
**BOYS AND GIRLS CLUBS OF GREATER
ST. LOUIS, INC. AND AFFILIATES**
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023



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, 2023 and 2022, 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, 2023 and 2022, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, on our consideration of Boys and Girls Club of St. Louis, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boys and Girls Club of St. Louis, Inc.'s internal control over financial reporting and compliance.

RubinBrown LLP

June 27, 2024

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets		December 31,	
		2023	2022
Current Assets			
Cash and cash equivalents	\$	946,332	\$ 3,136,395
Investments (Note 3)		7,658,850	7,980,682
Unconditional promises to give - current (Note 5)		1,526,468	1,334,134
Government contracts receivable (Note 2)		533,191	618,643
Accounts receivable - operations		160,758	—
Prepaid insurance		90,419	83,284
Total Current Assets		10,916,018	13,153,138
Unconditional Promises To Give - Long-Term (Note 5)		397,614	332,778
Property And Equipment (Notes 6 And 7)		18,362,644	19,336,413
Right-Of-Use Lease Assets (Note 2)		26,319	47,123
Assets Restricted For Permanent Endowment (Notes 3 And 9)		5,339,475	5,306,975
Total Assets	\$	35,042,070	\$ 38,176,427
Liabilities And Net Assets			
Current Liabilities			
Current maturities of long-term debt (Note 7)	\$	297,647	\$ 284,456
Accounts payable and accrued expenses (Note 13)		366,356	433,042
Current portion of lease liability (Note 15)		21,585	21,361
Total Current Liabilities		685,588	738,859
Long-Term Debt (Note 7)		178,188	475,478
Noncurrent portion of lease liability (Note 15)		3,619	25,205
Total Liabilities		867,395	1,239,542
Net Assets			
Without donor restrictions			
Operating		9,034,179	11,507,698
Invested in property and equipment		17,886,809	18,576,479
Total Net Assets Without Donor Restrictions		26,920,988	30,084,177
With donor restrictions			
Time and/or purpose restrictions (Note 8)		1,914,212	1,545,733
Perpetual in nature (Note 9)		5,339,475	5,306,975
Total Net Assets With Donor Restrictions		7,253,687	6,852,708
Total Net Assets		34,174,675	36,936,885
Total Liabilities And Net Assets	\$	35,042,070	\$ 38,176,427

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

**CONSOLIDATED STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions		Total
		Time And/Or Purpose Restrictions	Perpetual In Nature	
Revenues And Support				
Contributions and grants	\$ 3,699,539	\$ 2,757,417	\$ 32,500	\$ 6,489,456
United Way (Note 5)	—	717,146	—	717,146
In-kind donations (Note 14)	26,555	—	—	26,555
Membership and program fees	363,081	—	—	363,081
Fundraising event revenue (net of direct costs of benefits to donors of \$403,909)	356,859	—	—	356,859
Miscellaneous income	225,511	—	—	225,511
	4,671,545	3,474,563	32,500	8,178,608
Net assets released from restrictions (Note 8)	3,778,571	(3,778,571)	—	—
Total Revenues And Support	8,450,116	(304,008)	32,500	8,178,608
Expenses				
Herbert Hoover Club	2,197,521	—	—	2,197,521
Adams Park Club	1,016,944	—	—	1,016,944
South East Middle School Club	344,933	—	—	344,933
Hazelwood East High School	22,517	—	—	22,517
Hazelwood Elementary School Club	331,083	—	—	331,083
O'Fallon Park Club	522,570	—	—	522,570
Riverview Gardens Club	359,138	—	—	359,138
Bentwood Townhomes	20,302	—	—	20,302
Mentor St. Louis	146,263	—	—	146,263
Ferguson Teen Center	921,153	—	—	921,153
St. Louis Internship Program	927,361	—	—	927,361
Bethalto Club	647,846	—	—	647,846
Lovejoy School	179,090	—	—	179,090
Mathews-Dickey Club	1,625,562	—	—	1,625,562
Total Program Services	9,262,283	—	—	9,262,283
General and administrative	1,818,527	—	—	1,818,527
Development and fundraising	1,026,617	—	—	1,026,617
Total Supporting Services	2,845,144	—	—	2,845,144
Total Expenses	12,107,427	—	—	12,107,427
Increase (Decrease) In Net Assets From Operations	(3,657,311)	(304,008)	32,500	(3,928,819)
Interest And Dividend Income, Net	99,049	110,584	—	209,633
Net Realized And Unrealized Gains On Investments (Note 3)	395,073	561,903	—	956,976
Increase (Decrease) In Net Assets	(3,163,189)	368,479	32,500	(2,762,210)
Net Assets - Beginning Of Year	30,084,177	1,545,733	5,306,975	36,936,885
Net Assets - End Of Year	\$ 26,920,988	\$ 1,914,212	\$ 5,339,475	\$ 34,174,675

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

**CONSOLIDATED STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions		Total
		Time And/Or Purpose Restrictions	Perpetual In Nature	
Revenues And Support				
Contributions and grants	\$ 13,792,018	\$ 2,399,583	\$ 48,825	\$ 16,240,426
United Way (Note 5)	—	743,198	—	743,198
In-kind donations (Note 14)	66,965	—	—	66,965
Membership and program fees	620,146	—	—	620,146
Fundraising event revenue (net of direct costs of benefits to donors of \$344,807)	788,949	—	—	788,949
Miscellaneous income	18,396	—	—	18,396
	15,286,474	3,142,781	48,825	18,478,080
Net assets released from restrictions (Note 8)	4,439,722	(4,439,722)	—	—
Total Revenues And Support	19,726,196	(1,296,941)	48,825	18,478,080
Expenses				
Herbert Hoover Club	2,165,432	—	—	2,165,432
Adams Park Club	909,346	—	—	909,346
South East Middle School Club	303,463	—	—	303,463
Hazelwood East High School	176,880	—	—	176,880
Hazelwood Elementary School Club	247,112	—	—	247,112
O'Fallon Park Club	388,693	—	—	388,693
Riverview Gardens Club	494,745	—	—	494,745
Roosevelt High School	62,232	—	—	62,232
Normandy High School	207,035	—	—	207,035
Mentor St. Louis	99,917	—	—	99,917
Ferguson Teen Center	1,236,005	—	—	1,236,005
St. Louis Internship Program	687,027	—	—	687,027
Bethalto Club	509,543	—	—	509,543
Lovejoy School	179,344	—	—	179,344
Mathews-Dickey Club	1,576,940	—	—	1,576,940
Total Program Services	9,243,714	—	—	9,243,714
General and administrative	1,685,260	—	—	1,685,260
Development and fundraising	1,156,477	—	—	1,156,477
Total Supporting Services	2,841,737	—	—	2,841,737
Total Expenses	12,085,451	—	—	12,085,451
Increase (Decrease) In Net Assets From Operations	7,640,745	(1,296,941)	48,825	6,392,629
Interest And Dividend Income, Net	45,685	101,273	—	146,958
Net Realized And Unrealized Losses On Investments (Note 3)	(323,040)	(1,350,347)	—	(1,673,387)
Increase (Decrease) In Net Assets	7,363,390	(2,546,015)	48,825	4,866,200
Net Assets - Beginning Of Year	22,720,787	4,091,748	5,258,150	32,070,685
Net Assets - End Of Year	\$ 30,084,177	\$ 1,545,733	\$ 5,306,975	\$ 36,936,885

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2023**

	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	Bentwood Townhomes		
Personnel expenses	\$ 931,892	\$ 645,475	\$ 296,450	\$ 11,391	\$ 283,229	\$ 432,781	\$ 284,983	\$ 7,352		
Advertising and promotions	576	—	—	—	—	97	—	—		
Conferences, conventions and meetings	183	986	613	46	804	268	424	70		
Contracted services and program supplies	147,242	61,672	27,117	2,425	24,921	34,521	50,562	2,105		
Depreciation and amortization	414,477	169,559	—	—	—	—	2	—		
Dues and subscriptions	138	7	52	—	2	4	—	—		
Equipment rental and maintenance	16,560	17,657	1,673	—	1,673	2,510	2,063	—		
Interest expense	27,932	—	—	—	—	—	—	—		
Liability insurance	56,226	41,771	7,599	7,216	7,599	24,541	7,599	7,216		
Occupancy	497,726	39,627	465	—	465	697	465	—		
Office supplies	23,327	10,803	4,967	137	2,255	7,536	5,013	908		
Other - bank and merchant fees	1,155	1,249	320	—	752	602	33	—		
Postage and shipping	—	—	—	—	—	—	—	—		
Printing and publishing	738	230	369	18	497	134	121	—		
Professional fees	2,948	1,474	536	—	536	804	536	—		
Telecommunication and technology	59,556	22,219	3,638	318	6,529	12,117	6,186	2,548		
Travel	16,845	4,215	1,134	966	1,821	5,958	1,151	103		
	\$ 2,197,521	\$ 1,016,944	\$ 344,933	\$ 22,517	\$ 331,083	\$ 522,570	\$ 359,138	\$ 20,302		

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
For The Year Ended December 31, 2023**

	Program Services (Continued)						Total Program Services
	Mentor St. Louis	Ferguson Teen Center	St. Louis Internship Program	Bethalto Club	Lovejoy School	Mathews- Dickey Club	
Personnel expenses	\$ 132,097	\$ 523,043	\$ 690,986	\$ 481,395	\$ 156,923	\$ 789,568	\$ 5,667,565
Advertising and promotions	216	—	4,730	—	—	221	5,840
Conferences, conventions and meetings	67	1,127	12,376	491	57	1,224	18,736
Contracted services and program supplies	5,868	50,249	167,600	13,611	8,761	168,861	765,515
Depreciation and amortization	—	224,679	—	20,704	—	240,139	1,069,560
Dues and subscriptions	1	265	2,500	1,044	1	840	4,854
Equipment rental and maintenance	837	7,508	4,183	3,563	837	69,742	128,806
Interest expense	—	—	—	—	—	—	27,932
Liability insurance	192	55,076	8,174	51,438	7,407	56,227	338,281
Occupancy	232	(10,867)	1,162	37,670	492	209,398	777,532
Office supplies	1,449	6,327	8,806	3,084	411	22,351	97,374
Other - bank and merchant fees	1	792	207	4,824	1	7,683	17,619
Postage and shipping	—	—	65	521	—	144	730
Printing and publishing	39	488	7,231	153	56	895	10,969
Professional fees	268	1,340	3,590	938	268	5,312	18,550
Telecommunication and technology	1,978	48,545	10,429	21,953	3,664	45,710	245,390
Travel	3,018	12,581	5,322	6,457	212	7,247	67,030
	\$ 146,263	\$ 921,153	\$ 927,361	\$ 647,846	\$ 179,090	\$ 1,625,562	\$ 9,262,283

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
For The Year Ended December 31, 2023**

	Supporting Services			Total
	General And Administrative	Development And Fundraising	Total Supporting Services	
Personnel expenses	\$ 1,301,381	\$ 849,786	\$ 2,151,167	\$ 7,818,732
Advertising and promotions	80,940	390	81,330	87,170
Conferences, conventions and meetings	27,562	6,437	33,999	52,735
Contracted services and program supplies	45,064	713	45,777	811,292
Depreciation and amortization	43,960	—	43,960	1,113,520
Dues and subscriptions	48,396	—	48,396	53,250
Equipment rental and maintenance	8,637	—	8,637	137,443
Interest expense	3,809	—	3,809	31,741
Liability insurance	—	—	—	338,281
Occupancy	3,356	—	3,356	780,888
Office supplies	14,394	18,244	32,638	130,012
Other - bank and merchant fees	6,161	11,084	17,245	34,864
Postage and shipping	326	90	416	1,146
Fundraising event supplies	—	47,972	47,972	47,972
Printing and publishing	1,683	1,245	2,928	13,897
Professional fees	139,158	59,945	199,103	217,653
Telecommunication and technology	77,391	27,019	104,410	349,800
Travel	16,309	3,692	20,001	87,031
	\$ 1,818,527	\$ 1,026,617	\$ 2,845,144	\$ 12,107,427

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2022**

	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	\$ 777,253	\$ 550,248	\$ 199,230	\$ 143,835	\$ 201,571	\$ 316,266	\$ 387,782	\$ 44,356
Advertising and promotions	403	—	172	—	—	—	—	—
Conferences, conventions and meetings	737	2,155	1,162	365	758	848	1,292	66
Contracted services and program supplies	198,571	79,036	72,929	14,942	20,595	27,647	56,910	4,534
Depreciation and amortization	380,902	160,825	—	—	—	—	—	—
Dues and subscriptions	1,157	103	65	57	61	70	77	4
Equipment rental and maintenance	39,816	11,192	2,086	1,125	1,572	2,472	3,147	396
Interest expense	36,233	—	—	—	—	—	—	—
Liability insurance	52,490	35,076	8,544	6,614	6,610	19,971	7,157	5,919
Occupancy	594,375	30,993	1,361	79	111	499	547	178
Office supplies	9,294	8,295	3,845	2,922	2,873	3,812	6,061	1,203
Other - bank and merchant fees	1,438	1,243	310	19	313	564	78	7
Postage and shipping	—	19	—	—	—	—	11	—
Printing and publishing	491	44	25	125	242	65	57	3
Professional fees	15,245	7,496	2,502	1,458	2,037	3,204	19,473	513
Telecommunication and technology	53,077	19,962	9,562	1,843	8,569	11,471	10,388	849
Travel	3,950	2,659	1,670	3,496	1,800	1,804	1,765	4,204
	\$ 2,165,432	\$ 909,346	\$ 303,463	\$ 176,880	\$ 247,112	\$ 388,693	\$ 494,745	\$ 62,232

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
For The Year Ended December 31, 2022**

	Program Services (Continued)							Total Program Services
	Normandy High School	Mentor St. Louis	Ferguson Teen Center	St. Louis Internship Program	Bethalto Club	Lovejoy School	Mathews- Dickey Club	
Personnel expenses	\$ 179,322	\$ 68,126	\$ 634,837	\$ 526,046	\$ 384,982	\$ 149,194	\$ 721,852	\$ 5,284,900
Advertising and promotions	—	—	2,440	—	—	—	—	3,015
Conferences, conventions and meetings	602	31	574	4,160	922	55	3,167	16,894
Contracted services and program supplies	10,308	19,878	41,798	98,094	21,896	17,051	128,576	812,765
Depreciation	—	—	237,005	—	10,540	—	256,109	1,045,381
Dues and subscriptions	13	52	123	3,666	4,999	11	99	10,557
Equipment rental and maintenance	1,317	639	17,702	4,380	3,722	1,141	57,596	148,303
Interest expense	—	—	30,194	—	—	—	—	66,427
Liability insurance	6,167	670	51,974	6,160	34,821	5,289	42,557	290,019
Occupancy	718	5,042	135,543	308	16,192	80	240,066	1,026,092
Office supplies	1,814	2,168	8,964	6,266	4,869	1,779	12,780	76,945
Other - bank and merchant fees	22	11	812	220	157	19	1,995	7,208
Postage and shipping	—	—	—	—	529	—	548	1,107
Printing and publishing	10	5	1,063	3,879	72	9	1,673	7,763
Professional fees	1,707	828	20,367	20,717	4,305	1,478	44,579	145,909
Telecommunication and technology	4,584	1,694	50,262	8,764	17,086	3,018	42,340	243,469
Travel	451	773	2,347	4,367	4,451	220	23,003	56,960
	\$ 207,035	\$ 99,917	\$ 1,236,005	\$ 687,027	\$ 509,543	\$ 179,344	\$ 1,576,940	\$ 9,243,714

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
For The Year Ended December 31, 2022**

	Supporting Services			Total
	General And Administrative	Development And Fundraising	Total Supporting Services	
Personnel expenses	\$ 1,097,264	\$ 1,042,826	\$ 2,140,090	\$ 7,424,990
Advertising and promotions	36,290	1,140	37,430	40,445
Conferences, conventions and meetings	26,596	2,311	28,907	45,801
Contracted services and program supplies	16,526	2,156	18,682	831,447
Depreciation and amortization	72,560	—	72,560	1,117,941
Dues and subscriptions	40,618	80	40,698	51,255
Equipment rental and maintenance	14,408	—	14,408	162,711
Interest expense	6,090	—	6,090	72,517
Liability insurance	35,343	—	35,343	325,362
Occupancy	23,616	—	23,616	1,049,708
Office supplies	21,350	2,499	23,849	100,794
Other - bank and merchant fees	26,848	13,969	40,817	48,025
Postage and shipping	2,823	336	3,159	4,266
Fundraising event supplies	—	76,679	76,679	76,679
Printing and publishing	1,212	3,407	4,619	12,382
Professional fees	179,668	9,274	188,942	334,851
Telecommunication and technology	74,968	1,735	76,703	320,172
Travel	9,080	65	9,145	66,105
	\$ 1,685,260	\$ 1,156,477	\$ 2,841,737	\$ 12,085,451

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Years	
	Ended December 31,	
	2023	2022
Cash Flows From Operating Activities		
Change in net assets	\$ (2,762,210)	\$ 4,866,200
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	1,113,520	1,117,941
Change in right-of-use asset and liability	(558)	(557)
Contributions restricted for endowment	(32,500)	(48,825)
Realized and unrealized (gains) losses on investments	(956,976)	1,673,387
Loss on disposal of fixed assets	—	19,299
Changes in assets and liabilities:		
Unconditional promises to give	(257,170)	1,194,964
Government contracts receivable	85,452	(239,627)
Accounts receivable - operations	(160,758)	—
Prepaid insurance	(7,135)	(19,128)
Accounts payable and accrued expenses	(66,686)	(367,252)
Net Cash Provided By (Used In) Operating Activities	(3,045,021)	8,196,402
Cash Flows From Investing Activities		
Proceeds from sale of investments	5,616,467	2,333,842
Purchases of investments	(4,370,159)	(8,045,051)
Purchases of property and equipment	(139,751)	(43,272)
Net Cash Provided By (Used In) Investing Activities	1,106,557	(5,754,481)
Cash Flows From Financing Activities		
Payments on long-term debt	(284,099)	(1,199,481)
Proceeds from endowment contributions	32,500	48,825
Net Cash Used In Financing Activities	(251,599)	(1,150,656)
Net Increase (Decrease) In Cash And Cash Equivalents	(2,190,063)	1,291,265
Cash And Cash Equivalents - Beginning Of Year	3,136,395	1,845,130
Cash And Cash Equivalents - End Of Year	\$ 946,332	\$ 3,136,395
Supplemental Disclosure Of Cash Flow Information		
Interest paid	\$ 31,741	\$ 72,518

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2023 And 2022

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 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.

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.

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 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 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.

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 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. At December 31, 2023, cash and cash equivalents in excess of FDIC and SIPC insurance limits approximated \$616,700.

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.

Accounts Receivable and Government Contracts Receivable

Accounts and 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 accounts receivable and government contracts receivable as of December 31, 2023 or 2022.

**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, 2023 and 2022, 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.

New Accounting Pronouncement – Credit Losses

As of January 1, 2023, the Organization adopted Accounting Standards Codification (ASC) Topic 326, *Financial Instruments - Credit Losses*, using a modified-retrospective approach. The standard replaces the previous incurred loss model and requires entities to record an estimate of expected losses on financial assets for the remaining estimated life of the asset. This estimate includes consideration of historical experience, current conditions, and reasonable and supportable forecasts. The standard applies to the Organization's accounts receivables. The adoption did not have an impact on these financial statements.

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

Notes To Consolidated Financial Statements (*Continued*)

Operating Lease

As further described in Note 15, the organization has a lease commitment for two vehicles with Wells Fargo Equipment Finance, Inc. Lease right-of-use (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 ROU assets represent the lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received. The Organization's lease has a term of five years. The Organization does not record ROU assets or lease liabilities for leases with an initial expected lease term of 12 months or less. For operating leases, lease expense for minimum lease payments is recognized on a straight-line basis over the term of the lease.

The lease terms utilized in determining ROU assets and lease liabilities include the noncancellable portion of the underlying leases along with renewal periods, only if it is reasonably certain that the option will be exercised. When determining if a renewal option is reasonably certain of being exercised, the factors considered, include but are not limited to, the cost of moving to another location, the cost of disruption of operations, the purpose or location of the lease asset and the terms associated with extending the lease.

The lease for the vehicles does not include a renewal option. Accordingly, only the initial term is included in the lease term when calculating the ROU asset and lease liability with respect to the vehicles lease.

As most leases do not provide an implicit discount rate, the Organization has made an election available to private companies that allows the use of the risk-free rate at the lease commencement date to determine the present value of the lease payments.

The Organization's operating leases typically contain fixed rent escalations over the lease term, and the Organization recognizes expense for these leases on a straight-line basis over the lease term of the respective ROU asset. The Organization recognizes the related lease expense on a straight-line basis and records the difference between the recognized lease expense and amounts payable under the lease as part of the ROU asset.

The Organization does not separate non-lease components of a contract from the lease components to which they relate for all classes of leased assets.

**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 \$495,448 and \$496,376 that have not been recognized at December 31, 2023 and 2022, respectively, because qualifying expenditures have not yet been incurred. At December 31, 2023 and 2022, government contracts receivable in the consolidated statement of financial position include \$533,191 and \$618,643, 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.

Contributed Nonfinancial Assets

On occasion, professional services are donated by various organizations. When these donated services meet the criteria for recognition under Accounting Standard Codification (ASC) 958-605, they are recorded at fair value at the date of donation.

The Organization also receives donated materials, land, or equipment, which are recorded at fair value at the date of receipt. The Organization records the value of donated materials when there is an objective basis available to measure their value (Note 14).

In addition, a number of volunteers have donated their time to the Organization's programs. However, such donated services have not been recorded because they do not meet the criteria for recognition.

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

Notes To Consolidated Financial Statements (*Continued*)

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, Best Buy 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.

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. This site location was closed during 2023.

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

Notes To Consolidated Financial Statements (*Continued*)

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.

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. This site location was closed during 2022.

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

Notes To Consolidated Financial Statements (*Continued*)

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. This site location was closed during 2022.

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.

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.

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

Notes To Consolidated Financial Statements (*Continued*)

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.

Bentwood Townhomes Club

Bentwood Townhomes Club started serving children and teens ages 6-18 for after-school programming in 2017. Club members participate in a wide range of on-site programs related to academic success, good character and citizenship, and healthy lifestyles. Bentwood Townhomes children and teens utilize Herbert Hoover Club and Ferguson Teen Center locations for summer camp activities.

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, 2023.

Reclassifications

Certain 2022 balances have been reclassified, where appropriate, to conform with the 2023 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:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	\$ 2,663,555	\$ 2,460,231	\$ 3,217,466	\$ 3,007,016
Common stocks	4,251,437	5,144,598	3,454,596	3,748,644
Exchange-traded funds	758,693	873,123	—	—
Government obligations	4,052,574	4,186,219	6,304,834	6,306,608
Corporate bonds	366,634	334,154	271,017	225,389
	\$ 12,092,893	\$ 12,998,325	\$ 13,247,913	\$ 13,287,657

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

Notes To Consolidated Financial Statements (*Continued*)

For the years ended December 31, 2023 and 2022, unrealized gains of \$865,756 and unrealized losses \$1,528,062, respectively, were recorded to adjust investments to fair value. For the years ended December 31, 2023 and 2022, realized gains of \$91,220 and realized losses of \$145,325, respectively, were recorded from the sale of investments.

Investments are classified in several funds, as follows:

	<u>2023</u>	<u>2022</u>
Amberg Fund	\$ 3,163,771	\$ 1,008,727
Mathews-Dickey Legacy Fund	533,168	493,537
Endowment		
Perpetual in nature	5,339,475	5,306,975
Unappropriated earnings	559,452	142,066
Other funds and general investments	3,402,459	6,336,352
	<u>\$ 12,998,325</u>	<u>\$ 13,287,657</u>

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

	<u>2023</u>	<u>2022</u>
Investments	\$ 7,658,850	\$ 7,980,682
Assets Restricted For Permanent Endowment	5,339,475	5,306,975
	<u>\$ 12,998,325</u>	<u>\$ 13,287,657</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, 2023:

Description	Level 1	Level 2	Level 3	Total
Mutual funds				
Small growth	\$ 23,378	\$ —	\$ —	\$ 23,378
Small value	22,389	—	—	22,389
Mid-cap growth	31,370	—	—	31,370
Mid-cap value	30,200	—	—	30,200
Intermediate - core plus	670,799	—	—	670,799
Short-term bond	1,350,869	—	—	1,350,869
Diversified emerging markets	331,226	—	—	331,226
Common stocks				
Financial services	773,788	—	—	831,050
Materials/consumer goods	1,498,084	—	—	1,498,084
Technology	968,183	—	—	968,183
Industrial	325,124	—	—	325,124
Healthcare	944,019	—	—	944,019
Communication	341,791	—	—	341,791
Energy	208,163	—	—	208,163
Real estate	28,184	—	—	28,184
Exchange-traded funds				
Small blend	349,864	—	—	349,864
Mid-cap blend	523,259	—	—	523,259
Government obligations				
Treasury securities	—	3,832,062	—	3,832,062
Federal agencies	—	354,157	—	354,157
Corporate bonds				
Financial services	—	143,273	—	143,273
Materials/consumer goods	—	28,853	—	28,853
Technology	—	28,723	—	28,723
Healthcare	—	56,284	—	56,284
Communication	—	56,808	—	56,808
Energy	—	20,213	—	20,213
Total Investments	\$ 8,420,690	\$ 4,520,373	\$ —	\$ 12,998,325

**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, 2022:

Description	Level 1	Level 2	Level 3	Total
Mutual funds				
Small-cap blend	\$ 146,561	\$ —	\$ —	\$ 146,561
Small-cap growth	141,945	—	—	141,945
Mid-cap growth	239,836	—	—	239,836
Mid-cap blend	186,904	—	—	186,904
Intermediate - core plus	486,321	—	—	486,321
Short-term bond	313,597	—	—	313,597
Diversified emerging markets	1,491,852	—	—	1,491,852
Common stocks				
Financial services	703,895	—	—	703,895
Materials/consumer goods	1,049,285	—	—	1,049,285
Technology	626,509	—	—	626,509
Industrial	358,127	—	—	358,127
Healthcare	586,698	—	—	586,698
Communication	245,469	—	—	245,469
Energy	178,661	—	—	178,661
Government obligations				
Treasury securities	—	6,052,694	—	6,052,694
Federal agencies	—	253,914	—	253,914
Corporate bonds				
Financial services	—	95,506	—	95,506
Materials/consumer goods	—	38,914	—	38,914
Technology	—	18,570	—	18,570
Healthcare	—	19,074	—	19,074
Communication	—	40,366	—	40,366
Energy	—	12,959	—	12,959
Total Investments	\$ 6,755,660	\$ 6,531,997	\$ —	\$ 13,287,657

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

Notes To Consolidated Financial Statements (*Continued*)

At December 31, 2023 and 2022, 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 2023 and 2022, 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, 2023 and 2022, unconditional promises to give are expected to be collected as follows:

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$ 1,526,468	\$ 1,334,134
Due in 1 - 5 years	420,000	350,000
	<u>1,946,468</u>	<u>1,684,134</u>
Less: Present value discount	(22,386)	(17,222)
	<u>\$ 1,924,082</u>	<u>\$ 1,666,912</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 2024 fiscal year's funding is received by the Organization in December 2023. Accordingly, the amounts awarded during 2023 and 2022 of \$717,146 and \$743,198, respectively, were recorded as net assets with donor restrictions and related promises to give at December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Land	\$ 1,734,043	\$ 1,734,043
Land improvements	635,911	635,911
Buildings and improvements	25,870,592	25,913,205
Leasehold improvements	3,874,073	3,874,073
Furniture and equipment	3,370,989	3,874,941
Construction in progress	20,032	20,032
	<u>35,505,640</u>	<u>36,052,205</u>
Less: Accumulated depreciation and amortization	<u>17,142,996</u>	<u>16,715,792</u>
	<u>\$ 18,362,644</u>	<u>\$ 19,336,413</u>

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 bore 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, 2023 and 2022 is \$475,835 and \$759,934, respectively. During 2022, the Organization made a lump sum payment of \$1,000,000 on the note in addition to the regularly scheduled installment payments.

The construction loan contains restrictive covenants. At December 31, 2023 and 2022, the Organization is in compliance with all loan covenants.

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

Notes To Consolidated Financial Statements (*Continued*)

The scheduled maturities of the long-term debt at December 31, 2023 are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 297,647
2025	178,188
	<u>\$ 475,835</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>2023</u>	<u>2022</u>
United Way - time restricted (Note 5)	\$ 717,146	\$ 743,198
Time restrictions - other	245,425	361,438
Unappropriated endowment earnings	559,452	142,066
Adams Park programs	239,150	150,000
PGA Reach golf course	143,039	—
Mathews-Dickey programs	10,000	149,031
	<u>\$ 1,914,212</u>	<u>\$ 1,545,733</u>

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

	<u>2023</u>	<u>2022</u>
Expiration of time restrictions - United Way	\$ 743,198	\$ 724,376
Appropriated endowment earnings	255,101	249,722
Adams Park programs	200,000	242,680
Education programs	403,154	854,690
Salaries	—	200,000
O'Fallon Park Club	100,000	100,000
Teen center and teen programs	1,164,398	828,984
Health and life skills	325,443	773,916
Workforce development program	205,000	178,750
Mathews-Dickey programs	149,031	57,297
Various programs and time restrictions	233,246	229,307
	<u>\$ 3,778,571</u>	<u>\$ 4,439,722</u>

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

Notes To Consolidated Financial Statements (*Continued*)

9. Endowment Funds

The Organization's endowments consist of the following funds:

Endowment Fund	Purpose Restriction	Year Established
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
Jim Butler Fund	Sportsmanship stipend awards	2022
June and Flint Fowler Fund	Volunteer and leadership awards	2022

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.

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

Notes To Consolidated Financial Statements (*Continued*)

Spending Policy And How The Investment Objectives Relate To Spending

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.

As of December 31, 2023 and 2022, the asset composition of the endowments is as follows:

	2023			
	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Taylor Fund	\$ —	\$ 212,614	\$ 1,000,000	\$ 1,212,614
Mentor St. Louis Fund	—	91,585	677,900	769,485
Emerson Fund	—	52,426	500,000	552,426
Mary Ann Lee Fund	—	113,246	1,000,000	1,113,246
Joan Silber Fund	—	6,347	30,250	36,597
Crawford Taylor Fund	—	70,638	2,000,000	2,070,638
DeHaven Fund	—	8,306	50,000	58,306
Jim Butler Fund	—	4,290	33,825	38,115
June and Flint Fowler Fund	—	—	47,500	47,500
	\$ —	\$ 559,452	\$ 5,339,475	\$ 5,898,927

	2022			
	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Taylor Fund	\$ —	\$ 123,751	\$ 1,000,000	\$ 1,123,751
Mentor St. Louis Fund	—	49,025	677,900	726,925
Emerson Fund	—	11,814	500,000	511,814
Mary Ann Lee Fund	—	31,463	1,000,000	1,031,463
Joan Silber Fund	—	3,670	30,250	33,920
Crawford Taylor Fund	—	(81,683)	2,000,000	1,918,317
DeHaven Fund	—	4,008	50,000	54,008
Jim Butler Fund	—	18	33,825	33,843
June and Flint Fowler Fund	—	—	15,000	15,000
	\$ —	\$ 142,066	\$ 5,306,975	\$ 5,449,041

**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, 2023 and 2022 are as follows:

	Without Donor Restrictions	Unappropriated Earnings	Perpetual In Nature	Total
Balance - January 1, 2022	\$ —	\$ 1,640,862	\$ 5,258,150	\$ 6,899,012
Interest and dividends, net	—	101,273	—	101,273
Realized loss	—	(112,051)	—	(112,051)
Unrealized loss	—	(1,238,296)	—	(1,238,296)
Total investment return	—	(1,249,074)	—	(1,249,074)
Contributions	—	—	48,825	48,825
Amounts appropriated for spending	—	(249,722)	—	(249,722)
Balance - December 31, 2022	—	142,066	5,306,975	5,449,041
Interest and dividends, net	—	110,584	—	110,584
Realized gains	—	35,823	—	35,823
Unrealized gains	—	526,080	—	526,080
Total investment return	—	672,487	—	672,487
Contributions	—	—	32,500	32,500
Amounts appropriated for spending	—	(255,101)	—	(255,101)
Balance - December 31, 2023	\$ —	\$ 559,452	\$ 5,339,475	\$ 5,898,927

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature related to market fluctuations are reported in net assets with donor restrictions. Deficiencies of this nature existed in one donor-restricted endowment fund, which has an original gift value of \$2,000,000, a fair value of \$1,918,218, resulting in a deficiency of \$81,683 as of December 31, 2022. This deficiency resulted from unfavorable financial market fluctuations and the these funds recovered their losses in 2023. There were no such deficiencies as of December 31, 2023.

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

Notes To Consolidated Financial Statements (*Continued*)

10. Line 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 an index rate plus .75%, but shall not be less than 7.00%. Interest rate was 9.25% and 7.00%, respectively, at December 31, 2023 and 2022.

At December 31, 2023 and 2022, the Organization had no amount outstanding on the line of credit.

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 946,332	\$ 3,136,395
Investments	7,658,850	7,980,682
Unconditional promises to give - current	1,526,468	1,334,134
Government contracts receivable	533,191	618,643
<u>Total financial assets</u>	<u>10,664,841</u>	<u>13,069,854</u>
Less amounts not available to be used within one year:		
Donor purpose restrictions	(124,208)	69,533
Unappropriated earnings with purpose restrictions	559,452	142,066
<u>Total financial assets not available to be used within one year</u>	<u>435,244</u>	<u>211,599</u>
<u>Financial assets available to meet cash needs for general expenditures within one year</u>	<u>\$ 10,229,597</u>	<u>\$ 12,858,255</u>

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.

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

Notes To Consolidated Financial Statements (*Continued*)

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.

The Organization leases office equipment under noncancellable lease agreements having an initial term of greater than one year. Rental expense was \$59,184 and \$71,765 for the years ended December 31, 2023 and 2022, 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 \$97,087 and \$147,041 for the years ended December 31, 2023 and 2022, respectively. In 2023 and 2022, the Organization offered a match equal to 100% of employee elected deferrals on the first 3% and a match equal to 50% of elected deferrals on the next 2% of employee compensation for the year. As of December 31, 2023 and 2022, the Organization had accrued contributions outstanding of \$82,516 and \$153,764, respectively, which are included in accounts payable and accrued expenses in the consolidated statement of financial position.

14. Contributed Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets for the years ending December 31:

	<u>2023</u>	<u>2022</u>
Auction items	\$ 26,555	\$ 36,965
Professional services	—	30,000
	<u>\$ 26,555</u>	<u>\$ 66,965</u>

The Organization receives items to be sold at its annual auction. Contributed auction items are valued at the gross selling prices received. Donated professional services include legal and marketing services that are recorded at fair market value. All donated services and assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated assets.

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

Notes To Consolidated Financial Statements (*Continued*)

15. Right-Of-Use Liability - Operating Lease

During 2020, the Organization entered into a lease agreement with Wells Fargo Equipment Finance, Inc. (the Landlord) to lease two 2019 Ford Allstar shuttle buses. The assets under the operating lease are capitalized using a discount rate of 1.04% and amortized over the remaining life of the lease. As of December 31, 2023, 2.25 years of the lease term remains. Rent is payable in annual installments of \$21,774. Base rent for the lease is \$1,812 per month. The lease matures in April 2025. During 2023 and 2022, cash paid for the operating lease totaled \$23,849.

Lease expense for the year ended December 31, 2023 and 2022 amounted to \$23,849, and is included in equipment rental and maintenance on the statement of functional expense.

The reconciliation of the undiscounted cash flows of the lease liability recorded on the statement of financial position is as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 19,932
2025	5,436
Total minimum lease payments	25,368
Less: Amount of lease payments representing interest	164
Present value of future minimum lease payments	25,204
Less: Current portion	21,585
	\$ 3,619