BOYS AND GIRLS CLUBS OF CHAFFEE COUNTY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

BOYS & GIRLS CLUBS
OF CHAFFEE COUNTY

BOYS AND GIRLS CLUBS OF CHAFFEE COUNTY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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TAYLORROTH
Certified Public Accountants
WORKING EXCLUSIVELY WITH NONPROFITS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Boys and Girls Clubs of Chaffee County, Inc.
Salida, Colorado

Opinion

We have audited the accompanying financial statements of **Boys and Girls Clubs of Chaffee County, Inc.** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of Boys and Girls Clubs of Chaffee County, Inc. as of June 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boys and Girls Clubs of Chaffee County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys and Girls Clubs of Chaffee County, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Clubs of Chaffee County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boys and Girls Clubs of Chaffee County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Boys and Girls Clubs of Chaffee County, Inc.'s financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 18, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company PLLC

Taylor, Roth and Company, PLLC
Albuquerque, New Mexico
November 17, 2025

BOYS AND GIRLS CLUBS OF CHAFFEE COUNTY

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025	2024
Assets		
Cash and cash equivalents	$ 544,133	$ 727,221
Grants receivable (Note 4)	37,284	100,885
Contributions receivable, net (Note 4)	958,149	410,768
Prepaid expenses	-	5,227
Cash restricted for capital acquisitions	99,217	151,027
Investments - partially restricted (Note 5)	5,948,401	4,197,128
Property and equipment, net - partially restricted (Note 6)	1,578,377	1,611,577
Total assets	$ 9,165,561	$ 7,203,833
Liabilities and net assets		
Liabilities		
Accounts payable	$ 20,294	$ 11,107
Accrued payroll expenses	38,566	32,639
Deferred revenue	34,700	-
Note payable (Note 7)	313,373	364,578
Total liabilities	406,933	408,324
Net assets		
Without donor restrictions		
Undesignated	336,228	129,935
Board-designated (Note 8)	1,392,609	1,112,932
Net investment in property and equipment	1,042,621	1,043,096
	2,771,458	2,285,963
With donor restrictions (Notes 9 and 10)	5,987,170	4,509,546
Total net assets	8,758,628	6,795,509
Total liabilities and net assets	$ 9,165,561	$ 7,203,833

The accompanying notes are an integral part of these financial statements

BOYS AND GIRLS CLUBS OF CHAFFEE COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING ACTIVITIES				
Revenue and other support				
Contributions	$ 559,259	$ 4,874	$ 564,133	$ 133,187
Governmental grants	334,062	-	334,062	405,392
Foundation grants	106,095	-	106,095	294,770
Special events	102,569	-	102,569	92,925
Less: direct donor benefits	(26,722)	-	(26,722)	(26,307)
Program services	101,637	-	101,637	105,471
Other income	36,010	-	36,010	17,293
Net assets released from restrictions (Note 11)	53,862	(53,862)	-	-
Total revenue and support	1,266,772	(48,988)	1,217,784	1,022,731
Expense				
Program services	699,966	-	699,966	731,310
Supporting services				
Management and general	160,956	-	160,956	184,302
Fund-raising	187,624	-	187,624	196,539
Total expense	1,048,546	-	1,048,546	1,112,151
Change in net assets from operations	218,226	(48,988)	169,238	(89,420)
NONOPERATING ACTIVITIES				
Capital campaign contributions	-	1,638,932	1,638,932	1,206,739
Loss on uncollectible capital campaign promise to give	-	(115,000)	(115,000)	(2,680)
Investment income(loss) (Note 5)	269,949	-	269,949	196,904
Total nonoperating activities	269,949	1,523,932	1,793,881	1,400,963
Change in net assets	488,175	1,474,944	1,963,119	1,311,543
Net assets, beginning of year	2,283,283	4,512,226	6,795,509	5,483,966
Net assets, end of year	$ 2,771,458	$ 5,987,170	$ 8,758,628	$ 6,795,509

The accompanying notes are an integral part of these financial statements

BOYS AND GIRLS CLUBS OF CHAFFEE COUNTY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025				2024
		Supporting Services			
	Program Services	Management and General	Fund-raising	Total	Total
Salaries	$ 389,364	$ 81,118	$ 70,302	$ 540,784	$ 578,344
Payroll taxes and benefits	89,835	18,716	16,220	124,771	120,120
Program supplies	70,983	-	-	70,983	56,949
Depreciation	47,385	12,636	3,159	63,180	60,349
Meetings, events, and travel	9,093	1,894	28,364	39,351	57,242
Occupancy	26,522	7,072	1,768	35,362	27,086
Grant writing services	-	-	34,975	34,975	36,027
Dues, fees, and subscriptions	15,565	3,243	2,810	21,618	20,277
Office expenses	11,744	2,447	2,120	16,311	13,127
Accounting services	-	12,825	-	12,825	13,425
Insurance	8,115	2,705	-	10,820	9,670
Interest expense	7,734	2,062	516	10,312	9,914
Meals	4,760	4,760	-	9,520	6,992
Professional services	849	3,395	4,244	8,488	27,419
AmeriCorps stipend	6,450	-	-	6,450	18,000
Information technology	1,184	4,736	-	5,920	4,893
Other expenses	10,383	3,347	9,696	23,426	35,617
Subtotal, expenses by function, before capital campaign	699,966	160,956	174,174	1,035,096	1,095,451
Capital campaigns (Note 15)					
Campaign manager	-	-	38,687	38,687	37,255
Meeting expense	-	-	1,024	1,024	5,537
Other campaign expense	-	-	461	461	215
Subtotal, capital campaign	-	-	40,172	40,172	43,007
Subtotal, expenses by function	699,966	160,956	214,346	1,075,268	1,138,458
Less expenses included with revenues on the statement of activities					
Special event - donor benefits	-	-	(26,722)	(26,722)	(26,307)
Total	$ 699,966	$ 160,956	$ 187,624	$ 1,048,546	$ 1,112,151

The accompanying notes are an integral part of these financial statements

BOYS AND GIRLS CLUBS OF CHAFFEE COUNTY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 1,963,119	$ 1,311,543
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	63,180	60,349
Contributions restricted for capital projects	(1,522,192)	(1,217,263)
Realized and unrealized (gains)losses on investments	(111,888)	(80,780)
Bad debt expense	121,000	2,680
Donated stock	(117,497)	-
Changes in operating assets and liabilities		
(Increase)decrease in receivables	(483,780)	619,215
(Increase)decrease in prepaid expenses and other assets	5,227	13,123
Increase(decrease) in accounts payable and accrued payroll expenses	15,114	(10,934)
Increase(decrease) in deferred revenue	34,700	-
Net cash provided(used) by operating activities	(33,017)	697,933
Cash flows from investing activities		
(Reinvestment) of investment income	(156,625)	(116,124)
(Purchases)proceeds from investments	(1,365,263)	(1,810,277)
(Purchases) of property and equipment	(29,980)	(127,545)
Net cash used by investing activities	(1,551,868)	(2,053,946)
Cash flows from financing activities		
Collections of contributions restricted for capital projects	1,401,192	1,201,459
(Repayments) on note payable	(51,205)	(42,138)
Net cash provided by financing activities	1,349,987	1,159,321
Net decrease in cash and cash equivalents	(234,898)	(196,692)
Cash, cash equivalents, and restricted cash - beginning of year	878,248	1,074,940
Cash, cash equivalents, and restricted cash - end of year	$ 643,350	$ 878,248
Reconciliation to the statement of financial position — Cash and cash equivalents		
Cash and cash equivalents	$ 544,133	$ 727,221
Cash restricted for capital acquisitions	99,217	151,027
Total cash, cash equivalents, and restricted cash	$ 643,350	$ 878,248
Supplemental disclosure:		
Cash paid during the period for interest	$ 10,312	$ 9,914

The accompanying notes are an integral part of these financial statements

BOYS AND GIRLS CLUBS OF CHAFFEE COUNTY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

Boys and Girls Clubs of Chaffee County, Inc. (the Club or Organization) was incorporated as a non-profit corporation in the state of Colorado on October 17, 2005. The mission of the Club is "to inspire and empower all young people to reach their full potential as productive, responsible, and caring citizens." Membership is open to young people ages 6 - 18. Our programs focus on these key areas: the arts, character and leadership development, education and careers, health and life skills, sports, recreation and fitness, and specialized initiatives such as teen nights and field trips. The Club has locations in Salida and Buena Vista, Colorado, and is supported primarily by contributions and grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

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

2. Basis of Presentation

   The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

   Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

   Net assets 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

   Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

3. Cash and Cash Equivalents

   The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless held as a component of the endowment portfolio or restricted to long-term building projects.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

4. Receivables

Management assesses the need for an allowance for uncollectible receivables based on historical experience with the donor, an assessment of general economic conditions, and review of subsequent collections. An allowance is established for a specific receivable when collectability becomes doubtful.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. If material, unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in revenue in the statement of activities.

5. Contributions of Property

Contributed property is recorded at fair value. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

6. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until conditions have been met. All contributions are available for unrestricted use unless specifically restricted by the donor. The Organization recognizes revenue from special events when the event takes place. Contribution income is recognized for the excess amount received above the donor benefit. Gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

The Organization charges a nominal, non-refundable annual fee for club membership. Also included in program service revenue are fees charged for all-day supervised programs, as well as field trip and other non-recurring activities. Revenue for membership is recognized when received, and revenue for other programs is recognized when the service is provided.

The Organization recognizes revenue from governmental grants per the terms of the underlying grant agreement which can include cost-reimbursement grants and fee for service. Revenue from cost reimbursement grants is recognized when a qualifying expense has been incurred. Revenue from fee for service grants is recognized at the time the services are provided, at the amount stipulated in the grant agreement. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. The Organization has elected to recognize revenue under conditional grants and contracts as revenue in net assets without donor restrictions. As of June 30, 2025, the Organization was the recipient of three governmental grants with unearned balances of approximately $73,000. Revenue from these conditional grants will be earned through June 30, 2026, as services are delivered and costs are incurred.

7. Capitalization and Depreciation

The Organization capitalizes all expenditures for property and equipment in excess of $5,000, with an estimated useful life in excess of one year. Property and equipment are recorded at cost, or in the case of contributed items, fair value on the date of contribution. Depreciation is computed on the straight-line method based on the estimated useful lives of the related assets, ranging from 3 to 40 years.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

8. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Club's ongoing program services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

9. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

10. Income Taxes

The Organization is exempt from federal and state income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

11. Functional Reporting of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Significant expenses that are allocated on the basis of employee time and effort include salaries, payroll taxes, and benefits. Occupancy-related costs are allocated based on estimated utilization of facilities. Other significant costs, such as travel, conferences, and training, are allocated based on a reasonable estimate of the benefits received from the functional categories.

12. In-kind Donations

Donated services are recognized as contributions in accordance with generally accepted accounting principles (GAAP), 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 Club. The value of donated services is based on current market rates and approximates what the Club would have paid if not donated. Donated goods and materials are reflected in the accompanying statements at their estimated values at date of receipt.

13. Fair Value Measurements

The Club follows the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level l); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

14. Summarized Prior-Year Information

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (concluded)

15. Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. Specifically, for the fiscal year ended June 30, 2025, losses on uncollectible capital campaign promises to give is included in the nonoperating section of the statement of activities.

16. Subsequent Events

Management has evaluated subsequent events through November 17, 2025, the date the financial statements were available to be issued.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2025:

Description	Amount
Cash and cash equivalents	$ 643,350
Receivables, net	995,433
Investments	5,948,401
Total financial assets	7,587,184
Less amounts with donor or internal restrictions:	
Net assets with donor restrictions for time or purpose	(5,985,168)
Net assets with donor restrictions to be held for perpetuity	(2,002)
Board-designated net assets - endowment	(609,654)
Board-designated net assets - building fund, Buena Vista	(250,000)
Board-designated net assets - long-term building repairs	(30,000)
Board-designated net assets - employee retention fund	(8,455)
	(6,885,279)
Total financial assets available to meet general expenditures over the next 12 months	$ 701,905

The Board's goal is to have an operating reserve equal to or greater than half of the annual operating budget. For fiscal year 2025, the operating reserve was determined to be $494,500. As part of its liquidity plan, excess cash is invested in short-term investments, primarily savings and money market accounts.

NOTE 4 - GRANTS AND CONTRIBUTIONS RECEIVABLE

As of June 30, 2025, all *grants receivable* were primarily due from state governmental agencies and considered fully collectible with payment expected within 12 months of year-end.

Contributions receivable are solicited for operational and capital campaigns purposes. Payments for contributions receivable recorded as of June 30, 2025, are expected as follows:

For years ending June 30th:	Amount
2026	$ 823,149
2027	200,000
2028	20,000
2029	10,000
2030	20,000
	1,073,149
Less: allowance for doubtful accounts	(115,000)
Contributions receivable, net	$ 958,149

NOTE 5 - INVESTMENTS

Investments are carried at market value and consisted of the following as of year-end:

Description	Cost Basis	Fair Value	Unrealized Appreciation (Depreciation)
Endowment			
Exchange-traded funds:			
Equities	$ 254,563	$ 304,055	$ 49,492
Bonds	286,881	289,486	2,605
Cash and cash equivalents	18,115	18,115	-
Subtotal, endowment	559,559	611,656	52,097
Capital campaign - Buena Vista			
U.S. Treasury bonds	4,381,952	4,404,675	22,723
Accrued interest	39,629	39,629	-
Cash and cash equivalents	253,078	253,078	-
Subtotal, capital campaign	4,674,659	4,697,382	22,723
Other investments			
Certificates of deposit	629,000	628,876	(124)
Accrued interest	10,487	10,487	-
Subtotal, other investments	639,487	639,363	(124)

NOTE 5 - INVESTMENTS (continued)

Total investments	Cost Basis	Fair Value	Unrealized Appreciation (Depreciation)
U.S. Treasury bonds	4,381,952	4,404,675	22,723
Exchange-traded funds:			
Equities	254,563	304,055	49,492
Bonds	286,881	289,486	2,605
Certificates of deposit	629,000	628,876	(124)
Accrued interest	50,116	50,116	-
Cash and cash equivalents	271,193	271,193	-
Total	$ 5,873,705	$ 5,948,401	$ 74,696

Investment returns for the year ended June 30, 2025, are summarized as follows:

Description	Amount
Interest and dividends	$ 171,905
Realized and unrealized gains(losses)	111,888
Fees	(13,844)
Total	$ 269,949

Investment income includes $1,436 of interest income earned on bank accounts.

Investment income may include unrealized losses which are a result of investments losing value due to market fluctuations. All investments are made in accordance with the Organization's investment and reserve policies, which prohibit any high-risk or speculative instruments.

The Organization follows the Fair Value Measurements and Disclosures Topic of FASB ASC 820 which requires enhanced disclosures about assets and liabilities that are measured and reported at fair value. The standard establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The Organization has investments in exchange-traded funds and U.S. Treasury bonds in this category.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Fair value is determined through the use of models or other valuation methodologies. The Organization has certificates of deposit in this category.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The Organization does not have any investments in this category.

NOTE 5 - INVESTMENTS (concluded)

The following table presents assets measured at fair value on a recurring basis as of June 30, 2025:

Description	Total	Level 1	Level 2	Level 3
U.S. Treasury bonds	$ 4,404,675	$ 4,404,675	$ -	$ -
Exchange-traded funds	593,541	593,541	-	-
Certificates of deposit	628,876	-	628,876	-
Totals	$ 5,627,092	$ 4,998,216	$ 628,876	$ -

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2025:

Description	Amount
Land	$ 267,272
Construction-in-progress	222,383
Building and improvements	1,134,443
Playground and land improvements	225,856
Total	1,849,954
Less: accumulated depreciation	(271,577)
Net property and equipment	$ 1,578,377

C*onstruction-in-progress* consists of capitalized costs related to the design of the future Club facility in Buena Vista, Colorado (see Notes 12 and 15).

Depreciation expense for the year ended June 30, 2025, was $63,180.

NOTE 7 - NOTE PAYABLE

Detail of the note payable as of June 30, 2025, included the following:

Description	Amount
Note payable dated June 29, 2021, to a local bank for $495,000; payments of $4,732 per month including principal and interest at 2.79% for the first 84 months; interest rate is variable for balance of note and based on lesser of WSJ Prime Rate or 5.00%; final payment due June 29, 2031, to include all accrued interest and unpaid principal; secured by first deed of trust and assignment of rents on real estate located at 709 Palmer St, Salida, CO	$ 313,373

Interest expense for the year ended June 30, 2025, was $10,312.

NOTE 7 - NOTE PAYABLE (concluded)

The scheduled maturity of the note payable included:

For years ending June 30th:	Amount
2026	$ 48,660
2027	50,036
2028	51,450
2029	52,253
2030	53,977
Thereafter	56,997
Total	$ 313,373

NOTE 8 - BOARD-DESIGNATED NET ASSETS

As of June 30, 2025, board-designated net assets included the following:

Description	Beginning of year	Contributions / Transfers	Expenses / Releases	End of year
Quasi-endowment	$ 500,177	$ 109,477	$ -	$ 609,654
Operating reserve	318,300	176,200	-	494,500
Building fund - BV	250,000	-	-	250,000
Building maint/repairs	30,000	-	-	30,000
Employee retention	14,455	-	(6,000)	8,455
Total	$ 1,112,932	$ 285,677	$ (6,000)	$ 1,392,609

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

At year end, net assets with donor restrictions restricted for purpose included:

Description	Amount
Buena Vista facility - Capital campaign	
Cash and cash equivalents	$ 31,720
Investments	4,438,365
Contributions receivable, net	951,349
Capitalized design plans	222,383
Subtotal, Buena Vista capital campaign	5,643,817
Salida facility - Capital campaign	
Cash and cash equivalents	67,497
Contributions receivable	1,800
Investments	244,076
Subtotal, Salida capital campaign	313,373
Scholarships	26,217
All other	1,761
Total	$ 5,985,168

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS (concluded)

At year end, net assets with donor restrictions restricted for perpetuity included:

Description	Amount
Endowment	$ 2,002

NOTE 10 - ENDOWMENT

In accordance with Financial Accounting Standards Board (FASB) Statement 117, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. As of June 30, 2025, the Club's endowment fund consists of both board-designated and donor-restricted balances. The Organization's endowment fund was established in 2016, and an endowment investment and spending policy was adopted in 2018.

The Board of the Club has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment absent explicit donor stipulations to the contrary. Accordingly, the Club classifies as net assets restricted by the donor for perpetuity as the original value of gifts donated to the endowment plus the original value of any subsequent gifts made to the endowment. The remaining portion of the donor-restricted endowment fund that is not classified as held for perpetuity is classified as net assets restricted by the donor for time, and those funds are released from restriction when appropriated for expenditure by the Club in a manner consistent with the standard of prudence prescribed by SPMIFA.

Investment Return Objectives, Risk Parameters and Strategies: The assets of the endowment are to be invested with the care, skill and diligence that a prudent person acting in the capacity of investing endowment monies would undertake. The primary objective will be total asset return, including income, appreciation and protection of principal. The Investment Committee will use these objectives in making investment decisions to accomplish the goals. The "prudent investor rule" shall be the governing policy in making investments. The Investment Committee shall establish and maintain an asset allocation to reflect and be consistent with the objectives and policies set forth herein.

Spending policy: Allowable annual spending from the endowment fund is 4% of the fund's average fair market value as of the prior three fiscal year ends. Distributions are limited to: capital needs, program support, seed money to develop new projects and programs, special one-time projects and other purposes specifically designated by donors.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies as of June 30, 2025.

The board-designated endowment fund is intended to be held for the long term. This fund does not include any monies needed for current operating or capital expenses. All endowment assets are held as a component of the Club's investments.

NOTE 10 - ENDOWMENT (concluded)

Changes in the endowment for the year ended June 30, 2025, included:

Description	Without Donor Restrictions	With Donor Restrictions		
	Board-designated	Time Restrictions	To Be Held in Perpetuity	Total
Endowment assets, beginning of year	$ 500,177	$ -	$ 2,002	$ 502,179
Contributions	49,875	-	-	49,875
Investment income, net	59,602	-	-	59,602
Appropriations	-	-	-	-
Endowment assets, end of year	$ 609,654	$ -	$ 2,002	$ 611,656

NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, including the following:

Description	Amount
Satisfaction of purpose restrictions	
Capital improvements - Salida	$ 51,962
Scholarships	1,900
Total	$ 53,862

NOTE 12 - LEASE AGREEMENTS

Buena Vista – Club facility
The Club's Buena Vista program is currently located in a facility leased from the local school district, and during the fiscal year ended June 30, 2025, rent expense was $8,150. The lease agreement is renewed on an annual basis, and for the period August 1, 2024, through July 31, 2025, rent expense is $8,400.

Buena Vista - Future club facility
On January 12, 2023, the Club entered into a 99-year ground lease with the Town of Buena Vista. The leased property will be the site of a newly-constructed Club facility. The lease terms include a payment of $10 per year, and the lease is contingent on the Club initiating construction of the facility within 36 months and completing the facility within 60 months. The facility must be used to serve the children and families of Chaffee County. The entire property will revert to the Town of Buena Vista when the lease term ends.

NOTE 13 - RETIREMENT PLAN

On January 1, 2006, the Organization established a SIMPLE IRA retirement plan for employees who are expected to make at least $5,000 of compensation during a calendar year and also have been with the Organization for one full calendar year. The Organization contributes no less than 2% of an employee's compensation, not to exceed Internal Revenue Service limits. Each employee's account is 100% vested immediately and non-forfeitable at all times. The Board of Directors reviews the plan and determines the contribution annually. For the year ended June 30, 2025, contributions to this plan were $6,719.

NOTE 14 - CONCENTRATIONS OF RISK

Bank
During the course of normal operations, bank balances may exceed coverage provided by the Federal Deposit Insurance Corporation (FDIC).

Investments
The Club holds investments in a brokerage account that are subject to market value fluctuation and interest rate risk.

Receivables
As of June 30, 2025, approximately 52% of all receivables was due from one donor.

Revenues
During the year ended June 30, 2025, 32% of all revenue was contributed by one donor.

NOTE 15 - CAPITAL CAMPAIGNS

Salida Facility
During the fiscal year ended June 30, 2020, the Club initiated a capital campaign for the purposes of acquiring and renovating the Club's facility in Salida. This fundraising campaign concluded during the year ended June 30, 2023, after funding was secured. Planned building improvements funded by the capital campaign were completed over a five-year period through the fiscal year ended June 30, 2023. A loan to finance the acquisition and improvements remains outstanding as of June 30, 2025.

Buena Vista Facility
During the fiscal years ended June 30, 2023 through 2025, the Club was engaged in a capital campaign for the purpose of building a 22,000 square foot multi-purpose center in the Town of Buena Vista. The facility will serve as the home of the Club's program in Buena Vista, and it will be built on land leased from the Town (see Note 12). As of June 30, 2025, construction costs were estimated at $10 million. On October 30, 2023, the Club selected a contractor for the project, and construction is expected to begin in the summer of 2026, pending sufficient financing. As of June 30, 2025, the Club has recognized approximately $5.6 million in grants and contributions restricted specifically for the construction of the Buena Vista facility. In addition, the Board has designated an additional $250,000 for the facility (Note 8).

The Club has been notified of other funding that is available for constructing the facility; however, these funds have not been recognized in the Club's financial statements as of June 30, 2025, due to not meeting revenue recognition criteria. During the year ended June 30, 2025, a grantor pledged $500,000 contingent upon the Club raising 75% of all construction funds. In addition, the Town of Buena Vista was awarded $500,000 from the State of Colorado which is restricted for the Club's facility. These funds will be recognized as revenue by the Club as conditions are met.