
***BOYS AND GIRLS CLUBS OF GREATER
ST. LOUIS, INC. AND AFFILIATES***
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021



BOYS & GIRLS CLUBS
OF GREATER ST. LOUIS

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Independent Auditors' Report

Board of Directors
Boys and Girls Clubs of Greater St. Louis, Inc.
St. Louis, Missouri

Opinion

We have audited the consolidated financial statements of Boys and Girls Clubs of Greater St. Louis, Inc., Mathews-Dickey Boys' & Girls' Club, LLC, Boys and Girls Club of Bethalto, LLC, AP Merger Sub, LLC, and MSL Merger Sub, LLC (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows 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 changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 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 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 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 the Organization's ability to continue as a going concern for 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 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

RubinBrown LLP

June 30, 2022

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	December 31,	
	2021	2020
Current Assets		
Cash and cash equivalents	\$ 1,629,167	\$ 759,911
Investments (Note 3)	4,207,648	3,364,224
Unconditional promises to give - current (Note 5)	2,131,845	2,160,050
Government contracts receivable (Note 2)	379,016	783,675
Prepaid insurance	64,156	35,843
Total Current Assets	8,411,832	7,103,703
Unconditional Promises To Give - Long-Term (Note 5)	730,031	1,031,416
Property And Equipment (Notes 6 And 7)	20,430,381	18,571,803
Assets Restricted For Permanent Endowment (Notes 3 And 9)	5,258,150	5,258,150
Total Assets	\$ 34,830,394	\$ 31,965,072

Liabilities And Net Assets

Current Liabilities		
Current maturities of long-term debt (Note 7)	\$ 169,526	\$ —
Accounts payable and accrued expenses (Note 13)	800,294	675,134
Total Current Liabilities	969,820	675,134
Long-Term Debt (Note 7)	1,789,889	2,231,218
Total Liabilities	2,759,709	2,906,352
Net Assets		
Without donor restrictions		
Operating	4,249,821	3,171,969
Invested in property and equipment	18,470,966	16,340,585
Total Net Assets Without Donor Restrictions	22,720,787	19,512,554
With donor restrictions		
Time and/or purpose restrictions (Note 8)	4,091,748	4,288,016
Perpetual in nature (Note 9)	5,258,150	5,258,150
Total Net Assets With Donor Restrictions	9,349,898	9,546,166
Total Net Assets	32,070,685	29,058,720
Total Liabilities And Net Assets	\$ 34,830,394	\$ 31,965,072

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

**CONSOLIDATED STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2021**

	Without Donor Restrictions	With Donor Restrictions		Total
		Time And/Or Purpose Restrictions	Perpetual In Nature	
Revenues And Support				
Contributions and grants	\$ 4,679,115	\$ 2,392,900	\$ —	\$ 7,072,015
United Way (Note 5)	44,310	724,376	—	768,686
In-kind donations (Note 6)	73,177	—	—	73,177
Membership and program fees	308,352	—	—	308,352
Fundraising event revenue (net of direct costs of benefits to donors of \$345,742)	765,830	—	—	765,830
Paycheck Protection Program loan forgiveness (Note 14)	1,220,436	—	—	1,220,436
Miscellaneous income	158,367	—	—	158,367
	<u>7,249,587</u>	<u>3,117,276</u>	<u>—</u>	<u>10,366,863</u>
Net assets released from restrictions (Note 8)	4,355,638	(4,355,638)	—	—
Total Revenues And Support	<u>11,605,225</u>	<u>(1,238,362)</u>	<u>—</u>	<u>10,366,863</u>
Expenses				
Herbert Hoover Club	2,067,049	—	—	2,067,049
Adams Park Club	1,090,959	—	—	1,090,959
South East Middle School Club	269,276	—	—	269,276
Hazelwood East High School	168,165	—	—	168,165
Hazelwood Elementary School Club	171,911	—	—	171,911
O'Fallon Park Club	352,158	—	—	352,158
Riverview Gardens Club	387,467	—	—	387,467
Roosevelt High School	228,315	—	—	228,315
Normandy High School	255,120	—	—	255,120
Mentor St. Louis	64,093	—	—	64,093
Ferguson Teen Center	1,543,147	—	—	1,543,147
St. Louis Internship Program	565,828	—	—	565,828
Bethalto Club	603,560	—	—	603,560
Lovejoy School	164,791	—	—	164,791
Mathews-Dickey Club	1,743,718	—	—	1,743,718
Total Program Services	<u>9,675,557</u>	<u>—</u>	<u>—</u>	<u>9,675,557</u>
General and administrative	1,430,718	—	—	1,430,718
Development and fundraising	1,146,063	—	—	1,146,063
Total Supporting Services	<u>2,576,781</u>	<u>—</u>	<u>—</u>	<u>2,576,781</u>
Total Expenses	<u>12,252,338</u>	<u>—</u>	<u>—</u>	<u>12,252,338</u>
Decrease In Net Assets From Operations	(647,113)	(1,238,362)	—	(1,885,475)
Contribution Of Assets Acquired Over Liabilities				
Assumed in Donation Of Mathews-Dickey (Note 15)	2,763,690	455,799	—	3,219,489
Contribution Of Assets Acquired Over Liabilities				
Assumed in Donation Of Bethalto (Note 15)	912,387	4,955	—	917,342
Interest And Dividend Income, Net	25,208	136,880	—	162,088
Net Realized And Unrealized Gains On Investments (Note 3)	154,061	444,460	—	598,521
Increase (Decrease) In Net Assets	3,208,233	(196,268)	—	3,011,965
Net Assets - Beginning Of Year	19,512,554	4,288,016	5,258,150	29,058,720
Net Assets - End Of Year	\$ 22,720,787	\$ 4,091,748	\$ 5,258,150	\$ 32,070,685

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

**CONSOLIDATED STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions		Total
		Time And/Or Purpose Restrictions	Perpetual In Nature	
Revenues And Support				
Contributions and grants	\$ 4,926,050	\$ 1,914,425	\$ —	\$ 6,840,475
United Way (Note 5)	—	417,754	—	417,754
Membership and program fees	145,761	—	—	145,761
Fundraising event revenue (net of direct costs of benefits to donors of \$215,371)	478,871	—	—	478,871
Paycheck Protection Program loan forgiveness (Note 14)	939,034	—	—	939,034
Miscellaneous income	2,909	—	—	2,909
	6,492,625	2,332,179	—	8,824,804
Net assets released from restrictions (Note 8)	4,080,972	(4,080,972)	—	—
Total Revenues And Support	10,573,597	(1,748,793)	—	8,824,804
Expenses				
Herbert Hoover Club	2,063,375	—	—	2,063,375
Adams Park Club	944,549	—	—	944,549
South East Middle School Club	294,398	—	—	294,398
Hazelwood East High School	138,117	—	—	138,117
Hazelwood Elementary School Club	324,866	—	—	324,866
O'Fallon Park Club	391,875	—	—	391,875
Riverview Gardens Club	274,825	—	—	274,825
Lee Hamilton Elementary School Club	31,430	—	—	31,430
Roosevelt High School	172,386	—	—	172,386
Normandy High School	180,103	—	—	180,103
Mentor St. Louis	175,834	—	—	175,834
Ferguson Teen Center	1,609,631	—	—	1,609,631
St. Louis Internship Program	553,369	—	—	553,369
Total Program Services	7,154,758	—	—	7,154,758
General and administrative	1,049,009	—	—	1,049,009
Development and fundraising	687,331	—	—	687,331
Total Supporting Services	1,736,340	—	—	1,736,340
Total Expenses	8,891,098	—	—	8,891,098
Increase (Decrease) In Net Assets From Operations	1,682,499	(1,748,793)	—	(66,294)
Interest And Dividend Income, Net	46,213	188,745	—	234,958
Net Realized And Unrealized Gains On Investments (Note 3)	78,936	412,024	—	490,960
Increase (Decrease) In Net Assets	1,807,648	(1,148,024)	—	659,624
Net Assets - Beginning Of Year	17,704,906	5,436,040	5,258,150	28,399,096
Net Assets - End Of Year	\$ 19,512,554	\$ 4,288,016	\$ 5,258,150	\$ 29,058,720

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2021**

	Program Services									
	Herbert Hoover Club	Adams Park Club	South East Middle School Club	Hazelwood East High School	Hazelwood Elementary School Club	O'Fallon Park Club	Riverview Gardens Club	Roosevelt High School		
Personnel expenses	\$ 1,083,824	\$ 671,577	\$ 233,449	\$ 142,476	\$ 130,468	\$ 298,538	\$ 342,987	\$ 203,154		
Advertising and promotions	—	42	—	—	—	—	151	—		
Conferences, conventions and meetings	568	288	451	621	827	24	129	763		
Contracted services and program supplies	86,736	28,024	12,244	8,925	15,573	17,260	14,789	5,790		
Depreciation and amortization	389,786	164,576	—	—	—	—	—	—		
Dues and subscriptions	111	75	45	42	42	48	125	44		
Equipment rental and maintenance	41,773	16,516	1,783	1,114	1,138	2,332	2,571	1,512		
Interest expense	40,692	—	—	—	—	—	—	—		
Liability insurance	49,128	29,861	7,491	8,141	7,465	11,767	8,670	5,301		
Occupancy	256,604	135,520	161	95	1,034	346	219	129		
Office supplies	27,898	15,808	3,405	2,215	2,484	6,279	4,645	3,628		
Other - bank and merchant fees	2,456	1,316	322	201	205	421	464	273		
Postage and shipping	355	267	47	29	61	61	67	53		
Fundraising event supplies	—	—	—	—	—	—	—	—		
Printing and publishing	413	219	169	160	415	71	333	46		
Professional fees	18,648	6,553	2,617	2,010	6,083	2,115	4,782	1,371		
Telecommunication and technology	67,850	19,652	6,646	1,908	5,734	12,863	7,365	6,230		
Travel	207	665	446	228	382	33	170	21		
	\$ 2,067,049	\$ 1,090,959	\$ 269,276	\$ 168,165	\$ 171,911	\$ 352,158	\$ 387,467	\$ 228,315		

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
For The Year Ended December 31, 2021**

Program Services (Continued)

	Normandy High School	Mentor St. Louis	Ferguson Teen Center	St. Louis Internship Program	Bethalto Club	Lovejoy School	Mathews- Dickey Club	Total Program Services
Personnel expenses	\$ 227,736	\$ 53,342	\$ 962,876	\$ 459,976	\$ 418,126	\$ 148,527	\$ 923,280	\$ 6,300,336
Advertising and promotions	74	—	—	—	507	—	964	1,738
Conferences, conventions and meetings	186	199	214	3,188	1,304	11	1,344	10,117
Contracted services and program supplies	5,135	3,746	23,642	53,609	28,106	5,808	129,092	438,479
Depreciation and amortization	—	—	242,534	—	36,771	—	262,083	1,095,750
Dues and subscriptions	45	38	122	1,421	4,675	6	64	6,903
Equipment rental and maintenance	1,993	425	18,517	3,747	7,086	1,091	54,137	155,735
Interest expense	—	—	33,910	—	—	—	—	74,602
Liability insurance	5,343	2,839	14,570	867	3,273	828	19,203	174,747
Occupancy	144	36	158,724	319	19,782	93	182,189	755,395
Office supplies	5,407	990	19,975	9,285	26,719	2,077	45,621	176,436
Other - bank and merchant fees	305	92	2,668	676	6,907	197	22,751	39,254
Postage and shipping	85	131	267	134	300	28	1,935	3,820
Fundraising event supplies	—	—	—	—	—	—	—	—
Printing and publishing	161	13	1,876	4,534	385	33	699	9,527
Professional fees	1,535	386	9,272	18,974	12,780	990	53,146	141,262
Telecommunication and technology	6,922	1,047	53,836	9,045	36,627	4,944	47,175	287,844
Travel	49	809	144	53	212	158	35	3,612
	\$ 255,120	\$ 64,093	\$ 1,543,147	\$ 565,828	\$ 603,560	\$ 164,791	\$ 1,743,718	\$ 9,675,557

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
For The Year Ended December 31, 2021**

	Supporting Services			Total
	General And Administrative	Development And Fundraising	Total Supporting Services	
Personnel expenses	\$ 667,761	\$ 994,888	\$ 1,662,649	\$ 7,962,985
Advertising and promotions	95,721	—	95,721	97,459
Conferences, conventions and meetings	6,745	4,097	10,842	20,959
Contracted services and program supplies	38,962	44,044	83,006	521,485
Depreciation and amortization	43,310	—	43,310	1,139,060
Dues and subscriptions	36,421	268	36,689	43,592
Equipment rental and maintenance	25,880	—	25,880	181,615
Interest expense	10,173	—	10,173	84,775
Liability insurance	68,699	—	68,699	243,446
Occupancy	52,806	—	52,806	808,201
Office supplies	9,326	796	10,122	186,558
Other - bank and merchant fees	25,479	7,529	33,008	72,262
Postage and shipping	775	1,377	2,152	5,972
Fundraising event supplies	—	35,645	35,645	35,645
Printing and publishing	1,249	—	1,249	10,776
Professional fees	313,647	37,880	351,527	492,789
Telecommunication and technology	31,176	19,499	50,675	338,519
Travel	2,588	40	2,628	6,240
	\$ 1,430,718	\$ 1,146,063	\$ 2,576,781	\$ 12,252,338

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2020**

	Program Services							
	Herbert Hoover Club	Adams Park Club	South East Middle School Club	Hazelwood East High School	Hazelwood Elementary School Club	O'Fallon Park Club	Riverview Gardens Club	Lee Hamilton Elementary School Club
Personnel expenses	\$ 1,074,566	\$ 617,719	\$ 244,718	\$ 116,102	\$ 284,518	\$ 346,710	\$ 238,496	\$ 19,205
Advertising and promotions	2,840	528	155	73	171	237	145	17
Conferences, conventions and meetings	3,040	1,545	389	183	505	789	517	42
Contracted services and program supplies	68,583	30,131	15,323	8,320	17,447	15,550	8,955	53
Depreciation	377,777	159,506	—	—	—	—	—	—
Dues and subscriptions	3,346	1,313	430	218	472	563	404	43
Equipment rental and maintenance	40,187	15,896	3,368	135	3,503	3,879	3,346	3,086
Interest expense	47,925	—	—	—	—	—	—	—
Liability insurance	48,964	29,650	18,577	8,121	7,566	11,612	8,260	8,336
Occupancy	312,310	55,161	447	210	493	595	417	48
Office supplies	13,291	6,834	1,429	1,140	2,632	2,061	1,048	48
Other - bank and merchant fees	3,420	1,559	486	228	536	647	454	52
Postage and shipping	14	25	—	—	83	—	17	—
Fundraising event supplies	—	—	—	—	—	—	—	—
Printing and publishing	292	233	1,324	59	194	73	121	2
Professional fees	23,754	9,077	3,518	2,181	2,778	4,351	8,550	269
Telecommunication and technology	41,063	14,787	3,602	777	3,426	4,587	3,778	111
Travel	2,003	585	632	370	542	221	317	118
	\$ 2,063,375	\$ 944,549	\$ 294,398	\$ 138,117	\$ 324,866	\$ 391,875	\$ 274,825	\$ 31,430

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
For The Year Ended December 31, 2020**

	Program Services (Continued)						Supporting Services			Total
	Roosevelt	Normandy	Mentor	Ferguson	St. Louis	Total	General	Development	Total	
	High School	High School	St. Louis	Teen Center	Internship Program	Program Services	Administrative	And Fundraising	Supporting Services	
Personnel expenses	\$ 151,591	\$ 162,377	\$ 160,942	\$ 1,018,442	\$ 435,338	\$ 4,870,724	\$ 570,506	\$ 641,118	\$ 1,211,624	\$ 6,082,348
Advertising and promotions	91	95	133	1,393	852	6,730	37,497	1,050	38,547	45,277
Conferences, conventions and meetings	471	700	318	2,506	2,943	13,948	12,125	559	12,684	26,632
Contracted services and program supplies	4,271	925	4,783	43,465	72,655	290,461	34,093	8,274	42,367	332,828
Depreciation	—	1	—	253,014	—	790,298	41,975	—	41,975	832,273
Dues and subscriptions	265	275	270	2,216	1,727	11,542	41,817	252	42,069	53,611
Equipment rental and maintenance	3,213	3,215	171	8,494	540	89,033	8,826	3,094	11,920	100,953
Interest expense	—	—	—	39,938	—	87,863	11,981	—	11,981	99,844
Liability insurance	5,163	5,171	3,171	21,940	1,602	178,133	17,696	—	17,696	195,829
Occupancy	262	273	267	146,734	840	518,057	22,446	—	22,446	540,503
Office supplies	925	680	529	18,729	1,547	50,893	36,652	753	37,405	88,298
Other - bank and merchant fees	285	297	290	2,658	914	11,826	45,327	—	45,327	57,153
Postage and shipping	110	—	—	13	330	592	563	171	734	1,326
Fundraising event supplies	—	—	—	—	—	—	—	7,980	7,980	7,980
Printing and publishing	57	57	53	690	2,301	5,456	3,860	397	4,257	9,713
Professional fees	1,474	1,540	1,504	14,084	27,642	100,722	110,493	7,181	117,674	218,396
Telecommunication and technology	3,870	4,104	1,155	34,492	3,964	119,716	49,522	16,080	65,602	185,318
Travel	338	393	2,248	823	174	8,764	3,630	422	4,052	12,816
	\$ 172,386	\$ 180,103	\$ 175,834	\$ 1,609,631	\$ 553,369	\$ 7,154,758	\$ 1,049,009	\$ 687,331	\$ 1,736,340	\$ 8,891,098

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
	2021	2020
Cash Flows From Operating Activities		
Increase in net assets	\$ 3,011,965	\$ 659,624
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	1,139,060	832,273
Contributions of property and equipment	(2,787,036)	—
Paycheck Protection Program loan forgiveness	(1,220,436)	(939,034)
Realized and unrealized gains on investments	(598,521)	(490,960)
Mathews-Dickey line of credit assumed	270,000	—
Changes in assets and liabilities:		
Unconditional promises to give	329,590	556,475
Government contracts receivable	404,659	(543,605)
Prepaid insurance	(28,313)	4,460
Accounts payable and accrued expenses	306,145	16,499
Net Cash Provided By Operating Activities	827,113	95,732
Cash Flows From Investing Activities		
Proceeds from sale of investments	4,305,998	3,663,595
Purchases of investments	(4,550,901)	(3,397,677)
Purchases of property and equipment	(391,587)	(767,731)
Net Cash Used In Investing Activities	(636,490)	(501,813)
Cash Flows From Financing Activities		
Payments on long-term debt	(271,803)	(295,000)
Proceeds from long-term debt	—	595,357
Proceeds from line of credit	300,000	—
Payments on line of credit	(570,000)	(300,000)
Paycheck Protection Program loan proceeds	1,220,436	939,034
Net Cash Provided By Financing Activities	678,633	939,391
Net Increase In Cash And Cash Equivalents	869,256	533,310
Cash And Cash Equivalents - Beginning Of Year	759,911	226,601
Cash And Cash Equivalents - End Of Year	\$ 1,629,167	\$ 759,911
Supplemental Disclosure Of Cash Flow Information		
Interest paid	\$ 84,775	\$ 99,844
Property and equipment purchases included in accounts payable	—	180,985

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2021 And 2020

1. Operations

Boys and Girls Clubs of Greater St. Louis, Inc. is a not-for-profit organization dedicated to providing recreational, athletic and educational facilities for youth in the metropolitan St. Louis area.

Effective January 1, 2021, Mathews-Dickey Boys' & Girls' Club (Mathews-Dickey) merged with and into MD Conversion Sub, LLC, and the separate corporate existence of Mathews-Dickey Boys' & Girls' Club has ceased. MD Conversion Sub is the surviving entity, named Mathews-Dickey Boys' & Girls' Club, LLC and shall continue its corporate existence as a Missouri limited liability company with the Boys and Girls Clubs of Greater St. Louis, Inc. as its sole Member (Note 15).

Effective April 30, 2021, Boys and Girls Club of Bethalto, Inc. (Bethalto Club) merged with and into Boys and Girls Clubs of Greater St. Louis, Inc. and shall continue its corporate existence as Boys and Girls Club of Bethalto, LLC, an Illinois limited liability company, with Boys and Girls Clubs of Greater St. Louis, Inc. as its sole Member (Note 15).

Effective January 1, 2021, Adams Park Community Center, LLC merged with and into AP Merger Sub, LLC, and the separate corporate existence of Adams Park Community Center, LLC has ceased. AP Merger Sub, LLC is the surviving entity, and shall continue its corporate existence as a Missouri limited liability company with the Boys and Girls Clubs of Greater St. Louis, Inc. as its sole Member.

Effective January 1, 2021, Mentor St. Louis, LLC merged with and into MSL Merger Sub, LLC, and the separate corporate existence of Mentor St. Louis, LLC has ceased. MSL Merger Sub, LLC is the surviving entity, and shall continue its corporate existence as a Missouri limited liability company with the Boys and Girls Clubs of Greater St. Louis, Inc. as its sole Member

Boys and Girls Clubs of Greater St. Louis, Inc., Mathews-Dickey Boys' & Girls' Club, LLC, Boys and Girls Club of Bethalto, LLC, AP Merger Sub, LLC, and MSL Merger Sub, LLC are collectively referred to as the Organization.

The Organization operates at several locations, five of which it owns. The Organization also has agreements with various school districts to offer programs. See full list of club locations and programs in Description of Program Services and Supporting Activities section of Note 2.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. Income is recognized when earned and expenses are recognized when incurred.

Basis Of Presentation

The consolidated financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) for Not-for-Profit Organizations by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity and financial flexibility. As a result, the Organization is required to report its financial position and activities according to the following two classes of net assets:

Net Assets Without Donor Restrictions represent those net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. All contributions are considered to be without donor restrictions unless specifically restricted by the donor.

Net Assets With Donor Restrictions represent those net assets whose use has been limited by donor-imposed stipulations that either can be fulfilled or expire by the passage of time, as well as those net assets whose use has been limited by donor-imposed stipulations that will remain in effect in perpetuity.

Estimates And Assumptions

Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for uncollectible government contracts receivables and promises to give.

Cash And Cash Equivalents

The Organization considers all balances without donor restrictions held in checking accounts, savings accounts and short-term investment accounts with original maturity dates of three months or less to be cash equivalents.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC. AND AFFILIATES

Notes To Consolidated Financial Statements (*Continued*)

The Organization maintains its cash and cash equivalents at several banks and with several investment managers. At various times throughout the year, bank deposits may exceed federally insured limits. In addition, some cash equivalents consist of money market funds, which are not covered by the Federal Deposit Insurance Corporation (FDIC) but are covered by Securities Investor Protection Corporation (SIPC) insurable limits.

Investments

Investments are reported at fair value based on quoted prices in active markets for identical assets (Level 1) or on significant other observable inputs (Level 2) as described in Note 4. Gains or losses on sales of investments are determined on a specific cost identification method. Unrealized gains and losses are determined based on year-end fair value fluctuations. All investment income is reported as increases or decreases in net assets without donor restrictions unless a donor or law restricts the use of the income.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated statement of financial position.

Fair Value Of Financial Instruments

Various methods and assumptions are used to estimate the fair value of each class of financial instruments. Cash and cash equivalents are valued at their carrying amount due to their short maturities. Investments are reported at fair value based on quoted market prices or other significant inputs.

Government Contracts Receivable

Government contracts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has determined that no valuation allowance is necessary for government contracts receivable as of December 31, 2021 or 2020.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

Unconditional Promises To Give

Unconditional promises to give in future periods are recognized as support in the period in which the promises are received. Conditional promises to give, that is, those with a measurable performance or other barrier, are not recognized until conditions on which they depend on have been met.

The Organization provides an allowance for uncollectible promises equal to the estimated collection losses that will be incurred in the collection of all unconditional promises to give. The estimated losses are based on historical collection experience coupled with a review of the current status of the existing promises to give. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual balances. The balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. As of December 31, 2021 and 2020, no allowance was deemed necessary by management.

Property And Equipment

Property and equipment are carried at cost, if purchased, or at fair value, if donated, less accumulated depreciation/amortization computed using the straight-line method over periods ranging from 3 to 40 years.

Repairs and maintenance are charged to expense when incurred. Expenditures in excess of \$5,000 for major renewals and betterments that extend the useful life of an asset are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and the gain or loss, if any, is included in the consolidated statement of activities.

Paycheck Protection Program Loans

The Organization received loans that were part of the Paycheck Protection Program (PPP) established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and administered by the U.S. Small Business Administration (SBA). In accordance with the requirements of the CARES Act, the Organization used the proceeds from the loans exclusively for qualified expenses under the PPP, mainly payroll costs, as further detailed in the CARES Act and applicable guidance issued by the SBA. The Organization considered the PPP loans to be debt, subject to the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 470, *Debt*.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

Revenue And Revenue Recognition

Disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue streams that fall under *Revenue from Contracts with Customers (Topic 606)* are as follows:

Membership Fees - Membership fees for access to the Organization's support services, which include admittance into the facility, access to technology resources, and access to sports and recreational activities, which are nonrefundable, are recognized over the membership period of twelve consecutive months. Memberships are utilized for access to the Organization's support services, and as such, performance obligations include ensuring the Organization has educators and other resources available over time in order to have activities for which individuals who pay such fees are participating.

Program Fees - The Organization generates revenue from registration fees for after-school, teen, and summer programs, which are nonrefundable. Program fees are considered exchange transactions by nature and are recognized over the period the activity is provided.

Miscellaneous Income - Includes facility rentals, vending machine revenue, and other revenues, which are recognized at the time of sale or the time of the event/activity.

Overall economic conditions can impact the nature, timing, and uncertainty of the Organization's revenues and cash flows.

The Organization has additional revenue streams that are not within the scope of *Revenue from Contracts with Customers (Topic 606)*:

Contributions and grants, including unconditional promises to give, are classified as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

The Organization reports gifts of land and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization receives some contributions, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as contribution revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Any amounts received prior to incurring qualifying expenditures would be reported as refundable advances in the consolidated statement of financial position. The Organization had conditional contributions of \$593,474 and \$914,121 that have not been recognized at December 31, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred. At December 31, 2021 and 2020, government contracts receivable in the consolidated statement of financial position include \$379,016 and \$783,675, respectively, of qualifying expenditures that have been incurred, but not yet reimbursed to the Organization.

Net Asset Releases

The Organization has adopted the policy of reporting net assets released from restrictions upon completion of the donor purpose restriction, regardless of whether the related cash has been received.

Donated Property, Services And Materials

Various equipment, services and materials are donated to the Organization. Donated equipment, certain donated professional services and donated materials are recorded as contributions at their estimated fair value on the dates of the contributions. During 2021, there was contributed property of \$73,177 which is further discussed in Note 6. No donated services, materials, or equipment were received in 2020.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC. AND AFFILIATES

Notes To Consolidated Financial Statements (*Continued*)

From time to time, the Organization receives donated goods that it passes along to its members, but would not otherwise purchase. The Organization is not the ultimate beneficiary of these donated goods; therefore, revenue is not recorded. In addition, a substantial number of other volunteers have donated their time to the Organization's program services and fundraising activities. This volunteer time has not been recorded because it does not meet the criteria for recognition under generally accepted accounting principles.

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying consolidated financial statements:

Herbert Hoover Club

The Herbert Hoover Club (HHC) is our original facility located in North St. Louis City. HHC serves approximately 1,700 youth annually. The 78,000 square-foot state licensed facility houses a comprehensive Dental Clinic, Emerson Technology Center, Learning Center, MJL Aquatics Center, All-Star Baseball Field, art room, game room, teen center, performing arts studio, football field, fitness center and the administrative offices of the Club.

Adams Park Club

The Adams Park Club (APC) began operating in 2007 in South City at the Adams Park Community Center. APC serves approximately 600 youth annually. Located in the Forest Park Southeast neighborhood, the 21,348 square-foot state licensed center offers organized sports, fitness and recreation activities as well as teen and education programs.

South East Middle School Club

The Club's first school-based location, the South East Middle School Club (SMSC), which is located in the Hazelwood School District in the Spanish Lake area, opened in 2008. This site serves approximately 440 youth annually. SMSC operates five days a week. It is a partnership with Hazelwood School District and St. Louis County and shares a gymnasium, performance stage, library, technology center, cafeteria, art room and game room with the school.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

Hazelwood East High School

Thanks to a 21st Century CCLC grant, a Project Learn PLUS program at Hazelwood East High School opened in 2017. This program offers a wide range of high energy activities designed to improve student academic achievement and address the multiple needs and interests of children and families. Members of the program receive homework assistance, access to a social worker and guidance counselor, college and career prep, tutoring, ACT prep, engage in sports and music activities and more.

Hazelwood Elementary School Club

Hazelwood Elementary School Club opened in the summer of 2013 and strengthened the Organization's partnerships with both the Hazelwood School District and the Spanish Lake community. This site serves approximately 295 youth annually. Hazelwood Elementary School Club operates five days a week, sharing a library, cafeteria, computer lab and gymnasium with the elementary school. Hazelwood Elementary School Club provides educational, recreational, and social activities.

O'Fallon Park Club

O'Fallon Park Club (OFPC) located in North City opened in February of 2013 and is in partnership with the YMCA of Greater St. Louis and the City of St. Louis Department of Parks, Recreation and Forestry. This site serves approximately 770 youth annually. OFPC offers a select number of programs and operates 48 weeks a year, five days a week. The 79,000 square foot facility has a full-size double gymnasium - 12 basketball hoops plus volleyball nets, fitness center, elevated running/walking track, Teen Hub/game room, computer lab, 3 multipurpose rooms, classroom space, and indoor and outdoor pools.

Riverview Gardens Club

Riverview Gardens Club (RVGC) opened in the summer of 2016 and established our new partnerships with the Riverview Gardens School District and the community surrounding Highland Elementary School where the Club is located. This site serves approximately 235 youth annually. RVGC operates five days a week, sharing classroom space, a music room, cafeteria, a computer lab and gymnasium to provide educational, recreational, and social activities.

Lee Hamilton Elementary School Club

Lee Hamilton Elementary School Club (LHESC) opened in the fall of 2016 to serve elementary school youth in the Ferguson-Florissant School District. This site served approximately 65 youth annually. LHESC operated five days per week and was open year-round, offering after-school and summer day camp. Sharing classroom space, the cafeteria and gymnasium, LHESC provided education, recreational and social activities. During 2020, LHESC was closed.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC. AND AFFILIATES

Notes To Consolidated Financial Statements (*Continued*)

Roosevelt High School

The BE GREAT: Graduate program is offered at Roosevelt High School beginning in 2017. This program is a comprehensive, targeted dropout prevention intervention designed to enhance youths' engagement with learning by providing consistent support from caring and trusted adults to develop the academic, emotional and social skills necessary to achieve academic success.

Normandy High School

The BE GREAT: Graduate program is offered at Normandy High School beginning in 2017. This program is a comprehensive, targeted dropout prevention intervention designed to enhance youths' engagement with learning by providing consistent support from caring and trusted adults to develop the academic, emotional and social skills necessary to achieve academic success.

Mentor St. Louis

Mentor St. Louis (MSL) was founded in 1995 and matches caring adults with elementary school children to enhance literacy and reading skills, trigger discussions, creative thinking and build students' self-esteem. Annually, over 200 mentors through the Club's Mentor St. Louis Program mentor more than 300 elementary school-age members at five St. Louis Public Schools.

Ferguson Teen Center

Ferguson Teen Center (FTC) opened in the fall of 2019 and serves teens ages 12-18, giving them a safe environment structured around responsibility, belonging, and leadership modeling. This program has an emphasis on health & wellness, education & workforce development and leadership & civic engagement.

St. Louis Internship Program

The goal of the St. Louis Internship Program (SLIP) is to provide hope and opportunity for high school students through paid summer internships, intensive employability training, and year-round college and career planning. SLIP works in partnership with businesses and community organizations, to build the St. Louis community by developing motivated, well-trained, and talented youth for the workforce.

BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC. AND AFFILIATES

Notes To Consolidated Financial Statements (*Continued*)

Bethalto Club

The Boys and Girls Club of Bethalto merged with the Organization in 2021. The goal of the Bethalto Club is to enable all young people, especially those who need the club the most, to reach their full potential as productive, caring, responsible citizens. The Bethalto Club offers after-school programs to help children improve academic performance, promote positive behavior, and increase school attendance. During the summer, the club offers a safe, caring place for members to go.

Lovejoy School

In 2016, the Boys and Girls Club of Bethalto saw a need in Brooklyn, Illinois and opened a site at the Lovejoy School to serve students with after school and summer programming. Lovejoy School joined the Organization as a club site in 2021 with the Bethalto merger.

Mathews-Dickey Club

Mathews-Dickey Boys' and Girls' Club merged with the Organization in 2021. The goal of Mathews-Dickey is to foster a sense of competence, a sense of purpose, and a sense of power in every young person. The Mathews-Dickey Club serves young people each year through a wide range of programs and support services, including various sports programs.

General And Administrative

General and administrative includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Organization's program strategy, secure proper administrative functioning of the Board of Directors, maintain competent legal services for the program administration of the Organization, and manage the financial and budgetary responsibilities of the Organization.

Development And Fundraising

The development and fundraising function provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations, as well as support from local, state, and federal government agencies.

Functional Expense Allocation

The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as specific to that functional area. Expenses that benefit multiple functional or program areas have been allocated across programs and other supporting services based on time studies and estimated direct usage based on check request coding.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

See summary below for specific allocation methods used for various expenses:

Natural Category	Method
Personnel expenses	Time studies
Contracted services and program supplies	Direct charge and check request coding
Occupancy	Direct charge and check request coding
Professional fees	Direct charge and check request coding
Depreciation and amortization	Direct charge and check request coding

Tax Status

The Organization constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes. Mathews-Dickey Boys' & Girls' Club, LLC, Boys and Girls Club of Bethalto, LLC, AP Merger Sub, LLC, and MSL Merger Sub, LLC are single member LLC's, and thus also tax exempt under Section 501(c)(3). The Organization has a policy to evaluate tax positions, which may be considered uncertain and has determined that no uncertain tax positions exist as of December 31, 2021.

Reclassifications

Certain 2020 balances have been reclassified, where appropriate, to conform with the 2021 consolidated financial statement presentation.

Subsequent Events

Management has evaluated subsequent events through the date the consolidated financial statements were available for issue, which is the date of the Independent Auditors' Report.

3. Investments

Investments consist of:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 215,963	\$ 215,963	\$ 118,774	\$ 118,774
Mutual funds	3,324,295	3,654,273	3,167,300	3,490,054
Common stocks	3,529,592	4,772,073	2,921,245	4,304,928
Government obligations	541,328	536,366	427,381	445,335
Corporate bonds	284,564	287,123	241,855	263,283
	\$ 7,895,742	\$ 9,465,798	\$ 6,876,555	\$ 8,622,374

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

For the years ended December 31, 2021 and 2020, unrealized losses of \$198,464 and unrealized gains \$462,288, respectively, were recorded to adjust investments to fair value. For the years ended December 31, 2021 and 2020, realized gains of \$796,985 and \$28,672, respectively, were recorded from the sale of investments.

Investments are classified in several funds, as follows:

	<u>2021</u>	<u>2020</u>
Amberg Fund	\$ 1,288,442	\$ 1,228,451
Mathews-Dickey Legacy Fund	630,033	—
Endowment		
Perpetual in nature	5,258,150	5,258,150
Unappropriated earnings	1,640,862	1,287,686
Other funds and general investments	648,311	848,087
	<u>\$ 9,465,798</u>	<u>\$ 8,622,374</u>

Investments are presented in the consolidated statement of financial position as follows:

	<u>2021</u>	<u>2020</u>
Investments	\$ 4,207,648	\$ 3,364,224
Assets Restricted For Permanent Endowment	5,258,150	5,258,150
	<u>\$ 9,465,798</u>	<u>\$ 8,622,374</u>

4. Fair Value

The Organization accounts for certain investments at fair value as required by generally accepted accounting principles. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

There are three general valuation techniques that may be used to measure fair value, as described below:

- Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable asset or liabilities.
- Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset.
- Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts.

Investments measured and reported at fair value are classified and disclosed in one of the following three categories:

- Level 1* Quoted prices that are readily available in active markets/exchanges for identical investments.
- Level 2* Pricing inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3* Significant pricing inputs that are unobservable for the investment and includes investments for which there is little, if any, market activity for the investment.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

The following are the major categories of assets measured at fair value on a recurring basis at December 31, 2021 and 2020:

Description	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 215,963	\$ —	\$ —	\$ 215,963
Mutual funds				
Small-cap blend	180,383	—	—	180,383
Small-cap growth	187,843	—	—	187,843
Mid-cap growth	271,238	—	—	271,238
Mid-cap blend	273,599	—	—	273,599
Intermediate - core plus	625,030	—	—	625,030
Short term bond	391,695	—	—	391,695
Diversified emerging markets	1,724,485	—	—	1,724,485
Common stocks				
Financial services	878,809	—	—	878,809
Materials/consumer goods	1,219,813	—	—	1,219,813
Technology	831,518	—	—	831,518
Industrial	602,600	—	—	602,600
Healthcare	719,808	—	—	719,808
Communication	363,702	—	—	363,702
Energy	138,314	—	—	138,314
Real estate	17,509	—	—	17,509
Government obligations				
Treasury securities	—	445,319	—	445,319
Federal agencies	—	91,047	—	91,047
Corporate bonds				
Financial services	—	122,151	—	122,151
Materials/consumer goods	—	47,989	—	47,989
Technology	—	24,426	—	24,426
Healthcare	—	24,434	—	24,434
Communication	—	48,764	—	48,764
Energy	—	19,359	—	19,359
Total Investments	\$ 8,642,309	\$ 823,489	\$ —	\$ 9,465,798

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

Description	December 31, 2020			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 118,774	\$ —	\$ —	\$ 118,774
Mutual funds				
Small-cap blend	183,028	—	—	183,028
Small-cap growth	167,318	—	—	167,318
Mid-cap growth	228,885	—	—	228,885
Mid-cap blend	251,411	—	—	251,411
Intermediate - core plus	509,479	—	—	509,479
Short term bond	393,694	—	—	393,694
Diversified emerging markets	1,756,239	—	—	1,756,239
Common stocks				
Financial services	698,734	—	—	698,734
Materials/consumer goods	843,063	—	—	843,063
Technology	1,065,425	—	—	1,065,425
Industrial	397,766	—	—	397,766
Healthcare	635,020	—	—	635,020
Communication	477,871	—	—	477,871
Energy	152,607	—	—	152,607
Real estate	34,442	—	—	34,442
Government obligations				
Treasury securities	—	272,011	—	272,011
Federal agencies	—	173,324	—	173,324
Corporate bonds				
Financial services	—	106,810	—	106,810
Materials/consumer goods	—	63,298	—	63,298
Industrial	—	14,909	—	14,909
Healthcare	—	20,612	—	20,612
Communication	—	42,552	—	42,552
Energy	—	15,102	—	15,102
Total Investments	\$ 7,913,756	\$ 708,618	\$ —	\$ 8,622,374

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

At December 31, 2021 and 2020, the Level 2 assets utilize the following valuation techniques and inputs:

Government Obligations: The fair value of investments in government agency obligations is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

Corporate Bonds: The fair value of investments in U.S. and international corporate bonds is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options.

During 2021 and 2020, there were no changes in the methods or assumptions utilized to derive the fair value of the Organization's assets.

5. Unconditional Promises To Give

Short-term promises to give consist of unconditional pledges that had not yet been collected at year end and are due within one year. Long-term promises to give include unconditional promises to give that are payable over a period greater than one year. At December 31, 2021 and 2020, unconditional promises to give are expected to be collected as follows:

	<u>2021</u>	<u>2020</u>
Due in less than one year	\$ 2,131,845	\$ 2,160,050
Due in 1 - 5 years	<u>775,000</u>	<u>1,088,786</u>
	<u>2,906,845</u>	<u>3,248,836</u>
Less: Present value discount	<u>(44,969)</u>	<u>(57,370)</u>
	<u>\$ 2,861,876</u>	<u>\$ 3,191,466</u>

Promises to give collectible in more than one year are discounted at a rate of 3.8%.

The United Way of Greater St. Louis, Inc. (United Way) provides funding for the Organization's activities. Notification of the succeeding year's funding is received by the Organization in December. Accordingly, the amounts awarded during 2021 and 2020 of \$724,376 and \$417,754, respectively, were recorded as net assets with donor restrictions and related promises to give at December 31, 2021 and 2020, respectively (Note 8).

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

6. Property And Equipment

Property and equipment consist of:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,484,043	\$ 1,410,866
Land improvements	242,030	242,030
Buildings and improvements	26,634,333	25,283,041
Leasehold improvements	3,798,187	—
Furniture and equipment	3,849,306	2,144,594
Construction in progress	20,332	—
	<u>36,028,231</u>	<u>29,080,531</u>
Less: Accumulated depreciation and amortization	<u>15,597,850</u>	<u>10,508,728</u>
	<u>\$ 20,430,381</u>	<u>\$ 18,571,803</u>

On April 6, 2021, the Organization entered into an agreement with the Land Reutilization Authority of the City of St. Louis Missouri to purchase approximately six acres of land in consideration of the sum of ten dollars. This donation had a fair market value of \$73,177 and is included in contributions and grants on the consolidated statement of activities.

The Mathews-Dickey building and sports facility, built with contributions and subsequently deeded to the City of St. Louis, Missouri (the City), is leased for a nominal annual fee from the City pursuant to a 50-year lease agreement. The Club is obligated to provide for the maintenance of the leased property for the term of the lease. Improvements to such facilities are capitalized as leasehold improvements.

7. Long-Term Debt

A construction loan is held with Midwest BankCentre and secured by the first deed of trust on the property on West Florissant Ave. The loan can be drawn up to \$4,100,000 and bears interest at 4% through March 1, 2022 with a conversion to 4.5% through the remaining term of the loan. Interest only monthly payments began in March 2019 through March 1, 2022, followed by 65 monthly installments of \$25,939 through July 1, 2027, when the note matures and all unpaid principal and accrued interest are due. The balance at December 31, 2021 and 2020 is \$1,959,415 and \$2,231,218, respectively.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

The construction loan contains restrictive covenants. At December 31, 2021 and 2020, the Organization is in compliance with all loan covenants.

The scheduled maturities of the long-term debt at December 31, 2021 are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 169,526
2023	235,104
2024	245,905
2025	257,201
2026	269,017
Thereafter	782,662
	<u>\$ 1,959,415</u>

8. Net Assets With Time And/Or Purpose Restrictions

Net assets with time and/or purpose restrictions consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
United Way - time restricted (Note 5)	\$ 724,376	\$ 417,754
Time restrictions - other	423,201	—
Unappropriated endowment earnings	1,640,862	1,287,686
Adams Park programs	392,680	578,300
North County programs	—	200,000
Salaries	200,000	400,000
Teen center and teen programs	544,301	1,404,276
Entrepreneurship	5,966	—
Healthy babies and living programs	27,823	—
Scholarships	19,000	—
Special events	909	—
Sports	49,906	—
Summer camp	16,388	—
Technology	46,336	—
	<u>\$ 4,091,748</u>	<u>\$ 4,288,016</u>

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

Net assets with time and purpose donor restrictions released from restrictions consist of the following:

	<u>2021</u>	<u>2020</u>
Expiration of time restrictions - United Way	\$ 672,439	\$ 522,212
Appropriated endowment earnings	228,164	204,973
Adams Park programs	185,621	178,820
BE GREAT: Graduate programs	—	179,490
Capital improvements	—	244,961
Education programs	619,472	778,871
North County programs	200,000	330,000
Salaries	200,000	200,000
O'Fallon Park Club	100,000	100,000
Summer program	—	4,500
Teen center	270,734	1,034,607
Teen programs	860,000	97,562
Health and life programs	535,129	—
Workforce Development program	213,275	200,000
Mathews-Dickey programs	88,958	—
Various programs	181,846	4,976
	<u>\$ 4,355,638</u>	<u>\$ 4,080,972</u>

9. Endowment Funds

The Organization's endowments consist of the following funds:

<u>Endowment Fund</u>	<u>Purpose Restriction</u>	<u>Year Established</u>
Taylor Fund	Character and leadership programs	2006
Mentor St. Louis Fund	School-based mentoring programs	2009
Emerson Fund	Technology programs	2010
Mary Ann Lee Fund	Education and career development	2011
Joan Silber Fund	Scholarships	2015
Crawford Taylor Fund	Compensation for club professionals	2017
DeHaven Fund	Scholarships	2017

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

Return Objectives And Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that produce maximum long-term returns consistent with the account's allowed risk level. The Organization expects its endowment funds, over time, to provide an average rate of return to exceed the sum of the endowments' spending rates, anticipated inflation, investment management consulting fees, and administrative costs. To achieve the endowment objective, the endowment assets are invested to generate appreciation and/or dividend and interest income and are diversified among several asset classes. Actual returns in any given year may vary from this amount.

Strategies Employed For Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization 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). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy And How The Investment Objectives Relate To Spending Policy

The investment policy includes a formal spending policy, which allows the Organization to distribute 4% of the trailing 3-year (12 quarter) average account balance as of 9/30 of each year. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow on an annual basis. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return. The Organization has a policy that permits prudent spending from underwater endowments, unless otherwise precluded by donor intent or relevant laws and regulations.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

As of December 31, 2021 and 2020, the asset composition of the endowments is as follows:

	2021			
	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Taylor Fund	\$ —	\$ 433,393	\$ 1,000,000	\$ 1,433,393
Mentor St. Louis Fund	—	258,513	677,900	936,413
Emerson Fund	—	153,382	500,000	653,382
Mary Ann Lee Fund	—	316,626	1,000,000	1,316,626
Joan Silber Fund	—	13,036	30,250	43,286
Crawford Taylor Fund	—	447,060	2,000,000	2,447,060
DeHaven Fund	—	18,852	50,000	68,852
	\$ —	\$ 1,640,862	\$ 5,258,150	\$ 6,899,012

	2020			
	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Taylor Fund	\$ —	\$ 362,868	\$ 1,000,000	\$ 1,362,868
Mentor St. Louis Fund	—	200,089	677,900	877,989
Emerson Fund	—	122,802	500,000	622,802
Mary Ann Lee Fund	—	254,522	1,000,000	1,254,522
Joan Silber Fund	—	11,601	30,250	41,851
Crawford Taylor Fund	—	320,642	2,000,000	2,320,642
DeHaven Fund	—	15,162	50,000	65,162
	\$ —	\$ 1,287,686	\$ 5,258,150	\$ 6,545,836

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

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

	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Balance - January 1, 2020	\$ —	\$ 891,890	\$ 5,258,150	\$ 6,150,040
Interest and dividends, net	—	188,745	—	188,745
Realized gains	—	27,760	—	27,760
Unrealized gains	—	384,264	—	384,264
Total investment return	—	600,769	—	600,769
Amounts appropriated for spending	—	(204,973)	—	(204,973)
Balance - December 31, 2020	—	1,287,686	5,258,150	6,545,836
Interest and dividends, net	—	136,880	—	136,880
Realized gains	—	613,597	—	613,597
Unrealized loss	—	(169,137)	—	(169,137)
Total investment return	—	581,340	—	581,340
Amounts appropriated for spending	—	(228,164)	—	(228,164)
Balance - December 31, 2021	\$ —	\$ 1,640,862	\$ 5,258,150	\$ 6,899,012

No endowment funds were underwater as of December 31, 2021 or 2020.

10. Lines Of Credit

The Organization has a revolving line of credit agreement for up to \$300,000. This line of credit will be used to provide funding for general working capital needs of the Organization and is secured by a first deed of trust on the West Florissant Avenue property. The agreement, which renews annually in February unless terminated by either party, bears interest at the Prime rate less 1.0%, but shall not be less than 3.25%. Interest rate was 3.25% at December 31, 2021 and 2020.

At December 31, 2021 and 2020, the Organization had no amount outstanding on the line of credit.

During 2021, the line of credit assumed by the Organization from the Mathews-Dickey merger was paid and closed.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

11. Liquidity And Availability Of Financial Assets

The Organization's assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,629,167	\$ 759,911
Investments	4,207,648	3,364,224
Unconditional promises to give - current	2,131,845	2,160,050
Government contracts receivable	379,016	783,675
Total financial assets	8,347,676	7,067,860
Less amounts not available to be used within one year:		
Donor purpose restrictions	319,041	840,280
Unappropriated earnings with purpose restrictions	1,640,862	1,287,686
Total financial assets not available to be used within one year	1,959,903	2,127,966
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,387,773	\$ 4,939,894

The Organization regularly monitors liquidity required to meet its operating needs and contractual commitments. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and a line of credit.

12. Commitments

In connection with Adams Park Community Center, the Organization is party to several real estate land lease agreements with the City of St. Louis and the Board of Education of the City of St. Louis. Commitments under the lease arrangements are not material to the Organization's consolidated financial statements.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

The Organization leases office equipment and vehicles under noncancellable operating lease agreements having an initial term of greater than one year. The expected future minimum lease payments are as follows:

Year	Amount
2022	\$ 66,931
2023	61,021
2024	35,543
2025	5,436
	<u>\$ 168,931</u>

Rental expense was \$100,965 and \$41,033 for the years ended December 31, 2021 and 2020, respectively.

13. Defined Contribution Plan

The Organization maintains a Section 403(b) defined contribution plan covering substantially all full-time employees. Benefit plan expenses totaled \$102,998 and \$64,739 for the years ended December 31, 2021 and 2020, respectively. In 2021 and 2020, the Organization offered a match equal to 2.5% of employee contributions. As of December 31, 2021 and 2020, the Organization had accrued contributions outstanding of \$42,966 and \$52,796, respectively, which are included in accounts payable and accrued expenses in the consolidated statement of financial position.

14. Paycheck Protection Program Loans

In April 2020, the Organization received \$939,034 as a PPP loan, which was unsecured and incurred interest at a rate of 1%, with principal and interest payments deferred for the first ten months after the date of the disbursement of the funds. The loan would mature in April 2022, if it was not forgiven under the terms of the PPP.

During 2020, the Organization applied for PPP loan forgiveness. In November 2020, the Organization received full approval of this application. As the Organization received full legal release from the debt as of December 31, 2020, it was recognized as debt forgiveness in the 2020 consolidated statement of activities.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

In March 2021, the Organization received a second-round PPP loan in the amount of \$1,220,436. The second-round PPP loan was unsecured and incurred interest at a rate of 1%, with principal and interest payments deferred for the first ten months after the date of the disbursement of the funds. The loan would mature in February 2026, if it was not forgiven under the terms of the PPP.

During 2021, the Organization applied for PPP loan forgiveness. In December 2021, the Organization received full approval of this application. As the Organization received full legal release from the debt as of December 31, 2021, it has been recognized as debt forgiveness in the 2021 consolidated statement of activities.

15. Mergers

Effective January 1, 2021, the Organization and Mathews-Dickey completed a merger. Effective April 30, 2021, the Organization and Bethalto completed a merger. Pursuant to not-for-profit generally accounting principles, the mergers are accounted for as acquisitions with the Organization as the acquirer.

The Organization, Mathews-Dickey and Bethalto Club executed their respective mergers with the desire to better fulfill their missions and to enhance their ability to serve the greater community. No consideration was transferred to Mathews-Dickey or to Bethalto Club by the Organization related to the merger; and as a result, no goodwill has been recorded in this transaction.

The donor-imposed restrictions related to the net assets contributed to the Organization by Mathews-Dickey and Bethalto Club as a result of the mergers have been reflected on the Organization's consolidated financial statements. No new donor restrictions resulted from the mergers.

**BOYS AND GIRLS CLUBS OF GREATER ST. LOUIS, INC.
AND AFFILIATES**

Notes To Consolidated Financial Statements (*Continued*)

The excess of the Mathews-Dickey assets contributed over the Mathews-Dickey liabilities assumed as of January 1, 2021 have been recognized by the Organization as a contribution and includes the following:

Fair Value Of Mathews-Dickey Assets Acquired:	
Cash and cash equivalents	\$ 15,571
Investments	557,860
Accounts receivable	950
Pledges receivable, net	355,888
Pledges receivable - United Way	255,382
Property and equipment, net	2,345,837
	<u>3,531,488</u>
Liabilities Of Mathews-Dickey Assumed:	
Accounts payable	21,535
Accrued expenses and other liabilities	20,464
Line of credit	270,000
	<u>311,999</u>
Contribution Received In Acquisition Of Mathews-Dickey	<u><u>\$ 3,219,489</u></u>

The excess of the Bethalto assets contributed over the Bethalto liabilities assumed as of April 30, 2021 have been recognized by the Organization as a contribution and includes the following:

Fair Value Of Mathews Bethalto Assets Acquired:	
Cash	\$ 330,111
Investments	105,824
Accounts receivable	40,965
Property and equipment, net	441,199
	<u>918,099</u>
Liabilities Of Bethalto Assumed:	
Accrued pension	320
Accrued payroll liabilities	437
	<u>757</u>
Contribution Received In Acquisition Of Bethalto	<u><u>\$ 917,342</u></u>

Mr. Flint Fowler
Boys and Girls Clubs of Greater St. Louis, Inc.
2901 North Grand Avenue
St. Louis, Missouri 63107

Dear Flint:

Enclosed are your copies of the consolidated financial statements for Boys and Girls Clubs of Greater St. Louis, Inc. as of December 31, 2021.

We appreciate the opportunity to be of continued service to you. If we may furnish you with any additional information, please feel free to contact us.

Very truly yours,

RubinBrown LLP

Rebecca S. Knezevich, CPA
Partner
Direct Dial Number: 314.290.3319
E-mail: becky.knezevich@rubinbrown.com

RSK:rss

Enclosures