</b>	
Draws on line of credit	60,000
Payments on line of credit	(60,000)
Collections of pledges receivable restricted for capital expenditures	346,743
Payments on notes payable	(31,494)
<b>Net cash provided by financing activities</b>	<b>315,249</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(9,294)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>456,768</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 447,474</b>
<b>Supplemental noncash investing and financing activities:</b>	
Property purchased through the issuance of notes payable	\$ 213,987
Cash paid during the year for interest	\$ 41,042
<b>Reconciliation of cash and restricted cash reported within the statement of financial position to the statement of cash flows:</b>	
Cash and cash equivalents	\$ 238,477
Cash and cash equivalents restricted for capital expenditures	203,997
Cash and cash equivalents restricted for endowment	5,000
<b>Total cash and restricted cash and cash equivalents shown in the statement of cash flows</b>	<b>\$ 447,474</b>

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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### 1. Organization

The Boys & Girls Clubs of Collin County, Inc. (Organization) is a Texas nonprofit corporation incorporated in 1968 under the laws of the State of Texas for the purpose of enhancing the quality of life for the youth of Collin County by providing a diversity of quality programs in the areas of character and leadership development, education and career development, health and life skills, sport fitness, recreation and the arts. The Organization's primary revenue sources are donations from individuals and foundations, income from various branches, grants and special events. The Organization's programs are as follows:

After School Programs – The Organization provides after-school for kids ages 5-18 at three sites across Collin County. Each Club operates programs utilizing nationally recognized evidence-based curricula developed by Boys & Girls Clubs of America in partnership with some of the country's most prestigious universities. We customize programs to meet the needs of our communities and the youth we serve.

Summer Programs – The Organization offers exciting, fun and engaging summer camp programs. The Organization's camps include various activities and field trips.

Athletics – Team sports are open to all Organization members. Participants learn athletic skills, values of teamwork, good sportsmanship, anger management and discipline.

### 2. Prior Period Restatement

The Organization's net assets as of December 31, 2018 were restated to correct the following errors:

- Understatement of net assets with donor restrictions and overstatement of net assets without donor restrictions of \$230,000.
- Understatement of accrued vacation of \$94,173.
- Overstatement of deferred revenue of \$18,206.
- Understatement of refundable advance of \$737,052 and overstatement of net assets with donor restriction of \$737,052.

### 3. Summary of Significant Accounting Policies

The accounting policies of the Organization conform to U.S. generally accepted accounting principles (GAAP). The more significant accounting policies of the Organization are described below.

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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### ***Basis of Accounting***

The Organization prepares the financial statements on the accrual basis of accounting.

### ***Financial Statement Presentation***

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

*Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

*Net assets with donor restrictions* - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy.

Revenues are reported as increases in net assets without donor restrictions 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 are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of net assets with donor restrictions (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. In the absence of donor restrictions to the contrary, restrictions on contributions of property or on assets restricted to the acquisition or construction of property expire when the property is placed in service.

### ***Financial Instruments and Credit and Market Risk Concentrations***

Financial instruments, which are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents, grants receivable, pledges receivable and investments in marketable securities. Cash and cash equivalents are placed with high credit quality financial institutions to minimize risk. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no uninsured balances of cash as of December 31, 2019. Grants and pledges receivable are unsecured and are due from various members, donors and governmental agencies.

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of the investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes.

### ***Cash and Cash Equivalents***

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization classifies cash and money market accounts held by external investment managers as investments as these funds are not readily available for operations.

### ***Concentrations***

During the year ended December 31, 2019, the Organization received approximately 30% of total contributions from two donors.

During the year ended December 31, 2019, the Organization received approximately 18% of total grant support from one grantor.

During the year ended December 31, 2019, the Organization received approximately 91% of total in-kind donations from one donor.

At December 31, 2019, pledges from three donors totaled approximately 52% of total pledges receivable.

### ***Grants and Pledges Receivable***

Pledges receivable are recorded at the estimated fair value when made, and grants receivable are recorded based on the reimbursable amount incurred. The collectability of the Organization's receivables is reviewed on an ongoing basis, using an assessment of the current status of individual accounts and current economic conditions.

### ***Investments***

At December 31, 2019, the Organization's investments in marketable securities consist of cash equivalents and mutual funds and are stated at fair value in the statement of financial position. Interest, dividends and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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### ***Property and Equipment***

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, fair market value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000; the fair value of donated property and equipment is similarly capitalized. Depreciation is calculated using the straight-line method based upon the estimated useful lives of 20 to 40 years for buildings and improvements and 3 to 5 years for vehicles, furniture and equipment. Leasehold improvements are depreciated at the lesser of lease term or asset life.

### ***Impairment of Long-Lived Assets***

Management of the Organization periodically reviews the carrying value of its long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based on the estimated future cash inflows attributable to the asset less estimated future cash outflows. No such loss was recognized during the year ended December 31, 2019.

### ***Revenue Recognition***

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Program fees are recognized as revenue when the contracted services are performed.

Event sponsorship revenue is recognized at the date the event occurs. Advanced payments for the event sponsorships are reported as deferred until the date of the event.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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As of December 31, 2019, the Organization has approximately \$410,000 of conditional grants from various government agencies. The grants will be recognized as revenue when the conditions, which include performance of allowable activities and incurring allowable expenses, are met.

Donated materials, rent and equipment are reflected as contributions at their estimated fair values at date of receipt.

### ***Grants and Contracts***

The Organization receives grants and contracts from federal and state agencies, as well as private organizations, to be used for specific programs. For government grants and contracts, the excess of reimbursable expenditures over cash receipts is included in grants receivable.

The Organization's costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the financial position or changes in net assets of the Organization.

### ***Federal Income Tax***

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the year ended December 31, 2019. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

### ***Allocation of Functional Expenses***

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the financial statements. Costs are allocated between program services and supporting services based on management's judgment considering space used, time spent or direct relation to the program or supporting service benefited.

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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### ***Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

### ***New Accounting Pronouncements***

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASU) to the FASB's Accounting Standards Codification.

The Organization considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Organization's financial position and changes in net assets.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases (ASC Topic 842)* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use (ROU) assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2021.

The Organization is currently assessing the impact that adopting this new guidance will have on the financial statements.

### ***Accounting Pronouncements Adopted***

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity should recognize revenue when (or as) the entity satisfies a performance obligation. Not-for-profit entities must consider whether certain arrangements are fully or partially subject to Topic 606. Examples include, but are not limited to memberships, sponsorships, grants and contracts. Further, judgment is required to bifurcate transactions between contribution and exchange components. The Organization has adopted this ASU as of and for the year ended December 31, 2019.



# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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In 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Made* to address difficulty and diversity in practice among not-for-profit entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Topic 958, *Not-for-Profit Entities* or as exchanges (reciprocal transactions) subject to Topic 606 and (2) determining between conditional and unconditional contributions. This ASU applies to all entities that receive or make contributions. The term used in the presentation of financial statements to label revenue (for example, contribution, grant, donation) that is accounted for within Topic 958 is not a factor for determining whether an agreement is within the scope of that guidance. The Organization has adopted this ASU as of and for the year ended December 31, 2019.

Analysis of the various portions of these ASUs resulted in no significant changes in the way the Organization recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The Organization adopted FASB ASU 2016-18, *Statement of Cash Flows: Restricted Cash* as of and for the year ended December 31, 2019 with retrospective application for the financial statements. This ASU requires that the statement of cash flows explain the change during the year in total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents are included with the cash and cash equivalents to reconcile the beginning of year and end of year total amounts shown on the statement of cash flow.

### 4. Investments

Under the Fair Value Measurements and Disclosures topic of the Codification, ASC 820, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

- |         |   |
|---------|---|
| Level 1 | Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;   |
| Level 2 | Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;                                   |
| Level 3 | Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk. |

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

### **Mutual Funds**

These investments are public investment vehicles valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

### **Cash Equivalents**

Cash equivalents are valued using a NAV of \$1.

The Organization's investments are valued using Level 1 inputs and their fair values are as follows as of December 31, 2019:

Cash equivalents	\$ 27,287
Mutual funds:	
Equities	649,893
Fixed income funds	183,776
Hedge funds	34,128
Tangible assets	7,613
	<u>\$ 902,697</u>

The following investments represent 10% or more of total investments at December 31, 2019:

Vanguard S&P 500 EFT	\$ 307,632
Ishares Russell Mid-cap ETF	91,219
Vanguard FTSE Developed Markets ETF	90,984
Ishares Core US Aggregate BD ETF	98,324

Net investment income consists of the following for the year ended December 31, 2019:

Interest and dividends	\$ 27,746
Realized gains	5,779
Unrealized gains	138,580
Investment expenses	(6,152)
	<u>\$ 165,953</u>

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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Net investment income has been included with refundable advance in the statement of financial position. See Note 7 regarding assets held in trust.

### 5. Pledges Receivable

Pledges receivable at December 31, 2019 are as follows:

Pledges receivable	\$ 534,039
Less discount to present value	(13,164)
Less allowance for uncollectible pledges receivable	<u>(37,000)</u>
Net pledges receivable	<u><u>\$ 483,875</u></u>
Receivable in less than one year	\$ 356,467
Receivable between one and five years	\$ 127,408

Pledges receivable due in more than one year are valued using a discount rate of 4.75%.

### 6. Property and Equipment

Property and equipment consists of the following at December 31, 2019:

Land	\$ 510,435
Buildings and improvements	3,848,871
Construction in progress	143,623
Leasehold improvements	378,461
Furniture, fixtures and equipment	970,231
Vehicles	<u>1,044,274</u>
	6,895,895
Accumulated depreciation	<u>(2,796,951)</u>
	<u><u>\$ 4,098,944</u></u>

### 7. Refundable Advance

During 2016, the Organization received a bequest which is conditional upon the funds being used to build a camp upon land to be bequeathed to the Organization from the donor's brother. The funds must be expended within ten years or returned to the other heirs. The funds are being held in a trust account and earnings are considered additions to the refundable advance. At December 31, 2019, contributions totaling \$902,697 have not been recognized in the accompanying financial statements because the conditions have not been met.

**Boys & Girls Clubs of Collin County, Inc.**  
**Notes to Financial Statements**

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**8. Line of Credit**

The Organization had a \$250,000 line of credit with a bank with interest at the *Wall Street Journal* prime rate (4.75% at December 31, 2019) maturing in September 2020. The line of credit had no outstanding balance at December 31, 2019.

**9. Notes Payable**

Notes payable consists of the following at December 31, 2019:

Note payable to a bank, interest at 5.00%, interest payable monthly until maturity in October 2023 when all unpaid interest and principal is due, secured by a vehicle.	\$ 20,890
Note payable to a bank, interest at 5.45%, principal and interest payable monthly until maturity in December 2024 when all unpaid interest and principal is due, secured by three passenger buses.	175,169
Note payable to a bank, interest at 5.74%, principal and interest payable monthly until maturity in April 2024 when all unpaid interest and principal is due, secured by a vehicle.	17,128
Note payable to a bank, interest at 5.74%, principal and interest payable monthly until maturity in April 2024 when all unpaid interest and principal is due, secured by a vehicle.	17,128
Note payable to an organization, interest at 4.75%, principal and interest payable monthly until maturity in October 2024 when all unpaid interest and principal is due, collateralized by real property.	<u>747,288</u>
	<u><u>\$ 977,603</u></u>

**Boys & Girls Clubs of Collin County, Inc.**  
**Notes to Financial Statements**

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Maturities of long-term debt are as follows for the years ending December 31:

2020	\$	67,337
2021		70,900
2022		74,677
2023		77,102
2024		687,587
		687,587
	\$	977,603

**10. Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following as of December 31, 2019:

Subject to expenditure for specified purpose:		
North Texas camp	\$	12,731
City of McKinney social services		13,500
Capital campaign		841,659
		867,890
Subject to restriction in perpetuity:		
Endowment		5,000
		5,000
Total net assets with donor restrictions	\$	872,890

As of December 31, 2019, \$103,623 of capital campaign funds had been spent on construction in progress.

**11. Related Party Transactions and Commitments**

The Organization has unconditional promises to give from various board members totaling \$120,766 at December 31, 2019.

The Organization leases various office space and equipment under non-cancelable operating lease agreements with unrelated parties expiring through 2022. Operating lease expense related to these leases totaled \$60,200 for the year ended December 31, 2019.

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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The following is a schedule of future minimum lease payments under the Organization's lease agreements with unrelated parties for the years ending December 31:

2020	\$	89,152
2021		89,152
2022		46,237
2023		13,835

### 12. Liquidity and Availability of Resources

The following is a schedule of the Organization's financial assets available to meet cash needs for general expenditures within one year at December 31, 2019:

Cash and cash equivalents	\$	447,474
Grants receivable		60,404
Investments		902,697
Pledges receivable, net		<u>483,875</u>
Total financial assets		1,894,450
Less amounts not available for general expenditure within one year:		
Cash and cash equivalents restricted for capital expenditures		(203,997)
Pledges receivable restricted for capital expenditures		(483,875)
Cash and cash equivalents restricted for endowment		(5,000)
Net assets with donor restrictions for North Texas camp		(12,731)
Investments held in trust for refundable advance		<u>(902,697)</u>
		<u>(1,608,300)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>286,150</u></u>

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stabilities, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization's goal is to maintain current financial assets less current liabilities at a minimum of 90 days operating expenses. To achieve these targets, the Organization forecasts its future cash flows and monitors its reserves and liquidity on a monthly basis.

# Boys & Girls Clubs of Collin County, Inc.

## Notes to Financial Statements

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### **13. Special Event Revenue**

During the year ended December 31, 2019, the Organization held special events including a gala that generated significant revenue of \$1,196,469. The loss of this revenue would have a significant effect on the operation of the Organization. Total costs associated with the gala totaled \$464,285 for the year ended December 31, 2019.

### **14. In-Kind Donations**

The Organization leases the building containing its Plano location from the city of Plano, Texas for a nominal amount. The lease began in September 2010 and was effective for a period of fifteen years. The lease term is currently on a year-to-year basis. The estimated fair market value of the donated space is reflected in the accompanying financial statements as contribution revenue and occupancy expense in the amount of \$144,000 for the year ended December 31, 2019.

During 2019, the Organization received donated materials and equipment with a total fair market value of \$15,000.

### **15. Boys & Girls Clubs of America**

The Organization is affiliated with a national organization, Boys & Girls Clubs of America (BGCA). BGCA has no governing power over its affiliates and serves as a trade association providing supporting services and nationally recognized standards for agency operations and program management at the local level. Annual dues paid by the Organization to BGCA during the year ended December 31, 2019 totaled \$11,160 and were included with dues to affiliates in the statement of functional expenses.

### **16. Defined Contribution Retirement Plan**

The Organization maintains a defined contribution retirement plan provided for employees meeting certain minimum eligibility requirements. Employees may contribute a portion of their earnings to this plan with the Organization making safe harbor and discretionary contributions to the plan. During the year ended December 31, 2019, the Organization contributed \$64,326 to the plan.

**Boys & Girls Clubs of Collin County, Inc.**  
**Notes to Financial Statements**

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**17. Subsequent Events**

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. Due to the pandemic, the Organization postponed an event and experienced losses in its investment portfolio, none of which were determined to be other than temporary. In addition, the coronavirus outbreak has severely restricted the level of economic activity in the north central Texas area. Given the uncertainty of the spread of the coronavirus, the related financial impact to the Organization, if any, cannot be determined at this time.

On April 29, 2020, the Organization received \$300,000 as a loan from the Paycheck Protection Program which originated from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). A portion of the loan may be forgiven in accordance with the terms of the CARES Act.

The Organization evaluated subsequent events after the statement of financial position date through June 22, 2020, which was the date the financial statements were available to be issued, and concluded that no additional disclosures are required.