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BOYS & GIRLS CLUB
OF DANE COUNTY

BOYS AND GIRLS CLUB OF DANE COUNTY, INC.

FINANCIAL STATEMENTS WITH CONSOLIDATING INFORMATION

June 30, 2025 and 2024

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Boys and Girls Club of Dane County, Inc.
Madison, Wisconsin

Opinion

We have audited the financial statements of Boys and Girls Club of Dane County, Inc., 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 financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Boys and Girls Club of Dane County, Inc. 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 Financial Statements section of our report. We are required to be independent of Boys and Girls Club of Dane County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Club of Dane County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Boys and Girls Club of Dane 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 Club of Dane 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.

Consolidating Information

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

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
April 6, 2026

BOYS AND GIRLS CLUB OF DANE COUNTY, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash	$ 1,192,996	$ 556,676
Certificates of deposit	627,779	1,904,763
Accounts receivable	111,416	178,717
Unconditional promises to give	1,334,366	827,647
Grants receivable	266,587	447,730
Other receivables	388,149	-
Prepaid expenses	164,148	270,234
Cash held in escrow	175,232	219,482
New Markets Tax Credit note receivable	4,704,500	4,704,500
Property and equipment, net	16,097,931	16,780,480
Beneficial interest in charitable lead annuity trust	313,877	386,367
Beneficial interest in assets held by Madison Community Foundation	6,477,191	6,087,426
Assets restricted to investment in endowment		
Cash	655,844	505,303
Unconditional promises to give	349,459	-
Unconditional promises to give restricted to investment in property and equipment	1,148,057	1,673,234
Total assets	$ 34,007,532	$ 34,542,559
LIABILITIES		
Accounts payable	$ 508,714	$ 219,797
Accrued payroll and taxes	342,132	313,444
Accrued interest	6,524	6,524
Scholarships payable	-	10,500
Refundable advance	183,795	380,241
Funds held for others	85,667	109,232
Notes payable	1,740,512	1,762,164
Lines of credit	27,686	-
New Markets Tax Credit notes payable, net	6,181,557	6,128,639
Deferred loans	655,261	655,261
Total liabilities	9,731,848	9,585,802
NET ASSETS		
Without donor restrictions	12,931,798	14,575,634
With donor restrictions	11,343,886	10,381,123
Total net assets	24,275,684	24,956,757
Total liabilities and net assets	$ 34,007,532	$ 34,542,559

See accompanying notes.

BOYS AND GIRLS CLUB OF DANE COUNTY, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2025 and 2024

	2025	2024
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions		
Federated campaigns	$ 85,893	$ 46,871
Government grants	2,871,867	36,920
In-kind	292,078	385,560
Individuals, corporations, foundations	1,953,354	1,481,538
Fundraising events	153,010	147,444
Fees	539,106	479,347
Change in value of beneficial interest in assets held by Madison Community Foundation	103,567	105,589
Interest	122,348	219,364
Tax credit	388,149	-
Miscellaneous	92,562	110,704
Total revenues without donor restrictions	6,601,934	3,013,337
EXPENSES		
Program services		
Taft location	660,139	750,092
Allied location	743,340	816,733
Education & career development	1,935,403	2,152,276
Regional clubs	1,519,322	1,648,859
Skilled trades	2,713,285	1,865,988
Supporting activities		
Management and general	1,348,036	1,504,632
Fundraising	1,359,046	1,251,514
Total expenses	10,278,571	9,990,094
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	1,959,191	14,066,308
Expiration of time restrictions	73,610	98,235
Total net assets released from restrictions	2,032,801	14,164,543
Change in net assets without donor restrictions	(1,643,836)	7,187,786
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions		
Federated campaigns	18,410	66,050
Government grants	-	3,082,296
Individuals, corporations, foundations	2,522,438	3,696,896
Change in value of beneficial interest in assets held by Madison Community Foundation	454,716	417,847
Net assets released from restrictions	(2,032,801)	(14,164,543)
Change in net assets with donor restrictions	962,763	(6,901,454)
Change in net assets	(681,073)	286,332
Net assets at beginning of year	24,956,757	24,670,425
Net assets at end of year	$ 24,275,684	$ 24,956,757

See accompanying notes.

BOYS AND GIRLS CLUB OF DANE COUNTY, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2025

	Program Services					Supporting Activities		
	Taft Location	Allied Location	Education & Career Development	Regional Clubs	Skilled Trades	Management and General	Fundraising	Total Expenses
Personnel	$ 336,719	$ 396,909	$ 1,240,834	$ 886,729	$ 602,003	$ 930,603	$ 692,029	$ 5,085,826
Supplies	44,207	59,651	213,624	140,758	318,522	16,445	199,270	992,477
Professional fees	38,974	20,378	348,420	19,402	34,227	150,007	302,606	914,014
Occupancy	81,170	84,139	12,148	103,285	87,755	120,538	9,488	498,523
Equipment and maintenance	40,055	42,950	3,604	65,198	80,294	1,533	10,673	244,307
Advertising	84	-	-	13	43,484	-	8,311	51,892
Conferences and events	1,090	1,530	8,426	3,492	6,149	49,435	2,700	72,822
Scholarships and contributions	-	-	13,776	-	57,726	-	-	71,502
Depreciation	74,235	96,154	-	113,984	498,900	15,294	-	798,567
Insurance	6,034	5,898	27,623	16,932	27,577	3,862	5,653	93,579
Travel	972	1,321	2,805	5,753	5,873	531	3,993	21,248
Dues and subscriptions	6,355	5,583	24,141	9,356	6,739	5,789	4,179	62,142
Food and beverages	16,901	19,021	9,947	34,183	29,712	4,383	71,867	186,014
Miscellaneous	8,082	9,707	29,771	22,583	26,260	41,002	48,178	185,583
Grant subawards	-	-	-	721	746,785	-	-	747,506
Credit losses	5,138	-	-	800	-	-	-	5,938
Interest	123	99	284	96,133	141,279	8,614	99	246,631
Total expenses	$ 660,139	$ 743,340	$ 1,935,403	$ 1,519,322	$ 2,713,285	$ 1,348,036	$ 1,359,046	$ 10,278,571

See accompanying notes.

BOYS AND GIRLS CLUB OF DANE COUNTY, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	Program Services					Supporting Activities		
	Taft Location	Allied Location	Education & Career Development	Regional Clubs	Skilled Trades	Management and General	Fundraising	Total Expenses
Personnel	$ 374,505	$ 408,537	$ 1,381,043	$ 852,473	$ 389,486	$ 1,107,060	$ 486,774	$ 4,999,878
Supplies	22,078	64,801	227,739	93,079	125,971	44,150	313,184	891,002
Professional fees	68,096	45,355	316,416	109,687	85,965	232,942	232,269	1,090,730
Occupancy	89,665	93,692	32,584	118,828	124,707	12,850	12,381	484,707
Equipment and maintenance	64,760	45,401	4,610	65,985	60,883	1,654	4,718	248,011
Advertising	158	325	603	795	52,165	216	36,134	90,396
Conferences and events	4,201	5,474	17,181	10,524	5,871	20,541	3,159	66,951
Scholarships and contributions	-	-	30,352	-	59,876	-	-	90,228
Depreciation	75,995	97,924	-	124,243	488,464	20,854	-	807,480
Insurance	4,722	4,844	22,711	13,944	21,898	3,129	4,237	75,485
Travel	785	2,190	5,961	6,616	4,739	690	3,089	24,070
Dues and subscriptions	3,499	4,031	17,277	9,822	1,687	4,088	3,645	44,049
Food and beverages	19,962	20,686	12,784	32,284	33,269	4,796	36,250	160,031
Miscellaneous	21,481	23,258	82,310	75,911	61,750	51,410	115,458	431,578
Grant subawards	-	-	-	29,188	199,528	-	-	228,716
Interest	185	215	705	105,480	149,729	252	216	256,782
Total expenses	$ 750,092	$ 816,733	$ 2,152,276	$ 1,648,859	$ 1,865,988	$ 1,504,632	$ 1,251,514	$ 9,990,094

See accompanying notes.

BOYS AND GIRLS CLUB OF DANE COUNTY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (681,073)	$ 286,332
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Amortization of New Markets Tax Credit note issuance costs	52,918	52,918
Depreciation	798,567	807,480
Donated property and equipment	-	(77,566)
Change in value of beneficial interest in assets held by Madison Community Foundation	(558,280)	(523,586)
Amortization of imputed interest on notes payable	-	4,967
Contributions restricted for long-term purposes	(549,459)	(1,010,753)
Loan forgiveness	-	(150,000)
(Increase) decrease in assets		
Accounts receivable	67,301	(131,893)
Unconditional promises to give	(506,719)	(224,916)
Grants receivable	181,143	(243,483)
Other receivables	(388,149)	-
Prepaid expenses	106,086	16,905
Beneficial interest in charitable lead annuity trust	(23,123)	(6,600)
Increase (decrease) in liabilities		
Accounts payable	288,917	72,267
Construction payable	-	(1,475,523)
Accrued payroll and taxes	28,688	32,030
Accrued interest	-	(5,782)
Refundable advance	(196,446)	(678,021)
Scholarships payable	(10,500)	(4,000)
Funds held for others	(23,565)	(16,497)
Net cash flows from operating activities	(1,413,694)	(3,275,721)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest retained in certificates of deposit	(57,442)	(443,337)
Proceeds from redemption of certificates of deposit	1,334,426	53,456
Purchases of property and equipment	(87,991)	(356,558)
Transfers to beneficial interest in assets held by MCF	(75,000)	(514,606)
Distributions from beneficial interest in assets held by MCF	243,515	218,532
Distributions from beneficial interest in charitable lead annuity trust	95,613	95,613
Net cash flows from investing activities	1,453,121	(946,900)

See accompanying notes.

BOYS AND GIRLS CLUB OF DANE COUNTY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(49,679)	(43,730)
Proceeds from contributions restricted for:		
Investment in endowment	200,000	1,010,753
Investment in property and equipment	525,177	302,500
Draws on lines of credit	300,000	-
Payments on lines of credit	(272,314)	-
Net cash flows from financing activities	703,184	1,269,523
Net change in cash and restricted cash	742,611	(2,953,098)
Cash and restricted cash at beginning of year	1,281,461	4,234,559
Cash and restricted cash at end of year	$ 2,024,072	$ 1,281,461
SUPPLEMENTAL INFORMATION		
Cash paid for interest	$ 193,713	$ 217,908
Noncash investing and financing transactions		
Donated property and equipment	$ -	$ 77,566
Acquisition of property and equipment through notes payable	28,027	-
Reconciliation of cash and restricted cash:		
Cash	$ 1,192,996	$ 556,676
Cash held in escrow	175,232	219,482
Cash restricted to investment in endowment	655,844	505,303
Total	$ 2,024,072	$ 1,281,461

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Boys and Girls Clubs of Dane County, Inc. (the Club), located in Madison, Wisconsin, is an affiliate of Boys and Girls Club of America. The Club's mission is to inspire and empower all young people, especially those who need us the most, to realize their full potential as productive, responsible, and caring citizens. The Club's primary funding sources are grants and contributions from the general public.

In connection with the Club's Skilled Trade Center project, the Boys & Girls Club of Dane County Foundation, Inc. (the Foundation) was established. The Foundation is considered to be a Qualified Active Low-Income Community Business and acts as a borrower as part of a New Market Tax Credit transaction to be used to finance a portion of the project.

Principles of Consolidation

The financial statements include the accounts of the Club and the Foundation. The Foundation is consolidated because the Club has both an economic interest in the Foundation and control of the Foundation through a majority voting interest in its board of directors. All material intra-entity transactions have been eliminated.

Cash Held in Escrow

Cash held in escrow represents cash received as a result of the New Market Tax Credit transactions and will be used to pay future program expenses.

Accounts Receivable

Accounts receivable represent fees owed by individuals and organizations. The Club uses historical loss information based on the aging of accounts receivable along with a review of the current receivable composition as the basis to determine expected credit losses. Management believes the composition of accounts receivable is consistent with historical conditions and accounts receivable are expected to be settled within a relatively short time frame based on current conditions. As such, credit losses are expected to be insignificant.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Beneficial Interest in Assets Held by Madison Community Foundation

The Club's beneficial interest in assets held by Madison Community Foundation (MCF) represents an agreement between the Club and MCF in which the Club transfers assets to MCF in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to the Club by MCF. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Property and Equipment

All acquisitions of property and equipment in excess of $5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Fees

The Club provides membership and program services, internships, facility rentals, transportation, and preschool and childcare services. Revenue is recognized at the point in time when the Club provides the service.

Contributions

Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets without donor restrictions and net assets with donor restriction, depending on the existence of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteers also provide tutoring and fundraising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria are not met.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants

The Club receives grants from government agencies and others that are conditioned upon the Club incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by the Club, both a receivable from the grantor agency and revenue are recorded. Grants are also restricted by the grantor for a specific purpose. Grants whose conditions and restrictions are generally met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses other than scholarships and contributions, depreciation, grant subawards, and credit losses contain expenses that are allocated based on estimates of time and effort.

The following program services and supporting activities are included in the accompanying financial statements:

Taft Location – The Club provides health and life skills, character and leadership development, arts and cultural enrichment, education and career development, sports and recreation, and various general programs and the operation of facilities for community events and activities by working with children from elementary school age through high school age at its Taft Location.

Allied Location – The Club provides health and life skills, character and leadership development, arts and cultural enrichment, education and career development, sports and recreation, and various general programs and the operation of facilities for community events and activities by working with children from elementary school age through high school age at its Allied Location.

Education & Career Development – The Club's education, career, and school-based programs uniquely integrate with local school districts to mitigate opportunity gaps and help provide youth with the resources and experiences needed to reach their full potential.

> *Teens of Promise (TOPS)* – A high-intensity, in-school and out-of-school partnership between Madison Metropolitan School District (AVID) and the Club (TOPS – Teens of Promise) focused on supporting students to develop the writing, inquiry, collaboration, organization, and reading skills needed to be college and career ready.
>
> *College Success* – Provides support services for AVID/TOPS high school seniors and graduates, including program-wide events, regular outreach to students, direct one-on-one coaching, and eligibility for other BGCDC opportunities. Coaches identify the barriers that college students face and connect students with the resources necessary to succeed. This program is an extension of the support offered to high school students through AVID/TOPS.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

TOPS+ – A college scholarship opportunity available for AVID/TOPS students, in collaboration with the Madison College RISE Program. TOPS+ provides resources and support to help students to stay on track and graduate with their degree from Madison College in 3 years or less. Students commit to entering an Associate Degree Program at Madison College and completing their degree before transferring. Students receive the support of a dedicated advisor who will meet regularly with students to help them navigate their educational experience and provide support to stay on track with meeting their goals. Additionally, students receive a stipend for staying on track, a bus pass, free textbooks and school supplies, early registration for courses, and free tutoring support.

Regional Clubs –

McKenzie Club (Sun Prairie) – The Club provides health and life skills, character and leadership development, arts and cultural enrichment, education and career development, sports and recreation, and various general programs and the operation of facilities for community events and activities by working with children of elementary school age.

McKenzie Preschool (Sun Prairie) – An early childhood education program for children from age 2 ½-5. Through Creative Curriculum, staff provide the best care and education to foster and ensure positive, nurturing relationships between teachers and students to ensure each child can learn and grow to their full potential. The preschool has also been extended to include infant care for babies beginning at six weeks of age.

Walworth County – The Club provides various enrichment programs in Walworth County by working with children from junior high through high school.

Club on the Square – The Club provides access to services, and meeting and training space in downtown Madison for volunteers, grassroots organizations, community members, and students.

Skilled Trades – The Club provides a program designed to educate and support interested youth to pursue careers as plumbers, carpenters, HVAC technicians, electricians, and more. Partners and volunteers train hundreds of young people in the skilled trades, giving them a new path forward.

Community Engagement & Support – The Community Engagement and Support program responds to needs of our members and families, providing access, resources, and support through programs such as the Back to School Campaign, and Martin Luther King Celebration.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising

The Club expenses advertising costs as they are incurred.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

The Club and Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Date of Management's Review

Management has evaluated subsequent events through April 6, 2026, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS

Credit Risk

The Club maintains its cash balances at several financial institutions located in Madison, Wisconsin and in Delavan, Wisconsin. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2025 and 2024, the Club's uninsured cash balances total approximately $1,270,000 and $1,047,000, respectively.

Economic Dependency

A major funding source is a source that provides 10% or more of the Club's total revenue. During the year ended June 30, 2025, the Club received a combined 33% of its total revenue from two major funding sources. The gross unconditional promises to give from these sources as of June 30, 2025 was $1,125,000. During the year ended June 30, 2024, there were no donors that met the 10% threshold to be considered major funding sources.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give at year end are as follows:

	2025	2024
Receivable in less than one year	$ 1,393,018	$ 1,363,147
Receivable in one to five years	1,450,000	1,093,000
Receivable in more than five years	200,000	200,000
Total unconditional promises to give	3,043,018	2,656,147
Discount to net present value	(211,136)	(155,266)
Net unconditional promises to give	$ 2,831,882	$ 2,500,881

The present value of future payments to be received by the Club is calculated at discount rates between 3.73% and 4.23%.

The Club has several grants that are conditioned upon the Club incurring qualifying expenses under the grant programs or raising matching funds. At June 30, 2025 and 2024, these conditional grants total approximately $348,000 and $586,000. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2025	2024
Land	$ 895,917	$ 895,917
Buildings and improvements	16,953,639	16,953,639
Leasehold improvements	10,397	10,397
Equipment	2,067,187	2,038,358
Vehicles	387,792	300,603
Land improvements	275,622	275,622
Property and equipment	20,590,554	20,474,536
Less accumulated depreciation	4,492,623	3,694,056
Property and equipment, net	$ 16,097,931	$ 16,780,480

NOTE 5 – BENEFICIAL INTEREST IN CHARITABLE LEAD ANNUITY TRUST

During 2019, a donor established a trust with a local bank naming the Club as one of twenty beneficiaries of a charitable lead annuity trust. Under the terms of the split-interest agreement, the Club will receive annual distributions with the final distribution occurring in the year ended June 30, 2029. The distributions are without donor restrictions. As of June 30, 2025 and 2024, the present value of the estimated future payments expected to be received by the Club is calculated using a discount rate of 5.0% and 5.6%, respectively.

NOTE 5 – CHARITABLE LEAD ANNUITY TRUST (continued)

Future payments from the trust are as follows:

	2025	2024
Receivable in less than one year	$ 95,613	$ 95,613
Receivable in one to five years	245,825	341,437
Total amount to be received	341,438	437,050
Discount to net present value	(27,561)	(50,683)
Beneficial interest in charitable lead trust	$ 313,877	$ 386,367

NOTE 6 – ENDOWMENT

The Club's endowment consists of several funds established to support the mission of the Club, education, and the Skilled Trades Center. The endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Club is subject to Wisconsin's Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time-restricted until the board of directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Club's board of directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Club considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Club has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Club considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of the Club and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Club, and (7) the investment policies of the Club.

The Club established funds at MCF to invest its endowment assets. The agreement between the Club and MCF states that the transfer of assets is irrevocable and that the transferred assets will not be returned to the Club. However, MCF will make annual distributions of the income earned on the funds subject to MCF's spending policy. The agreement also grants variance power to MCF, which permits MCF to substitute another beneficiary in place of the Club if the Club ceases to exist or if MCF's board of governors votes that support of the Club either is no longer necessary or is inconsistent with the needs of the community.

NOTE 6 – ENDOWMENT (continued)

MCF's primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. MCF seeks to achieve this goal through cost-effective implementation at an appropriate level of risk, diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through the incorporation of risk-based assets, including non-marketable, illiquid alternatives.

Endowment net asset composition by type of fund is as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 1,184,201	$ -	$ 1,184,201
Donor-restricted endowment funds			
Original donor-restricted gift amount	-	4,706,484	4,706,484
Accumulated investment gains	-	441,793	441,793
Total funds	$ 1,184,201	$ 5,148,277	$ 6,332,478

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 1,127,229	$ -	$ 1,127,229
Donor-restricted endowment funds			
Original donor-restricted gift amount	-	4,181,086	4,181,086
Accumulated investment gains	-	214,053	214,053
Total funds	$ 1,127,229	$ 4,395,139	$ 5,522,368

NOTE 6 – ENDOWMENT (continued)

Changes in endowment net assets are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	$ 1,127,229	$ 4,395,139	$ 5,522,368
Contributions	-	549,459	549,459
Investment return, net	102,792	357,109	459,901
Amounts appropriated for expenditure	(45,820)	(153,430)	(199,250)
Endowment net assets at end of year	$ 1,184,201	$ 5,148,277	$ 6,332,478

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	$ 1,065,928	$ 3,199,072	$ 4,265,000
Transfers	100	-	100
Contributions	-	1,010,753	1,010,753
Investment return, net	105,489	317,589	423,078
Amounts appropriated for expenditure	(44,288)	(132,275)	(176,563)
Endowment net assets at end of year	$ 1,127,229	$ 4,395,139	$ 5,522,368

NOTE 7 – COMPONENT FUNDS AT MCF

MCF, as a charitable trust, serves the mutual interests of Dane County and those individuals and organizations who wish to enhance the quality of life in the community through charitable giving. Donors establish component funds and, when these funds are established, donors may indicate what organizations or causes should benefit from distributions from the funds. However, donors also grant the Foundation variance power that allows it to modify the donors' stipulations under certain circumstances as it monitors the changing needs of the community. Therefore, these funds are not included in the Club's financial statements. The Club received distributions totaling $72,854 and $67,755 during the years ended June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, the value of the component funds at MCF held for the benefit of the Club total $2,040,880 and $1,874,362, respectively.

NOTE 8 – DEFERRED LOANS

The Club assumed a deferred loan of $161,811 from the City of Madison (CDBG) on December 31, 1998. In 2008, the Club received a deferred loan of $45,000. The loans are secured by real estate occupied by the Club at 2001 Taft Street. Upon transfer of property, sale of property, or discontinuance of permitted use, the amount due to the City of Madison is the greater of $206,811 or 35.66% of the fair value of the property.

In January 2006, the Club received a deferred loan of $448,450 from the City of Madison (CDBG). The loan is secured by real estate occupied by the Club at 4619 Jenewein Road (Allied location). Upon transfer of property, sale of property, or discontinuance of permitted use, the amount due to the City of Madison is the greater of $448,450 or 14.37% of the fair value of the property.

NOTE 9 – NOTES PAYABLE

The Club's obligations for notes payable consist of the following:

	2025	2024
5.45% note payable, due in monthly installments of $11,959 beginning in May 2022, including interest with a balloon payment of $1,600,459 due on maturity date April 7, 2027, secured by the property.	$ 1,714,585	$ 1,762,164
4.99% note payable, due in monthly installments of $530 beginning in January 2025, including interest with a final regular payment due on maturity date January 18, 2030, secured by a vehicle.	25,927	-
Notes payable	$ 1,740,512	$ 1,762,164

The future scheduled maturities of notes payable are as follows for the years ending June 30:

2026	$ 55,190
2027	1,667,436
2028	5,709
2029	6,000
2030	6,177
Total	$ 1,740,512

NOTE 9 – NOTES PAYABLE (continued)

In February 2024, the City of Sun Prairie forgave the Club's loan of $150,000. In exchange for loan forgiveness, the Club has committed to making certain expenditures and performing certain services through March of 2029. The loan has been removed from the Club's consolidated statement of financial position and was recorded as a contribution on the consolidated statement of activities. Failure to adhere to the terms of forgiveness could result in consequences including, but not limited to, partial or full repayment of the forgiven balance.

NOTE 10 – NEW MARKETS TAX CREDIT NOTE RECEIVABLE AND NOTES PAYABLE

In March 2022, the Club entered into various agreements for the purpose of participating in the federal New Markets Tax Credit program (NMTC). In connection with this transaction, the Club (leverage lender) gave a $4,704,500, 1% leverage loan requiring quarterly interest only payments until March 2029, then quarterly interest and principal payments of $57,866 are due until March 2052, from Twain Investment Fund 611, LLC, (fund lender). Management believes the fund lender is a high reputable borrower and expects credit losses to be insignificant. The fund lender used the leverage loan and other investor capital to make loans to two Community Develeopment Entities (CDEs) Community Benefit SUB-CDE 20, LLC, a Wisconsin limited liability company (FCI Lender) and USBCDE SUB-CDE 227, LLC, a Missouri limited liability company (USB Lender).

The CDEs made Qualified Low Income Coummunity Investment (QLICI) loans to the Foundation:

	2025	2024
FCI Lender		
Loan A - 1.38245% interest rate	$ 3,972,269	$ 3,972,269
Loan B - 1.38245% interest rate	1,417,731	1,417,731
USB Lender		
Loan A - 1.38245% interest rate	732,231	732,231
Loan B - 1.38245% interest rate	257,769	257,769
New Markets Tax Credit notes payable	6,380,000	6,380,000
Less unamortized debt issuance costs	(198,443)	(251,361)
New Markets Tax Credit notes payable, net	$ 6,181,557	$ 6,128,639

The QLICI loans are all due in March 2052. The loans call for quarterly interest-only payments to be made from June 2022 through September 2029. Level principal and interest payments totaling $109,109 for all loans, start September 2029 and continue through March 2052.

Interest expense totaled $88,200 and $96,700 for the years ended June 30, 2025 and 2024, respectively. Debt issuance costs associated with the notes were $370,427. Amortization of debt issuance costs totaled $52,918 for the years ended June 30, 2025 and 2024, respectively, and is included in interest on the consolidated statement of functional expenses. As of June 30, 2025 and 2024, accumulated amortization of debt issuance costs was $171,984 and $119,066, respectively.

NOTE 11 – LINES OF CREDIT

The Club has a $1,500,000 line of credit from First Business Bank with an interest rate of 7.25%. The line has an expiration date of July 12, 2026. The line had an outstanding balance of $27,686 as of June 30, 2025. There was no outstanding balance as of June 30, 2024.

The Club also has a $300,000 line of credit from Capitol Bank with an interest rate of 7.75%. The line has an expiration date of November 8, 2027. The line was unused during the years ended June 30, 2025 and 2024.

NOTE 12 – IN-KIND CONTRIBUTIONS

In-kind contributions included in the financial statements were as follows:

	2025	2024
Supplies	$ 149,515	$ 129,904
Professional fees	1,404	23,510
Occupancy	130,409	129,909
Advertising	-	24,671
Building and land	-	77,566
Food and beverage	10,750	-
Total	$ 292,078	$ 385,560

The Club includes each of the categories of in-kind contributions listed above within revenue on the consolidated statement of activities. The in-kind contributions listed above did not have donor-imposed restrictions. The building and land are to be used in the Club’s activities over their remaining useful lives. All other categories of in-kind contributions were for current use in the Club’s program services and supporting activities.

Supplies, building and land, and food and beverage are valued at the estimated fair value based on estimates of wholesale values that would be received for selling products in the United States. Professional fees and advertising are valued based on standard industry pricing for similar services. Occupancy donations are valued based on the estimated lease costs that would have been incurred to otherwise rent the space.

NOTE 13 – RETIREMENT PLAN

The Club sponsors a safe harbor retirement plan that covers all employees who are at least 21 years of age and who have worked at the Club for at least 12 months. The Club may also make discretionary profit-sharing contributions to eligible employees. Retirement expense for the years ended June 30, 2025 and 2024 were $40,400 and $45,597, respectively.

NOTE 14 – NET ASSETS

The Club's board of directors has designated net assets without donor restrictions for the following purposes:

	2025	2024
Undesignated	$ 11,140,282	$ 12,549,579
Designated for administration	607,315	898,826
Board designated endowment funds	1,184,201	1,127,229
Net assets without donor restrictions	$ 12,931,798	$ 14,575,634

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

	2025	2024
Subject to expenditures for specified purpose		
Skilled trades	$ 3,218,865	$ 3,124,688
Skilled trades funds held at MCF	1,124,476	1,070,361
Teens of Promise	1,305,039	985,963
Sun Prairie location	19,428	44,428
Elementary after school programs	67,368	69,503
STEM programs	9,082	16,856
Internships	-	20,000
Summer career programming	4,167	15,102
Youth of the Year scholarships	500	-
Community outreach	9,442	-
Other	59,785	31,716
Subject to the passage of time		
For subsequent years	377,457	607,367
Subject to the Club's endowment spending policy and appropriation		
Investment in perpetuity (including earnings above the original gift amount of $441,793 and $214,053 for 2025 and 2024), which, once appropriated, is expendable to support:		
Scholarships	-	16,357
Education	1,367,013	1,005,303
Skilled trades	3,781,264	3,373,479
Total	$ 11,343,886	$ 10,381,123

NOTE 15 – LIQUIDITY AND AVAILABILITY

The following table reflects the Club's financial assets as of the consolidated statement of financial position date, reduced by amounts that are not available to meet cash needs for general expenditures within one year from that date.

	2025	2024
Cash	$ 1,848,840	$ 1,061,979
Certificates of deposit	627,779	1,904,763
Accounts receivable	111,416	178,717
Unconditional promises to give	2,831,882	2,500,881
Grants receivable	266,587	447,730
Other receivables	388,149	-
Cash held in escrow	175,232	219,482
New Markets Tax Credit note receivable	4,704,500	4,704,500
Beneficial interest in charitable lead annuity trust	313,877	386,367
Beneficial interest in assets held by MCF	6,477,191	6,087,426
Financial assets at year-end	17,745,453	17,491,845
Less those unavailable for general expenditures within one year due to		
Escrow purposes	(175,232)	(219,482)
Funds held for others	(85,667)	(109,232)
Long-term note receivable	(4,704,500)	(4,704,500)
Long-term portion of charitable lead trust	(218,264)	(290,367)
Board-designated endowment	(1,184,201)	(1,127,229)
Board-designated for administration	(607,315)	(898,826)
Restricted by donor for endowment	(5,148,277)	(4,395,139)
Restricted by donor with purpose restrictions	(5,818,152)	(5,378,617)
Restricted by donor with time restrictions	(377,457)	(607,367)
Add back restricted amounts available for use within one year	1,399,155	3,361,891
Financial assets available to meet cash needs for general expenditures within one year	$ 825,543	$ 3,122,977

The Club strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. As a non-profit, donor-funded organization, the Club receives significant contributions each year from donors on a regular basis, which are available to meet annual cash needs for general operating expenditures. Distributions from the beneficial interests in assets held by Madison Community Foundation and the charitable lead annuity trust are available for general expenditures. In the event of unanticipated liquidity needs, the Club also can draw up to $1,800,000 million on its lines of credit.

NOTE 16 – TAX CREDIT

The Club recognized $388,149 of revenue related to a federal solar investment tax credit during the year ended June 30, 2025. Revenue for tax credits is recognized when the amount is known and the receipt is probable. The receivable related to this credit is included in other receivables on the consolidated statement of financial position and is expected to be collected within one year.

NOTE 17 – PAYCHECK PROTECTION PROGRAM LOANS

The Club received loans totaling $1,421,192 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The SBA preliminary approved forgiveness of the loans. The Club must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Club's good-faith certification concerning the necessity of its loan request, whether the Club calculated the loan amount correctly, whether the Club used loan proceeds for the allowable uses specified in the CARES Act, and whether the Club is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Club was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the forgiven amount.

BOYS AND GIRLS CLUB OF DANE COUNTY, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
June 30, 2025

	Club	Foundation	Eliminations	Consolidated Totals
ASSETS				
Cash	$ 1,192,996	$ -	$ -	$ 1,192,996
Certificates of deposit	627,779	-	-	627,779
Accounts receivable	111,416	-	-	111,416
Unconditional promises to give	1,334,366	-	-	1,334,366
Grants receivable	266,587	-	-	266,587
Other receivables	-	388,149	-	388,149
Prepaid expenses	164,148	-	-	164,148
Cash held in escrow	-	175,232	-	175,232
New Markets Tax Credit note receivable	4,704,500	-	-	4,704,500
Property and equipment, net	6,712,280	9,385,651	-	16,097,931
Beneficial interest in charitable lead annuity trust	313,877	-	-	313,877
Beneficial interest in assets held by Madison Community Foundation	6,477,191	-	-	6,477,191
Assets restricted to investment in endowment				
Cash	655,844	-	-	655,844
Unconditional promises to give	349,459	-	-	349,459
Unconditional promises to give restricted to investment in property and equipment	1,148,057	-	-	1,148,057
Total assets	$ 24,058,500	$ 9,949,032	$ -	$ 34,007,532
LIABILITIES				
Accounts payable	$ 508,714	$ -	$ -	$ 508,714
Accrued payroll and taxes	342,132	-	-	342,132
Accrued interest	6,524	-	-	6,524
Refundable advance	183,795	-	-	183,795
Funds held for others	85,667	-	-	85,667
Notes payable	1,740,512	-	-	1,740,512
Lines of credit	27,686	-	-	27,686
New Markets Tax Credit notes payable, net	-	6,181,557	-	6,181,557
Deferred loans	655,261	-	-	655,261
Total liabilities	3,550,291	6,181,557	-	9,731,848
NET ASSETS				
Without donor restrictions	9,164,323	3,767,475	-	12,931,798
With donor restrictions	11,343,886	-	-	11,343,886
Total net assets	20,508,209	3,767,475	-	24,275,684
Total liabilities and net assets	$ 24,058,500	$ 9,949,032	$ -	$ 34,007,532

BOYS AND GIRLS CLUB OF DANE COUNTY, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year Ended June 30, 2025

	Club	Foundation	Eliminations	Consolidated Totals
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
REVENUES				
Contributions				
Federated campaigns	$ 85,893	$ -	$ -	$ 85,893
Government grants	2,871,867	-	-	2,871,867
In-kind	292,078	57,347	(57,347)	292,078
Individuals, corporations, foundations	1,953,354	-	-	1,953,354
Fundraising events	153,010	-	-	153,010
Fees	539,106	-	-	539,106
Change in value of beneficial interest in assets held by Madison Community Foundation	103,567	-	-	103,567
Interest	122,348	-	-	122,348
Tax credit	-	388,149	-	388,149
Miscellaneous	92,562	-	-	92,562
Total revenues without donor restrictions	6,213,785	445,496	(57,347)	6,601,934
EXPENSES				
Program services				
Taft location	660,139	-	-	660,139
Allied location	743,340	-	-	743,340
Education & career development	1,935,403	-	-	1,935,403
Regional clubs	1,519,322	-	-	1,519,322
Skilled trades	2,254,553	516,079	(57,347)	2,713,285
Community engagement & support				
Supporting activities				
Management and general	1,348,036	-	-	1,348,036
Fundraising	1,359,046	-	-	1,359,046
Total expenses	9,819,839	516,079	(57,347)	10,278,571
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of purpose restrictions	1,959,191	-	-	1,959,191
Expiration of time restrictions	73,610	-	-	73,610
Total net assets released from restrictions	2,032,801	-	-	2,032,801
Change in net assets without donor restrictions	(1,573,253)	(70,583)	-	(1,643,836)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS				
Contributions				
Federated campaigns	18,410	-	-	18,410
Individuals, corporations, foundations	2,522,438	-	-	2,522,438
Change in value of beneficial interest in assets held by Madison Community Foundation	454,716	-	-	454,716
Net assets released from restrictions	(2,032,801)	-	-	(2,032,801)
Change in net assets with donor restrictions	962,763	-	-	962,763
Change in net assets	(610,490)	(70,583)	-	(681,073)
Net assets at beginning of year	21,118,699	3,838,058	-	24,956,757
Net assets at end of year	$ 20,508,209	$ 3,767,475	$ -	$ 24,275,684