

**BOYS & GIRLS CLUBS OF AMERICA  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2024 AND 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**Boys & Girls Clubs of America and Subsidiaries**  
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**Year Ended December 31, 2024 and 2023**

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## INDEPENDENT AUDITORS' REPORT

Board of Governors  
Boys & Girls Clubs of America  
Atlanta, Georgia

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

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Boys & Girls Clubs of America (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of America, as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***Other Matter***

The consolidated financial statements of Boys & Girls Clubs of America as of and for the year ended December 31, 2023, were audited by other auditors whose report dated June 4, 2024 expresses an unmodified opinion on those consolidated financial statements.

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

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

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

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Boys & Girls Clubs of America'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 Boys & Girls Clubs of America's ability to continue as a going concern for a reasonable period of time.

Board of Governors  
Boys & Girls Clubs of America

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The script is cursive and fluid, with the letters connected.

**CliftonLarsonAllen LLP**

Atlanta, Georgia  
May 22, 2025

**Boys & Girls Clubs of America and Subsidiaries**  
**Consolidated Statements of Financial Position**  
*(in thousands)*

<i>December 31,</i>	<b>2024</b>	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 41,850	\$ 37,631
Investments	370,625	365,640
Assets held in custody for others	12,991	12,456
Membership dues, net	2,225	1,253
Grants receivable, net	12,904	19,308
Contributions receivable, net	36,878	50,944
Assets held in deferred compensation accounts	2,380	1,961
Split interest agreements	2,840	2,934
Land, buildings, and equipment, net	30,731	27,453
Right-of-use asset	2,963	2,732
Other assets	7,994	5,559
<b>Total assets</b>	<b>\$ 524,381</b>	<b>\$ 527,871</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 58,444	\$ 57,479
Obligations for custodial funds	12,991	12,456
Liability under deferred compensation agreements	2,380	1,961
Lease Liability	3,149	2,909
Annuities payable	2,633	2,654
<b>Total liabilities</b>	<b>79,597</b>	<b>77,459</b>
Net assets:		
Without donor restrictions	161,916	178,607
With donor restrictions	282,868	271,805
<b>Total net assets</b>	<b>444,784</b>	<b>450,412</b>
<b>Total liabilities and net assets</b>	<b>\$ 524,381</b>	<b>\$ 527,871</b>

See accompanying Notes to Financial Statements.

**Boys & Girls Clubs of America and Subsidiaries**  
**Consolidated Statements of Activities**  
*(in thousands)*

Years Ended December 31,	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Changes in Net Assets:</b>						
Revenue, gains, and other support:						
Contributions	\$ 17,056	\$ 143,430	\$ 160,486	\$ 30,121	\$ 103,997	\$ 134,118
Contributions in-kind	1,493	-	1,493	1,411	-	1,411
Government grants and contracts (includes pass through to clubs for 2024 and 2023 of \$181,400 and \$134,161, respectively)	201,923	2,086	204,009	143,535	3,660	147,195
Income from funds held in trust by others	-	1,680	1,680	-	1,830	1,830
Fund raising events:						
Revenue generated	9,414	1,087	10,501	6,414	1,379	7,793
Less direct operating costs	(3,259)	-	(3,259)	(3,215)	-	(3,215)
Fund-raising events revenue in excess of direct costs	6,155	1,087	7,242	3,199	1,379	4,578
Member organization dues	15,703	-	15,703	14,140	-	14,140
Investment return, net	15,369	17,909	33,278	16,557	12,081	28,638
Other revenues	15,561	1,071	16,632	11,135	65	11,200
Total revenue and gains	273,260	167,263	440,523	220,098	123,012	343,110
Net assets released from restrictions:						
Satisfaction of program restrictions	156,200	(156,200)	-	149,078	(149,078)	-
Expirations of time restrictions	-	-	-	35	(35)	-
Total net assets released from restrictions	156,200	(156,200)	-	149,113	(149,113)	-
Total revenue, gains, and other support	429,460	11,063	440,523	369,211	(26,101)	343,110
Expenses and losses:						
On-site assistance to member clubs and establishment of new clubs	188,079	-	188,079	163,191	-	163,191
Leadership training, development, and support of youth programs	216,846	-	216,846	190,568	-	190,568
Management and general	23,796	-	23,796	21,666	-	21,666
Fund-raising	17,430	-	17,430	14,850	-	14,850
Total expenses and losses	446,151	-	446,151	390,275	-	390,275
Changes in net assets before transfers	(16,691)	11,063	(5,628)	(21,064)	(26,101)	(47,165)
Change in net assets	(16,691)	11,063	(5,628)	(21,064)	(26,101)	(47,165)
Net assets at beginning of year	178,607	271,805	450,412	199,671	297,906	497,577
Net assets at end of year	\$ 161,916	\$ 282,868	\$ 444,784	\$ 178,607	\$ 271,805	\$ 450,412

See accompanying Notes to Financial Statements.

**Boys & Girls Clubs of America and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
*(in thousands)*

<i>Years Ended December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (5,628)	\$ (47,165)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,667	2,299
Net realized and unrealized gains on investments	31,722	27,709
Contributions of non-financial assets	(1,493)	(1,411)
Loss from disposal of property and equipment	-	93
Change in membership dues	(972)	(851)
Change in grants receivable	6,404	(9,184)
Change in contributions receivable	14,066	4,195
Change in split interest agreements	94	(604)
Change in other assets	(2,435)	1,015
Change in right-of-use assets	(231)	(1,103)
Change in accounts payable and accrued expenses	965	30,287
Change in annuities payable	153	803
Change in lease liabilities	240	1,198
Net cash provided by operating activities	<b>45,552</b>	<b>7,281</b>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sales of investments	6,047	28,397
Purchase of investments	(41,260)	(36,864)
Purchases of property and equipment	(5,946)	(871)
Net cash used in investing activities	<b>(41,159)</b>	<b>(9,338)</b>
<b>Cash Flows from Financing Activities:</b>		
Payments to life income beneficiaries	(174)	(142)
Net increase (decrease) in cash and cash equivalents	<b>4,219</b>	<b>(2,199)</b>
Cash and cash equivalents at beginning of year	<b>37,631</b>	<b>39,830</b>
Cash and cash equivalents at end of year	<b>\$ 41,850</b>	<b>\$ 37,631</b>
Supplemental disclosure:		
Cash paid for taxes	\$ 224	\$ 168

See accompanying Notes to Financial Statements.



**Boys & Girls Clubs of America and Subsidiaries**  
**Consolidated Statements of Functional Expenses**  
*(in thousands)*

**Year ended December 31, 2024**

	Program Services			Supporting Services			
	On-site assistance to member clubs and establishment of new clubs	Leadership training, development, and support of youth programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salary	\$ 42,657	\$ 13,904	\$ 56,561	\$ 9,333	\$ 10,228	\$ 19,561	\$ 76,122
Benefits	7,990	2,461	10,451	1,389	1,610	2,999	13,450
Payroll Taxes	3,171	979	4,150	376	754	1,130	5,280
<b>Total salaries and related expenses</b>	<b>53,818</b>	<b>17,344</b>	<b>71,162</b>	<b>11,098</b>	<b>12,592</b>	<b>23,690</b>	<b>94,852</b>
<b>Non-Personnel:</b>							
Contractual services	25,541	9,896	35,437	6,809	2,248	9,057	44,494
Supplies	2,076	2,514	4,590	181	130	311	4,901
Telephone	703	168	871	100	154	254	1,125
Postage & Shipping	1,453	29	1,482	65	28	93	1,575
Occupancy	875	164	1,039	2,112	318	2,430	3,469
Printing and artwork	1,401	210	1,611	105	40	145	1,756
Travel	4,959	1,172	6,131	364	568	932	7,063
Training conferences	6,424	2,577	9,001	815	256	1,071	10,072
Membership Dues	59	1	60	39	3	42	102
Awards and grants	88,073	182,099	270,172	1	260	261	270,433
Miscellaneous	1,439	445	1,884	127	359	486	2,370
Depreciation	1,258	227	1,485	707	474	1,181	2,666
Fundraising Expenses	-	-	-	-	3,259	3,259	3,259
Bad Debt Expense	-	-	-	1,273	-	1,273	1,273
<b>Total expenses by Function</b>	<b>188,079</b>	<b>216,846</b>	<b>404,925</b>	<b>23,796</b>	<b>20,689</b>	<b>44,485</b>	<b>449,410</b>
Less: Expenses Included with Revenues on the Statement of Activities:							
Fundraising Expense	-	-	-	-	3,259	3,259	3,259
<b>Total Expense Included in the Expense Section on the Consolidated Statement of Activities:</b>	<b>\$ 188,079</b>	<b>\$ 216,846</b>	<b>\$ 404,925</b>	<b>\$ 23,796</b>	<b>\$ 17,430</b>	<b>\$ 41,226</b>	<b>\$ 446,151</b>

See accompanying Notes to Financial Statements.

**Boys & Girls Clubs of America and Subsidiaries**  
**Consolidated Statements of Functional Expenses (Continued)**  
*(in thousands)*

Year ended December 31, 2023

	Program Services			Support Services			
	On-site assistance to member clubs and establishment of	Leadership training, development, and support of youth programs	Total Program Services	Total Management and General	Fundraising	Total Supporting Services	Total Expenses
Salary	\$ 39,544	\$ 12,159	\$ 51,703	\$ 8,422	\$ 8,612	\$ 17,033	\$ 68,737
Benefits	6,840	2,168	9,008	2,018	1,185	3,203	12,211
Payroll Taxes	2,965	889	3,854	366	607	973	4,827
<b>Total salaries and related expenses</b>	<b>49,350</b>	<b>15,215</b>	<b>64,565</b>	<b>10,806</b>	<b>10,404</b>	<b>21,210</b>	<b>85,775</b>
<b>Non-Personnel:</b>							
Contractual services	24,720	11,481	36,201	5,619	1,542	7,161	43,362
Supplies	2,067	2,483	4,550	256	142	397	4,948
Telephone	647	429	1,076	93	131	224	1,300
Postage & Shipping	1,302	19	1,321	72	19	91	1,412
Occupancy	1,068	204	1,272	1,528	370	1,898	3,169
Printing and artwork	1,260	232	1,492	141	36	177	1,668
Travel	4,454	1,034	5,488	405	650	1,055	6,543
Training conferences	5,670	1,930	7,600	1,268	280	1,548	9,148
Membership Dues	39	2	41	40	65	104	145
Awards and grants	70,131	156,696	226,827	1	530	531	227,358
Miscellaneous	1,429	530	1,959	503	286	789	2,748
Depreciation	1,054	312	1,366	537	396	933	2,299
Fundraising Expense	-	-	-	-	3,125	3,125	3,125
Bad Debt Expense	-	-	-	398	-	398	398
<b>Total Expenses by Function</b>	<b>163,191</b>	<b>190,568</b>	<b>353,759</b>	<b>21,666</b>	<b>17,975</b>	<b>39,641</b>	<b>393,400</b>
Less: Expenses Included with Revenues on the Consolidated Statement of Activities:							
Fundraising Expense	-	-	-	-	(3,125)	(3,125)	(3,125)
<b>Total Expense Included in the Expense Section on the Consolidated Statement of Activities:</b>	<b>\$ 163,191</b>	<b>\$ 190,568</b>	<b>\$ 353,759</b>	<b>\$ 21,666</b>	<b>\$ 14,850</b>	<b>\$ 36,516</b>	<b>\$ 390,275</b>

See accompanying Notes to Financial Statements.

**Boys & Girls Clubs of America and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(in thousands)**

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## **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 61 and 60 at December 31, 2024 and 2023, respectively. 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.

**Boys & Girls Clubs of America and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024 and 2023**  
**(in thousands)**

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**1. Summary of Significant Accounting Policies (Continued)**

***Basis of Presentation (Continued)***

*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 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, including those 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.

***Related Party Transactions***

BGCA maintains an affiliation with the local member organizations. Each local member organization operates under a charter granted by BGCA and has its own independent board of directors, which controls the local Boys & Girls Club, its financial activities, programs, and staff. However, due to this affiliation with BGCA, the relationship qualifies as a related party under GAAP.

BGCA paid \$270,433 and \$227,358 in pass-through funds to local member organizations in 2024 and 2023, respectively, which includes pass-through specifically from government grants and contracts of \$181,400 and \$134,161 in 2024 and 2023 respectively.

In 2024 and 2023, BGCA received membership dues from local member organizations of \$15,703 and \$14,140 respectively. BGCA also has a total of \$2,225 and \$1,253 in membership dues receivable, net of any allowances and discounts in 2024 and 2023, respectively.

Other streams of cost recovery from member organizations include MyClubHub dues and Safety Assessment Dues. MyClubHub is a Club management system designed and built by BGCA to meet the unique needs of our Clubs. Member organizations that choose to use MyClubHub, pay BGCA a portion of the cost for the system. BGCA received \$5,043 and \$3,204 of MyClubHub dues from local member organizations in 2024 and 2023, respectively, including receivables outstanding of \$52 and \$0 in 2024 and 2023, respectively. Beginning in 2024, all local member organizations are required to complete mandatory safety assessments. BGCA pays for the safety assessments on behalf of the local member organizations and then recovers a portion of the cost through safety assessment fees. In 2024, BGCA recovered \$3,074 of Safety Assessment costs from the member organizations and had \$112 in Safety Assessment Receivables.

BGCA also maintains an affiliation with its Board of Governors. Pledges receivable from the Board in 2024 and 2023 are \$5,606 and \$6,031, respectively. Total contributions from the Board amount to \$6,080 and \$6,900 in 2024 and 2023, respectively.

**Boys & Girls Clubs of America and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024 and 2023**  
**(in thousands)**

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**1. Summary of Significant Accounting Policies (Continued)**

***Related Party Transactions (Continued)***

Management has evaluated the relationship with local member clubs and the Board of Governors and determined that all transactions were conducted in the normal course of operations and at amounts that reflect fair value.

***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 \$20,746 and \$17,344 for the years ended December 31, 2024 and 2023, respectively, as reflected in the consolidated statement of activities.

**Boys & Girls Clubs of America and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024 and 2023**  
**(in thousands)**

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**1. Summary of Significant Accounting Policies (Continued)**

***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 \$204,009 and \$147,195 for the years ended December 31, 2024 and 2023, 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. Fund-raising revenue is recognized at fair value on the earlier of the receipt of cash or of an unconditional promise to give.

***Advertising Costs***

BGCA expenses advertising costs as they are incurred. Advertising costs include media, production, and promotion expenses intended to raise public awareness of the Organization's mission, promote national programs and support fundraising activities.

Total advertising expenses were \$763 and \$200 for the year ended 2024 and 2023, respectively. These costs are included in the accompanying Statement of Functional Expense under Contractual services.

***Contributions of Financial Assets***

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. As of December 31, 2024, BGCA has \$5,471 of refundable advances recorded in accounts payable and accrued expenses. These refundable advances are a result of conditional promises where BGCA has not yet met the donor-imposed conditions. Revenue will be recognized once conditions have been met.

**Boys & Girls Clubs of America and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2024 and 2023**  
*(in thousands)*

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**1. Summary of Significant Accounting Policies (Continued)**

***Contributions of Non-Financial Assets***

Donated property, advertising and marketing materials and other noncash donations are recorded as contributions of non-financial assets (in-kind) 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 contributions of non-financial assets and program expense in the period in which the advertisements are run. Certain other contributions of non-financial assets have also been received and recorded at fair-market value in the period in which each contribution was made. There were no material contributions of non-financial assets during the years ended December 31, 2024 and 2023.

***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.

***Investments***

Investments are carried at fair value, with changes in fair value being recorded as investment return (loss). 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, 2024 and 2023 (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).

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**1. Summary of Significant Accounting Policies (Continued)**

***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, 2024 and 2023, BGCA did not make any payments in advance.

***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 2024 and 2023, \$224 and \$168, respectively, was paid for income taxes. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

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.



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**1. Summary of Significant Accounting Policies (Continued)**

***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 presents 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, 2024 and 2023, respectively, BGCA had \$21,567 and \$14,936 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 assets, accrued expenses, annuities payable, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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**1. Summary of Significant Accounting Policies (Continued)**

***Leases***

BGCA determines if an arrangement is a lease at inception, which conveys BGCA's right to control the use of an identified asset for a period of time in exchange for consideration. BGCA determines whether the lease classification is an operating or financing lease at the commencement date.

Operating leases are recorded as operating right-of-use ("ROU") assets and lease liabilities on the BGCA consolidated statement of position in accordance with FASB ASC 842, Leases. ROU assets represent BGCA's right to use an underlying asset for the lease term and the corresponding lease liabilities represent its obligation to make lease payments arising from the lease. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The lease ROU asset is reduced for tenant incentives and excludes any initial direct cost incurred.

Lease payments are recognized in the consolidated statement of activities on a straight-line basis over the lease term. BGCA lease terms may include options to extend or terminate the lease. These options are reflected in the ROU asset and lease liability when it is reasonably certain that BGCA will exercise the option. BGCA reassesses the lease term if and when a significant event or change in circumstances occurs within the control of BGCA, such as construction of significant leasehold improvements that are expected to have economic value when the option becomes exercisable.

As the BGCA leases do not provide an implicit rate, the net present value of future minimum lease payments is determined using the BGCA incremental borrowing rate. The BGCA incremental borrowing rate is the borrowing rate on the BGCA bank line of credit at the time of adoption.

***Current Expected Credit Loss***

Current Expected Credit Loss (CECL) requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. For 2024, Management determined that the estimate of credit losses for membership dues from local member clubs is not material to the financials as BGCA records an allowance and discount to net total membership dues.

***Reclassification***

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

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**2. Liquidity and Availability**

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

	<b>2024</b>	<b>2023</b>
Total assets	<b>\$ 524,381</b>	<b>\$ 527,871</b>
Less:		
Net assets with donor restriction – endowments in perpetuity	<b>(48,946)</b>	<b>(47,946)</b>
Net assets with donor restriction – time or purpose	<b>(233,922)</b>	<b>(223,859)</b>
Board-designated endowments	<b>(98,722)</b>	<b>(102,606)</b>
Board-designated other	<b>(4,545)</b>	<b>(3,891)</b>
Land, buildings and equipment, net	<b>(30,731)</b>	<b>(27,453)</b>
Custodial, deferred compensation and other illiquid investments	<b>(29,168)</b>	<b>(25,642)</b>
Financial assets available within one year	<b>\$ 78,347</b>	<b>\$ 96,474</b>

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 \$40,000 with no outstanding borrowings as of December 31, 2024. See note 17 for further description of this line. Additionally, BGCA has board-designated endowments of \$98,722, and \$102,606 as of December 31, 2024 and 2023. 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.

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### **3. Investments**

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

	<b>2024</b>	2023
Short-term investments	<b>\$ 78,152</b>	\$ 104,089
Fixed income:		
Mutual funds	<b>16,337</b>	14,657
Fixed income securities	<b>16,856</b>	16,274
Corporate stocks-domestic	<b>73,723</b>	65,186
Community foundation	<b>43</b>	43
Private equity investments/hedge funds	<b>198,505</b>	177,847
	<b>383,616</b>	378,096
Less custodial fund investments	<b>(12,991)</b>	(12,456)
Total	<b>\$ 370,625</b>	\$ 365,640

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 – 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.

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### **3. Investments (Continued)**

#### ***Risk Factors (Continued)***

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, 2024 and 2023.

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 \$144,012 and \$127,876 at December 31, 2024 and 2023, respectively, were held and managed by a single fund manager.

### **4. Contributions Receivable**

Contributions receivable consists of the following at December 31:

		<b>2024</b>		<b>2023</b>
Contributions receivable, gross	\$	<b>38,792</b>	\$	53,526
Less:				
Unamortized discount		<b>(943)</b>		(2,338)
Allowance for uncollectible contributions		<b>(971)</b>		(244)
Contributions receivable, net	\$	<b>36,878</b>	\$	50,944
Amounts due in:				
Less than one year	\$	<b>27,490</b>	\$	34,269
One to five years		<b>11,302</b>		19,257
	\$	<b>38,792</b>	\$	53,526

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**4. Contributions Receivable (Continued)**

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, 2024 and 2023 at rates ranging from 4.8% to 0.4%.

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 \$800 new conditional gifts received from donors during 2024 and \$10,000 in 2023. Conditional promises to give of \$3,100 and \$6,375 were recognized as revenue during 2024 and 2023, respectively, as donor-imposed conditions were met by BGCA. Outstanding conditional promises to give totaled \$14,895 and \$18,095 at December 31, 2024 and 2023, 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:

	<b>2024</b>	2023	<b>Estimated Useful Life</b>
Land	\$ 10,345	\$ 10,345	N/A
Buildings	18,224	14,873	50 years
Leasehold improvements	24	24	10 years
Building improvements	2,636	2,500	6–9 years
Furniture, fixtures and equipment	14,886	12,421	5–7 years
	<b>44,114</b>	40,163	
Less accumulated depreciation and amortization	<b>(15,383)</b>	(12,710)	
	<b>\$ 30,731</b>	\$ 27,453	

Depreciation expense totaled \$2,667 and \$2,299 for the years ended December 31, 2024 and 2023, respectively.

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## **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 2024 and 2023 totaled \$3,725 and \$3,013, 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, 2024 and 2023 is included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

BGCA also has a retirement fund totaling \$183 and \$1,046 at December 31, 2024 and 2023 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 2024 and 2023 consists of the following:

	<b>2024</b>	<b>2023</b>
Employee contributions	\$ 358	\$ 276
Annuity contracts	(11)	(93)
Distributions - lump sum	(177)	-
Change in fair value	249	307
Net change for the year	419	490
Assets held in and liability under deferred compensation:		
Beginning of year	1,961	1,471
End of year	\$ 2,380	\$ 1,961

## **8. Government Grants and Contracts**

During 2024 and 2023, BGCA recorded revenue totaling \$204,009 and \$147,195, respectively, related to various government grants and contracts. Of this amount, \$181,400 and \$134,161 was passed through to certain affiliated local member clubs (see note 1) for leadership training, development and support of youth programs during 2024 and 2023, respectively.

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**9. Net Assets with Donor Restrictions**

Net assets with donor restrictions at December 31, 2024 and 2023 are available for the following purposes or periods:

	<b>2024</b>	2023
On-site assistance to member clubs and establishment of new clubs	\$ 207,060	\$ 198,993
Leadership training, development and support of youth programs	24,206	22,245
Available for use in future periods	2,656	2,621
Endowment in perpetuity	48,946	47,946
	<b>\$ 282,868</b>	<b>\$ 271,805</b>

**10. Net Assets Released from Restrictions**

During 2024 and 2023, 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:

	<b>2024</b>	2023
Purpose restrictions accomplished:		
Expenses for on-site assistance to member clubs and establishment of new clubs	\$ 151,729	\$ 141,763
Expenses for leadership training, development and of youth programs	4,096	6,985
Expenses for fundraising	375	330
	<b>156,200</b>	149,078
Time restrictions expired – passage of specified time	-	35
	<b>\$ 156,200</b>	<b>\$ 149,113</b>



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**11. Net Assets Without Donor Restrictions – Board-Designated**

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

	<b>2024</b>	<b>2023</b>
Functioning as quasi-endowment:		
Reserve fund	\$ 81,438	\$ 85,551
Board designated fund intended for Native Services	17,284	17,055
	<b>98,722</b>	102,606
Other board-designated funds for programs	4,545	3,891
	<b>\$ 103,267</b>	<b>\$ 106,497</b>

**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.

**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.

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**12. Endowment Net Assets (Continued)**

***a. Interpretation of Relevant Law (Continued)***

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, 2024 and 2023, respectively.

***c. Return Objectives and Risk Parameters***

The long-term investments portfolio (generally called, "endowment") is held within BGCA Funds Holdco, Inc., which has status as a "supporting organization" under section 509(a)(3) of the Internal Revenue Code. The investment policy statement (IPS) for the endowment portfolio includes clear statements for investment objectives, risk tolerance, time horizon, asset allocation, and benchmarking.

For the long-term, the primary investment objective for the endowment is to earn a total return (net of all investment program fees), within a prudent level of risk, which is sufficient to maintain in real terms the purchasing power of the endowment, to support operating expenses and payout requirements (generally a 4.25% annual spend rate based on the prior-three-years' rolling average balance), and to provide moderate capital appreciation after accounting for such distributions and expenses.

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**12. Endowment Net Assets (Continued)**

***c. Return Objectives and Risk Parameters (Continued)***

The risk tolerance for the endowment is moderate. Moderate fluctuations in market value can be tolerated over time, and stability of the overall corpus is valued for predictability and consistency of payouts over time. This tolerance, as dictated by market conditions and organizational circumstances, may be adjusted over time. The assumption is that the endowment will exist in perpetuity, and as such, it will maintain a long-term investment horizon.

To achieve its investment objectives, the endowment portfolio is allocated among a variety of asset classes. The asset classes may include reserve fixed income, multi-asset blend, diversified strategies, hedged equity, benchmark equity, select equity, and private investments. The purpose of allocating assets to these asset classes is to ensure the proper level of diversification within the endowment portfolio.

Benchmarking of performance occurs overall and at the investment level to ensure ongoing monitoring and to inform any actions that need to be taken. Benchmarks include (a) a total plan benchmark, which is measured by taking actual asset allocation weights and applying the returns of the asset class benchmarks to arrive at a total plan benchmark return for the portfolio; (b) a market-based benchmark, which is more general in nature and uses the returns of a “global 60/40” portfolio (60% allocated to the MSCI All Country World Index and 40% allocated to the Bloomberg U.S. Intermediate Aggregate Index); and (c) peer group benchmarks, including utilization of Investment Metrics and NACUBO (National Association of College and University Business Officers) relevant peer grouping information.

***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.

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**12. Endowment Net Assets (Continued)**

Endowment net assets consist of the following at December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	With Donor Restrictions In Perpetuity	Total
Donor-restricted endowment funds	\$ -	\$ 111,653	\$ 48,946	\$ 160,599
Board-designated quasi-endowment funds	98,722	-	-	98,722
<b>Total endowment net assets</b>	<b>\$ 98,722</b>	<b>\$ 111,653</b>	<b>\$ 48,946</b>	<b>\$ 259,321</b>

Endowment net assets consist of the following at December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	With Donor Restrictions In Perpetuity	Total
Donor-restricted endowment funds	\$ -	\$ 100,137	\$ 47,946	\$ 148,083
Board-designated quasi-endowment funds	102,606	-	-	102,606
<b>Total endowment net assets</b>	<b>\$ 102,606</b>	<b>\$ 100,137</b>	<b>\$ 47,946</b>	<b>\$ 250,689</b>

Changes in endowment net assets for the year ended December 31, 2024 are as follows:

	Without Restrictions	With Donor Restrictions Time or Purpose	With Donor Restrictions In Perpetuity	Total
Endowment net assets, December 31, 2023	\$ 102,606	\$ 100,137	\$ 47,946	\$ 250,689
Contributions	1,635	-	1,000	2,635
Investment income	15,463	17,017	-	32,480
Appropriation of endowment assets for expenditure	(20,982)	(5,501)	-	(26,483)
<b>Endowment net assets, December 31, 2024</b>	<b>\$ 98,722</b>	<b>\$ 111,653</b>	<b>\$ 48,946</b>	<b>\$ 259,321</b>

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**12. Endowment Net Assets (Continued)**

Changes in endowment net assets for the year ended December 31, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions Time or Purpose	With Donor Restrictions In Perpetuity	Total
Endowment net assets, December 31, 2022	\$ 103,434	\$ 95,772	\$ 45,796	\$ 245,002
Contributions	4,377	-	2,150	6,527
Investment Loss	15,928	11,660	-	27,588
Appropriation of endowment assets for expenditure	(21,133)	(7,295)	-	(28,428)
Endowment net assets, December 31, 2023	\$ 102,606	\$ 100,137	\$ 47,946	\$ 250,689

**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 2024 and 2023 are as follows:

	2024	2023
Supplies	\$ 262	\$ 153
Printing	49	53
Postage	9	11
Travel	641	681
Banquets and space rental	1,509	1,849
Entertainment, event management, and speakers	789	468
	\$ 3,259	\$ 3,215

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**14. Leases**

***Operating Leases***

At December 31, 2024, BGCA had operating leases for certain facilities, fleet vehicles, and office equipment with lease terms ranging from 1 to 7 years, with some options to extend or terminate. The operating leases do not contain residual value guarantees. Total operating lease expense for the year ended December 31, 2024 was \$587. Total operating lease expense for the year ended December 31, 2023 was \$620.

Consolidated supplemental cash flow information related to operating leases for the year ended December 31, 2024, consisted of the following:

	<b>Operating Leases</b>
Cash paid for amounts included in the measurement of lease liabilities	\$ 738
Right-of-use assets obtained in the exchange for operating lease obligations	2,963
Weighted – average remaining lease terms (in years)	7.44
Weighted – average discount rate	5.53%

Consolidated supplemental cash flow information related to operating leases for the year ended December 31, 2023, consisted of the following:

	<b>Operating Leases</b>
Cash paid for amounts included in the measurement of lease liabilities	\$ 770
Right-of-use assets obtained in the exchange for operating lease obligations	3,558
Weighted – average remaining lease terms (in years)	8.61
Weighted – average discount rate	7.62%

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**14. Leases (Continued)**

The maturity of the lease liabilities under BGCA's operating leases as of December 31, 2024 is as follows:

<i>Years Ending December 31,</i>	<b>Operating Leases</b>
2025	\$ 764
2026	667
2027	575
2028	388
2029	328
Thereafter	1,167
Minimum lease payments	3,889
Less amounts representing interest	(740)
Minimum lease payments, net	\$ 3,149
Current portion	595
Noncurrent portion	2,554

The maturity of the lease liabilities under BGCA's operating leases as of December 31, 2023 is as follows:

<i>Years Ending December 31,</i>	<b>Operating Leases</b>
2024	\$ 569
2025	546
2026	461
2027	380
2028	324
Thereafter	1,488
Minimum lease payments	3,768
Less amounts representing interest	(859)
Minimum lease payments, net	\$ 2,909
Current portion	419
Noncurrent portion	2,490

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**14. Leases (Continued)**

***Lessor Leases***

BGCA has lessor operating leases for commercial space in BGCA's main headquarters for which lease payments are fixed at the time of lease commencement. BGCA considers the likelihood of its tenants exercising renewal or termination terms in its leases, based upon prior renewals, sales and forecasts, in determining the ultimate term of the lease. Termination terms are explicitly stated in each lease agreement. Lease payments are governed by the lease agreement and are generally fixed, although some lease agreements may provide for payment escalations. BGCA only includes consideration for lease components in its determination of lease payments.

BGCA's leases do not have any provisions for tenants to purchase underlying assets being leased at the end of the lease term, or that provide for residual value guarantees.

As of December 31, 2024, these leases have termination dates through 2030 and thereafter. The total lease income received for fiscal years ended December 31, 2024 and 2023 was \$632 and \$1,024, respectively, and are reported within other revenue on the statement of activities.

As of December 31, 2024, the future minimum operating lease income to be received for the years ended December 31 is as follows:

<i>Years Ending December 31,</i>	<b>Operating Leases</b>
2025	\$ 267
2026	274
2027	281
2028	288
2029	295
Thereafter	341
Minimum lease income	\$ 1,746

As of December 31, 2023 the future minimum operating lease income to be received for the years ended December 31 is as follows:

<i>Years Ending December 31,</i>	<b>Operating Leases</b>
2024	\$ 632
2025	267
2026	274
2027	281
2028	288
Thereafter	636



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**14. Leases (Continued)**

Minimum lease income	\$ 2,378
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**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, 2024 and 2023 are as follows:

	2024	2023
Net (loss) gains on investments and other receipts	\$ 1,252	\$ 1,140
Disbursements	(716)	(654)
Net change for the year	535	486
Assets held in custody for others:		
Beginning of year	12,456	11,970
End of year	\$ 12,991	\$ 12,456

**16. Fair Value Measurements**

BGCA applies ASC 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 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 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:

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

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**16. Fair Value Measurements (Continued)**

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 alternative 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 820 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. Contributions receivable reflected at fair value 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.

As required by ASC 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, 2024 and 2023:

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**16. Fair Value Measurements (Continued)**

	2024							
	Assets Not Held at Fair Value	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Notice Period	Unfunded Commitments
Assets:								
Recurring:								
Cash and cash equivalents	\$ 41,850	\$ -	\$ -	\$ -	\$ 41,850	Daily	None	
Investments, and assets held in custody for others:								
Short-term investments	\$ 73,596	\$ 1,928	\$ 2,628	\$ -	\$ 78,152	Daily	None	
Fixed income:								
Mutual funds	-	16,337	-	-	16,337	Daily	None	
Other securities	-	-	16,856	-	16,856	Monthly	5 Days	
Corporate stocks, domestic	-	73,723	-	-	73,723	Daily	None	
Community foundation	-	-	-	43	43	At Foundation Discretion	At Foundation Discretion	
Alternative investments:								
Private equity	54,493	-	-	-	54,493	At Discretion of GP Bi- annually	At Discretion of GP 45-90 Days	
Multi-strategy hedge funds	144,012	-	-	-	144,012	Annually or Quarterly	65-105 Days	21,100
Total investments and assets held in custody for others	\$ 272,101	\$ 91,988	\$ 19,484	\$ 43	\$ 383,616			\$ 21,100
Assets held in deferred compensation accounts								
	\$ -	\$ 2,380	\$ -	\$ -	\$ 2,380	Daily	None	

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**16. Fair Value Measurements (Continued)**

2023								
	Assets Not Held at Fair Value	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Notice Period	Unfunded Commitments
Assets:								
Recurring:								
Cash and cash equivalents	\$ 37,631	\$ -	\$ -	\$ -	\$ 37,631	Daily	None	
Investments, and assets held in custody for others:								
Short-term investments	\$ -	\$ 104,089	\$ -	\$ -	\$ 104,089	Daily	None	
Fixed income:								
Mutual funds	-	14,657	-	-	14,657	Daily	None	
Other securities	-	-	16,274	-	16,274	Monthly	5 Days	
Corporate stocks, domestic	-	65,186	-	-	65,186	Daily	None	
Community foundation	-	-	-	43	43	At Foundation Discretion	At Foundation Discretion	
Alternative investments:								
Private equity	49,971	-	-	-	49,971	At Discretion of GP Bi-annually	At Discretion of GP 45-90 Days	
Multi-strategy hedge funds	127,876	-	-	-	127,876	Annually or Quarterly	65-105 Days	25,700
Total investments and assets held in custody for others	\$ 177,847	\$ 183,932	\$ 16,274	\$ 43	\$ 378,096			\$ 25,700
Assets held in deferred compensation accounts								
	\$ -	\$ 1,961	\$ -	\$ -	\$ 1,961	Daily	None	

There were no transfers or purchases of the level 3 investments for 2024 and 2023.

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.

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## **16. Fair Value Measurements (Continued)**

### ***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.

### ***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 \$40,000 to assist with working capital, as needed. This line of credit was extended during 2024 and is available through September 27, 2026. There were no borrowings against the line during 2024 and 2023. Interest payments are due monthly, calculated at the Secured Overnight Financing Rate + 1.50%, which represented 5.99% as of December 31, 2024.

The line of credit agreement contains various covenants. BGCA is in compliance with these covenants as of December 31, 2024.

### ***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.

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**17. Commitments and Contingencies (Continued)**

***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, 2024 and through May 22, 2025, 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 statement.

