

BOYS AND GIRLS CLUB OF GREATER
SCOTTSDALE, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

Years Ended June 30, 2025 and 2024

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Independent Auditors' Report

To the Board of Governors of
Boys and Girls Club of Greater Scottsdale, Inc. and Subsidiaries
Scottsdale, Arizona

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Boys and Girls Club of Greater Scottsdale, Inc. and Subsidiaries (the Organization, a nonprofit corporation), which comprise the consolidated statement of financial position as of June 30, 2025 and 2024, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in their net assets and their 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 these 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether these consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position and consolidating statement of activities, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Fester & Chapman, PLLC

November 24, 2025

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets:		
Cash	\$ 4,758,234	\$ 3,289,029
Investments	30,019,598	27,003,811
Program receivables	11,295	23,076
Government grants receivable	74,387	804,008
Pledges receivable, current portion	3,888,688	145,000
Prepaid expenses	<u>44,924</u>	<u>8,362</u>
Total current assets	38,797,126	31,273,286
Pledges receivable, noncurrent portion, net	3,932,127	210,389
Investments - endowment funds	2,245,902	2,287,829
457(b) plan investments	209,196	80,427
Property and equipment, net	12,589,630	12,774,682
Operating lease - right-of-use assets	<u>147,009</u>	<u>260,255</u>
 Total assets	 <u>\$ 57,920,990</u>	 <u>\$ 46,886,868</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 813,883	\$ 802,341
Other liabilities	96,987	120,860
Refundable advances	423,690	1,149,482
Finance lease obligation, current portion	45,660	45,660
Operating lease liabilities, current portion	110,497	113,970
Notes payable, current portion		3,683
Present value of annuity payments, current portion	<u>8,570</u>	<u>8,130</u>
Total current liabilities	1,499,287	2,244,126
Finance lease obligation, net of current portion	18,383	47,617
Operating lease liabilities, net of current portion	40,090	150,587
457(b) plan benefits payable	209,196	80,427
Present value of annuity payments, net of current portion	<u>67,331</u>	<u>60,913</u>
Total liabilities	1,834,287	2,583,670
Net assets:		
Without donor restrictions:		
Board designated for long-term investments	2,000,000	2,000,000
Unrestricted	<u>44,848,992</u>	<u>39,898,214</u>
Total without donor restrictions	46,848,992	41,898,214
With donor restrictions	<u>9,237,711</u>	<u>2,404,984</u>
Total net assets	<u>56,086,703</u>	<u>44,303,198</u>
 Total liabilities and net assets	 <u>\$ 57,920,990</u>	 <u>\$ 46,886,868</u>

The accompanying notes are an integral part of these statements.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support, revenue and gains:			
Contributions and grants	\$ 7,681,376	\$ 8,106,107	\$ 15,787,483
Program service fees, net	3,014,840		3,014,840
Special events, net of direct donor benefits of \$563,548	937,438		937,438
Contributions in-kind	45,676		45,676
Thrift store	236,917		236,917
Net investment gains	2,968,105	24,178	2,992,283
Miscellaneous	124,465		124,465
Net assets released from restrictions	<u>1,297,558</u>	<u>(1,297,558)</u>	
Total support, revenue and gains	16,306,375	6,832,727	23,139,102
Expenses:			
Comprehensive youth development	7,503,180		7,503,180
Management and general	2,665,336		2,665,336
Fundraising	<u>1,187,081</u>		<u>1,187,081</u>
Total expenses	<u>11,355,597</u>		<u>11,355,597</u>
Change in net assets	4,950,778	6,832,727	11,783,505
Net assets, beginning of year	<u>41,898,214</u>	<u>2,404,984</u>	<u>44,303,198</u>
Net assets, end of year	<u>\$ 46,848,992</u>	<u>\$ 9,237,711</u>	<u>\$ 56,086,703</u>

The accompanying notes are an integral part of these statements.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support, revenue and gains:			
Contributions and grants	\$ 8,014,429	\$ 798,253	\$ 8,812,682
Program service fees, net	2,786,917		2,786,917
Special events, net of direct donor benefits of \$551,722	859,248		859,248
Contributions in-kind	58,447		58,447
Thrift store	191,642		191,642
Net investment gains	2,257,786	68,478	2,326,264
Miscellaneous	110,837		110,837
Net assets released from restrictions	<u>1,176,301</u>	<u>(1,176,301)</u>	
Total support, revenue and gains	15,455,607	(309,570)	15,146,037
Expenses:			
Comprehensive youth development	6,925,333		6,925,333
Management and general	2,129,582		2,129,582
Fundraising	<u>952,446</u>		<u>952,446</u>
Total expenses	<u>10,007,361</u>		<u>10,007,361</u>
Change in net assets	5,448,246	(309,570)	5,138,676
Net assets, beginning of year	<u>36,449,968</u>	<u>2,714,554</u>	<u>39,164,522</u>
Net assets, end of year	<u>\$ 41,898,214</u>	<u>\$ 2,404,984</u>	<u>\$ 44,303,198</u>

The accompanying notes are an integral part of these statements.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	Program Services	Supporting Services			Total
	Comprehensive Youth Development	Management and General	Fundraising	Direct Donor Benefits	
Salaries	\$ 3,121,306	\$ 1,355,208	\$ 698,692		\$ 5,175,206
Employee benefits	301,320	240,359	86,716		628,395
Payroll taxes	238,764	98,217	49,475		386,456
Contracted professional services	459,926	450,972	50,563		961,461
Occupancy	609,068	71,985	720		681,773
Contracted services/leases	336,690	89,567			426,257
Office supplies and equipment	102,461	23,026	22,927		148,414
Scholarships			34,442		34,442
Supplies and materials	902,139				902,139
Meetings and conferences	16,331	19,618	15,968		51,917
Travel and transportation	116,217	25,028	3,618		144,863
Dues, fees, and subscriptions	154,823	87,124	3,039		244,986
Insurance	267,766	27,358			295,124
Banking and merchant fees	103,040		62,187		165,227
Interest	6,802	19,597			26,399
In-kind	45,676				45,676
Miscellaneous	46,549	15,037	158,734		220,320
Depreciation and amortization	674,302	142,240			816,542
Special event - direct donor benefits				\$ 563,548	563,548
Less: expenses netted against revenues on the Statement of Activities:					
Special event expenses				(563,548)	(563,548)
Total expenses	<u>\$ 7,503,180</u>	<u>\$ 2,665,336</u>	<u>\$ 1,187,081</u>	<u>\$</u>	<u>\$ 11,355,597</u>

The accompanying notes are an integral part of these statements.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	Program Services	Supporting Services			Total
	Comprehensive Youth Development	Management and General	Fundraising	Direct Donor Benefits	
Salaries	\$ 2,933,733	\$ 1,226,174	\$ 667,424		\$ 4,827,331
Employee benefits	323,760	169,200	65,440		558,400
Payroll taxes	224,759	85,822	48,376		358,957
Contracted professional services	381,700	154,459	49,306		585,465
Occupancy	505,629	71,162	2,160		578,951
Contracted services/leases	303,043	89,000			392,043
Office supplies and equipment	135,157	74,578	21,705		231,440
Scholarships	42,192				42,192
Supplies and materials	750,585				750,585
Meetings and conferences	18,250	18,084	36,364		72,698
Travel and transportation	97,527	10,225			107,752
Dues, fees, and subscriptions	113,803	53,873	6,326		174,002
Insurance	236,358	24,149			260,507
Banking and merchant fees	84,852	53	47,314		132,219
Interest	6,408	15,918			22,326
In-kind	58,447				58,447
Miscellaneous	58,585	6,287	8,031		72,903
Depreciation and amortization	650,545	130,598			781,143
Special event - direct donor benefits				\$ 551,722	551,722
Less: expenses netted against revenues on the Statement of Activities:					
Special event expenses				(551,722)	(551,722)
Total expenses	\$ 6,925,333	\$ 2,129,582	\$ 952,446	\$	\$ 10,007,361

The accompanying notes are an integral part of these statements.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30,

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 11,783,505	\$ 5,138,676
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	816,542	781,143
Noncash operating lease expense	113,246	107,700
Proceeds from capital campaign	(2,363,469)	
Unrealized gains on investments	(2,907,488)	(2,280,696)
Changes in assets and liabilities:		
Program receivables	11,781	61,808
Government grants receivable	729,621	(524,076)
Pledges receivable, net	(7,465,426)	215,777
Prepaid expenses	(36,562)	(8,362)
Accounts payable and accrued liabilities	11,543	56,963
Other liabilities	(23,873)	(25,961)
Refundable advances	(725,792)	599,882
Operating lease liability	(113,970)	(106,438)
Present value of annuity payments	<u>6,858</u>	<u>(7,157)</u>
Net cash (used) provided by operating activities	<u>(163,484)</u>	<u>4,009,259</u>
Cash flows from investing activities:		
Purchases of property and equipment	(631,491)	(595,017)
Purchases of investments	(1,793,031)	(7,363,808)
Proceeds from sales of investments	<u>1,726,659</u>	<u>3,959,354</u>
Net cash used by investing activities	<u>(697,863)</u>	<u>(3,999,471)</u>
Cash flows from financing activities:		
Proceeds from capital campaign	2,363,469	
Payments of finance lease obligations	(29,234)	(23,869)
Payments on notes payable	<u>(3,683)</u>	<u>(18,562)</u>
Net cash provided (used) by financing activities	<u>2,330,552</u>	<u>(42,431)</u>
Net change in cash	1,469,205	(32,643)
Cash, beginning of year	<u>3,289,029</u>	<u>3,321,672</u>
Cash, end of year	<u>\$ 4,758,234</u>	<u>\$ 3,289,029</u>
<u>Supplemental disclosure:</u>		
Cash paid for interest	\$ 26,399	\$ 22,326

The accompanying notes are an integral part of these statements.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Boys and Girls Club of Greater Scottsdale, Inc. (the Clubs) is an Arizona Corporation formed in June 1954 to promote the physical, mental, and moral well-being of boys and girls by providing education, recreation, and guidance. On December 22, 2011, the Clubs formed Boys and Girls Clubs of Greater Scottsdale Youth, LLC, with the Clubs as the sole member, which was formed to hold certain club assets in order to qualify for the working poor tax credit. On January 5, 2018, the Clubs formed Boys and Girls Clubs of Greater Scottsdale Foster Children, LLC with the Clubs as the sole member, which was formed to hold certain club assets in order to be a qualifying foster care charitable organization and receive Arizona tax credit contributions. Boys & Girls Clubs of Greater Scottsdale serves thousands of boys and girls with youth development programs when school is out (after school, school breaks, and during summer camp) at nine Club locations within the communities of Scottsdale, North Phoenix, Fountain Hills, Mesa, the Salt River Pima-Maricopa Indian Community and Hualapai Nation. The Clubs serve approximately 7,100 boys and girls including approximately 4,325 in their after school and summer day camp programs. The Clubs also operate a thrift store in Scottsdale for fundraising purposes.

Boys and Girls Clubs of Greater Scottsdale Foundation (the Foundation) was incorporated in January 1994 with the Clubs as the sole member of the Foundation. The Foundation was organized to manage investment funds, with the income to be used for the benefit of the Clubs. On December 28, 2017, the Foundation formed BGCGSF Apache Holdings, LLC with the Foundation as the sole member, which was formed to hold title to contributed land.

The significant policies followed by the Clubs, the Foundation, and wholly-owned subsidiaries (collectively referred to herein as the Organization) are as follows:

Consolidated Financial Statements

The consolidated financial statements include the accounts of the Boys and Girls Club of Greater Scottsdale, Inc.; Boys and Girls Club of Greater Scottsdale Youth, LLC; Boys and Girls Clubs of Greater Scottsdale Foster Children, LLC; BGCGSF Apache Holdings, LLC; and Boys and Girls Clubs of Greater Scottsdale Foundation. All of the financial activities and balances of these organizations are included in these consolidated financial statements. All significant interorganization accounts and transactions have been eliminated in consolidation.

Basis of Presentation

The Organization follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) topic of *Not-for-Profit Entities*, requiring the Organization to report information regarding its financial position and activities according into two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Organization has designated net assets without donor restrictions for endowment fund purposes. See Note 10.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the restricted stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as net assets without donor restrictions.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments, consisting primarily of equities and mutual funds with readily determinable market values are measured at fair value as of each fiscal year-end in the consolidated statements of financial position. Investment income or losses (including realized and unrealized gains and losses on investments, interest, dividends and fees) are recognized in the consolidated statements of activities as net investment gains and losses.

Government Grants Receivable

The Organization recognizes government grants as revenue and receivables when conditions for earning grant awards are met. At June 30, 2025 and 2024, government grants receivable consisted amounts due from government agencies for awards under which the grant conditions have been substantially met.

Revenue Recognition - Contracts with Participants Accounted for in Accordance with FASB ASC 606

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

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable, Net

Unconditional promises to give (pledges receivable) are recognized as revenues in the period the promise is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Monies received pursuant to conditional promises are reflected as refundable advances. Unconditional promises to give that are to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates as determined by management, applicable to the years in which the promises are received. Amortization of the discounts is included in contribution support.

The carrying amount of pledges receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. There was no allowance for doubtful accounts recorded for pledges receivable at June 30, 2025 and 2024, as amounts were considered to be fully collectible.

Refundable Advances

Refundable advances include payments received from conditional contributions prior to the Organization meeting the conditions required to earn the contribution or grant, in accordance with FASB ASC Subtopic 958-605.

Bequests

Bequests are recognized as contribution revenue in the period the Foundation receives notification the court has found the will of the donor's estate to be valid and all conditions have been substantially met.

Special Events Revenue

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as costs of direct donor benefits. All proceeds received in excess of the direct donor benefits are recorded as gross profit from special events in the accompanying consolidated statements of activities.

Grants

The Organization receives various grants from different sources to perform specific services. The Organization recognizes revenue from these grants as services are provided. Refundable advances are recorded when cash advances exceed amounts earned on conditional promises to give.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Purchased property and equipment costing \$2,500 or more are recorded at cost, or if donated, at the estimated fair value at the date of the gift to the Organization. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Maintenance and repairs are charged to operations when incurred.

The Organization depreciates its property and equipment over the estimated useful lives of the assets using the straight-line method as follows:

Buildings and building improvements	5-40 years
Leasehold improvements	Lesser of the estimated useful life or remaining lease term
Furniture and equipment	2-10 years
Vehicles	5 years
Assets held under finance lease obligations	Lesser of the estimated useful life or remaining lease term

Contributions

Contributions are reported in accordance with the FASB ASC subtopic of *Revenue Recognition for Not-for-Profit Entities*. Contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. 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.

Program Service Fees, Net

The Organization records revenues from program service fees over the applicable membership period. The unearned portion of the program service fees is recorded in other liabilities at June 30, 2025 and 2024, in the accompanying consolidated statements of financial position. Program service fees are presented net of scholarships provided to qualifying participants totaling \$1,462,438 and \$772,390, during the years ended June 30, 2025 and 2024, respectively.

Contributions In-kind

Donated materials are recognized as contributions if the services (a) create or enhance nonfinancial assets; or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. The Organization utilizes the services of volunteers to perform a variety of tasks that assist the Organization with specific programs. This support has not been recorded, as it does not meet the recognition criteria; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and fundraising campaigns.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities, and allocated among program and supporting services benefited in the consolidated statements of functional expenses. Expenses allocated on a square-footage proportional basis include occupancy, contracted services/leases, and depreciation and amortization. Expenses allocated on the basis of estimates of proportional use or time and effort are salaries and related expenses.

Income Tax Status

The Clubs and Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code), and accordingly, there is no provision for income taxes in the accompanying consolidated financial statements. In addition, the Clubs and Foundation qualify for the charitable contribution deduction under Section 170 of the Code and have been classified as organizations that are not private foundations. Income determined to be unrelated business taxable income (UBTI) would be taxable. The Organization's wholly-owned LLCs are considered disregarded entities for income tax purposes.

Market Risk

Investments 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 risks in the near term could materially affect account balances and the amounts reported in the accompanying consolidated financial statements.

Concentrations

The Organization's cash and investments on deposit at financial institutions are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC), or covered under the Securities Investor Protection Corporation (SIPC). Balances may at times exceed insured amounts; however, the Organization manages the concentration of credit risk by maintaining deposits in multiple financial institutions.

During the year ended June 30, 2025, the Organization received approximately \$5,000,000 from one donor, which represented 29% of total revenue.

Subsequent Events

The Organization has evaluated subsequent events through November 24, 2025, the date the Organization's financial statements were issued, and has concluded that no events have occurred since the year ended June 30, 2025, that would require an adjustment to, or disclosure in the financial statements.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of its fiscal year end to fund expenses without limitations:

	2025	2024
Financial assets included in current assets:		
Cash	\$ 4,758,234	\$ 3,289,029
Investments	30,019,598	27,003,811
Program receivables, net	11,295	23,076
Government grants receivable	74,387	804,008
Pledges receivable, current portion	3,888,688	145,000
Total financial assets included in current assets	38,752,202	31,264,924
Less amounts unavailable for general expenditure within one year:		
Donor restricted for purpose or time	(8,991,809)	(2,117,155)
Donor restricted in perpetuity	(245,902)	(287,829)
Total donor restricted amounts	(9,237,711)	(2,404,984)
Total financial assets available to meet cash needs for general expenditures within one year	\$ 29,514,491	\$ 28,859,940

In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting contributions, grants, and other revenues; by utilizing donor-restricted resources from current and prior years gifts; and by appropriating the investment return on its donor-restricted endowments, as needed. The Organization also has a line of credit available to cover operating expenditures (See Note 9).

NOTE 3 - PLEDGES RECEIVABLE, NET

The Organization's pledges receivable consisted of the following at June 30:

	2025	2024
Due within one year	\$ 3,888,688	\$ 145,000
Due within two to five years	4,166,960	286,950
	8,055,648	431,950
Discount to adjust to net present value	(234,833)	(76,561)
Total pledges receivable, net	\$ 7,820,815	\$ 355,389

Pledges receivable due in more than one year are discounted at 5.0% in the year that the unconditional promise to give is made to the Organization. At June 30, 2024, 96%, of the Organization's pledges receivable was due from another nonprofit organization. At June 30, 2025, 77% of the Organization's pledges receivable were due from two donors, including another nonprofit organization.

In partnership with Scottsdale Unified School District, the Clubs are renovating unused space at Tonalea Middle School, transforming it into a state-of-the-art Club complete with a full gymnasium, performing arts studio, dedicated teen center, STEAM Makerspace Studio, Tech Lab, Art Room and Games Room. As of June 30, 2025, the Clubs raised approximately \$9.6 million towards the campaign goal of \$15 million.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. At June 30, 2025 and 2024 the Organization did not have any financial instruments based on Level 2 inputs.

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions. At June 30, 2025 and 2024 the Organization did not have any financial instruments based on Level 3 inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Mutual funds / Fixed income securities / Hedge funds / Equities / Commodities / Alternative assets: Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

Bonds / Debt securities: Determined by the closing bid price on the last business day of the fiscal year if actively traded.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following were the fair value of assets measured at fair value on a recurring basis at June 30, 2025:

	<u>Total</u>	<u>Level 1</u>
<u>Investments:</u>		
Mutual funds:		
Emerging markets	\$ 775,560	\$ 775,560
International equities	3,326,922	3,326,922
Large cap	5,616,700	5,616,700
Mid cap	2,140,891	2,140,891
Other		
Small cap	2,202,749	2,202,749
Private equity other	246,963	246,963
Fixed income:		
Investment grade taxable	8,095,725	8,095,725
International developed bonds	1,377,325	1,377,325
Global high yield taxable	1,319,193	1,319,193
Other	2,915	2,915
U.S. treasuries	1,688,474	1,688,474
Hedge funds specific strategy	1,712,717	1,712,717
Tangible assets - commodities	2,094,383	2,094,383
Real estate private ownership	529,405	529,405
Cash equivalents	<u>1,135,578</u>	
Total investments	<u>\$ 32,265,500</u>	<u>\$ 31,129,922</u>

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following were the fair value of assets measured at fair value on a recurring basis at June 30, 2024:

	<u>Total</u>	<u>Level 1</u>
<u>Investments:</u>		
Mutual funds:		
Emerging markets	\$ 782,250	\$ 782,250
International equities	2,211,740	2,211,740
Large cap	4,538,182	4,538,182
Mid cap	2,357,540	2,357,540
Small cap	1,882,222	1,882,222
Other	129	129
Fixed income:		
Investment grade taxable	7,299,044	7,299,044
International developed bonds	1,554,374	1,554,374
Global high yield taxable	1,313,265	1,313,265
U.S. Treasuries	1,683,398	1,683,398
Other	3,587	3,587
Hedge funds specific strategy	1,589,274	1,589,274
Tangible assets - commodities	1,765,470	1,765,470
Real estate private ownership	537,303	537,303
Cash equivalents	1,773,862	
Total investments	<u>\$ 29,291,640</u>	<u>\$ 27,517,778</u>

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,156,972	\$ 1,156,972
Buildings and building improvements	21,273,227	20,862,425
Leasehold improvements	149,850	149,850
Furniture and equipment	1,889,548	2,138,519
Vehicles	1,478,319	1,299,171
Assets held under finance lease obligation	142,301	142,301
Use of land	56,972	56,972
	26,147,189	25,806,210
Accumulated depreciation and amortization	<u>(13,557,559)</u>	<u>(13,031,528)</u>
Property and equipment, net	<u>\$ 12,589,630</u>	<u>\$ 12,774,682</u>

Depreciation and amortization expense was \$816,542 and \$781,143, for the years ended June 30, 2025 and 2024, respectively.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 6 - FINANCE LEASE OBLIGATIONS

The Organization has noncancelable, finance lease agreements for printers expiring in 2027. The leases require monthly principal and interest payments of \$3,805. The leased equipment had a cost of \$142,301 and accumulated depreciation of approximately \$58,277 as of June 30, 2025. Interest expense incurred for the finance lease was \$20,329 and \$21,799 during the years ended June 30, 2025 and 2024, respectively. The future minimum lease payments on finance lease obligations under the finance lease are as follows:

Years ending June 30:		
2026	\$	45,660
2027		<u>30,440</u>
		76,100
Less: amount representing interest		<u>(12,057)</u>
Present value of net minimum lease payments	\$	<u><u>64,043</u></u>

NOTE 7 - OPERATING LEASES

The Organization leases facilities and equipment under noncancelable operating leases expiring through 2027. Lease expense for those leases was \$123,190 for the years ended June 30, 2025 and 2024, and is included in occupancy expense in the consolidated statement of functional expenses.

During the years ended June 30, 2025 and 2024 the components of the lease expense were as follows:

		<u>2025</u>	<u>2024</u>
Operating lease cost:			
Rent expense	\$	123,190	\$ 123,190

Supplemental information for the consolidated statement of financial position for the years ended June 30, 2025 and 2024, related to the leases was as follows:

		<u>2025</u>	<u>2024</u>
Operating lease right-of-use assets	\$	147,009	\$ 260,255
Operating lease liabilities:			
Current portion of long-term debt		110,497	113,970
Long-term debt		40,090	150,587
Weighted average remaining lease term:			
Operating leases		16.38 months	27.67 months

During the years ended June 30, 2025 and 2024, the Organization had the following cash and non-cash activities associated with leases:

		<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating lease	\$	123,914	\$ 120,149

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 7 - OPERATING LEASES (CONTINUED)

The future payments due under the operating leases are as follows:

2026	\$	114,836
2027		40,429
Less: interest		<u>(4,678)</u>
Total minimum future payments	\$	<u><u>150,587</u></u>

Because the Organization does not have access to the rate implicit in the leases, the Organization utilizes the appropriate US Treasury Bill rate relative to the lease terms as the discount rate. As of June 30, 2025, the weighted average discount rate on the operating leases was 4.86%.

The Organization also leases the land for four locations, the Virginia Piper and Administrative Center, Barker and Thunderbird branches from the City of Scottsdale with an additional lease for the McKee branch from the Town of Fountain Hills. The leases require payments \$1 each per year and expire at various dates through 2052. Certain land leases contain an option to renew for an additional term. At inception of each agreement, the Organization was required to construct new or refurbish existing buildings at the sole cost and expense of the Organization. Upon termination of the lease, all property constructed or improvements made by the Organization reverts to each lessor at no cost to the lessor.

The leases also include specific provisions granting the lessor access to and use of the constructed facilities at no cost to the lessor. The leases specifically contemplate the shared use of the facilities in exchange for the nominal cash rent payments. Based on the terms of the lease, the Organization is required to perform annually under the agreements. The Organization has recorded the fair value ascribed to the use of land over the term of the leases in the accompanying consolidated financial statements (See Note 5).

NOTE 8 - NOTE PAYABLE

Note payable consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>
\$125,000 unsecured note payable to the City of Scottsdale for the replacement of an HVAC system, due in 120 monthly principal and interest payments of \$1,236, including interest at 3.5%, maturing in August 2024. During fiscal year 2025, the note was paid in full.	<u>\$</u>	<u>\$ 3,683</u>
		3,683
Less current maturities		<u>(3,683)</u>
	<u><u>\$</u></u>	<u><u>\$</u></u>

Interest expense incurred for the Clubs' note payable was \$0 and \$404 for the years ended June 30, 2025 and 2024, respectively.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 9 - LINE OF CREDIT

The Foundation has a revolving \$5 million line of credit with a financial institution, with interest due monthly at LIBOR plus .75% (5.25% and 6.21% at June 30, 2025 and 2024, respectively). The line is secured by deposits and equity investments held by the Foundation. There was no outstanding balance on the line of credit at June 30, 2025 and 2024.

NOTE 10 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 44,848,992	\$ 39,898,214
Board designated for long-term investments	<u>2,000,000</u>	<u>2,000,000</u>
Total net assets without donor restrictions	<u>\$ 46,848,992</u>	<u>\$ 41,898,214</u>

The bylaws of the Foundation designated \$2,000,000 of the net assets without donor restrictions to be used as an endowment. The designated amount is only to be used for investment purposes, the income of which is for the benefit of the Clubs. The amount can be changed only by a two-thirds vote of the Board of Trustees of the Foundation.

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Purpose restrictions:		
Back to school shopping	\$ 16,440	\$ 86,274
Hualapai Club operation	32,881	64,952
STEAM Makerspace campaign	885,165	1,264,770
Scholarship funds	96,987	120,860
Improvements	9,038	12,688
Programs - other	115,083	155,422
Time restrictions:		
Other	7,836,215	412,189
Endowments	<u>245,902</u>	<u>287,829</u>
Total net assets with donor restrictions	<u>\$ 9,237,711</u>	<u>\$ 2,404,984</u>

Net assets of \$1,297,558 and \$1,176,301, were released from restrictions during the years ended June 30, 2025 and 2024, respectively, related to the fulfillment of program and time restrictions.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 12 - ENDOWMENTS

The Organization's endowments consists of one board designated fund and one individual donor-restricted fund. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. In September 2008, the State of Arizona enacted ARS§ 10-1180 et seq Management of Charitable Funds Act (MCFA).

The Organization follows Arizona's Management of Charitable Funds Act (MCFA) and its own governing documents. MCFA requires the preservation of endowment funds. When a donor's intent is not expressed, MCFA directs the Organization to spend an amount that is prudent, consistent with the purposes of the fund, relevant economic factors, and the donor's intent that the fund continue in perpetuity.

The Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by MCFA.

In accordance with MCFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) the Organization's other resources, and (7) the Organization's investment policies.

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, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

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 consists of equity-based investments, corporate and municipal bonds, and money market accounts.

The Organization's annual appropriations are at the discretion of the Organization's Board of Governors unless specific instructions are provided by the endowment donors.

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 12 - ENDOWMENTS (CONTINUED)

Endowment net asset composition by type of fund as of June 30, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board restricted	\$ 2,000,000		\$ 2,000,000
Donor-restricted		\$ 245,902	245,902
Total	<u>\$ 2,000,000</u>	<u>\$ 245,902</u>	<u>\$ 2,245,902</u>

The changes in endowment net assets for the year ended June 30, 2025, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - beginning of year	\$ 2,000,000	\$ 287,829	\$ 2,287,829
Contributions		46,370	46,370
Released from restrictions		(112,474)	(112,474)
Investment income	190,398	24,177	214,575
Appropriation of assets for expenditures	(190,398)		(190,398)
Endowment net assets - end of year	<u>\$ 2,000,000</u>	<u>\$ 245,902</u>	<u>\$ 2,245,902</u>

Endowment net asset composition by type of fund as of June 30, 2024, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board restricted	\$ 2,000,000		\$ 2,000,000
Donor-restricted		\$ 287,829	287,829
Total	<u>\$ 2,000,000</u>	<u>\$ 287,829</u>	<u>\$ 2,287,829</u>

The changes in endowment net assets for the year ended June 30, 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - beginning of year	\$ 2,000,000	\$ 202,818	\$ 2,202,818
Contributions		27,105	27,105
Released from restrictions		(10,572)	(10,572)
Investment income	159,950	68,478	228,428
Appropriation of assets for expenditures	(159,950)		(159,950)
Endowment net assets - end of year	<u>\$ 2,000,000</u>	<u>\$ 287,829</u>	<u>\$ 2,287,829</u>

BOYS AND GIRLS CLUB OF GREATER SCOTTSDALE, INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 13 - RETIREMENT PLANS

The Organization sponsors a 401(k) plan (the Plan) covering substantially all employees who have completed 12 months of service and are age 21 or older. The Organization matches employee contributions at a rate of 100% up to 3% of their pay. The Organization contributed \$59,638 and \$53,970, for the years ended June 30, 2025 and 2024, respectively, to the Plan.

During the year ended June 30, 2023 the Organization established a 457(b) Plan (the 457 Plan), effective November 1, 2022. The Organization provides certain members of management and highly compensated employees the opportunity to defer compensation into the 457 Plan. Under the 457 Plan, the Organization may make discretionary nonelective contributions. During the years ended June 30, 2025 and 2024, the Organization contributed \$70,000 and \$72,500, respectively, to the 457 Plan. Contributions to the 457 Plan are fully vested upon five years of participation. Generally accepted accounting principles requires that 457(b) Plan assets and liabilities be presented on the consolidated statement of financial position at fair value.

NOTE 14 - CONTRIBUTIONS IN-KIND

During the years ended June 30, 2025 and 2024, the Organization received the following in-kind donations:

	<u>Used for:</u>	<u>2025</u>	<u>2024</u>
Materials, supplies and services	Programs	\$ 45,676	\$ 58,447

Donated materials, property and equipment are valued based on the estimated retail value of the items on the date received. Donated materials primarily consist of supplies used for programs during the years ended June 30, 2025 and 2024.

NOTE 15 - CONDITIONAL CONTRIBUTIONS

The Organization received conditional contributions during the fiscal year ended June 30, 2025. Conditional contributions are recorded when the donor-imposed conditions are substantially met.

Certain conditions are required to be met by the Organization in order to earn and receive these amounts. As of June 30, 2025, amounts awarded but not yet received or earned totaled \$73,295. While management believes that the Organization will meet these conditions, they had not been met as of the year ended June 30, 2025. Accordingly, no amounts have been recorded as revenue for these conditional contributions in these financial statements. The Organization had \$10,268 in conditional contributions as of June 30, 2024, which was recognized as income during the year ended June 30, 2025.

SUPPLEMENTARY INFORMATION

Boys and Girls Club of Greater Scottsdale, Inc. and Subsidiaries

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2025

ASSETS	Clubs and Subsidiaries	Foundation	Eliminations	Total
Current assets:				
Cash	\$ 4,435,122	\$ 323,112		\$ 4,758,234
Investments	1,846,143	28,173,455		30,019,598
Program receivables	11,295			11,295
Government grants receivable	74,387			74,387
Pledges receivable, current portion	3,888,688			3,888,688
Prepaid expenses	44,924			44,924
Total current assets	<u>10,300,559</u>	<u>28,496,567</u>		<u>38,797,126</u>
Pledges receivable, noncurrent portion, net	3,932,127			3,932,127
Investments - endowment funds		2,245,902		2,245,902
457(b) plan investments	209,196			209,196
Property and equipment, net	12,589,630			12,589,630
Operating lease - right-of-use assets	147,009			147,009
Total assets	<u>\$ 27,178,521</u>	<u>\$ 30,742,469</u>	<u>\$</u>	<u>\$ 57,920,990</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 778,784	\$ 35,099		\$ 813,883
Other current liabilities	96,987			96,987
Refundable advances	423,690			423,690
Finance lease obligation, current portion	45,660			45,660
Operating lease liabilities, current portion	110,497			110,497
Present value of annuity payments, current portion		8,570		8,570
Total current liabilities	<u>1,455,618</u>	<u>43,669</u>		<u>1,499,287</u>
Finance lease obligation, net of current portion	18,383			18,383
Operating lease liabilities, net of current portion	40,090			40,090
457(b) plan benefits payable	209,196			209,196
Present value of annuity payments, net of current portion		67,331		67,331
Total liabilities	<u>1,723,287</u>	<u>111,000</u>		<u>1,834,287</u>
Net assets:				
Without donor restrictions:				
Board designated for long-term investments	2,000,000			2,000,000
Unrestricted	15,166,271	29,682,721		44,848,992
Total without donor restrictions	<u>17,166,271</u>	<u>29,682,721</u>		<u>46,848,992</u>
With donor restrictions	8,288,963	948,748		9,237,711
Total net assets	<u>25,455,234</u>	<u>30,631,469</u>		<u>56,086,703</u>
Total liabilities and net assets	<u>\$ 27,178,521</u>	<u>\$ 30,742,469</u>	<u>\$</u>	<u>\$ 57,920,990</u>

The accompanying notes are an integral part of these statements.

Boys and Girls Club of Greater Scottsdale, Inc. and Subsidiaries

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

	Clubs and Subsidiaries		Foundation		Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Support, revenue and gains:						
Contributions and grants	\$ 6,931,566	\$ 8,019,487	\$ 1,991,348	\$ 86,620	\$(1,241,538)	\$ 15,787,483
Program service fees, net	3,014,840					3,014,840
Special events, net of direct donor benefits of \$563,548	937,438					937,438
Contributions in-kind	45,676					45,676
Thrift store	236,917					236,917
Net investment income	96,391		2,871,714	24,178		2,992,283
Miscellaneous	118,420		6,045			124,465
Net assets released from restrictions	1,052,489	(1,052,489)	245,069	(245,069)		
Total support, revenue and gains	12,433,737	6,966,998	5,114,176	(134,271)	(1,241,538)	23,139,102
Expenses:						
Comprehensive youth development	7,461,491		1,283,227		(1,241,538)	7,503,180
Management and general	2,654,914		10,422			2,665,336
Fundraising	737,845		449,236			1,187,081
Total expenses	10,854,250		1,742,885		(1,241,538)	11,355,597
Change in net assets	1,579,487	6,966,998	3,371,291	(134,271)		11,783,505
Net assets, beginning of year	15,586,784	1,321,965	26,311,430	1,083,019		44,303,198
Net assets, end of year	<u>\$ 17,166,271</u>	<u>\$ 8,288,963</u>	<u>\$ 29,682,721</u>	<u>\$ 948,748</u>	<u>\$</u>	<u>\$ 56,086,703</u>

The accompanying notes are an integral part of these statements.