

BOYS & GIRLS CLUB FOX VALLEY, INC.
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022

BOYS & GIRLS CLUB FOX VALLEY, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
Boys & Girls Club Fox Valley, Inc.
Appleton, Wisconsin

Opinion

We have audited the financial statements of Boys & Girls Club Fox Valley, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Boys & Girls Club Fox Valley, Inc. 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boys & Girls Club Fox Valley, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys & Girls Club Fox Valley, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a

material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Boys & Girls Club Fox Valley, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys & Girls Club Fox Valley, Inc.'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.

Hankins Ash CPAs, LLP

Green Bay, Wisconsin
June 27, 2024

BOYS & GIRLS CLUB FOX VALLEY, INC.
STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
	2023	2022
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,138,258	\$ 4,977,954
Accounts receivable	155,508	74,681
Unconditional promises to give, net	1,676,319	2,629,376
Grants receivable	1,548,974	402,091
Prepaid expenses	36,350	37,118
Beneficial interest in Community Foundation	426,312	387,046
Restricted cash	250	-
Property and equipment, net	14,610,915	15,161,971
Cash surrender value of life insurance	193,400	174,372
501c Trust unemployment	55,137	39,009
Operating lease right-of-use asset	391,136	455,455
Other assets	5,000	4,560
	\$ 23,237,559	\$ 24,343,633
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 362,097	\$ 61,652
Deferred revenue	5,000	8,276
Accrued liabilities	290,602	241,035
Refundable advances	55,000	38,365
Note payable	1,000,000	1,500,000
Deferred compensation	193,400	174,372
Operating lease liability	394,251	457,012
Other liabilities	105,229	89,263
	2,405,579	2,569,975
NET ASSETS		
Without donor restrictions	14,328,344	14,480,612
With donor restrictions	6,503,636	7,293,046
	20,831,980	21,773,658
TOTAL LIABILITIES AND NET ASSETS	\$ 23,237,559	\$ 24,343,633

The accompanying notes are an integral part of these statements.

BOYS & GIRLS CLUB FOX VALLEY, INC.
STATEMENTS OF ACTIVITIES

	YEAR ENDED DECEMBER 31,					
	2023			2022		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE, GAINS AND OTHER SUPPORT						
Contributions	\$ 973,657	\$ 1,082,091	\$ 2,055,748	\$ 624,621	\$ 1,118,250	\$ 1,742,871
Special events	954,356	-	954,356	809,768	-	809,768
Special events in-kind	289,953	-	289,953	242,671	-	242,671
In-kind contributions	263,225	-	263,225	247,595	-	247,595
Program revenue	188,402	-	188,402	191,151	-	191,151
Grant revenue	1,548,504	-	1,548,504	830,266	-	830,266
United Way	227	427,640	427,867	543	415,066	415,609
Government sources	4,394,639	-	4,394,639	4,912,972	-	4,912,972
Change in beneficial interest	39,266	-	39,266	(57,172)	-	(57,172)
Interest income	34,090	-	34,090	18,464	-	18,464
Other income	14,362	-	14,362	19,828	-	19,828
Insurance proceeds				30,000		30,000
Net assets released from restrictions	2,299,141	(2,299,141)	-	2,026,036	(2,026,036)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	10,999,822	(789,410)	10,210,412	9,896,743	(492,720)	9,404,023
EXPENSES						
Program	9,189,275	-	9,189,275	8,582,603	-	8,582,603
Management and general	951,959	-	951,959	1,042,921	-	1,042,921
Fundraising	1,010,856	-	1,010,856	830,478	-	830,478
TOTAL EXPENSES	11,152,090	-	11,152,090	10,456,002	-	10,456,002
CHANGE IN NET ASSETS	(152,268)	(789,410)	(941,678)	(559,259)	(492,720)	(1,051,979)
NET ASSETS AT BEGINNING OF YEAR	14,480,612	7,293,046	21,773,658	15,039,871	7,785,766	22,825,637
NET ASSETS AT END OF YEAR	\$ 14,328,344	\$ 6,503,636	\$ 20,831,980	\$ 14,480,612	\$ 7,293,046	\$ 21,773,658

The accompanying notes are an integral part of these statements.

BOYS & GIRLS CLUB FOX VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 3,896,839	\$ 651,367	\$ 385,981	\$ 4,934,187
Payroll taxes	351,685	58,785	34,834	445,304
Employee benefits	385,741	64,477	38,207	488,425
Staff development	23,190	2,673	150	26,013
Special assistance	242,336	-	449	242,785
Scholarships	10,050	-	-	10,050
Recognition	6,604	2,235	255	9,094
Rent	67,558	-	-	67,558
Occupancy	266,798	14,347	10,459	291,604
Repairs and maintenance	154,254	640	889	155,783
Depreciation	823,381	(150,882)	15,564	688,063
Telephone	32,103	-	718	32,821
Professional fees	167,758	33,714	41,758	243,230
Subrecipient payments	1,986,496	-	-	1,986,496
Insurance	62,990	2,500	1,709	67,199
Advertising	455	112	7,917	8,484
Travel	141,646	2,794	1,812	146,252
Supplies	152,552	559	102,407	255,518
Technology	165,188	65,215	55,121	285,524
Printing and publications	33,365	681	26,572	60,618
Postage	1,786	700	6,549	9,035
Dues and subscriptions	48,104	-	1,912	50,016
Bad debt on pledges receivable	-	99,775	-	99,775
Credit loss expense	-	7,901	-	7,901
Interest	-	-	-	-
Special events	-	-	215,097	215,097
In-kind	129,085	59,068	7,472	195,625
Miscellaneous	39,311	35,298	55,024	129,633
TOTAL EXPENSES	\$ 9,189,275	\$ 951,959	\$ 1,010,856	\$ 11,152,090

The accompanying notes are an integral part of these statements.

BOYS & GIRLS CLUB FOX VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and wages	\$ 3,220,272	\$ 612,195	\$ 324,364	\$ 4,156,831
Payroll taxes	299,840	57,002	30,202	387,044
Employee benefits	306,332	58,236	30,856	395,424
Staff development	16,462	6,088	421	22,971
Special assistance	210,434	-	303	210,737
Scholarships	22,550	-	-	22,550
Recognition	9,999	310	11,271	21,580
Rent	66,000	-	-	66,000
Occupancy	265,705	11,196	5,710	282,611
Repairs and maintenance	123,496	966	861	125,323
Depreciation	675,097	19,724	12,471	707,292
Telephone	30,217	-	350	30,567
Professional fees	70,050	42,186	15,254	127,490
Subrecipient payments	2,543,878	-	-	2,543,878
Insurance	55,482	-	1,546	57,028
Advertising	3,263	-	8,062	11,325
Travel	141,051	9,745	2,755	153,551
Supplies	129,118	1,039	77,490	207,647
Technology	171,755	55,749	34,476	261,980
Printing and publications	45,498	1,373	25,041	71,912
Postage	-	2,138	5,081	7,219
Dues and subscriptions	41,630	20	1,812	43,462
Bad debt	-	48,427	-	48,427
Interest	-	1,557	-	1,557
Special events	-	-	153,514	153,514
In-kind	92,953	84,877	69,765	247,595
Miscellaneous	41,521	30,093	18,873	90,487
TOTAL EXPENSES	\$ 8,582,603	\$ 1,042,921	\$ 830,478	\$ 10,456,002

The accompanying notes are an integral part of these statements.

BOYS & GIRLS CLUB FOX VALLEY, INC.
STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (941,678)	\$ (1,051,979)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	688,063	707,292
Contributions restricted for long-term purposes	(250)	(1,032,972)
Change in beneficial interest in Community Foundation	(39,266)	57,172
Allowance for uncollectible promises to give	(52,433)	(14,852)
Credit loss expense	7,901	-
Discount on unconditional promises to give	(63,912)	27,098
(Increase) decrease in life insurance cash surrender value	(19,028)	(17,714)
Changes in assets and liabilities:		
(Increase) decrease in current assets		
Accounts receivable	(88,728)	(44,201)
Unconditional promises to give	1,069,402	1,337,578
Grants receivable	(1,146,883)	197,070
Prepaid expenses	768	33,805
501c Trust unemployment	(16,128)	(4,851)
Operating lease right-of-use asset	64,319	(455,455)
Other assets	(440)	6,177
Increase (decrease) in current liabilities		
Accounts payable	300,445	13,060
Deferred revenue	(3,276)	302
Accrued liabilities	49,567	10,070
Refundable advances	16,635	(156,988)
Deferred compensation	19,028	17,714
Operating lease liability	(62,761)	457,012
Other liabilities	15,966	26,763
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(202,689)	112,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(137,007)	(187,796)
Distribution from beneficial interest in Community Foundation	-	7,729
Contribution to beneficial interest in Community Foundation	-	(250,750)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(137,007)	(430,817)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	(500,000)	(1,000,000)
Proceeds from contributions restricted for capital campaign	250	1,032,972
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(499,750)	32,972
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(839,446)	(285,744)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR	4,977,954	5,263,698
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	\$ 4,138,508	\$ 4,977,954
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ -	\$ 1,557

The accompanying notes are an integral part of these statements.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 - Nature of Organization and Significant Accounting Policies

Nature of Organization - Boys & Girls Club Fox Valley, Inc. (the "Organization") is a not-for-profit corporation organized in the State of Wisconsin to promote the health, social, educational, vocational, character and leadership development of the boys and girls in the Fox Valley area.

The Organization operates from its sites in Appleton and Menasha, WI and from seven school sites in Appleton and Little Chute, WI.

The Organization is supported primarily through donor contributions, grants, and the United Way.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all receivables, payables and other liabilities.

Basis of Presentation - The accompanying financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board.

The Organization is required to report information regarding its net assets and its activities based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Change in Accounting Principle - At the beginning of 2023, the Organization adopted FASB ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. Results for reporting periods beginning after January 1, 2023, are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

Cash and Cash Equivalents - The Organization's cash and cash equivalents consists of cash on deposit with banks. For purposes of the statements of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. However, the Organization does not consider cash, money market accounts, or certificates of deposits included as beneficial interest to be cash equivalents for the statements of cash flows.

BOYS & GIRLS CLUB FOX VALLEY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
YEAR ENDED DECEMBER 31, 2023

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

Accounts Receivable - Receivables are stated at the amount management expects to collect from outstanding balances. Management uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. If the financial condition of the Organization's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Organization provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes all receivables are collectible, accordingly, no allowance has been recorded.

Grants Receivable - The Organization receives government grants that are on a reimbursement basis. Grants receivable include claims made on the grant for current year spending. Management believes the balance in grants receivable is fully collectible as of December 31, 2023 and 2022.

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of estimated future cash flows. The discounts on those amounts are computed using a nominal interest rate applicable to the year in which the promise is received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management provides for uncollectible amounts through a provision for uncollectible pledge expense from outstanding balances and an adjustment to a valuation allowance based on its assessment of the current status of individual pledges. Balances that are still outstanding after management used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises to give.

Property and Equipment - All acquisitions of property and equipment in excess of \$5,000 with useful lives greater than one year are capitalized. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method based on the estimated useful lives:

<u>Asset</u>	<u>Life</u>
Furniture and equipment	5 - 8 years
Building improvements	5 - 40 years
Leasehold improvements	7 - 40 years
Buildings	40 years

Valuation of Long-lived Assets - U.S. GAAP requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management reviews all material assets annually for possible impairment. If such assets are considered to be impaired, the impairment recognized is measured as the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No assets are considered to be impaired at December 31, 2023 and 2022.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 - Nature of Organization and Significant Accounting Policies – Continued

Deferred Revenue - Payments received during the year for future services are deferred and recognized as income when earned.

Cash Surrender Value of Life Insurance - The Organization is the policy holder of a life insurance policy. The death value benefit of the policy is \$420,000. Cash value of life insurance is reported on the statements of financial position net of policy loans. There were no loans outstanding as of December 31, 2023 and 2022. Increases in the cash surrender value are recognized in other income on the statements of activities. As of December 31, 2023 and 2022, the cash surrender value of the policy was \$193,400 and \$174,372, respectively.

Revenue Recognition - The Organization records the following exchange transaction revenue in its statements of activities and changes in net assets:

Program revenue: Program revenue includes membership dues, summer program fees, early bird fees, and school year participation fees which are all based on a predetermined fee. The performance obligation for these programs relates to providing services to the members. Memberships are billed annually and recognized at the time of billing. Under ASC 606, these dues should be recognized ratably over the length of the membership and any unearned portion should be included as deferred revenue. However, the membership dues and the portion that would be deferred revenue is immaterial to the financial statements. Summer program fees cover programming provided to Club members over the summer. These fees are recognized at the time of billing. All programs are billed and completed in the same year, therefore the recognition aligns with the performance obligation of providing the programming. Early bird fees allow Club members access before the normal Club hours and are billed monthly. These fees are recognized upon billing as it is not reasonable to allocate the fee over the month the service is provided. Participation fees are billed in September, November, January, and April and cover services provided for the months between each billing, revenue is recognized at the time of billing. Services did not overlap year-end, therefore revenue is recognized in the proper year.

Special event revenue: Included in special event revenue are ticket sales, sponsorships, auction sales and contributions received at the event. The portion of ticket sales and sponsorships that relates to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met. The contributions received at the event and the auction sales are recognized when received.

Contribution Recognition - Contributions are recognized when received or unconditionally pledged. Conditional contributions and promises to give, are recognized as revenue when the barriers to entitlement are overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets is removed. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions restricted by donors are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. Contributions that are not restricted by the donor are reported as an increase in net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

Grant Recognition - Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

Grant awards that are contributions – Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant awards that are exchange transactions – Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

In-Kind Contributions - The Organization records the value of donated goods when there is an objective basis to measure the value. Donated fundraising items are valued using the final amount received from the sale or raffle of the item. Donated goods are reflected as in-kind contribution revenue and donated fundraising items are included in special event revenue in the accompanying statements of activities.

Donated services are recognized as contributions if the services a) create or enhance nonfinancial assets or b) require specialized skills that are performed by people with those skills and would otherwise be purchased by the Organization. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution.

A substantial number of volunteers have made significant contributions of their time to the Organization's program and supporting services. The value of this contributed time is not reflected in these financial statements because the criteria for recognition have not been satisfied.

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Those expenses include salaries, benefits and payroll taxes, which are allocated based on estimates of time spent on each function based on time studies completed periodically. Other expenses are allocated based on square footage of the building and an estimate of how it is used.

Advertising Costs - Advertising costs are expensed as incurred.

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. 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.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

Tax Status - The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization is also exempt from State taxation.

Accounting for Uncertainty in Income Taxes - U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by a taxing authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress for any tax period. The Organization will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Reclassifications - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation of the current year's financial statements.

Subsequent Events - The Organization evaluated subsequent events through June 27, 2024, the date which the financial statements were available to be issued.

NOTE 2 - Concentration of Cash and Credit Risk

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,138,258	\$ 4,977,954
Restricted cash	250	-
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH SHOWN IN THE STATEMENTS OF CASH FLOWS	<u>\$ 4,138,508</u>	<u>\$ 4,977,954</u>

The Organization may have deposits with a financial institution at times during the year that exceed the Federal Deposit Insurance Corporation (FDIC) insurance threshold of \$250,000. The amount of the accounting loss that the Organization would have incurred had the financial institution not been able to return monies in excess of \$250,000 amounted to \$3,659,379 and \$4,901,392 as of December 31, 2023 and 2022, respectively. The Organization does not require collateral or other security to support deposits subject to this credit risk.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents, including restricted cash	\$ 4,138,508	\$ 4,977,954
Accounts receivable	155,508	74,681
Unconditional promises to give receivable in		
less than one year	1,512,587	1,843,403
Grants receivable	1,548,974	402,091
Beneficial interest in Community Foundation	<u>426,312</u>	<u>387,046</u>
Total financial assets available within one year	\$ 7,757,109	\$ 7,685,175
Less: Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	5,613,669	5,727,591
Board designated endowment	<u>300,013</u>	<u>260,747</u>
Total financial assets available for general expenditure within one year	<u>\$ 1,843,427</u>	<u>\$ 1,696,837</u>

Liquidity Management

The Organization regularly monitors liquidity required to meet its operating needs. Currently it utilizes cash contributions without donor restrictions, program revenue, and grants along with donor restricted contributions from capital campaign monies to meet annual operational expenses. The annual budget identifies these sources and the CEO along with the Finance Director identifies when and how much is transferred from donor restricted monies. Currently a line of credit is not held.

To help manage unanticipated liquidity needs, the Organization has board designated net assets without donor restrictions that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

NOTE 4 - Unconditional Promises to Give

The Organization held a capital campaign to raise funds for the Boys & Girls Club of Menasha facility and operations. Promises to give were restricted to payment of the costs of facility and continued operations. In 2019, the Organization began their Great Futures 2020 capital campaign. Promises to give are restricted for payment of enhancing services, reaching more youth in need, and expanding and updating Appleton and Menasha facilities. In 2021, the Organization did a campaign for the Manitowoc location. Promises to give are restricted for the costs related to opening and operating a Club in Manitowoc. The Organization also holds an annual campaign for operations, which are not restricted.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 - Unconditional Promises to Give - Continued

The aggregate collections of promises to give are as follows at December 31:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 1,512,587	\$ 1,843,403
Receivables in one to five years	<u>270,228</u>	<u>1,008,814</u>
Total unconditional promises to give	1,782,815	2,852,217
Less: Allowance for unconditional promises to give	79,831	132,264
Less: Discount to net present value	<u>26,665</u>	<u>90,577</u>
NET UNCONDITIONAL PROMISES TO GIVE	<u>\$ 1,676,319</u>	<u>\$ 2,629,376</u>

A discount rate of 4.71% and 4.19% was used at December 31, 2023 and 2022, respectively on promises to give receivable in more than one year.

The provision for the allowance for uncollectible promises to give relating to the unconditional promises to give for the years ended December 31, 2023 and 2022 was \$52,433 and \$14,852, respectively.

NOTE 5 - Property and Equipment

A summary of property and equipment is as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,691,607	\$ 1,691,607
Buildings and improvements	17,273,213	17,136,206
Furniture and equipment	1,186,466	1,186,466
Leasehold improvements	<u>52,448</u>	<u>52,448</u>
	20,203,734	20,066,727
Less: Accumulated depreciation	<u>5,592,819</u>	<u>4,904,756</u>
NET PROPERTY AND EQUIPMENT	<u>\$14,610,915</u>	<u>\$15,161,971</u>

Depreciation expense amounted to \$688,063 and \$707,292 for the years ended December 31, 2023 and 2022, respectively.

NOTE 6 - Beneficial Interest in Community Foundation

The Organization holds a beneficial interest in assets held by the Community Foundation for the Fox Valley Region (Foundation). The balance of the funds was \$426,312 and \$387,046 as of December 31, 2023 and 2022, respectively.

The Foundation is to distribute the funds to the Organization as the Organization requests the funds. The Foundation has variance power over the funds. The Foundation has power to modify any restriction or condition on the distribution of funds, if, in their sole judgment, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or becomes inconsistent with the charitable needs of the Organization, or the Foundation. The beneficial interest is recognized in the accompanying statements of financial position and is valued at the fair market value.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 7 - Unemployment Reserve

The Organization is self-funded for state unemployment compensation purposes. In accordance with state regulations, cash on deposit totaling \$55,137 and \$39,009 at December 31, 2023 and 2022, respectively, is used as collateral in lieu of paying state unemployment taxes.

NOTE 8 - Fair Value Measurements

The Organization has determined the fair value of certain assets and liabilities in accordance with the provision of U.S. GAAP, which provides a framework for measuring fair value under generally accepted accounting principles.

U.S. GAAP defines fair value as the exchange price that would be received for an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. U.S. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. U.S. GAAP also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets that the reporting organization has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset. Level 3 inputs are unobservable inputs related to the asset.

The asset's fair value measurement within the fair value hierarchy is based on the lowest of any input that is significant to the fair value measurement. 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 December 31, 2023 and 2022.

Beneficial interest in Community Foundation: Investments held with a community foundation are valued at fair value based on the closing price for securities listed on a securities exchange, the closing bid or asking price for over-the-counter securities not listed on a securities exchange, or at cost or obtained from an independent pricing service for securities not listed or traded on any exchange or on the over-the-counter market. The custodian of the investments in the community foundation also has the ability to determine the fair value of securities not listed or traded on any exchange or on the over-the-counter market based on available information.

The method described above may produce a fair value calculation that may be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 8 - Fair Value Measurements - Continued

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value on a recurring basis as of December 31, 2023 and 2022.

	DECEMBER 31, 2023	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Beneficial interest in Community Foundation	\$ 426,312	\$ -	\$ -	\$ 426,312
TOTALS	\$ 426,312	\$ -	\$ -	\$ 426,312

	DECEMBER 31, 2022	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Beneficial interest in Community Foundation	\$ 387,046	\$ -	\$ -	\$ 387,046
TOTALS	\$ 387,046	\$ -	\$ -	\$ 387,046

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

Beneficial interest in Community Foundation

	2023	2022
Balance, beginning of year	\$ 387,046	\$ 201,197
Contributions	-	250,750
Distributions	-	(7,729)
Change in beneficial interest	39,266	(57,172)
Balance, end of year	<u>\$ 426,312</u>	<u>\$ 387,046</u>

NOTE 9 - Note Payable

The Organization signed a \$4,000,000 note payable at Community First Credit Union, which was subsequently refinanced for \$2,500,000 due in one payment in February 2024. Subsequent to year end, the note was refinanced again for \$1,000,000 due in one payment in February 2026. The Organization made a pre-payment of \$1,500,000 during 2021, \$1,000,000 in additional payments in 2022, and \$500,000 in additional payments in 2023. The interest rate on the note is 0%. Interest of \$59,068 and \$84,877 is reported as an in-kind contribution as of December 31, 2023 and 2022, based on an interest rate of 4%. The outstanding balance on the note was \$1,000,000 and \$1,500,000 as of December 31, 2023 and 2022, respectively.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 10 - Net Assets

Included in net assets without donor restrictions are amounts designated by the board for a quasi-endowment of \$300,013 and \$260,747 for each of the years ended December 31, 2023 and 2022, respectively.

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
STAR Program	\$ 350,000	\$ 239,509
Literacy Tutoring Program	1,000	-
Educational Assistance Fund	22,456	24,681
Career Launch	10,000	3,435
Campaign for Menasha youth	-	205,251
STEM	8,030	15,000
Little Chute Elementary School	15,000	26,800
Urgent Needs	4,496	10,074
Center for Grieving Children	30,680	33,133
Menasha club building maintenance	28,634	46,148
“Great Futures 2020” Campaign, including pledges	4,614,104	4,907,475
Manitowoc Club, including pledges	645,448	1,091,099
Smart Girls	10,000	-
Manitowoc operating	10,000	-
Other	7,500	7,500
	<u>5,757,348</u>	<u>6,610,105</u>
Subject to the passage of time:		
Operating pledges	192,099	141,576
United Way	427,640	415,066
	<u>619,739</u>	<u>556,642</u>
Endowments		
Amount required to be held in perpetuity	<u>126,549</u>	<u>126,299</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 6,503,636</u>	<u>\$ 7,293,046</u>

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 10 - Net Assets - Continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Expiration of time restrictions	\$ 415,066	\$ 576,611
Satisfaction of purpose restrictions		
STAR Program	250,987	386,028
Literacy Tutoring Program	-	38,000
Educational Assistance Fund	17,225	16,000
Career Launch	13,435	18,414
Campaign for Menasha youth	205,251	201,927
Menasha club building maintenance	46,148	19,457
Project Learn	26,800	23,200
Smart Girls	25,000	25,000
STEM	41,000	15,000
Youth Enrichment & Behavioral Health	-	38,354
Little Chute Elementary School	-	26,307
Summer Programs	37,500	35,000
Urgent needs	6,828	8,870
Center for Grieving Children	38,133	13,420
"Great Futures 2020" Campaign	472,441	66,891
Manitowoc Club	689,807	506,536
General Programs	3,525	-
Other	9,995	11,021
TOTAL RESTRICTIONS RELEASED	<u>\$ 2,299,141</u>	<u>\$ 2,026,036</u>

NOTE 11 - Endowment Funds

The Boys & Girls Club Fox Valley, Inc.'s endowment fund consists of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence of or absence of donor-imposed restrictions.

Interpretation of the Law - The Board of Directors of the Organization has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11 - Endowment Funds - Continued

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

Investing Policy – The Board of Directors has established an investment policy to ensure compliance with investment practices that preserve principal, ensure liquidity sufficient to meet the Organization’s needs and maintain the purchasing power of the investment assets. Risk is present in all types of securities and investment styles, and the Board of Directors recognizes some risk is necessary to produce long-term investment results. However, reasonable effort is made to control risk.

Spending Policy – Distributions from endowment funds held at the Community Foundation shall be made in accordance with the Community Foundation’s distribution policy. The Organization does not have a formal spending policy for the endowment fund.

Endowment Net Asset Composition by Type of Fund as of December 31, 2023:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Without donor restrictions endowment funds:	\$ 300,013	\$ -	\$ 300,013
Donor-restricted endowment funds:			
Original donor-restricted gift and amounts required to be maintained in perpetuity by donors	-	126,549	126,549
Accumulated investment gains	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 300,013</u>	<u>\$ 126,549</u>	<u>\$ 426,562</u>

Endowment Net Asset Composition by Type of Fund as of December 31, 2022:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Without donor restrictions endowment funds:	\$ 260,747	\$ -	\$ 260,747
Donor-restricted endowment funds:			
Original donor-restricted gift and amounts required to be maintained in perpetuity by donors	-	126,299	126,299
Accumulated investment gains	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 260,747</u>	<u>\$ 126,299</u>	<u>\$ 387,046</u>

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 11 - Endowment Funds - Continued

Funds with Deficiencies - From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration (underwater endowments). In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. The deficiencies may result from unfavorable market fluctuations that have occurred. The Organization did not have any such deficiency as of December 31, 2023 and 2022.

Changes in Endowment Net Assets for the Year Ended December 31, 2023:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 260,747	\$ 126,299	\$ 387,046
Investment return, net	39,266	-	39,266
Contributions	-	250	250
Distribution from board-designated endowment pursuant to distribution policy	-	-	-
Endowment net assets, end of year	<u>\$ 300,013</u>	<u>\$ 126,549</u>	<u>\$ 426,562</u>

Changes in Endowment Net Assets for the Year Ended December 31, 2022:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 75,648	\$ 126,049	\$ 201,697
Investment return, net	(57,172)	-	(57,172)
Contributions	250,000	250	250,250
Appropriation of endowment assets pursuant To spending-rate policy	(7,729)	-	(7,729)
Endowment net assets, end of year	<u>\$ 260,747</u>	<u>\$ 126,299</u>	<u>\$ 387,046</u>

NOTE 12 - Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided an employee retention credit (the Credit) which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The credit is equal to 50% of qualified wages paid to employees, capped at \$10,000 of qualified wages through December 31, 2020. The Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021 (collectively the Acts) expanded the availability of the credit and extended the credit through the third quarter of 2021. The Acts increased the credit to 70% of qualified wages, capped at \$10,000 per quarter. During the years ended December 31, 2023 and 2022, the Organization recorded a \$809,327 and \$0 benefit, respectively, related to the credit which is presented in the statements of activities as grant revenue. The benefit is also included in grants receivable as of December 31, 2023 on the statements of financial position.

The Organization's credit filings remain open for potential examination by the Internal Revenue Service through the statute of limitations, which has varying expiration dates extending through 2027. Any disallowed claims resulting from such examinations could be subject to repayment to the federal government.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 13 - Defined Contribution Pension Plan

The Organization sponsors a defined contribution pension plan covering substantially all employees that have completed one year of service, 1,000 hours of service in either their first year or subsequent years and are at least 18 years of age. The plan allows employees to defer a portion of their salary. The Organization may make a matching contribution up to 4% of employee wages. During 2023 and 2022, employer contributions were \$82,532 and \$65,684, respectively.

NOTE 14 - Leases

The Organization leases certain office facilities and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2030 and provide for renewal options ranging from two to six years. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on a defined schedule or index. Also, the agreements generally require the Organization to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Organization elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate.

The Organization elected the practical expedient to not separate lease and non-lease components for a real estate and office equipment leases.

Total lease expense is as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Operating lease expense	\$ 70,657	\$ 79,040

Other lease information is as follows for the years ended December 31, 2023:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 69,099	\$ 77,483
Weighted-average remaining lease term in years		
Operating leases	6.53	7.41
Weighted-average discount rate		
Operating leases	1.51%	1.50%

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 14 - Leases - Continued

The future minimum lease payments under operating leases are as follows as of December 31, 2023:

2024	\$ 63,611
2025	62,432
2026	61,710
2027	62,424
2028	62,944
Thereafter	<u>100,814</u>
Total minimum lease payments	413,935
Less present value discount	<u>(19,684)</u>
TOTAL LEASE LIABILITIES	<u>\$ 394,251</u>

NOTE 15 - In-Kind Contributions

The value of donated goods and services included as in-kind contributions in the financial statements and the corresponding expenses or assets are as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Supplies	\$ 29,668	19,264
Equipment	400	17,985
Program assistance	102,839	82,165
Interest expense	59,068	84,877
Rent	-	10,000
Land improvements	67,600	-
Professional services	<u>3,650</u>	<u>33,304</u>
TOTAL IN-KIND CONTRIBUTIONS	<u>\$ 263,225</u>	<u>\$ 247,595</u>

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

The Organization receives contributed professional services that are reported using current rates for similar types of services. Contributed supplies, equipment and program assistance received by the Organization are recorded as in-kind contribution revenue with a corresponding increase to supplies expense. Donated land improvements are recorded as kind contribution revenue with a corresponding increase to property and equipment. Donated goods are valued at the fair market value based on current market rates for similar items.

Donated rent is based on average rental rates for similar space per square foot, in the area.

The Organization entered into a loan agreement which has a 0% interest rate. Using the market rate from the note origination date, the financial institution calculates the amount of interest the Organization would have paid had the note been accumulating interest.

All contributed services, supplies, equipment, land improvement and interest were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets.

BOYS & GIRLS CLUB FOX VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 16 - Conditional Promises to Give

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Conditional promises to give at December 31, 2023 and 2022 consist of the following and are not included on the statements of activities:

	2023	2022
Contribution subject to interim reports, evaluations, site visits, and other information requested by the donor	\$ 190,000	\$ 465,000
Contribution conditional on raising matching funds	45,000	60,000
TOTAL CONDITIONAL PROMISES TO GIVE	<u>\$ 235,000</u>	<u>\$ 525,000</u>

NOTE 17 - Risks and Uncertainties

The Organization's beneficial investment is exposed to various risks, such as interest rate, and market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is reasonably possible that changes in risks in the near term could materially affect the amounts reported in the statements of financial position and the statements of activities.

NOTE 18 - Related Party Transactions

The Organization conducts business with several companies that are affiliated with or owned by Board members, directly or indirectly. Items purchased are priced at competitive rates.

All board members have the role of ensuring club resources and do this with personal or corporate contributions. At December 31, 2023 and 2022, \$811,326 and \$914,816 of contributions were received from board members or their connections.