

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

**Consolidated Financial Statements
and Supplementary Information
Years Ended June 30, 2025 and 2024**

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidated Financial Statements and Supplementary Information
Years Ended June 30, 2025 and 2024

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

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Independent Auditor's Report

The Board of Directors
Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries
Orlando, Florida

Opinion

We have audited the consolidated financial statements of Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries (the Organization), which comprise the consolidated statements 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 accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2025 and 2024, 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 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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, which 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.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 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. Such 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

BDO USA, P.C.

March 30, 2026

Consolidated Financial Statements

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidated Statements of Financial Position

June 30,	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,523,074	\$ 4,407,953
Grants and contributions receivable, current portion	3,152,890	3,602,085
Prepaid expenses	323,906	299,478
Total Current Assets	6,999,870	8,309,516
Property and Equipment, Net	28,258,119	28,778,036
Other Assets		
Assets limited as to use	68,434,367	67,296,854
Investments, long term	2,594,563	2,384,354
Contributions receivable, long term, net	2,891,917	2,075,983
Contributed use of land	703,823	716,541
Leverage loan receivable	9,168,000	9,168,000
Right-of-use assets, net	174,388	271,138
Other	136,124	136,124
Total Other Assets	84,103,182	82,048,994
Total Assets	\$ 119,361,171	\$ 119,136,546
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 440,038	\$ 547,820
Accrued expenses	798,937	845,753
Operating lease liabilities	176,808	271,742
Deferred revenues	-	69,588
Refundable advances	250,773	13,423
Non-refundable deposit on land held for sale	520,000	300,000
Total Current Liabilities	2,186,556	2,048,326
Notes Payable, Net	12,186,930	12,164,965
Total Liabilities	14,373,486	14,213,291
Commitments and Contingencies (Note 10)		
Net Assets		
Without donor restrictions	93,846,721	94,551,041
With donor restrictions	11,140,964	10,372,214
Total Net Assets	104,987,685	104,923,255
Total Liabilities and Net Assets	\$ 119,361,171	\$ 119,136,546

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries
Consolidated Statements of Activities

Year ended June 30,

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
Operating Revenues, and Support						
Government revenues	\$ 9,214,154	\$ -	\$ 9,214,154	\$ 9,101,573	\$ -	\$ 9,101,573
Contributions	4,286,578	1,247,180	5,533,758	4,684,752	2,405,331	7,090,083
In-kind contributions	2,097,341	-	2,097,341	1,921,693	-	1,921,693
United Way contributions	265,493	-	265,493	286,214	8,566	294,780
Special events	299,220	-	299,220	265,587	-	265,587
Dues and program services	573,889	-	573,889	686,390	-	686,390
Other revenues	1,248,338	-	1,248,338	1,056,712	-	1,056,712
Net assets released from restrictions	2,296,746	(2,296,746)	-	2,746,704	(2,746,704)	-
Total Operating Revenues, and Support	20,281,759	(1,049,566)	19,232,193	20,749,625	(332,807)	20,416,818
Operating Expenses						
Program services	17,282,809	-	17,282,809	18,830,155	-	18,830,155
Supporting services:						
Management and general	3,393,274	-	3,393,274	3,653,183	-	3,653,183
Fundraising	3,114,419	-	3,114,419	1,964,728	-	1,964,728
Total Operating Expenses	23,790,502	-	23,790,502	24,448,066	-	24,448,066
Change in Operating Net Assets	(3,508,743)	(1,049,566)	(4,558,309)	(3,698,441)	(332,807)	(4,031,248)
Non-Operating Support and Gains						
Contributions restricted for capital projects	-	1,600,000	1,600,000	-	-	-
Investment return, net	2,804,423	218,316	3,022,739	2,850,688	230,718	3,081,406
Total Non-Operating Support and Gains	2,804,423	1,818,316	4,622,739	2,850,688	230,718	3,081,406
Change in Net Assets	(704,320)	768,750	64,430	(847,753)	(102,089)	(949,842)
Net Assets, beginning of year	94,551,041	10,372,214	104,923,255	95,398,794	10,474,303	105,873,097
Net Assets, end of year	\$ 93,846,721	\$ 11,140,964	\$ 104,987,685	\$ 94,551,041	\$ 10,372,214	\$ 104,923,255

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

<i>Year ended June 30,</i>	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 64,430	\$ (949,842)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Contributions restricted for capital projects	1,600,000	-
Depreciation and amortization	1,276,422	1,274,877
Amortization of pledge discount	66,482	52,959
Non-cash rent expense	96,750	93,695
Amortization of loan costs	21,965	21,965
Provision for uncollectible contributions	680,013	148,503
Donated stock	(193,765)	(316,900)
Donated property and equipment	68,155	-
Net loss (gain) on disposal of property and equipment	168,237	(10,000)
Net investment return on non-operating investments	(3,022,739)	(3,081,406)
Cash provided by (used in):		
Grants and contributions receivable	(1,113,234)	(351,686)
Prepaid expenses	(24,428)	130,015
Other assets	-	(9,242)
Accounts payable and accrued expenses	(154,598)	45,164
Operating lease liabilities	(94,934)	(94,765)
Refundable advances	237,350	(473,710)
Non-refundable deposit on land held for sale	220,000	300,000
Deferred revenue	(69,588)	36,951
Net Cash Used in Operating Activities	(173,482)	(3,183,422)
Cash Flows from Investing Activities		
Purchases of property and equipment	(980,179)	(218,231)
Proceed from sale of property and equipment	-	10,000
Cash return on non-operating investments	996,965	503,003
Purchases of investments	(14,977,127)	(26,835,689)
Proceeds from sale of investments	15,699,680	24,715,782
Net Cash Provided by (Used in) Investing Activities	739,339	(1,825,135)
Cash Flows from Financing Activities		
Contributions restricted for capital projects	(1,600,000)	-
Payments received on mortgage receivable	-	1,500,000
Net Cash (Used in) Provided by Financing Activities	(1,600,000)	1,500,000
Net Decrease in Cash and Cash Equivalents	(1,034,143)	(3,508,557)
Cash and Cash Equivalents, beginning of year	7,268,612	10,777,169
Cash and Cash Equivalents, end of year	\$ 6,234,469	\$ 7,268,612
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 103,090	\$ 103,091
Non-Cash Investing and Financing Activities		
Establishment of right-of-use assets, net	\$ -	\$ 296,519
Establishment of operating lease liabilities	-	296,519
Supplemental Information		
Cash and cash equivalents is included in the following captions on the consolidated statements of financial position:		
Cash and cash equivalents	\$ 3,523,074	\$ 4,407,953
Assets limited as to use	2,711,395	2,860,659
	\$ 6,234,469	\$ 7,268,612

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses

Year ended June 30,

	2025				2024			
	Supporting Services				Supporting Services			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel								
Employee payroll	\$ 8,031,911	\$ 1,478,053	\$ 1,120,356	\$ 10,630,320	\$ 8,334,838	\$ 1,482,825	\$ 896,569	\$ 10,714,232
Employee benefits	955,121	148,542	160,660	1,264,323	910,361	229,340	112,719	1,252,420
Payroll taxes	624,465	100,256	74,714	799,435	676,150	102,884	65,927	844,961
	9,611,497	1,726,851	1,355,730	12,694,078	9,921,349	1,815,049	1,075,215	12,811,613
Other Expenses								
Materials and supplies	2,011,741	17,232	464,673	2,493,646	2,245,590	33,499	444,836	2,723,925
Occupancy	2,212,244	46,711	18,400	2,277,355	2,231,306	57,254	12,506	2,301,066
Write off of uncollectible contributions	-	-	680,013	680,013	-	148,503	-	148,503
Contract services	441,697	247,339	32,404	721,440	832,415	131,199	16,613	980,227
Building repairs and maintenance	631,529	41,341	-	672,870	754,717	54,938	-	809,655
Insurance	498,442	94,703	-	593,145	518,365	46,430	-	564,795
Equipment expenses	208,151	79,222	143,658	431,031	427,914	59,976	145,867	633,757
Transportation	281,967	17,067	20,253	319,287	340,441	26,397	21,230	388,068
Professional fees	9,028	249,006	25,000	283,034	800	458,263	-	459,063
Property tax	-	238,032	-	238,032	-	235,257	-	235,257
Service charges	30,305	93,733	46,587	170,625	29,133	80,762	43,043	152,938
Miscellaneous	59,569	94,650	1,728	155,947	197,091	13,450	5,224	215,765
Capital campaign expenses	-	-	151,667	151,667	2,657	-	-	2,657
Auction items for special events	-	-	149,970	149,970	-	-	161,583	161,583
Dues and subscriptions	68,103	74,496	5,178	147,777	111,556	57,190	17,542	186,288
Interest	-	125,055	-	125,055	-	125,055	-	125,055
Training	61,424	37,029	1,044	99,497	51,964	46,157	175	98,296
Postage, supplies, and printing	15,182	23,436	18,114	56,732	30,600	47,095	20,894	98,589
Pre-employment fees	24,233	28,646	-	52,879	40,535	23,054	-	63,589
Marketing	-	-	-	-	-	12,500	-	12,500
Total Other Expenses	6,553,615	1,507,698	1,758,689	9,820,002	7,815,084	1,656,979	889,513	10,361,576
Total Expenses, before depreciation and amortization	16,165,112	3,234,549	3,114,419	22,514,080	17,736,433	3,472,028	1,964,728	23,173,189
Depreciation and Amortization	1,117,697	158,725	-	1,276,422	1,093,722	181,155	-	1,274,877
Total Expenses	\$ 17,282,809	\$ 3,393,274	\$ 3,114,419	\$ 23,790,502	\$ 18,830,155	\$ 3,653,183	\$ 1,964,728	\$ 24,448,066

See accompanying notes to consolidated financial statements.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Organization

Boys & Girls Clubs of Central Florida, Inc. (BGCCF) is a nonprofit organization that was established to provide behavioral prudence and to promote the health and the social, educational, vocational and character development of boys and girls in the Central Florida area.

On August 15, 2018, BGCCF formed the Boys & Girls Clubs of Central Florida Foundation, Inc. (Foundation) and transferred its board-designated endowment to the Foundation, as further discussed in Note 8. The Foundation was established to support the operations of BGCCF. The Board of Directors of BGCCF (Board) has the ability to appoint the majority of the Board of Directors of the Foundation. Therefore, the Foundation's financial statements are consolidated with BGCCF's financial statements since BGCCF has economic and controlling financial interest in the Foundation.

On November 22, 2019, BGCCF formed BGCCF NMTC, Inc. (NMTC) as a supporting entity to support the operations of BGCCF, including expansion of facilities. This entity also facilitated the new market tax credit financing, as further discussed in Note 6. BGCCF has the ability to appoint the majority of the Board of Directors of NMTC. Therefore, NMTC's financial statements are consolidated with BGCCF's financial statements since BGCCF has economic and controlling financial interest in NMTC.

On October 15, 2021, BGCCF formed Foundation RE Holdings LLC (LLC) to hold certain real estate transactions. The LLC is a single member limited liability corporation, with the sole member being the Foundation and is therefore consolidated with the Foundation.

2. Summary of Significant Accounting Policies

Basis of Accounting and Principles of Consolidation

The consolidated financial statements include the financial statements of BGCCF, the Foundation and its wholly owned subsidiary, LLC, and NMTC (collectively the Organization). All significant intercompany balances and transactions have been eliminated upon consolidation.

The consolidated financial statements of the Organization are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Operating and Non-Operating Revenues, Support, Gains and Losses

Operating revenues and support were received to support current mission related activities of the Organization, while non-operating support, gains and losses are from contributions and related investment returns or other gains and losses that are not available for current mission related activities.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Contribution of Land Held for Sale

Land held for sale is measured at the lesser of its carrying amount or fair value less cost to sell. The Organization received a contribution of land valued at \$34,260,000 during the year ended June 30, 2022, which has been classified as land held for sale. The land was valued based on comparable sales of similar properties in the area around the date of receipt, which represented its carrying amount.

During fiscal 2023, the Organization entered into a Purchase and Sale Agreement (Agreement), as amended, with an unrelated party to sell a portion of the land (Parcel 1). As of June 30, 2025 and 2024, the buyer remitted \$520,000 and \$300,000, respectively, which is included in assets limited as to use and non-refundable deposit on land held for sale on the accompanying consolidated statements of financial position. On October 21, 2025, the Organization completed the sale of Parcel 1 in the amount of \$9,128,000. The remaining parcels remain as land held for sale. The Agreement provides an option for the buyer to purchase a portion of these remaining parcels, the closing of which is anticipated in fall 2027. All sales are recorded upon their respective closing dates.

Assets Limited as to Use

Assets limited as to use include cash and cash equivalents, investments and certain nonfinancial assets held as board designated for endowment and board designated for capital projects, as well as loan proceeds which are held in restricted cash accounts for payment of expenses reimbursement, interest, and service charges related to the notes payable discussed in Note 6. These cash accounts are legally restricted and the Organization must obtain certain approvals prior to withdrawals.

Investments

Investments are stated at fair value. Realized and unrealized gains and losses are combined with investment income earned during the period and presented as investment return on the accompanying consolidated statements of activities. Investment expenses are netted against investment income.

Grants and Contributions Receivable

Grants receivable represent amounts due to the Organization from federal, state and local governments for services rendered under contractual obligations and grants from Boys & Girls Club of America, corporations and foundations. All outstanding grants receivable are expected to be collected within one year, and therefore, an allowance for uncollectible amounts was not recorded.

Contributions receivable consist of unconditional promises to give and are recorded when the promises to contribute are made. Contributions receivable which are expected to be collected in more than one year are stated at the present value of estimated future receipts. The Organization provides an allowance for uncollectible contributions based on historical collection experience.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Property and Equipment

The Organization capitalizes all property and equipment with a cost in excess of \$1,000 and useful life over one year. Property and equipment are recorded at cost when purchased or at fair value on the date received if donated. Buildings and equipment are depreciated using the straight-line method over the estimated life of the assets.

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. During fiscal years 2025 and 2024, there were no impairments of long-lived assets.

Government and Contribution Revenue and Donor-Imposed Restrictions

The Organization records unconditional promises to give as contribution revenue when cash, securities, other assets or an unconditional promise to give is received. Conditional promises to give with a measurable performance barrier or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Government revenues are recorded as contributions when conditions for expenditure are met. Government contributions that are received before the conditions are met are recorded as refundable advances on the accompanying consolidated statements of financial position. The Organization has refundable advances of \$183,707 and \$13,423 at June 30, 2025 and 2024, respectively. The Organization has conditional contributions of \$1,940,000 at June 30, 2025 and 2024 that are not recorded on the accompanying consolidated financial statements as the related conditions, which represent construction of a facility, have not been met.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as donor restricted support that increases that net asset class.

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 are reported in the consolidated statements of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Revenue Recognition

Operating revenue includes the exchange portion of special events, dues and program services revenue and thrift store revenue included in other revenues.

The exchange portion of special events revenue represents the fair value of goods and services provided and is recognized at the point in time when the event takes place with any amounts received in advance of the event recognized as deferred revenue. The contribution portion of special events revenue is recognized as contributions when the event takes place unless the donor has waived the right to a refund, in which case the contributions are recognized when received. Contributions received in advance of the event with no waived right of refund are recognized as refundable advances.

Dues and program services are recognized as revenue at the point in time when the related services, which represents the Organization's performance obligations, are provided. Amounts received in advance of services being provided are recognized as deferred revenue.

Thrift store revenue is recognized at the point in time when the goods are sold to the customer and is included in other revenue on the accompanying consolidated statements of activities.

Contributed Use of Land

Contributed use of land represents unconditional contributions of land underlying the Organization's facilities under lease agreements with third parties (see Note 10). Contributed use of land is recorded as an asset and contribution with donor restrictions at fair value of the underlying asset when the unconditional contribution was received. The contribution is included in net assets with donor restrictions and is released from restrictions over the lease term as the land is being used.

In-Kind Contributions

Donated goods and services are recorded at fair value on the date donated and presented as in-kind contributions in the accompanying consolidated statements of activities. The Organization received the following in-kind contributions which are reported as operating revenues and support:

<i>Year ended June 30,</i>	2025	2024
Facilities rent	\$ 1,539,094	\$ 1,539,335
Equipment	68,155	-
Program materials and supplies	170,024	5,300
Advertising	30,000	16,000
Auction items for special events	280,465	161,584
Other	9,603	199,474
Total	\$ 2,097,341	\$ 1,921,693

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The Organization recorded approximately \$1,500,000 of facilities rent for both years ended June 30, 2025 and 2024, which represents the excess of the fair rental value of the facility leases over the below market rent payments due under lease agreements. The fair rental value of the facilities is determined based on rent on similar rental properties within the same area. Contributed services are recognized as contributions and recorded at fair value if the services create or enhance nonfinancial assets, require specialized skills and are performed by individuals with those skills and would otherwise be purchased by the Organization. During the years ended June 30, 2025 and 2024, no such material contributed services were received. Equipment, advertising, auction items, and program materials and supplies have also been received and recorded at fair market value based on retail price set by vendors of these items.

These donated goods are reflected as in-kind contributions revenue on the accompanying consolidated statements of activities and for those that are not capitalized, the related expense is recorded in its natural classification on the accompanying consolidated statements of functional expenses.

The Organization has numerous volunteers providing assistance to the Organization's program services and fundraising campaigns which are not recognized in the accompanying consolidated financial statements.

Net Assets

Net Assets Without Donor Restrictions - Net assets without donor restrictions represents funds that are available without restriction for carrying out the Organization's objectives and funds that have been designated by the Board.

Net Assets with Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions as well as assets to be maintained by the Organization in perpetuity.

Functional Expenses

The costs of providing the various programs and other activities have been summarized as program services, management and general, and fundraising. Employer and payroll related expenses are allocated among functional categories based on the proportion of time spent relative to each function. All other expenses are directly charged to the functional category to which they relate.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Fair Value of Financial Instruments

The Organization reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring 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 below:

Level 1 - Valuation is based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Valuation is based on observable quoted prices for similar assets and liabilities in active markets.

Level 3 - Valuation is based on inputs that are unobservable and are supported by little or no market activity, therefore requiring management's best estimate of what market participants would use as fair value.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximates their fair values due to the short-term nature of these instruments. These financial instruments include cash and cash equivalents, grants receivable, contributions receivable due in one year or less, accounts payable and accrued expenses. Contributions due beyond one year are recorded at their net present value using a risk-free interest rate available on U.S. Treasury issues at the date the pledge was made with an equivalent term approximately equal to the number of years the contribution will be paid, which approximates fair value. The Organization's leverage loan receivable and notes payable are estimated based on current rates that would be available for debt of similar terms which is not significantly different from their stated value.

The Organization's Level 1 financial assets consist of investments identified in Note 3 and are valued on a daily basis in an active market. The Organization does not have any Level 2 or Level 3 financial assets or liabilities.

Leases

The Organization determines if an arrangement is a lease or contains a lease, including lease classification as operating or finance, at inception. In a lessee arrangement, leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis.

In accordance with Accounting Standard Codification 842, *Leases (Topic 842)*, a lease liability is measured at the present value of the lease payments over the lease term for new leases. The ROU asset equals the lease liability adjusted for any initial direct costs and lease incentives.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The Organization elected the practical expedient to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term remaining as of the date of adoption. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization elected the practical expedient not to separate lease and non-lease components for all leases. Lease terms may include options to extend the lease and the present value of future minimum lease payments includes these options only when they are reasonably certain to be exercised.

The Organization has also elected the practical expedient not to record leases with an initial term of 12 months or less on the accompanying consolidated statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

The Organization's operating leases with third parties without consideration exchanged for the use of related land or facilities are not accounted for under Topic 842 because they do not meet the definition of a lease. The Organization's leases for retail and warehouse space and lease arrangements with NMTC are accounted for under Topic 842. Terms for all arrangements are further discussed in Note 10.

Income Taxes

BGCCF, the Foundation and NMTC are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions in the Florida Income Tax Code. The LLC is treated as a disregarded entity of the Foundation.

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the consolidated statements of financial position. The Organization has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Organization's tax years currently subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Reclassification

An amount on the 2024 consolidated financial statements has been reclassified to conform to the 2025 presentation. This reclassification did not impact prior year change in net assets or total net assets.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

3. Investments and Assets Limited as to Use

Investments

The Organization's investments consist of the following:

<i>June 30,</i>	2025	2024
Level 1:		
Small cap equities	\$ 3,017,503	\$ 2,831,101
Mid cap equities	3,615,544	3,137,075
Large cap equities	7,213,190	7,149,368
REIT/Infrastructure	791,460	724,092
International equities	3,636,646	3,541,037
Fixed income mutual funds	15,783,192	15,177,876
Total Investments	\$ 34,057,535	\$ 32,560,549

The Organization's investments are included in the following captions on the consolidated statements of financial position:

<i>June 30,</i>	2025	2024
Investments, long term	\$ 2,594,563	\$ 2,384,354
Assets limited as to use	31,462,972	30,176,195
Total	\$ 34,057,535	\$ 32,560,549

Investment return is presented as non-operating support and gains on the consolidated statements of activities and consists of the following:

<i>Year ended June 30,</i>	2025	2024
Net realized and unrealized gain on investments	\$ 1,798,373	\$ 2,063,194
Dividends and interest	1,350,717	1,119,408
Investment management fees	(126,351)	(101,196)
Total	\$ 3,022,739	\$ 3,081,406

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Assets Limited as to Use

Assets limited as to use are as follows:

<i>June 30,</i>	2025	2024
Investments held as board designated endowment	\$ 31,462,972	\$ 30,176,195
Land held for sale in board designated endowment	34,260,000	34,260,000
Cash and cash equivalents held as board designated endowment	2,147,239	2,099,170
Cash and cash equivalents held as board designated for capital replacement reserve	443,513	570,346
Cash and cash equivalents held in restricted cash accounts for JBCO building construction and interest and service charges for notes payable	120,643	191,143
Total	\$ 68,434,367	\$ 67,296,854

4. Grants and Contributions Receivable

Grants and contributions receivable are due as follows:

<i>June 30,</i>	2025	2024
Less than one year	\$ 3,152,891	\$ 3,839,967
One to five years	3,069,506	1,950,154
More than five years	296,000	350,084
	6,518,397	6,140,205
Less: allowance for uncollectible contributions receivables	(182,852)	(237,882)
Less: present value discount on contributions receivable ranging from 3.68% to 4.33%	(290,738)	(224,255)
Total	\$ 6,044,807	\$ 5,678,068

Grants and contributions receivable are included in the following captions on the consolidated statements of financial position:

<i>June 30,</i>	2025	2024
Grants and contributions receivable, current portion	\$ 3,152,890	\$ 3,602,085
Contributions receivable, long-term, net	2,891,917	2,075,983
Total	\$ 6,044,807	\$ 5,678,068

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

5. Property and Equipment

Property and equipment is summarized as follows:

June 30,

	2025	2024	Useful Life (Years)
Land	\$ 419,650	\$ 419,650	-
Buildings and improvements	36,845,867	36,591,176	5-40
Furniture and equipment	3,199,464	3,199,072	5-10
Automotive equipment	409,025	538,688	5
Construction in progress	575,614	60,314	-
	41,449,620	40,808,900	
Less: accumulated depreciation and amortization	(13,191,501)	(12,030,864)	
Total	\$ 28,258,119	\$ 28,778,036	

6. Leverage Loan Receivable, Notes Payable and New Market Tax Credit Financing

On December 31, 2019, NMTC entered into a Loan Agreement and related notes payable in connection with a new market tax credit transaction (transaction) to help finance the construction of the Joe R. Lee (JRL) and JBCO clubs. The New Market Tax Credit Program was designed to stimulate investment and economic growth in low-income communities by offering a seven-year, 39% federal tax credit for Qualified Equity Investments (QEI) made through investment vehicles known as Community Development Entities (CDEs). CDEs use capital derived from tax credits to make loans to or investments in businesses and projects in low-income areas under favorable economic terms, typical of this type of tax credits-based transaction.

The transaction is composed of several sub-transactions, as described below:

QALICB - For the sole purpose of facilitating the transaction as a Qualified Active Low-Income Community Business (QALICB), BGCCF created NMTC, which was formed pursuant to the filing of those certain Articles of Incorporation with the Florida Secretary of State on November 22, 2019.

Leverage Loan - As part of the transaction, BGCCF committed to lend \$9,368,000 to an Investment Fund owned by U.S. Bancorp Community Development Corporation (Investor). Fees totaling \$200,000 were deducted from this amount and the net of \$9,168,000 was contributed to the Investment Fund and is shown as leverage loan receivable on the accompanying consolidated statement of financial position as of June 30, 2025 and 2024. The proceeds of this leverage loan were used by the Investment Fund towards making a QEI into three CDEs as listed below. The leverage loan receivable bears an interest rate of 0.81046%, matures on September 30, 2049 and is collateralized by the Investor's equity interests in the CDEs.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Investment by Investor - As part of the transaction, the Investor contributed \$4,157,400 as an equity investment into the Investment Fund. Fees totaling \$325,400 were deducted from this amount and the net of \$3,832,000 was contributed to the Investment Fund.

Allocation of Investment Fund to Sub-CDEs - The \$13,000,000 total Investment Fund created as a result of the transactions above was allocated between three Sub-CDEs as follows: (i) PCC Sub-CDE 11, LLC (PCC) for \$5,000,000; (ii) BBIF Subsidiary CDE 10, LLC (BBIF) for \$4,000,000; and (iii) USBCDE Sub-CDE 194, LLC (USB) for \$4,000,000. A total of \$280,000 in fees was deducted at the time of allocation by the Sub-CDEs, which resulted in a net amount of \$12,720,000 available to lend.

Qualified Low-Income Community Investment (QLICI Loans) - Under the transaction the following QLICI A and B loans were made to NMTC from the Sub-CDEs and included in notes payable in the accompanying consolidated statements of financial position:

<i>June 30,</i>	2025	2024
1. QLICI Loan A (USB)	\$ 2,802,462	\$ 2,802,462
2. QLICI Loan B (USB)	1,157,538	1,157,538
3. QLICI Loan A (BBIF)	2,962,462	2,962,462
4. QLICI Loan B (BBIF)	997,538	997,538
5. QLICI Loan A (PCC)	3,403,076	3,403,076
6. QLICI Loan B (PCC)	1,396,924	1,396,924
Total Notes Payable	12,720,000	12,720,000
Less: unamortized loan costs	(533,070)	(555,035)
Notes Payable, Net	\$ 12,186,930	\$ 12,164,965

The QLICI Loans bear interest at a fixed rate equal to 0.81046% and mature on September 30, 2049. The QLICI Loans are secured by restricted cash and cash equivalents accounts, which are included in assets limited as to use on the accompanying consolidated statements of financial position (see Note 3), and the assignment of any rent revenue NMTC receives from BGCCF for operations at the JRL and JBCO facilities.

Neither BGCCF nor NMTC controls or has economic interest in the assets of either the QEI or the CDEs. The QEI is controlled and wholly owned by US Bank, and the Investment Fund controls and funds the CDEs.

Effective December 31, 2019, BGCCF entered into an unconditional continuing guarantee of obligations agreement with the CDEs under which BGCCF guarantees compliance with all payments, obligations, duties and agreements of the Organization under the terms of the debt agreements.

In order for the Investor to earn the tax credit, the QEI must remain invested in the CDEs for a seven-year period from January 1, 2020 through December 31, 2026 (Compliance Period). NMTC has significant reporting requirements to its lenders, including financial reports and community impact reports during the Compliance Period. NMTC is restricted against accumulating and holding certain types of assets (including options, stocks, promissory notes and excess cash), having its own employees, or otherwise engaging in activities unrelated to BGCCF. Provided NMTC satisfies the foregoing requirements and avoids violating the foregoing restrictions, it will remain in substantial compliance with its obligations pursuant to the financing.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

BGCCF and the Investor have executed a Put and Call Agreement to take place at the end of the Compliance Period. Under the Put and Call Agreement, the Investor can exercise a put option to sell all its interest in the Investment Fund for \$1,000 to BGCCF. If the Investor does not exercise the put option within six months after the Compliance Period, BGCCF can exercise a call option to purchase the interest of the Investment Fund at an appraised fair market value. The intention is for the Investor to exercise the put option at the end of the Compliance Period in order to allow them to pursue other new market tax credit projects and management believes that there is no incentive for the Investor to stay in the project thereafter. These put/call options do not represent embedded derivatives and, accordingly, have not been accounted for as derivative instruments in BGCCF's consolidated financial statements.

Assuming compliance with the requirements of the transaction, management intends on exercising the put option at the end of the Compliance Period. Upon the put option being exercised, NMTC will be dissolved, and its net assets will be transferred to BGCCF.

The Put and Call Agreement will allow BGCCF to gain control of the Investment Fund, there would be no residual amounts due to or from any external third parties, and BGCCF would record a net gain associated with the dissolution of the \$9,168,000 Leverage Loan Receivable from the Investment Fund and the \$12,720,000 QLICI Loans Payable. After transaction expenses of approximately \$692,000, BGCCF expects the net gain after dissolution to be approximately \$2,860,000.

7. Profit-Sharing Plan

The Organization established a 401(k) profit sharing plan (the Plan) effective January 1, 2005. Employees must be 21 years of age and must have completed one year of full-time employment before they become eligible to participate. The Plan provides a graded vesting schedule from two to six years of service. The Organization will contribute the equivalent of 7% of the employee's salary as a profit sharing contribution and provides for a safe harbor match whereby the Organization will contribute, on a matching basis, a dollar for dollar match on the first 3% of employee contribution and a 50% match on the next 2%. The Organization's policy is to fund the Plan's administrative costs. Contributions to the Plan for the years ended June 30, 2025 and 2024, were \$518,125 and \$557,987, respectively, and are included in employee benefits in the accompanying consolidated statements of functional expenses.

8. Net Assets and Endowments

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following:

<i>June 30,</i>	2025	2024
Designated for property and equipment	\$ 28,258,119	\$ 28,778,036
Board-designated endowment	67,870,211	66,535,365
Board-designated capital replacement reserve	443,513	570,346
Undesignated net assets (deficit)	(2,725,122)	(1,332,706)
Total	\$ 93,846,721	\$ 94,551,041

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted as follows:

<i>June 30,</i>	2025	2024
Capital expenditures	\$ 4,253,835	\$ 3,222,050
United Way time restricted contributions	96,145	103,165
Time restricted contributions	2,144,196	2,086,714
Contributed use of land	703,821	716,541
Program operations	2,752,230	3,053,007
Total Subject to Expenditure , for specified purpose or period	9,270,214	9,181,477
Endowment funds restricted in perpetuity	1,190,737	1,190,737
Total	\$ 11,140,964	\$ 10,372,214

The intent of the Organization's capital fundraising campaign, as determined by the Board, is that upon satisfaction of donors' restrictions for capital expenditures, any remaining contributions not spent will be designated by the Board and become a board-designated capital replacement reserve, at which time the remaining funds will be released to net assets without donor restrictions.

Net assets were released from donor restrictions as follows:

<i>Year ended June 30,</i>	2025	2024
Capital expenditures	\$ 568,213	\$ 587,423
United Way time restricted contributions	7,020	6,138
Time restricted contributions	571,061	536,186
Program operations	1,137,732	1,604,237
Contributed use of land	12,720	12,720
Total	\$ 2,296,746	\$ 2,746,704

Donor Restricted and Board Designated Endowments

The Organization records its donor restricted endowment funds as net assets with donor restrictions. These assets consist of investments held in perpetuity with investment income used to support general operations, the Youth of the Year program and the Joe R. Lee Club operations. Net assets with donor restrictions include the principal of donor restricted endowments that must be maintained permanently and not used up, expended or otherwise exhausted.

In April 2018, the Board of Directors approved the establishment of a board-designated endowment fund, the purpose of which is to fund future operating costs of BGCCF. During fiscal year 2019, the Board approved the formation of the Foundation and transferred the board-designated endowment to the Foundation.

Endowment funds are invested with the objective of preserving capital and liquidity while seeking an appropriate level of investment return. Endowment funds consist of donor restricted and board designated endowment funds.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

For donor restricted endowments, the risk parameters are low to protect the endowment corpus. The amount of endowment funds available for distributions is determined on the basis of a total-return principal and will not be dependent upon income generated through interest or dividends.

For board designated endowments, the funds available for distribution during any one year will be limited to five percent of the market value of the corpus, effective December 31 of the given year. Distributions may also be made upon written request of the President, with Board approval.

Endowment net assets composition by type of fund are as follows:

June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	\$ 67,870,211	\$ -	\$ 67,870,211
Donor restricted endowment funds	43,103	2,594,563	2,637,666
	\$ 67,913,314	\$ 2,594,563	\$ 70,507,877

June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment fund	\$ 66,535,365	\$ -	\$ 66,535,365
Donor restricted endowment funds	43,103	2,384,239	2,427,342
	\$ 66,578,468	\$ 2,384,239	\$ 68,962,707

Changes in the Organization's endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, June 30, 2023	\$ 64,940,283	\$ 2,165,390	\$ 67,105,673
Contributions	100,660	-	100,660
Interest and dividends	1,027,677	79,832	1,107,509
Net realized and unrealized gain on investments	1,904,504	158,691	2,063,195
Expenses	(275,592)	-	(275,592)
Investment fees	(94,314)	(7,805)	(102,119)
Distributions	(1,024,750)	(11,869)	(1,036,619)
Endowment Net Assets, June 30, 2024	66,578,468	2,384,239	68,962,707
Contributions	83,016	-	83,016
Interest and dividends	1,227,621	93,760	1,321,381
Net realized and unrealized gain on investments	1,673,452	133,978	1,807,430
Expenses	(251,015)	-	(251,015)
Investment fees	(117,228)	(9,422)	(126,650)
Distributions	(1,281,000)	(7,992)	(1,288,992)
Endowment Net Assets, June 30, 2025	\$ 67,913,314	\$ 2,594,563	\$ 70,507,877

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The Board of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary or original. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of the gift 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. Earnings on the donor-restricted endowment funds are 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 FUPMIFA or as net assets without donor restrictions.

In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policies of the Organization.

9. Financial Assets and Liquidity Resources

The Organization's financial assets available within one year for general expenditure, not including board designated and donor-restricted endowments, are as follows:

<i>June 30,</i>		2025		2024
Cash and cash equivalents	\$	924,569	\$	88,852
Grants and contributions receivable, net		800,734		2,725,850
Net Financial Assets and Liquidity Resources Available Within One Year	\$	1,725,303	\$	2,814,702

The Organization's endowment funds consist of board designated and donor-restricted endowments as discussed in Note 8. The board designated endowment is held by the Foundation to support future operating costs of BGCCF. The Board can approve an annual contribution from the Foundation to BGCCF, subject to the spending policy of no more than five percent of the market value of the board designated endowment fund. Income from the donor-restricted endowment is restricted for general and specific program operations. Endowment funds are invested with the objective of preserving capital and liquidity while seeking an appropriate level of investment return. The Organization manages just enough financial assets to support operations in order to maximize the return on endowment assets until they are needed to support operations. Excess cash generated by operations is placed in appropriate short-term vehicles to maintain capital, liquidity and diversification.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

10. Commitments and Contingencies

Operating Leases with Unrelated Parties

The Organization has entered into non-cancelable leases for warehouse and retail space under agreements with maturity dates in February and March 2027, respectively. As of June 30, 2025 and 2024, the weighted-average remaining lease term for these leases is approximately 21 and 33 months, respectively, and the weighted-average discount rate used to calculate the operating lease liabilities was 2.88% for June 30, 2025 and 2024.

The right-of-use assets and future payments due under lease obligations related to retail and warehouse leases consist of the following:

<i>June 30,</i>	2025		2024	
Operating ROU Assets	\$	296,519	\$	296,519
Less: accumulated amortization		(122,131)		(25,381)
Operating ROU Assets, Net	\$	174,388	\$	271,138
<i>Year ended June 30,</i>	2025		2024	
Total Future Lease Payments	\$	181,498	\$	283,018
Less: imputed interest		(4,690)		(11,276)
Total Operating Lease Liabilities	\$	176,808	\$	271,742

The components of total lease cost associated with the Organization's operating leases are approximated as follows and is included in occupancy expense on the consolidated statement of functional expenses:

<i>Year ended June 30,</i>	2025		2024	
Operating lease expense	\$	125,016	\$	129,504
Short-term lease expense		17,475		14,200
	\$	142,491	\$	143,704

As of June 30, 2025 and 2024, future payments due under these leases are minimal and are therefore not presented by year.

Nassau Clubs

Effective July, 1, 2017, the Organization entered into a Support Agreement and Lease Agreement with The Boys & Girls Club of Nassau County Foundation, Inc. (Nassau Foundation), an unrelated party, which provides for funding of operations and leasing of its facilities. The Nassau Clubs will be managed and operated by the Organization and the Nassau Foundation will fund the operations. In addition, the Nassau Foundation will pay to the Organization an administrative fee of 8% of the annual direct operational expenses of the Nassau Clubs which were \$42,603 and \$101,081 during the years ended June 30, 2025 and 2024, respectively, and recorded as contributions revenue on the accompanying consolidated statements of activities.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The Organization recorded approximately \$306,000 and \$362,000 for the years ended June 30, 2025 and 2024, respectively, in donated facilities rent which represents the excess of the fair rental value of the facility leases over below market rent payments due under lease agreements. The Support Agreement can be terminated by either party upon six months' notice in writing. The Lease Agreement provides for annual payments of \$10 with automatic annual extensions unless terminated by either party in writing 30 days prior to the end of the term of their intent not to renew.

On July 31, 2024, the Organization entered into an Assignment and Support Agreement with The Boys and Girls Clubs of Nassau County Foundations, Inc. (Nassau Foundation) and Boys & Girls Clubs of Northeast Florida, Inc. (BGCNF), an unrelated party, whereby the Nassau Clubs (Miller Freedom Center Boys & Girls Club, Roberts Learning & Achievement Center Boys & Girls Club, and Journey Church West Campus) will be assigned to, chartered, managed, and operated by BGCNF, effective August 26, 2024.

Joe R. Lee and JBCO Clubs

During fiscal 2020, BGCCF entered into two separate lease agreements with third parties for \$1 per year for the lease of the land underlying the Joe R. Lee and JBCO facilities for a period of 99 and 40 years, respectively.

The fair rental value of the contributed land was \$487,870 and \$282,272 for the Joe R. Lee and JBCO, respectively, and was recorded as contributed use of land with donor restrictions in the consolidated statements of activities during the year ended June 30, 2020. In accordance with Accounting Standards Codification Topic 958-605, *Not-for-Profit Entities*, no discount was recorded on this multi-year contribution as the future fair value of the land is difficult to determine. Under the term of the land lease underlying the JBCO facility, BGCCF agreed to construct an after-school facility of which BGCCF will operate and maintain during the lease term. At the end of the lease term, the ownership of JBCO facility will revert to the landlord.

Operating Leases with NMTC

On December 31, 2019, the Organization entered into operating lease agreements with NMTC for the Organization's use of the Joe R. Lee and JBCO facilities owned by NMTC. The term for the Joe R. Lee Club license commenced February 1, 2020 for a period of 32 years at an annual usage rate of \$44,500 through June 2026 and \$177,900 beginning July 2026. The term for the JBCO Club license commenced December 1, 2020 for a period of 32 years at an annual usage rate of \$139,500 through June 2026 and \$558,100 beginning July 2026. Rental income and expense of \$184,000 has been eliminated from the accompanying consolidated statements of activities during the years ended June 30, 2025 and 2024. The operating license agreements may be terminated upon the seventh year from commencement pursuant to the put and call agreement further discussed in Note 6.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As of June 30, 2025 and 2024, the weighted-average remaining lease term for these leases is approximately two and three years, respectively, and the weighted average discount rate used to calculate the operating lease liabilities is 2.88% for both years. The ROU assets and future payments due under lease obligations related to Joe R. Lee and JBCO facility leases consist of the following:

<i>June 30,</i>	2025	2024
Operating ROU Assets	\$ 941,886	\$ 941,886
Less: accumulated amortization	(616,072)	(406,053)
Operating ROU Assets, Net	\$ 325,814	\$ 535,833
<i>Year ending June 30,</i>		
2026	\$	184,000
2027		368,000
Total Lease Payments		552,000
Less: imputed interest		(16,258)
Total Operating Lease Obligations	\$	535,742

The ROU assets and lease liability under the leases with NMTC are eliminated from the accompanying consolidated statement of financial position as of June 30, 2025 and 2024.

Leesburg Youth Enrichment Center

On December 13, 2021, the Organization entered into a conditional Facility Use Agreement (Agreement) with the City of Leesburg for the construction and lease of the Youth Enrichment Center to be operated and managed by the Organization which was completed and opened in June 2022. Based on the terms of the Agreement, the City of Leesburg is leasing the facility to the Organization for 40 years at \$1 per year effective July 1, 2022. In connection with the Agreement, the Organization made a capital contribution of \$500,000 to the City of Leesburg for the costs of construction of the facility, which is included in property and equipment on the accompanying consolidated statement of financial position. The value of the contributed use of facilities is immaterial for the years ended June 30, 2025 and 2024 and is therefore not included in the accompanying consolidated financial statements.

Legal

The Organization is subject to claims and legal proceedings which arise in the ordinary course of business. Management believes that losses resulting from these matters, if any, would not have a material adverse effect on the financial position or results of activities of the Organization.

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

11. Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents and investments. Cash and cash equivalents include checking and money market accounts placed with federally insured financial institutions and investments. Cash and cash equivalents may at times exceed federally insured limits. The Organization has not experienced any losses on such accounts. Investments consist of certificates of deposits, equities and fixed income mutual funds. Although the market value of investments is subject to fluctuations on a day-to-day basis, management believes the current investment strategy is prudent for the long-term welfare of the Organization.

12. Economic Dependency

The Organization recognized revenues from Orange County, Florida, which represented 19% and 16% of the Organization's total operating revenue and support for each of the years ended June 30, 2025 and 2024, respectively. In addition, during 2025 and 2024, the Organization recognized revenues from the federal government which represented approximately 17% of the Organization's total operating revenue and support. As such, the Organization is dependent upon the continued support of Orange County, Florida and the federal government to provide funding for the Organization's programs and operations.

13. Related Party Transactions

In the ordinary course of business, the Organization enters into transactions with other organizations that have individuals who serve on the Organization's Board. The Organization obtains its general liability and property insurance through a company whose owner is also a member of the Board. Broker commission paid to this company were \$34,750 and \$40,250 for the years ended June 30, 2025 and 2024, respectively. The Organization paid legal fees to a firm associated with a member of the Board of Directors of \$48,600 and \$32,231 for the years ended June 30, 2025 and 2024, respectively, associated with general matters and sale of land. During the years ended June 30, 2025 and 2024, the Organization paid investment management fees to financial institutions associated with a member of the Board of Directors in the amount of \$121,979 and \$97,174, respectively. During the year ended June 30, 2024, the Organization made a payment of \$208,538 to a firm associated with a member of the Board of Directors for consulting services. The Organization entered into a marketing agreement with a company whose owner is also a member of the Board. The amount paid to this company was \$30,000 for the year ended June 30, 2024. Details of all related party transactions which meet applicable reporting requirements can be found in Internal Revenue Service Form 990 which the Organization files annually.

14. Subsequent Events

The Organization has evaluated events and transactions occurring subsequent to June 30, 2025 as of March 30, 2026, which is the date the consolidated financial statements were available to be issued. Subsequent events occurring after March 30, 2026 have not been evaluated by management. No material events have occurred since June 30, 2025 that require recognition or disclosure in the consolidated financial statements, except as disclosed in Note 2, Contribution of Land Held for Sale.

Supplementary Information

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidating Statement of Financial Position

June 30, 2025

	Boys & Girls Clubs of Central Florida, Inc.	Boys & Girls Clubs of Central Florida Foundation, Inc and Subsidiary	BGCCF NMTC, Inc.	Eliminations	Total
Assets					
Current Assets					
Cash and cash equivalents	\$ 2,102,391	\$ 1,113,325	\$ 307,358	\$ -	\$ 3,523,074
Grants and contributions receivable, current portion	3,084,765	22,125	46,000	-	3,152,890
Prepaid expenses	318,626	5,280	-	-	323,906
Due from BGCCF NMTC, Inc.	78,474	-	-	(78,474)	-
Total Current Assets	5,584,256	1,140,730	353,358	(78,474)	6,999,870
Property and Equipment, Net	16,059,834	-	12,198,285	-	28,258,119
Other Assets					
Assets limited as to use	2,590,752	65,722,972	120,643	-	68,434,367
Investments, long term	-	2,594,563	-	-	2,594,563
Contributions receivable, long term, net	2,891,917	-	-	-	2,891,917
Contributed use of land	703,823	-	707,128	(707,128)	703,823
Leverage Loan receivable	9,168,000	-	-	-	9,168,000
Right-of-use assets, net	500,204	-	-	(325,816)	174,388
Other	136,124	-	-	-	136,124
Total Other Assets	15,990,820	68,317,535	827,771	(1,032,944)	84,103,182
Total Assets	\$ 37,634,910	\$ 69,458,265	\$ 13,379,414	\$ (1,111,418)	\$119,361,171
Liabilities and Net Assets					
Current Liabilities					
Accounts payable	\$ 424,749	\$ 15,289	\$ -	\$ -	\$ 440,038
Accrued expenses	798,937	-	-	-	798,937
Operating lease liabilities	712,550	-	-	(535,742)	176,808
Refundable advances	250,773	-	-	-	250,773
Non-refundable deposit	-	520,000	-	-	520,000
Due to BGCCF	-	-	78,474	(78,474)	-
Total Current Liabilities	2,187,009	535,289	78,474	(614,216)	2,186,556
Notes Payable, net	-	-	12,186,930	-	12,186,930
Total Liabilities	2,187,009	535,289	12,265,404	(614,216)	14,373,486
Net Assets					
Without donor restrictions	29,182,954	68,449,236	406,883	(4,192,352)	93,846,721
With donor restrictions	6,264,947	473,740	707,127	3,695,150	11,140,964
Total Net Assets	35,447,901	68,922,976	1,114,010	(497,202)	104,987,685
Total Liabilities and Net Assets	\$ 37,634,910	\$ 69,458,265	\$ 13,379,414	\$ (1,111,418)	\$119,361,171

Boys & Girls Clubs of Central Florida, Inc. and Subsidiaries

Consolidating Statement of Activities

Year ended June 30, 2025

	Boys & Girls Clubs of Central Florida, Inc.			Boys & Girls Clubs of Central Florida Foundation, Inc.			BGCCF NMTC, Inc.			Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
Operating Revenues and Support											
Government revenues	\$ 9,214,154	\$ -	\$ 9,214,154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,214,154
Contributions	4,276,253	1,247,180	5,523,433	10,325	-	10,325	-	-	-	-	5,533,758
In-kind contributions	2,097,341	-	2,097,341	-	-	-	-	-	-	-	2,097,341
United Way	265,493	-	265,493	-	-	-	-	-	-	-	265,493
Special events	299,220	-	299,220	-	-	-	-	-	-	-	299,220
Dues and program services	573,889	-	573,889	-	-	-	-	-	-	-	573,889
Other revenues	1,176,253	-	1,176,253	71,830	-	71,830	184,255	-	184,255	(184,000)	1,248,338
Net assets released from restrictions	2,284,028	(2,284,028)	-	-	-	-	12,718	(12,718)	-	-	-
Total Operating Revenues and Support	20,186,631	(1,036,848)	19,149,783	82,155	-	82,155	196,973	(12,718)	184,255	(184,000)	19,232,193
Operating Expenses											
Program services	17,172,091	-	17,172,091	8,250	-	8,250	359,530	-	359,530	(257,062)	17,282,809
Supporting services:											
Management and general	2,856,678	-	2,856,678	330,053	-	330,053	206,543	-	206,543	-	3,393,274
Fundraising	3,114,419	-	3,114,419	-	-	-	-	-	-	-	3,114,419
Total Operating Expenses	23,143,188	-	23,143,188	338,303	-	338,303	566,073	-	566,073	(257,062)	23,790,502
Change in Operating Net Assets	(2,956,557)	(1,036,848)	(3,993,405)	(256,148)	-	(256,148)	(369,100)	(12,718)	(381,818)	73,062	(4,558,309)
Non-Operating Support, Gains and Losses											
Contributions to BGCCF	3,081,000	-	3,081,000	(1,481,000)	-	(1,481,000)	-	-	-	-	1,600,000
Investment return, net	102,454	-	102,454	2,920,285	-	2,920,285	-	-	-	-	3,022,739
Total Non-Operating Support, Gains and Losses	3,183,454	-	3,183,454	1,439,285	-	1,439,285	-	-	-	-	4,622,739
Change in Net Assets	226,897	(1,036,848)	(809,951)	1,183,137	-	1,183,137	(369,100)	(12,718)	(381,818)	73,062	64,430
Net Assets, beginning of year	28,956,057	7,301,795	36,257,852	67,266,099	473,740	67,739,839	775,983	719,845	1,495,828	(570,264)	104,923,255
Net Assets, end of year	\$ 29,182,954	\$ 6,264,947	\$ 35,447,901	\$ 68,449,236	\$ 473,740	\$ 68,922,976	\$ 406,883	\$ 707,127	\$ 1,114,010	\$ (497,202)	\$ 104,987,685