



**Boys & Girls Clubs of America
and Subsidiaries**

Consolidated Financial Statements
Years Ended December 31, 2021 and 2020



Boys & Girls Clubs of America and Subsidiaries

Consolidated Financial Statements

Years Ended December 31, 2021 and 2020

Boys & Girls Clubs of America and Subsidiaries

Contents

Independent Auditor's Report	3-5
Consolidated Financial Statements	
Consolidated Statements of Financial Position	7
Consolidated Statements of Activities	8
Consolidated Statements of Cash Flows	9
Consolidated Statements of Functional Expenses	10-11
Notes to Financial Statements	12-32



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Independent Auditor's Report

The Board of Governors
Boys & Girls Clubs of America

Opinion

We have audited the consolidated financial statements of Boys & Girls Clubs of America and its subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2022 on our consideration of BGCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BGCA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BGCA's internal control over financial reporting and compliance.

BDO USA, LLP

May 31, 2022

Consolidated Financial Statements

Boys & Girls Clubs of America and Subsidiaries

Consolidated Statements of Financial Position

(in thousands)

<i>December 31,</i>	2021	2020
Assets		
Cash and cash equivalents	\$ 28,418	\$ 14,527
Investments	386,485	340,789
Assets held in custody for others	14,824	14,064
Membership dues, net	961	1,862
Grants receivable, net	16,806	10,772
Contributions receivable, net	70,210	53,542
Assets held in deferred compensation accounts	1,638	1,590
Split interest agreements	2,821	2,969
Land, buildings, and equipment, net	27,837	24,754
Other assets	4,616	11,308
Total assets	\$ 554,616	\$ 476,177
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 47,333	\$ 29,228
Obligations for custodial funds	14,824	14,064
Liability under deferred compensation agreements	1,638	1,590
Annuities payable	2,537	2,481
Total liabilities	66,332	47,363
Net assets:		
Without donor restrictions	180,911	157,158
With donor restrictions	307,373	271,656
Total net assets	488,284	428,814
Total liabilities and net assets	\$ 554,616	\$ 476,177

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of America and Subsidiaries

Consolidated Statements of Activity

(in thousands)

Years Ended December 31,	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets:						
Revenue, gains, and other support:						
Contributions	\$ 12,926	\$ 158,479	\$ 171,405	\$ 13,691	\$ 144,562	\$ 158,253
Contributions in-kind	2,013	3,470	5,483	1,535	14,004	15,539
Government grants and contracts (includes pass through to clubs for 2021 and 2020 of \$110,010 and \$85,853, respectively)	119,021	4,040	123,061	25,560	70,931	96,491
Income from funds held in trust by others	-	1,585	1,585	-	1,583	1,583
Fund raising events:						
Revenue generated	7,904	1,875	9,779	5,592	2,270	7,862
Less direct operating costs	(1,084)	(1)	(1,085)	(989)	-	(989)
Fund-raising events revenue in excess of direct costs	6,820	1,874	8,694	4,603	2,270	6,873
Member organization dues	12,270	-	12,270	11,565	-	11,565
Investment return, net	16,342	22,630	38,972	16,257	17,417	33,674
Other revenues	8,441	(7,678)	763	2,786	69	2,855
Total revenue and gains	177,833	184,400	362,233	75,997	250,836	326,833
Net assets released from restrictions:						
Satisfaction of program restrictions	146,733	(146,733)	-	188,269	(188,269)	-
Expirations of time restrictions	1,950	(1,950)	-	263	(263)	-
Total net assets released from restrictions	148,683	(148,683)	-	188,532	(188,532)	-
Total revenue, gains, and other support	326,516	35,717	362,233	264,529	62,304	326,833
Expenses and losses:						
On-site assistance to member clubs and establishment of new clubs	144,708	-	144,708	117,636	-	117,636
Leadership training, development, and support of youth programs	128,830	-	128,830	103,262	-	103,262
Management and general	14,562	-	14,562	14,115	-	14,115
Fund-raising	14,663	-	14,663	14,567	-	14,567
Total expenses and losses	302,763	-	302,763	249,580	-	249,580
Changes in net assets before transfers	23,753	35,717	59,470	14,949	62,304	77,253
Change in net assets	23,753	35,717	59,470	14,949	62,304	77,253
Net assets at beginning of year	157,158	271,656	428,814	142,209	209,352	351,561
Net assets at end of year	\$ 180,911	\$ 307,373	\$ 488,284	\$ 157,158	\$ 271,656	\$ 428,814

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of America and Subsidiaries

Consolidated Statements of Cash Flows

(in thousands)

<i>Years Ended December 31,</i>	2021	2020
Cash Flows from Operating Activities:		
Change in net assets	\$ 59,470	\$ 77,253
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,371	1,097
Net realized and unrealized gains on investments	(37,910)	(32,498)
In-kind contributions of assets	(5,409)	(15,509)
Change in membership dues	901	(1,521)
Change in grants receivable	(6,034)	(1,153)
Change in contributions receivable	(16,872)	6,667
Change in contributions receivable allowance	204	(867)
Change in split interest agreements	148	103
Change in other assets	10,163	5,144
Change in accounts payable and accrued expenses	18,105	(5,091)
Change in annuities payable	197	90
Loss on disposal of property and equipment	371	1,383
Net cash provided by operating activities	24,705	35,098
Cash Flows from Investing Activities:		
Proceeds from sales of investments	43,794	74,906
Purchase of investments	(49,641)	(107,709)
Purchases of property and equipment	(4,825)	(146)
Net cash used in investing activities	(10,672)	(32,949)
Cash Flows from Financing Activities:		
Payments to life income beneficiaries	(142)	(143)
Net cash (used in) financing activities	(142)	(143)
Net increase in cash and cash equivalents	13,891	2,006
Cash and cash equivalents at beginning of year	14,527	12,521
Cash and cash equivalents at end of year	\$ 28,418	\$ 14,527
Supplemental disclosure:		
Cash paid for taxes	\$ 678	\$ 122
In-kind gifts - investments	1,939	1,505
In-kind gifts - equipment	3,470	14,004

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of America and Subsidiaries

Consolidated Statements of Functional Expenses

(in thousands)

<i>Year Ended December 31, 2021</i>	Program Services			Supporting Services			Total Expenses
	Onsite Assistance to Member Clubs and Establishment of New Clubs	Leadership Training, Development, and Support of Youth Programs	Total Program Services	Management and General	Fund-raising	Total Supporting Services	
Salaries	\$ 30,549	\$ 9,253	\$ 39,802	\$ 6,075	\$ 7,199	\$ 13,274	\$ 53,076
Benefits	5,571	854	6,425	1,775	1,099	2,874	9,299
Payroll taxes	2,273	350	2,623	295	545	840	3,463
Total salaries and related expenses	38,393	10,457	48,850	8,145	8,843	16,988	65,838
Contractual services	13,164	3,814	16,978	3,835	3,119	6,954	23,932
Supplies	1,733	2,278	4,011	155	129	284	4,295
Telephone	584	210	794	91	154	245	1,039
Postage and shipping	267	19	286	39	821	860	1,146
Occupancy	940	211	1,151	739	296	1,035	2,186
Printing and artwork	171	191	362	107	743	850	1,212
Travel	979	78	1,057	79	58	137	1,194
Training conferences	354	198	552	79	27	106	658
Membership dues	37	120	157	15	13	28	185
Passthrough funds to member organizations	86,536	110,504	197,040	-	-	-	197,040
Miscellaneous	1,001	549	1,550	873	245	1,118	2,668
Depreciation	549	201	750	405	215	620	1,370
Total expenses	\$ 144,708	\$ 128,830	\$ 273,538	\$ 14,562	\$ 14,663	\$ 29,225	\$ 302,763

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of America and Subsidiaries

Consolidated Statements of Functional Expenses

(in thousands)

<i>Year Ended December 31, 2020</i>	Program Services			Supporting Services			Total Expenses
	Onsite Assistance to Member Clubs and Establishment of New Clubs	Leadership Training, Development, and Support of Youth Programs	Total Program Services	Management and General	Fund-raising	Total Supporting Services	
Salaries	\$ 28,921	\$ 7,031	\$ 35,952	\$ 4,886	\$ 7,346	\$ 12,232	\$ 48,184
Benefits	5,284	1,031	6,315	1,207	1,064	2,271	8,586
Payroll taxes	2,110	367	2,477	259	522	781	3,258
Total salaries and related expenses	36,315	8,429	44,744	6,352	8,932	15,284	60,028
Contractual services	11,769	3,510	15,279	6,193	2,638	8,831	24,110
Supplies	1,591	2,006	3,597	191	108	299	3,896
Telephone	628	133	761	96	142	238	999
Postage and shipping	110	18	128	67	733	800	928
Occupancy	1,309	327	1,636	309	472	781	2,417
Printing and artwork	149	178	327	45	778	823	1,150
Travel	1,053	186	1,239	75	143	218	1,457
Training conferences	770	379	1,149	119	149	268	1,417
Membership dues	18	2	20	31	21	52	72
Passthrough funds to member organizations	62,524	87,434	149,958	-	-	-	149,958
Miscellaneous	953	488	1,441	328	282	610	2,051
Depreciation	447	172	619	309	169	478	1,097
Total expenses	\$ 117,636	\$ 103,262	\$ 220,898	\$ 14,115	\$ 14,567	\$ 28,682	\$ 249,580

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

1. Summary of Significant Accounting Policies

Organization

Boys & Girls Clubs of America (“BGCA”) is a federally chartered, national organization that was formed to promote the health, social, educational, vocational, and character development of young people throughout the United States (“U.S.”). Through its national headquarters, one regional service center, and government relations office in Washington, D.C., BGCA:

- Develops innovative program services for young people;
- Assists community leaders to form new local member clubs;
- Provides training, management consulting, and resource materials to local member clubs;
- Promotes greater public and media awareness of local member club work; and
- Addresses legislative and public policy issues affecting young people.

The accompanying consolidated financial statements include the financial position and operating results of BGCA’s subsidiary alliance organizations located throughout the U.S., as well as three subsidiary entities that were organized in fiscal year 2020 for the specific management of investment, real estate, and intellectual property activities. The alliance organizations are organized under either Section 501(c)(4) or Section 501(c)(3) of the Internal Revenue Code and were formed primarily to meet certain state statutory reporting requirements. Certain members of BGCA’s senior management serve as members of the governing boards for certain of these alliance organizations. Such subsidiary organizations numbered 59 at December 31, 2021 and 2020. The three subsidiary entities formed in fiscal year 2020 are organized under Section 501(c)(3) of the Internal Revenue Code.

The accompanying consolidated financial statements do not include the financial position and operating results of local member clubs, each of which is an autonomous corporation organized under the laws of the jurisdiction in which it is located. Each local member club operates under a charter granted by BGCA and has its own independent board of directors, which controls the local Boys & Girls Club, its programs, and staff. BGCA, the national organization, does not exercise supervision, direction, or control of these chartered local member clubs.

Basis of Presentation

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

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

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

With donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of BGCA and/or the passage of time. This also includes net assets subject to donor-imposed stipulations that must be maintained permanently by BGCA. Generally, the

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

donors of these assets permit BGCA to use all or part of the income earned on related investments for general or specific purposes.

BGCA reports contributions with donor restrictions (that were conditional in nature) as increases in net assets without donor restrictions if the conditions are met and the restrictions expire in the reporting period in which the revenue is recognized. BGCA reports contributions restricted by donors (that were unconditional in nature) as increases in net assets with donor restrictions. When the donor restriction expires on an unconditional contribution, the release is reported as net assets released from donor restrictions in the consolidated statement of activities.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of interest-bearing checking accounts, savings accounts, and investments with a maturity date of three months or less.

Revenue Recognition

BGCA recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration BGCA expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, BGCA combines it with other performance obligations until a distinct bundle of goods or services exists. Performance obligations are satisfied over time and the related revenue is recognized as services are rendered. BGCA management expects that the period between when BGCA transfers goods and services to their customers and when the customers pay for those goods and services will be one year or less. Therefore, BGCA elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component. Invoices resulting from BGCA's contracts with customers are generally due within 30 days of the invoice date.

Membership Organization Dues

BGCA enters into membership agreements with local Clubs to provide services that ultimately further the mission of BGCA yet provide reciprocal value to the Club. Membership services include the right to be identified with the Boys and Girls Clubs Movement, access to marketing and other materials, advocacy and government relations, leadership support and training, and access to conferences and the annual meeting of the National Council. BGCA considers general membership benefits to represent a bundle of promised goods and services available to Clubs throughout the period of membership in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606-10-25-22.

BGCA has a right to consideration from the Clubs in an amount that corresponds directly with the value provided to the Clubs of BGCA's performance completed to date. Membership dues are billed at the beginning of the membership year. The Clubs simultaneously receives and consumes the benefits provided by BGCA's performance obligations throughout the membership period. Therefore, BGCA recognizes revenues ratably over the one-year membership period. There are no unsatisfied performance obligations at the end of the membership period. Revenue related to membership agreements totaled \$12,270 and \$11,565 for the years ended December 31, 2021 and 2020, respectively, as reflected in the consolidated statement of activities.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

Government Grants and Contracts

Grants awarded by federal agencies or passed through to BGCA from another donor that received funding from the U.S. federal government are accounted for as conditional contributions due to rights of return/release and barriers to entitlement to funds. Revenue is recognized when qualified expenditures are incurred and conditions under the grant agreement are met. U.S. Federal Grant revenue totaled \$123,061 and \$96,491 for the years ended December 31, 2021 and 2020, respectively.

Fund-Raising Events

BGCA holds fund-raising events and reports the revenues generated, net of any direct operating costs, as revenue, gains, and other support in the accompanying consolidated statements of activities (see note 13). Fund-raising revenue is recognized at fair value on the earlier of the receipt of cash or of an unconditional promise to give.

Contribution Revenue

BGCA receives support from individuals, foundations, corporations, and other nonprofit organizations in support of BGCA's mission. Contribution revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, BGCA receives promises to give that have certain conditions such as meeting specific performance-related barriers or limiting BGCA's discretion on use of the funds. Other contributions may have revocable features to the promises to give. Such conditional promises to give are recognized when the conditions are substantially met.

In-Kind Contributions

Donated property, marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation. The estimated fair values of the advertisements are based on independent third-party valuations and reported as in-kind contribution revenue and program expense in the period in which the advertisements are run. Certain other in-kind contributions have also been received and recorded at fair-market value in the period in which each contribution was made. As of December 31, 2021, the Organization had \$226 of inventory included in other assets on the statements of financial position, measured at fair value under ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*.

Trusts and Bequests

Split interest (trust) contributions are only recorded when the agreement becomes irrevocable. BGCA's remainder value is revalued every year. Bequest contributions are recorded once the probate and legal processes are complete.

Refundable Donor Advances

A transfer of assets (i.e. cash received) that is related to a conditional contribution is accounted for as a refundable donor advance in accounts payable and accrued expenses in the accompanying consolidated statement of financial position until the conditions have been substantially met or explicitly waived by the donor. Other changes in refundable donor advances result from timing

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

differences between payments received from donors and the satisfaction of the conditions within the contracts and grant agreements. At December 31, 2021 and 2020, the balance of refundable advances was \$0.

Investments

Investments are carried at fair value, with changes in fair value being recorded as unrealized gains (losses). The fair value of publicly traded fixed income and equity securities is based upon quoted market prices. Fair values for private market investments and investments held through limited partnerships or commingled funds, are not as readily determinable. Fair value for these investments is established based on either external events, which substantiate a change in fair value, or a reasonable methodology that exists to identify and quantify changes in fair value. Fair value determinations for these investments require the use of estimates. Accordingly, such values may differ from the values that would have been used had a ready market for these investments existed. BGCA has estimated the fair value of certain investments in investment funds on the basis of the net asset value (“NAV”) per share of the investment, as a practical expedient, if a) the underlying investment manager’s calculation of NAV is fair value based, and b) the NAV has been calculated by the fund manager as of BGCA’s fiscal year end date. Valuations provided by investment managers are evaluated by management, and management believes such values are reasonable estimates of fair value at December 31, 2021 and 2020 (see notes 3 and 16). Included in investments are certain assets that are being held for others and disbursed only on instructions of the person or organization from which they were received (see note 15).

Split Interest Agreements

BGCA’s split interest agreements with donors consist primarily of gift annuity agreements and irrevocable charitable remainder trusts for which BGCA serves as trustee. Contribution revenue is recognized when trusts (or annuity agreements) are established, after recording liabilities for the present value of the estimated future payments to be made to beneficiaries. The liabilities are adjusted annually for changes in the values of assets, accretion of the discount and other changes in the estimates of future benefits.

BGCA is also the beneficiary of certain charitable lead trusts held and administered by others. The present values of the estimated future cash receipts from the trusts are recognized as an asset and contribution revenue at the date such trusts are established. The carrying values of the assets are adjusted annually for changes in the values of assets, accretion of the discount and other changes in the estimates of future benefits.

Contributions Payable

Awards made to other organizations that are conditional in nature are not recorded as expenses until the condition has been satisfied. Payments made in advance to other organizations for which conditions have not yet been satisfied are classified as “third party advances” in the consolidated statement of financial position. As the conditions are satisfied, expenses are recorded in the consolidated statement of activities and the third-party advances are reduced. As of December 31, 2021 and 2020, BGCA did not make any payments in advance.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost at the date of acquisition or at fair value if acquired through donation. BGCA capitalizes expenditures for property and equipment in excess of \$5. Depreciation and amortization are calculated using the straight-line method over the applicable estimated useful lives.

Tax Status

BGCA is recognized as an organization exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to Federal income tax. During 2021 and 2020, \$678 and \$122, respectively, was paid for income taxes.

BGCA's subsidiary alliance organizations are exempt from Federal income taxes under either Section 501(c)(4) or Section 501(c)(3) of the Code.

Functional Allocation of Expenses

BGCA has summarized the costs of programs and supporting activities in the consolidated statements of activities and changes in net assets without donor restrictions. The expense analysis in the consolidated statement of functional expenses present the natural classification detail of expenses by function. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or support function. The expenses include salaries and benefits which are allocated based on department and job classification, and management and general tasks. Expenses associated with human resources, information technology and occupying and maintaining facilities have been allocated to the respective functional area based on the headcount of employees. Expenses associated with marketing and communications have been allocated to the respective functional area based on effort. Other costs are classified in each functional category based on the underlying purpose of each transaction.

Concentration of Credit Risk

Credit risk represents the risk of loss attributable to possible nonperformance by donors and counterparties relative to the terms of agreements and contracts. Financial instruments that are subject to concentrations of credit risk consist primarily of cash and cash equivalents, investments, and certain receivables. In order to minimize credit risk in connection with cash equivalents and investments, BGCA invests in U.S. government securities, mutual funds, and other marketable securities. These investments are held by diverse, high-quality financial institutions. Cash and cash equivalent accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250. At December 31, 2021 and 2020, BGCA had \$18,093 and \$7,012 in excess of the FDIC insured limit.

Use of Estimates

The management of BGCA has made certain estimates and assumptions in the preparation of the consolidated financial statements in conformity with U.S. GAAP, including the allowance for uncollectible contributions receivable, the valuation of certain investment securities without readily determinable fair values, determining the depreciable lives of buildings and other long-lived

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

assets, accrued expenses, annuities payable, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”). The amendments in ASU 2016-02 create FASB ASC Topic 842, Leases, and supersede the requirements in ASC Topic 840, Leases. ASU 2016-02 requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under ASC Topic 840. Under the guidance of ASU 2016-02, a lessee should recognize in the balance sheet a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The accounting applied by a lessor under ASU 2016-02 is largely unchanged from that applied under ASC Topic 840. On April 8, 2020, the FASB voted to defer the effective date of ASU 2016-02 by one additional year. The ASU is now effective for BGCA’s fiscal year ended December 31, 2022. BGCA has not yet determined the impact of the new standard on its consolidated financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. ASU No. 2020-07 was issued to address certain stakeholders’ concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profits, as well as the amount of those contributions used in an entity’s programs and other activities. The standard is effective for annual reporting periods beginning after June 15, 2021 and should be applied on a retrospective basis. The adoption of this guidance is not expected to have a material impact on BGCA’s consolidated financial statements.

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU eliminates, adds and modifies certain disclosure requirements for fair value measurements as part of its disclosure framework project. This standard was effective for BGCA for fiscal year 2020. The adoption of this guidance did not have a material impact on the BGCA’s consolidated financial statements.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

2. Liquidity and Availability

Financial assets available for general expenditure within one year of December 31:

	2021	2020
Total assets	\$ 554,616	\$ 476,177
Less:		
Net assets with donor restriction - endowments in perpetuity	(43,546)	(42,796)
Net assets with donor restriction - time or purpose	(263,827)	(228,860)
Board-designated endowments	(129,893)	(119,315)
Board-designated other	(1,447)	(1,448)
Land, buildings and equipment, net	(27,837)	(24,754)
Custodial, deferred compensation and other illiquid investments	(23,899)	(29,931)
Financial assets available within one year	\$ 64,167	\$ 29,073

BGCA manages its financial assets to be available as its operating expenditures, liability and other obligations come due. In addition, BGCA invests cash in excess of daily requirements in short-term investments. To supplement working capital and investment commitments, BGCA has a line of credit agreement totaling \$30,000 with no outstanding borrowings as of December 31, 2020. See note 17 for further description of this line. Additionally, BGCA has board-designated endowments of \$129,893 and \$119,315 as of December 31, 2021 and 2020. Although BGCA does not intend to spend from its board-designated endowment funds, other than amounts appropriated for general expenditure, amounts for its board-designated endowment funds could be made available if necessary, with appropriate board approval.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

3. Investments

Investments are carried at estimated fair value and consist of the following at December 31:

	2021	2020	Unfunded Commitments
Short-term investments	\$ 89,536	\$ 94,092	\$ -
Fixed income:			
Mutual funds	14,744	986	-
Fixed income securities	16,802	15,512	-
Corporate stocks-domestic	83,412	71,920	-
Community foundation	52	44	-
Private equity investments/hedge funds	196,763	172,299	19,400
	401,309	354,853	19,400
Less custodial fund investments	(14,824)	(14,064)	-
Total	\$ 386,485	\$ 340,789	\$ 19,400

Management is required to make certain estimates in the preparation of the consolidated financial statements. Among those significant estimates is the valuation of investments without readily determinable fair values. These estimates are subjective and require judgment regarding significant matters such as the amount and timing of future cash flows and the selection of discount rates that appropriately reflect market and credit risks. BGCA believes that the carrying amounts of these investments are a reasonable estimate of fair value. Estimates, by their nature, are based on judgment and available information. Changes in assumptions could have a material impact on the financial statements.

Custodial fund investments consist of assets which are being held on behalf of other organizations (see note 15).

Risk Factors

Liquidity risk - Liquidity risk represents the risk that BGCA may not be able to rapidly adjust the size of its portfolio holdings in times of high volatility and financial stress at a reasonable price. If BGCA were compelled to dispose of an illiquid investment at an inopportune time, the result may be a sale at a substantial discount to fair value. BGCA invests in alternative investments, which can be highly illiquid. Under adverse market or economic conditions, the secondary market for certain of these alternative investments could further contract. As a result, BGCA could find it more difficult to sell these securities or may only be able to sell these securities at amounts lower than if such securities were more widely traded.

Currency and foreign exchange risk - BGCA may hold investments denominated in currencies other than the U.S. dollar. Thus, there is exposure to currency and foreign exchange risk because the value of the investments denominated in other currencies may fluctuate due to changes in currency exchange rates. This amount totaled less than 1% of investments as of December 31, 2021 and 2020.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

Interest rate and credit risk - BGCA's investment portfolio is subject to interest rate and credit risks for certain securities whose valuation would be impacted by changes in interest rates. The portfolio is also subject to the risk of the issuer of the security becoming unable to pay interest or repay principal when it is due.

Market price risk - The value of securities held by BGCA may decline in response to certain economic events, including those events impacting entities whose securities are owned and included in the investment portfolio. Events impacting valuation may include (but are not limited to) economic changes, market fluctuations, regulatory changes, global and political instability, and currency, interest rate, and commodity price fluctuations. BGCA attempts to manage this risk through diversification, ongoing due diligence of fund managers, and monitoring of relevant economic conditions.

Concentration risk - Investments in multi-strategy hedge funds totaling \$150,421 and \$141,934 at December 31, 2021 and 2020, respectively, were held and managed by a single fund manager.

4. Contributions Receivable

Contributions receivable consists of the following at December 31:

	2021	2020
Contributions receivable, gross	\$ 71,382	\$ 54,872
Less:		
Unamortized discount	(1,010)	(963)
Allowance for uncollectible contributions	(162)	(367)
Contributions receivable, net	\$ 70,210	\$ 53,542
Amounts due in:		
Less than one year	\$ 117	\$ 36,614
One to five years	71,265	18,258
	\$ 71,382	\$ 54,872

Contributions receivable are initially recorded at fair value as of the date of gift. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue. Estimated future cash flows to be received after one year were discounted at December 31, 2021 and 2020 at rates ranging from 0.10% to 5.5%.

Conditional promises to give are not recognized in the accompanying consolidated financial statements and, if they are subsequently recorded, they may be restricted for specific purposes stipulated by the donors. The conditional nature relates to the donor specifying a future and uncertain event whose occurrence or failure to occur gives the donor a right of return of the assets contributed or releases the donor from its obligation to transfer the assets promised. There were \$4,663 new conditional gifts received from donors during 2021 and \$4,200 in 2020. Conditional promises to give of \$7,685 and \$6,253 were recognized as revenue during 2021 and 2020,

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

respectively, as donor-imposed conditions were met by BGCA. Outstanding conditional promises to give totaled \$31,584 and \$33,811 at December 31, 2021 and 2020, respectively.

5. Land, Buildings, and Equipment

Land and buildings, as well as furnishings and equipment, are recorded at acquisition cost, or fair value upon receipt in the case of gifts. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated over the lesser of the useful life or lease term.

Land, buildings, and equipment consist of the following at December 31:

	2021	2020	Estimated Useful Life
Land	\$ 10,661	\$ 10,849	N/A
Buildings	20,260	20,684	50 years
Leasehold improvements	444	444	10 years
Building improvements	2,793	2,797	6-9 years
Furniture, fixtures and equipment	10,436	6,464	5-7 years
	44,594	41,238	
Less accumulated depreciation and amortization	(16,757)	(16,484)	
	\$ 27,837	\$ 24,754	

Depreciation expense totaled \$1,371 and \$1,097 for the years ended December 31, 2021 and 2020, respectively.

6. Retirement Plans

Effective January 1, 2015, BGCA amended its noncontributory defined contribution pension plan to a Defined Contribution 401(k) plan covering all eligible employees. Under the amended plan, BGCA contributes 3% of compensation for each payroll period and a matching contribution for participants who make Elective Deferral Contributions to the Plan of up to 4% of compensation. Pension expense for 2021 and 2020 totaled \$2,688 and \$2,570, respectively.

In 2011, the Board of Governors approved a supplemental executive retirement plan for the benefit of a member of senior management whereby a retirement benefit will be earned ratably by the executive during the service term as defined in the plan agreement. The vested amount will be paid to the executive upon retirement, disability, or termination without cause as defined in the plan agreement. The liability recorded in connection with this plan as of December 31, 2021 and 2020 is included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

BGCA also has a retirement fund totaling \$1,147 and \$1,015 at December 31, 2021 and 2020 included in board - designated net assets without restrictions.

7. Assets Held in and Liability Under Deferred Compensation Accounts

BGCA has in place deferred compensation agreements with certain key officers, whereby amounts will be paid according to the terms of the agreements into accounts maintained by BGCA for the purpose of salary continuation upon retirement. This plan is subject to certain stipulations outlined within the agreements, one of which is the officers' continued employment with BGCA. Deferred compensation activity during 2021 and 2020 consists of the following:

	2021	2020
Employee contributions	\$ 111	\$ 172
Annuity contracts	(213)	(225)
Distributions - lump sum	(48)	(485)
Change in fair value	192	223
Net change for the year	41	(315)
Assets held in and liability under deferred compensation:		
Beginning of year	1,589	1,905
End of year	\$ 1,631	\$ 1,590

8. Government Grants and Contracts

During 2021 and 2020, BGCA recorded revenue totaling \$123,061 and \$96,491, respectively, related to various government grants and contracts. Of this amount, \$110,010 and \$85,853 was passed through to certain affiliated local member clubs (see note 1) for leadership training, development and support of youth programs during 2021 and 2020, respectively.

9. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2020 and 2019 are available for the following purposes or periods:

	2021	2020
On-site assistance to member clubs and establishment of new clubs	\$ 233,526	\$ 193,483
Leadership training, development and support of youth programs	26,178	30,273
Available for use in future periods	4,123	5,104
Endowment in perpetuity	43,546	42,796
	\$ 307,373	\$ 271,656

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

10. Net Assets Released from Restrictions

During 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, the passage of time, or by occurrence of other events satisfying restrictions specified by donors as follows:

	2021	2020
Purpose restrictions accomplished:		
Expenses for on-site assistance to member clubs and establishment of new clubs	\$ 141,868	\$ 115,687
Expenses for leadership training, development and support of youth programs	4,765	72,272
Expenses for fundraising	-	310
	146,633	188,269
Time restrictions expired - passage of specified time	1,950	263
	\$ 148,583	\$ 188,532

11. Net Assets Without Donor Restrictions - Board-Designated

Net assets without donor restrictions - Board-designated consist of the following at December 31:

	2021	2020
Functioning as quasi-endowment:		
Reserve fund	\$ 111,390	\$ 102,020
Board designated fund intended for Native Services	18,503	17,295
	129,893	119,315
Other board-designated funds for programs	1,447	1,448
	\$ 131,340	\$ 120,763

12. Endowment Net Assets

BGCA's endowment consists of 64 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Governors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Governors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

a. Interpretation of Relevant Law

BGCA has interpreted the State of Georgia's enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, BGCA classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not required to be kept in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditures by BGCA in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, BGCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the endowment fund
2. The purposes of BGCA and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of BGCA
7. The investment policies of BGCA

b. Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires BGCA to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions and generally result from unfavorable market fluctuations that occur shortly after the investment of new contributions with donor restrictions and continued appropriation for certain programs that were deemed prudent by the Board. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level are classified as an increase in net assets with donor restrictions. There were no aforementioned deficiencies at December 31, 2021 and 2020.

c. Return Objectives and Risk Parameters

The financial objective of BGCA's endowment is to provide support to the operations of its programs and affiliates and to preserve the inflation adjusted purchasing power of the long-term investment. The investment objective is to attain an average annual real total return of at least 5% over the long term (rolling five-year periods). Actual returns in any given year may vary from this amount.

To achieve its investment objective, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a benchmark composed of 60% allocated to the MSCI All Country World IMI and 40% allocated to the Barclays U.S. Intermediate Aggregate Index.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

d. Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, BGCA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). BGCA targets a diversified asset allocation that places emphasis on investments in marketable securities, bonds, and private equity designed to achieve its long-term return objectives within prudent risk constraints.

e. Spending Policy

A spending policy is established to ensure that the real value of the investment is maintained over time, which requires that the long-term average spending rate not exceed the long-term real return. BGCA's spending rate is established as up to 5% of the previous three-year average of the September 30 fair value of the endowment net assets unless stipulated otherwise by the donor.

Endowment net assets consist of the following at December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	With Donor Restrictions In Perpetuity	Total
Donor-restricted endowment funds	\$ -	\$ 114,938	\$ 43,546	\$ 158,484
Board-designated quasi-endowment funds	129,893	-	-	129,893
Total endowment net assets	\$ 129,893	\$ 114,938	\$ 43,546	\$ 288,377

Endowment net assets consist of the following at December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	With Donor Restrictions In Perpetuity	Total
Donor-restricted endowment funds	\$ -	\$ 97,285	\$ 42,796	\$ 140,081
Board-designated quasi-endowment funds	119,315	-	-	119,315
Total endowment net assets	\$ 119,315	\$ 97,285	\$ 42,796	\$ 259,396

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

Changes in endowment net assets for the year ended December 31, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	With Donor Restrictions In Perpetuity	Total
Endowment net assets, December 31, 2020	\$ 119,315	\$ 97,285	\$ 42,796	\$ 259,396
Contributions	1,531	-	750	2,281
Investment return - investment Income and net appreciation	16,322	21,336	-	37,658
Appropriation of endowment assets for expenditure	(7,275)	(3,683)	-	(10,958)
Endowment net assets, December 31, 2021	\$ 129,893	\$ 114,938	\$ 43,546	\$ 288,377

Changes in endowment net assets for the year ended December 31, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	With Donor Restrictions In Perpetuity	Total
Endowment net assets, December 31, 2019	\$ 112,637	\$ 87,023	\$ 33,796	\$ 233,456
Contributions	988	-	9,000	9,988
Investment return - investment Income and net appreciation	16,262	14,178	-	30,440
Appropriation of endowment assets for expenditure	(10,572)	(3,916)	-	(14,488)
Endowment net assets, December 31, 2020	\$ 119,315	\$ 97,285	\$ 42,796	\$ 259,396

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

13. Fund-Raising Event Direct Operating Costs

BGCA holds periodic fund-raising events and reports the revenues generated, net of any direct operating costs, as revenue, gains, and other support in the accompanying consolidated statements of activities. These direct operating costs during 2021 and 2020 are as follows:

	2021	2020
Supplies	\$ 100	\$ 82
Printing	29	17
Postage	10	11
Travel	60	80
Banquets and space rental	492	386
Entertainment, event management, and speakers	394	413
	\$ 1,085	\$ 989

14. Leases

BGCA is obligated under noncancelable long-term operating leases for rental of office facilities and equipment, as follows at December 31, 2021:

Years ending December 31:

2022	\$ 377
2023	391
2024	400
2025	410
2026 and thereafter	742
	\$ 2,320

Rental expense under operating leases totaled approximately \$477 and \$552 for the years ended December 31, 2021 and 2020, respectively.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

BGCA leases a portion of its National Office facility to outside tenants. Rental income to be received in future periods under current lease and sub-lease arrangements is as follows at December 31, 2021:

Years ending December 31:

2022	1,095
2023	1,095
2024	419
	\$ 2,609

Rental income totaled approximately \$1,129 and \$1,162 for the years ended December 31, 2021 and 2020, respectively and is included in other revenue on the consolidated statements of activities.

15. Obligations for Custodial Funds

BGCA has custody of certain assets that are being held and disbursed only on instructions of the person or organization from which they were received. These custodial funds and related obligations are included in the accompanying consolidated statements of financial position; however, additions to/disbursements from these funds are not considered part of BGCA's operations.

The changes in custodial funds for the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Net gains on investments and other receipts	\$ 1,877	\$ 2,196
Disbursements	(1,117)	(970)
Net change for the year	760	1,226
Assets held in custody for others:		
Beginning of year	14,064	12,838
End of year	\$ 14,824	\$ 14,064

16. Fair Value Measurements

BGCA applies ASC No. 820, *Fair Value Measurement*, for fair value measurements of financial and nonfinancial assets and financial liabilities. BGCA's estimates of fair value for financial assets and liabilities are based on the framework established in ASC No. 820, which considers the inputs used in valuation, gives the highest priority to quoted prices in active markets, and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the ASC No. 820 hierarchy is based on whether the significant inputs relative to the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect BGCA's significant market assumptions. The three levels of the hierarchy are further described as follows:

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

Level 1 - Valuations based on unadjusted quoted market prices for identical assets or liabilities in accessible and active markets.

Level 2 - Valuations based on pricing inputs that are other than quoted prices in active markets that are either directly or indirectly observable. Examples include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.

Level 3 - Valuations derived from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and require significant professional judgment in determining the fair value assigned to such assets or liabilities. Level 3 investments comprise primarily alternative investments, which are not readily marketable.

The majority of BGCA's investments are held through limited partnerships for which the fair value is estimated using the NAV reported by the investment managers as a practical expedient. In accordance with ASU 2015-07 *Fair Value Measurement*, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The carrying amounts presented are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

The carrying amounts of membership dues and grants receivable, split interest agreements, accounts payable and accrued expenses, and annuities payable (all classified largely as Level 1 within the fair value hierarchy described above) approximate fair value because of the relative terms and/or short maturity of these financial instruments. Contributions receivable are initially measured at fair value in the year the receivable is recorded based on the present value of the estimated future cash flows discounted at a rate that reflects the risks inherent in those cash flows, which is an application of the income approach. Current year gifts included in contributions receivable reflected at fair value were approximately \$80,429 and \$35,645 at December 31, 2021 and 2020, respectively, and are classified as Level 3 in the fair value hierarchy. Cash and cash equivalents, investments, assets held in custody for others, and assets held in deferred compensation accounts are reflected in the accompanying consolidated financial statements at fair value. The carrying amounts of obligations for custodial funds, and the liability under deferred compensation agreements are recorded at the fair value of the underlying assets.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

As required by ASC No. 820, financial instruments recorded at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The following is a summary of BGCA's financial instruments within the fair value hierarchy as of December 31, 2021 and 2020:

	2021						Redemption or Liquidation	Notice Period
	Investments Measured at NAV	Level 1	Level 2	Level 3	Total			
Assets:								
Recurring:								
Cash and cash equivalents	\$ -	\$ 28,418	\$ -	\$ -	\$ 28,418		Daily	None
Investments, and assets held in custody for others:								
Short-term investments	\$ -	\$ 89,536	\$ -	\$ -	\$ 89,536		Daily	None
Fixed income:								
Mutual funds	-	14,744	-	-	14,744		Daily	None
Other securities	-	-	16,802	-	16,802		Monthly	5 Days
Corporate stocks, domestic	-	83,412	-	-	83,412		Daily	None
Community foundation	-	-	-	52	52		At Foundation Discretion	At Foundation Discretion
Alternative investments:								
Private equity	46,342	-	-	-	46,342		At Discretion of GP	At Discretion of GP
Multi-strategy hedge funds	150,421	-	-	-	150,421		Bi-annually Annually or Quarterly	45-90 Days 65-105 Days
Total investments and assets held in custody for others								
	\$ 196,763	\$ 187,692	\$ 16,802	\$ 52	\$ 401,309			
Assets held in deferred compensation accounts								
	\$ -	\$ -	\$ -	\$ -	\$ -		Daily	None

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

	2020							Redemption or Liquidation	Notice Period
	Investments Measured at NAV	Level 1	Level 2	Level 3	Total				
Assets:									
Recurring:									
Cash and cash equivalents	\$ -	\$ 14,527	\$ -	\$ -	\$ 14,527		Daily	None	
Investments, and assets held in custody for others:									
Short-term investments	\$ -	\$ 94,092	\$ -	\$ -	\$ 94,092		Daily	None	
Fixed income:									
Mutual funds	-	986	-	-	986		Daily	None	
Other securities	-	-	15,512	-	15,512		Monthly	5 Days	
Corporate stocks, domestic	-	71,920	-	-	71,920		Daily	None	
Community foundation	-	-	-	44	44		At Foundation Discretion	At Foundation Discretion	
Alternative investments:									
Private equity	30,355	-	-	-	30,355		At Discretion of GP	At Discretion of GP	
Credit/distressed hedge funds	10	-	-	-	10		Quarterly or Bi-annually	45-90 Days	
Multi-strategy hedge funds	141,934	-	-	-	141,934		Annually or Quarterly	65-105 Days	
Total investments and assets held in custody for others	\$ 172,299	\$ 166,998	\$ 15,512	\$ 44	\$ 354,853				
Assets held in deferred compensation accounts	\$ -	\$ 1,590	\$ -	\$ -	\$ 1,590		Daily	None	

There were no transfers or purchases of the level 3 investments for 2021 and 2020.

The following is a description of the valuation methodologies and inputs used for alternative investments recorded at NAV.

Private Equity

This class includes a fund of funds that invests in private equity funds making investments in the U.S. across a broad range of industries and company sizes. These investments cannot be redeemed at the investor's request. Instead, the nature of the investments in this class is such that distributions are received through the liquidation of the underlying assets of the fund. The fair value of these investments has been estimated using the net asset value per share of the investment as a practical expedient to estimate fair value.

Credit/Distressed

This class includes investments in funds that buy bonds or structured credit products expected to appreciate in value and short those they expect to decline in value. These managers will invest in corporate bonds, structured products, bank loans and fixed income derivatives. Distressed-debt managers typically focus on bonds and bank loans trading at a significant discount to par value as a result of the debtor company's troubled financial condition. These managers may become actively involved in company reorganization and bankruptcy committees and may also buy bonds with the expectation that they will be converted to equity. The fair value of these investments has been determined to be the net asset value per share of the investments. Investments representing 7% of this class cannot be redeemed due to liquidity restrictions and will be distributed at the managers' discretion.

Boys & Girls Clubs of America and Subsidiaries

Notes to Consolidated Financial Statements (in thousands)

Multi-Strategy

This class includes investments in funds that invest in different strategies, shifting capital among them according to their profitability. These managers employ event driven and diversified strategies, seeking to generate risk-adjusted returns across business and market cycles. In addition, they may also engage in other areas, such as private placements, insurance and real estate. The term open mandate is sometimes used synonymously with multi-strategy. The fair value of these investments has been determined to be the net asset value per share of the investments. Investments representing 5% of this class cannot be redeemed due to liquidity restrictions and will be distributed at the managers' discretion.

17. Commitments and Contingencies

Financial

In May 2019, BGCA secured a revolving line of credit of \$30,000 to assist with working capital, as needed. This line of credit was extended during 2021 and is available through July 31, 2022. There were no borrowings against the line during 2021 and 2020. Interest payments are due monthly, calculated at the London Inter-Bank Offered Rate plus 1.5 percentage points on the outstanding balance.

The line of credit agreement contains various covenants. BGCA is in compliance with these covenants as of December 31, 2021.

Legal Matters

BGCA is subject to claims and legal actions arising in the ordinary course of business. In the opinion of management, the outcome of such actions will not have a material adverse effect on the financial position of BGCA.

Federal Financial Assistance

Federally funded programs are routinely subject to special audits that could result in claims against the resources of BGCA. Management does not believe that there will be any claims arising from such audits that could have a material adverse effect on the financial position of BGCA.

18. Subsequent Events

BGCA evaluated events subsequent to December 31, 2021 and through May 31, 2022, the date on which the consolidated financial statements were available for issuance and determined that all significant events and disclosures are included in the consolidated financial statements.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on BGCA's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, BGCA is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.