

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO

Financial Statements

December 31, 2024

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO

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Independent Auditor's Report

The Board of Directors
Boys & Girls Clubs of Northwest Colorado
Craig, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Boys & Girls Clubs of Northwest Colorado (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year 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 the Boys & Girls Clubs of Northwest Colorado as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (GAAP).

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 for one year after the date that the financial statements are issued.

Auditor's 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 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 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 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 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.

Report on Summarized Comparative Financial Information

We have previously audited the Organization's December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 10, 2024. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Steamboat Springs, Colorado
April 16, 2025

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO
Statement of Financial Position
December 31, 2024
(with summarized financial information as of December 31, 2023)

	<u>2024</u>	<u>2023</u>
Assets:		
Cash and cash equivalents	\$ 759,646	\$ 1,456,215
Accounts receivable:		
Program membership fees receivable, net of allowance	-	845
Contributions, grants and other	49,396	82,824
Investments	903,590	-
Prepaid expenses	-	120
Right-of-use asset	234,556	-
Property and equipment, net of accumulated depreciation	<u>422,000</u>	<u>274,579</u>
Total assets	<u><u>\$ 2,369,188</u></u>	<u><u>\$ 1,814,583</u></u>
Liabilities and net assets:		
Liabilities:		
Accounts payable and accrued expenses	\$ 70,851	\$ 67,811
Accrued payroll	24,916	26,475
Accrued personal time off	12,667	13,968
Operating lease liability	<u>234,556</u>	<u>-</u>
Total liabilities	<u>342,990</u>	<u>108,254</u>
Net assets:		
Without donor restrictions:		
Undesignated	1,147,998	916,329
Board-designated reserve	850,000	650,000
With donor restrictions	<u>28,200</u>	<u>140,000</u>
Total net assets	<u>2,026,198</u>	<u>1,706,329</u>
Total liabilities and net assets	<u><u>\$ 2,369,188</u></u>	<u><u>\$ 1,814,583</u></u>

See accompanying notes to the financial statements.

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO
Statement of Activities
For the Year Ended December 31, 2024
(with summarized financial information for the year ended December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and support:				
Contributions and grants	\$ 1,049,359	\$ -	\$ 1,049,359	\$ 1,229,920
Special events	1,106,483	76,065	1,182,548	942,984
Less: Direct event expenses	(88,124)	-	(88,124)	(86,196)
Program membership fees	181,555	-	181,555	170,806
Contributed goods, services and facilities	144,000	-	144,000	147,000
Investment return, net	74,480	-	74,480	40,477
Other Income	578	-	578	548
Net assets released from restrictions	187,865	(187,865)	-	-
Total revenues and support	2,656,196	(111,800)	2,544,396	2,445,539
Expenses:				
Program services	1,941,822	-	1,941,822	1,733,071
Management and general	124,842	-	124,842	115,175
Fundraising	157,863	-	157,863	141,941
Total expenses	2,224,527	-	2,224,527	1,990,187
Change in net assets	431,669	(111,800)	319,869	455,352
Net assets, beginning of year	1,566,329	140,000	1,706,329	1,250,977
Net assets, end of year	\$ 1,997,998	\$ 28,200	\$ 2,026,198	\$ 1,706,329

See accompanying notes to the financial statements.

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO
Statement of Functional Expenses
For the Year Ended December 31, 2024
(with summarized financial information for the year ended December 31, 2023)

	2024				2023
	Program Services	Management and General	Fundraising	Total	Total
Wages and benefits	\$ 1,247,511	\$ 110,412	\$ 139,501	\$ 1,497,424	\$ 1,344,497
Rent	151,335	5,665	4,856	161,856	145,820
Program activities and supplies	202,645	-	-	202,645	195,869
Kids meals	67,500	-	-	67,500	67,500
Scholarship awards	47,865	-	-	47,865	28,982
Utilities	23,915	895	767	25,577	30,540
Technology	22,662	2,013	2,530	27,205	3,057
Insurance	32,380	2,876	3,615	38,871	26,873
Dues and fees	37,516	1,399	-	38,915	36,951
Professional fees	7,705	685	860	9,250	8,874
Building maintenance	14,199	532	456	15,187	22,675
Depreciation	51,562	-	-	51,562	37,390
Other	35,027	365	5,278	40,670	41,159
Total	<u>\$ 1,941,822</u>	<u>\$ 124,842</u>	<u>\$ 157,863</u>	<u>\$ 2,224,527</u>	<u>\$ 1,990,187</u>

See accompanying notes to the financial statements.

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO
Statement of Cash Flows
For the Year Ended December 31, 2024
(with summarized financial information for the year ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 319,869	\$ 455,352
Depreciation	51,562	37,390
Realized and unrealized gains on investments	(53,590)	-
(Increase) decrease in:		
Accounts receivable	34,273	(24,121)
Prepaid expenses	120	-
Increase (decrease) in:		
Accounts payable	3,040	11,892
Accrued payroll	(1,559)	6,496
Accrued personal time off	(1,301)	1,213
	<u>352,414</u>	<u>488,222</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Cash paid for property and equipment	(198,983)	(13,067)
Purchase of investments	(850,000)	-
	<u>(1,048,983)</u>	<u>(13,067)</u>
Net cash provided (used) by investing activities		
Net change in cash and cash equivalents	(696,569)	475,155
Cash and cash equivalents, beginning of year	<u>1,456,215</u>	<u>981,060</u>
Cash and cash equivalents, end of year	<u><u>\$ 759,646</u></u>	<u><u>\$ 1,456,215</u></u>

See accompanying notes to the financial statements.

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO
Notes to Financial Statements
December 31, 2024
(with summarized financial information as of December 31, 2023 and for the year then ended)

Note 1: Description of the Organization

The Boys & Girls Clubs of Northwest Colorado (the Organization) is a Colorado not-for-profit corporation established in 2002 to provide a safe, positive place for the kids in the Craig and Steamboat Springs communities. The Organization's mission is to enable and inspire the young people of Northwest Colorado to realize their full potential as productive, responsible and caring citizens. The Organization's programs cover after school hours, school days off and the summer season.

Revenues are derived principally from contributions, grants, and program fees.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The accounting policies of the Organization have been designed to conform to GAAP as applicable to not-for-profit organizations.

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Without donor restrictions: Net assets that are not subject to donor-imposed stipulations.

With donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

Cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of input used to measure fair value are as follows:

Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 – Inputs other than quoted market prices that are observable for the asset/liability, either directly or indirectly.

Level 3 – Unobservable inputs that cannot be corroborated by market data.

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO
Notes to Financial Statements
December 31, 2024
(with summarized financial information as of December 31, 2023 and for the year then ended)

Note 2: Summary of Significant Accounting Policies (continued)

Accounts Receivable, Net

Accounts receivable consist of grant reimbursements due and contributions promised. Management reviews receivable balances periodically to assess their collectability. As of December 31, 2024 and 2023, the accounts receivable balance is deemed fully collectible and management has not recorded an allowance for uncollectible accounts.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term using a risk-free rate of return. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Property and Equipment, Net

Property and equipment are stated at cost at the date of acquisition or fair value if acquired through donation. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered. Depreciation is calculated using the straight-line method over the applicable estimated useful lives.

Accrued Personal Time Off Payable

The Organization's full-time employees accrue personal time off (PTO) benefits beginning on their employment date. A maximum of 80 hours of PTO per employee may be carried over from one calendar year to the next. The Organization has an accrued PTO liability as of December 31, 2024 and 2023 of \$12,667 and \$13,968, respectively.

Revenue Recognition

Contributions and Grants

Contributions and grants are recognized when cash, securities or other assets and unconditional promises to give are received. Conditional promises to give, defined as those with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend are substantially met. Payments received in advance of the conditions being met are recorded as refundable advances in the statement of financial position.

Contributions and grants 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-imposed restrictions. Contributions and grants that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a 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 as net assets released from restrictions in the statement of activities.

Contributions of assets other than cash are recorded at their estimated fair value as of the date of the gift.

Program Membership Fees

Revenues from program membership fees are recognized as earned when the services are provided to the program participants.

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO
Notes to Financial Statements
December 31, 2024
(with summarized financial information as of December 31, 2023 and for the year then ended)

Note 2: Summary of Significant Accounting Policies (continued)

In-Kind Contributions

Contributed nonfinancial assets include donated rent, meals and snow removal services, which are recorded as contributions and corresponding expenses at their estimated values at the date of donation. Donated services 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 by the Organization.

Many individuals volunteer their time and perform a variety of tasks within the Organization's programs. However, these services do not meet the criteria for recognition as contributed services in accordance with GAAP.

Functional Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statement of functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also incurs expenses that are attributable to more than one function. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited. The expenses allocated include wages and benefits, rent, building maintenance, utilities, and insurance that are allocated on estimates of time and effort incurred by personnel.

Advertising

The Organization expenses the costs of advertising when incurred.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Organization qualifies for the charitable contribution deduction. Income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income during 2024.

The Organization is subject to routine audits by tax jurisdictions; however, there are currently no audits for any tax periods in progress. The three previous tax years remain subject to examination by the IRS.

Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Certain prior year amounts have been reclassified to conform to the current year presentation.

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO
Notes to Financial Statements
December 31, 2024
(with summarized financial information as of December 31, 2023 and for the year then ended)

Note 3: Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year as December 31, 2024:

Cash and cash equivalents	\$ 759,646
Accounts receivable, net	49,396
Investments	<u>903,590</u>
	1,712,632
Less amounts not available to be used:	
Board-designated reserve fund	(850,000)
Net assets with donor purpose restrictions	<u>(7,200)</u>
	<u><u>\$ 855,432</u></u>

As part of the Organization's liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The board of directors has designated a \$850,000 reserve fund to help fulfill the Organization's mission with a goal to cover a year of operating expenses. Expenditure from the reserve fund requires approval of 75% of the board of directors.

Note 4: Investments

The following is a summary of investments as of December 31, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Money market funds (at cost)	\$ 15,344		
Exchange traded funds (equity)	433,826	\$ 433,826	\$ -
U.S. Treasury notes	<u>454,420</u>	<u>-</u>	<u>454,420</u>
	<u><u>\$ 903,590</u></u>	<u><u>\$ 433,826</u></u>	<u><u>\$ 454,420</u></u>

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

Note 5: Property and Equipment, Net

Property and equipment, net consisted of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful life</u>
Leasehold improvements	\$ 391,578	\$ 353,198	5-39 years
Furniture and equipment	169,734	140,103	5-10 years
Vehicles	<u>269,206</u>	<u>138,233</u>	5-10 years
	830,518	631,534	
Less accumulated depreciation	<u>(408,518)</u>	<u>(356,955)</u>	
	<u><u>\$ 422,000</u></u>	<u><u>\$ 274,579</u></u>	

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO
Notes to Financial Statements
December 31, 2024
(with summarized financial information as of December 31, 2023 and for the year then ended)

Note 6: Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Time restrictions:		
Youth of the Year scholarships	\$ 11,000	\$ -
Be Great Bash	10,000	-
Purpose restrictions:		
Scholarship reserve fund	7,200	-
Van purchases	-	120,000
Employee wellness program	-	20,000
	<u>\$ 28,200</u>	<u>\$ 140,000</u>

Net assets released from net assets with donor restrictions were as follows for the year ended December 31, 2024:

Satisfaction of purpose restrictions:	
Purchase of vans	\$ 120,000
Scholarships awarded	47,865
Employee wellness expenses	<u>20,000</u>
	<u>\$ 187,865</u>

Note 7: Contributed Goods, Services and Facilities

The Organization received the following contributed goods, services and facilities measured at estimated fair value during the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Building rent	\$ 72,000	\$ 72,000
Meals for program members	67,500	67,500
Snow removal services	<u>4,500</u>	<u>7,500</u>
	<u>\$ 144,000</u>	<u>\$ 147,000</u>

BOYS & GIRLS CLUBS OF NORTHWEST COLORADO
Notes to Financial Statements
December 31, 2024
(with summarized financial information as of December 31, 2023 and for the year then ended)

Note 8: Leases

The Organization leases its facilities under the following lease agreements:

- Operating lease with the City of Craig requiring annual payments of \$1 through December 31, 2027.
- Operating lease with the Steamboat Springs School District RE-2 (the District) requiring monthly rent of \$8,250 through June 30, 2027.

The obligation associated with the District lease has been recognized as a liability in the statement of financial position based on future lease payments, discounted to present value by the risk-free rate at the date of inception of the lease. The right-of-use asset and corresponding liability associated with future operating lease payments as of December 31, 2024 are as follows:

Right-of-use asset	\$ 234,556
Operating lease liability	\$ 234,556
Weighted average:	
Discount rate	4.60%
Remaining lease term (years)	2.50

For the years ended December 31, 2024 and 2023, the Organization recognized rent expense associated with these leases as follows:

	<u>2024</u>	<u>2023</u>
Fixed rent expense	\$ 89,856	\$ 73,820
Contributed rent expense	<u>72,000</u>	<u>72,000</u>
	<u>\$ 161,856</u>	<u>\$ 145,820</u>

Aggregate future payments due under operating leases as of December 31, 2023 are as follows:

Year ended December 31,	
2025	\$ 99,001
2026	99,001
2027	<u>49,501</u>
	247,503
Discount to present value	<u>(12,947)</u>
Operating lease liability	<u>\$ 234,556</u>

Note 9: Retirement Plan

The Organization offers its full-time employees' participation in the Boys & Girls Club of America Simple retirement plan. The plan requires a participating employee to contribute 3% of the employee's gross annual salary and the Organization provides a 3% matching contribution. The Organization provided matching contributions of \$16,534 and \$15,497 to the plan for the years ended December 31, 2024 and 2023, respectively.

Note 10: Subsequent Events

The Organization has evaluated subsequent events through April 16, 2025, the date these financial statements were available to be issued.