

**RAPID CITY CLUB FOR BOYS, INC. AND  
RAPID CITY CLUB FOR BOYS FOUNDATION, INC.  
(NON-PROFIT ORGANIZATIONS)**



Combined Financial Statements

May 31, 2025



**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
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May 31, 2025**

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## Independent Auditor's Report

Board of Directors  
Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Rapid City, South Dakota

### **Report on the Audit of the Combined Financial Statements**

#### *Qualified Opinion*

We have audited the combined financial statements of Rapid City Club for Boys, Inc. and Rapid City Club for Boys Foundation, Inc. (non-profit organizations) (collectively, the Organization), which comprise the combined statement of financial position as of May 31, 2025, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion section of our report, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of May 31, 2025, and the changes in its 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 Qualified Opinion*

As more fully discussed in Note 1 to the combined financial statements, the Organization has elected not to consolidate eight entities related to low-income housing projects in the combined financial statements that, in our opinion, should be consolidated to conform with accounting principles generally accepted in the United States of America. The low-income housing projects have annual audits that are separately available on the Organization's website. It was not practical to determine the effect of the departure on the combined financial statements.

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 Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### *Responsibilities of Management for the Combined Financial Statements*

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements, management is required to evaluate whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

#### *Auditor's Responsibilities for the Audit of the Combined Financial Statements*

Our objectives are to obtain reasonable assurance about whether the combined 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 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 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 combined 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 combined 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 combined 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 Foundation'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 combined financial statements.
- Conclude whether, in our judgment, there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Combining Statement of Financial Position, the Combining Statement of Activities and Changes in Net Assets, the Combining Statement of Functional Expenses, and the Combining Statement of Cash Flows are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

*Casey Peterson, LTD*

Casey Peterson, LTD

Rapid City, South Dakota

October 28, 2025

## FINANCIAL STATEMENTS

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Combined Statement of Financial Position  
May 31, 2025**

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$ 407,374
Accounts Receivable	416
Grants Receivable	40,623
Prepaid Expenses	25,529
Inventory	<u>84,159</u>
Total Current Assets	<u>558,101</u>

Property and Equipment, Net of Accumulated Depreciation and Amortization	<u>3,440,134</u>
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Other Assets:

Amounts Held by Foundation	102,271
Investments	5,989,364
Cash Surrender Value of Life Insurance	<u>54,826</u>
Total Other Assets	<u>6,146,461</u>

<b>TOTAL ASSETS</b>	<b><u>\$ 10,144,696</u></b>
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**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts Payable	\$ 21,435
Accrued Payroll and Taxes	68,912
Accrued Vacation	56,673
Current Portion of Finance Lease Liability	<u>16,514</u>
Total Current Liabilities	<u>163,534</u>

Finance Lease Liability, Net of Current Portion	<u>30,477</u>
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Total Liabilities	<u>194,011</u>
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Net Assets:

Without Donor Restrictions:

Board-designated Endowment - Operations	5,480,472
Undesignated	<u>3,655,665</u>
	9,136,137
With Donor Restrictions	<u>814,548</u>

Total Net Assets	<u>9,950,685</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 10,144,696</u></b>
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The accompanying notes are an integral part of this statement.

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Combined Statement of Activities and Changes in Net Assets  
For the Year Ended May 31, 2025**

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**NET ASSETS WITHOUT DONOR RESTRICTIONS**

Revenue and Support:

Contributions - Gifts in Kind	\$ 1,446,846
Contributions - Cash	1,536,430
Net Investment Return	472,308
Grants	557,681
Special Events	422,385
Low-income Housing	171,203
Thrift Store, Net of Cost of Sales of \$1,472,374	152,761
Membership Dues	14,810
Miscellaneous	2,934
Loss on Disposal of Property and Equipment	(660)
Net Assets Released from Restriction	<u>292,283</u>
 Total Revenue and Support	 <u>5,068,981</u>

Functional Expenses

Program Services:

Social/Recreation	199,427
Athletic	371,326
Nutrition	341,115
Education	154,878
Individual Services	247,374
Arts and Crafts	39,055
Outdoor	140,706
Older Boys	158,516
Younger Boys	173,757
Juniors	139,860
Membership	66,700
Special Activities	54,960

Supporting Services:

Administration	343,737
Fundraising - Thrift Store	1,220,953
Fundraising - Other	<u>232,603</u>

Total Functional Expenses	<u>3,884,967</u>
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<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u><b>1,184,014</b></u>
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The accompanying notes are an integral part of this statement.

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Combined Statement of Activities and Changes in Net Assets (Continued)  
For the Year Ended May 31, 2025**

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**NET ASSETS WITH DONOR RESTRICTIONS**

Revenue and Support:	
Contributions	498,477
Net Assets Released from Restriction	<u>(292,283)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>206,194</u>
<b>TOTAL CHANGE IN NET ASSETS</b>	1,390,208
<b>NET ASSETS - BEGINNING</b>	<u>8,560,477</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 9,950,685</u>

The accompanying notes are an integral part of this statement.

**Rapid City Club for Boys, Inc. and Rapid City Club for Boys Foundation, Inc.**  
**Combined Statement of Functional Expenses**  
**For the Year Ended May 31, 2025**

	Social/ Recreation	Athletic	Nutrition	Education	Individual Services	Arts and Crafts	Outdoor	Older Boys	Younger Boys
Payroll Expenses:									
Salaries	\$ 113,282	\$ 124,702	\$ 134,185	\$ 118,377	\$ 87,799	\$ 22,568	\$ 85,809	\$ 89,885	\$ 108,350
Payroll Taxes	8,446	9,307	9,990	9,093	6,803	1,641	6,228	6,312	7,768
Employee Benefits	9,997	8,937	9,803	4,527	6,642	2,120	5,395	12,080	7,823
Total Payroll Expenses	<u>131,725</u>	<u>142,946</u>	<u>153,978</u>	<u>131,997</u>	<u>101,244</u>	<u>26,329</u>	<u>97,432</u>	<u>108,277</u>	<u>123,941</u>
Thrift Store Cost of Goods Sold	-	-	-	-	-	-	-	-	-
Program Supplies and Other Costs	9,597	10,148	134,710	4,312	107,410	958	9,673	25,622	8,885
Occupancy	25,586	109,520	24,096	7,492	1,403	5,619	9,968	11,417	18,636
Depreciation and Amortization	24,256	103,820	22,843	7,102	1,329	5,326	9,450	10,822	17,665
Professional Fees	5,793	-	120	95	32,249	-	11,898	-	-
Special Events:									
Tree Cost of Sales	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Information Technology	1,992	3,984	1,494	2,988	1,743	-	1,494	1,992	4,132
Travel	56	-	-	-	-	-	18	-	-
Advertising and Promotion	293	858	424	892	915	823	293	293	293
Office	-	-	153	-	200	-	-	-	-
Equipment Maintenance	15	20	3,009	-	-	-	-	8	35
Miscellaneous	-	-	-	-	350	-	450	-	-
Interest and Penalties	-	-	-	-	-	-	-	-	-
Staff Training	114	30	288	-	531	-	30	85	170
Conventions and Meetings	-	-	-	-	-	-	-	-	-
Total Expenses -									
All Activities by Function	199,427	371,326	341,115	154,878	247,374	39,055	140,706	158,516	173,757
Less: Thrift Store Cost of Goods									
Goods Sold Included with Revenues	-	-	-	-	-	-	-	-	-
the Combined Statement of Activities	<u>\$ 199,427</u>	<u>\$ 371,326</u>	<u>\$ 341,115</u>	<u>\$ 154,878</u>	<u>\$ 247,374</u>	<u>\$ 39,055</u>	<u>\$ 140,706</u>	<u>\$ 158,516</u>	<u>\$ 173,757</u>

The accompanying notes are an integral part of this statement.

**Rapid City Club for Boys, Inc. and Rapid City Club for Boys Foundation, Inc.**  
**Combined Statement of Functional Expenses (Continued)**  
**For the Year Ended May 31, 2025**

	Juniors	Membership	Special Activities	Total Program	Administration	Fundraising - Thrift Store	Fundraising - Other	Total
Payroll Expenses:								
Salaries	\$ 87,594	\$ 51,616	\$ 23,215	\$ 1,047,382	\$ 132,316	\$ 800,382	\$ 86,716	\$ 2,066,796
Payroll Taxes	6,291	3,956	1,682	77,517	10,344	60,636	6,677	155,174
Employee Benefits	9,080	2,908	2,173	81,485	9,499	30,140	5,751	126,875
<b>Total Payroll Expenses</b>	<b>102,965</b>	<b>58,480</b>	<b>27,070</b>	<b>1,206,384</b>	<b>152,159</b>	<b>891,158</b>	<b>99,144</b>	<b>2,348,845</b>
Thrift Store Cost of Goods Sold	-	-	-	-	-	1,472,374	-	1,472,374
Program Supplies and Other Costs	4,425	4,295	25,041	345,076	5,644	31,837	-	382,557
Occupancy	15,403	-	872	230,012	26,452	155,404	1,556	413,424
Depreciation and Amortization	14,602	-	827	218,042	22,714	41,747	1,475	283,978
Professional Fees	95	-	-	50,250	65,852	8,101	51,102	175,305
Special Events:								
Tree Cost of Sales	-	-	-	-	-	64,510	-	64,510
Supplies	-	-	-	-	580	-	-	580
Other	-	-	-	-	250	-	47,104	47,354
Information Technology	1,992	3,012	-	24,823	20,273	5,570	5,837	56,503
Travel	-	-	-	74	18,327	6,756	-	25,157
Advertising and Promotion	293	374	1,150	6,901	4,995	1,682	20,413	33,991
Office	-	81	-	434	7,826	7,577	5,966	21,803
Equipment Maintenance	-	-	-	3,087	4,353	3,147	-	10,587
Miscellaneous	-	458	-	1,258	6,863	1,244	6	9,371
Interest and Penalties	-	-	-	-	6,791	2,149	-	8,940
Staff Training	85	-	-	1,333	569	-	-	1,902
Conventions and Meetings	-	-	-	-	89	71	-	160
<b>Total Expenses - All Activities by Function</b>	<b>139,860</b>	<b>66,700</b>	<b>54,960</b>	<b>2,087,674</b>	<b>343,737</b>	<b>2,693,327</b>	<b>232,603</b>	<b>5,357,341</b>
Less: Thrift Store Cost of Goods								
Goods Sold Included with Revenues the Combined Statement of Activities	-	-	-	-	-	(1,472,374)	-	(1,472,374)
	<b>\$ 139,860</b>	<b>\$ 66,700</b>	<b>\$ 54,960</b>	<b>\$ 2,087,674</b>	<b>\$ 343,737</b>	<b>\$ 1,220,953</b>	<b>\$ 232,603</b>	<b>3,884,967</b>
							Less Foundation	48,186
							Less Thrift Store	<u>1,220,953</u>
							Total Expenses Excluding Thrift Store and Foundation	<u>\$ 2,615,828</u>

The accompanying notes are an integral part of this statement.

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Combined Statement of Cash Flows  
For the Year Ended May 31, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 1,390,208
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	283,978
Unrealized/Realized Gain on Investments	(459,502)
Increase in Amounts Held by Foundation	(5,293)
Loss from Property and Equipment Disposal	660
Cash Surrender Value of Life Insurance	(503)
Working Capital Changes Increasing (Decreasing) Cash:	
Accounts Receivable	516
Grant Receivables	16,660
Pledges Receivables	30,206
Inventory	(11,871)
Prepaid Expenses	15,307
Accounts Payable	4,129
Accrued Payroll and Taxes	3,957
Accrued Vacation	(1,072)
Net Cash Provided by Operating Activities	<u>1,267,380</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Property and Equipment	(54,485)
Purchases of Investments	(2,413,882)
Proceeds from Sales and Maturities of Investments	<u>1,208,713</u>
Net Cash Used by Investing Activities	<u>(1,259,654)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal Payments on Finance Lease	<u>(11,052)</u>
Net Cash Used by Financing Activities	<u>(11,052)</u>

**NET CHANGE IN CASH AND CASH EQUIVALENTS** (3,326)

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 410,700

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 407,374

**SUPPLEMENTAL CASH FLOW INFORMATION**

Cash Paid for Interest	<u>\$ 1,335</u>
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**SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING  
AND FINANCING ACTIVITIES**

Right-of-use Assets Obtained in Exchange for Lease Liabilities:	
Finance Lease	<u>\$ 41,487</u>

The accompanying notes are an integral part of this statement.

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Notes to the Combined Financial Statements  
May 31, 2025**

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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Rapid City Club for Boys, Inc. (the Club) is a nonprofit organization that provides behavior guidance and promotes the health, social, educational, vocational, and character development of the boys in the Rapid City area. The Club also operates a thrift store (the Thrift Store) to raise money for Club operations. The Thrift Store is open to the public and sells donated items at a reduced cost. Rapid City Club for Boys Foundation, Inc. (the Foundation) is a nonprofit organization that supports the charitable purposes of the Club. Rapid City Club for Boys, Inc. and Rapid City Club for Boys Foundation, Inc. are collectively referred to as the Organization in the notes to the combined financial statements.

The Club's mission was expanded in 2021 to foster low-income housing. As part of this mission, construction of low-income apartment buildings occurred through Heartland Heights Apartments Limited Partnership and Heartland Heights Apartments II Limited Partnership. The Club entered into agreements during the year ended May 31, 2024 to construct another low-income apartment complex through Blackstone Flats Apartments Limited Partnership. Construction activity on this project began subsequent to year-end. During the year ended May 31, 2025, the Club entered into the Chalkstone View Apartments Limited Partnership for the purpose of constructing a low-income apartment complex. Other entities involved in the low-income apartment projects are Heartland Heights, LLC, Heartland Heights II, LLC, Blackstone Flats LLC, and Chalkstone View LLC. Collectively, these eight entities will be referred to as the low-income housing projects. The Club controls these entities (Note 10). The Organization elected not to consolidate the low-income housing projects, although generally accepted accounting principles would require consolidation. The Organization chose not to consolidate the low-income housing entities, as each project and entity is being annually audited by a separate independent CPA firm and the results of those audits are available on request or available for review on the Organization's website at <https://theclubforboys.org/wp-content/uploads/2024/04/22-23Heartland-Heights-Apartments-Limited-Partnership-Final-Financial-Statement.pdf>.

Principles of Combination

The combined financial statements include the accounts of the Club and the Foundation (collectively, the Organization). The Club approves the selection of certain members of the Board of Directors for the Foundation. All significant inter-organization accounts and transactions between the entities have been eliminated in combination.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts and disclosures reported in the combined financial statements. Actual results could differ from those estimates.

Basis of Accounting and Financial Statement Presentation

The combined financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The accounts of the Organization are reported in the following net asset categories:

*Net Assets without Donor Restrictions* - Net assets of the Organization that are not subject to donor-imposed restrictions and are available for general operations. The Board of Directors has designated certain net assets without donor restrictions for specific purposes (Note 5).

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Notes to the Combined Financial Statements  
May 31, 2025**

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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

*Net Assets with Donor Restrictions* - Net assets of the Organization that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Donor-imposed restrictions related to contributions initially deemed conditional follow a simultaneous release policy and are recorded as net assets without donor restrictions if the restrictions expire in the same year the contributions are recognized.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Organization's checking accounts and other interest-bearing deposits are maintained in various financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The Organization's cash balances may at times exceed federally insured limits; however, management has not experienced any losses in such accounts and does not believe they are exposed to any significant credit risk.

Inventory

Inventory consists of items donated to the Thrift Store to be sold. These items (typically used clothing and other household items) are stated at the estimated fair value at the time of donation. Due to the volume of the items received, the Club does not maintain a perpetual inventory system and instead values and records inventory using estimates based on subsequent sales.

Property and Equipment

Property and equipment purchases in excess of \$1,500 that have a useful life of greater than one year are capitalized at cost. Donated property and equipment is stated at fair value at the date of the donation. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	7 - 45
Equipment, Furniture, and Vehicles	3 - 20

Amounts Held By Foundation

The amounts held by Black Hills Area Community Foundation (BHACF) are invested in accordance with the BHACF's internal investment policies and are recorded at net asset value per share. Investment earnings, to include unrealized and realized gains/losses, benefit general operations unless donor stipulation states otherwise.

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Notes to the Combined Financial Statements  
May 31, 2025**

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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Investments

The Organization records its investments at fair value with changes in fair value accounted for in the Combined Statement of Activities and Changes in Net Assets. Realized gains and losses from sales of investments are determined on a specific identity basis. Net investment return consists of interest and dividend income, realized and unrealized gains and losses, and external investment expenses. Amounts are recorded in the appropriate net asset accounts based on the existence of donor-imposed restrictions. Donated investments (which may include stocks and bonds) are recorded as revenue at the estimated fair value on the date of contribution.

Investments are managed by professional investment managers whose performance is monitored by management and the Board of Directors. Although the fair value of investments is subject to fluctuation on a year-to-year basis, management and the Board of Directors believe the investment policies and guidelines are prudent for the long-term welfare of the Organization.

In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported.

The Organization classifies proceeds from the sale of donated stock in the same manner as donated assets in the combined statement of cash flows, unless the donation is restricted for long-term purposes, in which case the proceeds are considered an investing activity.

Long-lived Assets

Impairment losses are recorded when indicators of impairment are present and the carrying amount of a long-lived asset exceeds its fair value. In addition, management reviews the useful lives of long-lived assets annually. No assets were deemed impaired during the year ended May 31, 2025 based on management's analysis.

Leases

The Organization determines if an arrangement is or contains a lease at inception or modification of the agreement. An election has been made for all asset classes to treat any non-lease components, such as maintenance as part of the lease contract. The right-of-use assets and lease liabilities primarily relate to office equipment used in connection with operations. A certain equipment lease includes a purchase option at management's discretion, and this option is included in the expected lease term if it is reasonably certain of being exercised. None of the Organization's lease agreements contain material residual value guarantees, restrictions, or covenants.

For leases with terms greater than 12 months or that contain a purchase option that is reasonably certain to be exercised, a right-of-use (ROU) asset and lease liability is recognized based on the present value of the future minimum lease payments over the lease term. Leases with ROU assets and liabilities below \$5,000 are not deemed material and are recognized with short-term leases below. The Organization has elected to use the risk-free interest rate for all asset classes to determine the lease present value when the implicit rate is not readily determinable. Leases are classified as either finance or operating leases. This classification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively.

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Notes to the Combined Financial Statements  
May 31, 2025**

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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Leases with terms of 12 months or less or that are cancelable by the lessee and lessor without significant penalties are not capitalized as right-of-use assets and lease liabilities, but are expensed on a straight-line basis over the lease term. These leases are generally for equipment needed in operations on a short-term basis or for facility use for one-time events.

Revenue Recognition

*Contributions*

Contributions of cash and other assets are recorded as support in the period received at their fair values and are distinguished between those that increase net assets with or without donor restriction. Unconditional contributions are recognized upon donor notification. Amounts due after one year are recorded at their present value. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend are met. Special events are considered to be contributions, as no significant exchange element exists. An allowance for uncollectible promises to give is estimated based on previous collection history and knowledge of the donor base. As of May 31, 2025, management determined all receivables were collectible, and accordingly, no allowance for credit losses has been recorded.

*Donated Materials*

Contributions of supplies and materials are recorded at the estimated fair value on the date of the contribution. The majority of these contributions consist of household items (clothes and furniture) that are sold in the Thrift Store. The fair value is estimated based on subsequent sales. Amounts are not donor-restricted.

*Donated Services*

Contributed services that create or enhance non-financial assets, or those that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not contributed, are recorded at their fair value in the period received. Although the Organization receives a significant amount of donated services from unpaid volunteers, during the year ended May 31, 2025, the Organization did not receive any donated services that qualified for reporting under the above criteria.

*Grants*

The Club receives grants from both federal and private sources. Each grant is analyzed to determine whether it is deemed an exchange transaction (where both the grantee and grantor receive commensurate benefits) or a contribution. All grants received during the year ended May 31, 2025 are considered contributions. Grants receivable at May 31, 2025 represent unconditional promises to give. Management has determined all amounts are collectible, resulting in no allowance for credit losses. The Club is also the recipient of grants that require expenditure for specified activities before the Club is reimbursed by the grantor for the costs incurred. These funds are reported as unearned revenue. There were no unearned revenues during the year ended May 31, 2025.

*Thrift Store*

Thrift store sales are recognized at the point of sale and are shown net of related sales tax.

**Rapid City Club for Boys, Inc. and  
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Notes to the Combined Financial Statements  
May 31, 2025**

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**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

*Membership Dues*

Boys purchase memberships that allow access to the Club and its activities. Due to uncertain collection, amounts are recognized as received.

*Low-income Housing*

The Club receives certain fees and distributions from the low-income housing projects. Amounts are recognized as received.

Advertising

Advertising costs are expensed as incurred and totaled \$33,991 for the year ended May 31, 2025.

Federal Income Tax

The Club and Foundation qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code and are not subject to federal income tax. In addition, the Club and Foundation have been determined by the Internal Revenue Service not to be "private foundations" within the meaning of Section 509(a) of the Internal Revenue Code. As such, no federal income tax is paid unless net income is derived from activities that are unrelated to their exempt activities. No such activities are conducted.

At May 31, 2025, the Organization believes there are no significant uncertain tax positions or liabilities, or interest and penalties associated with uncertain tax positions.

**NOTE 2 - PROPERTY AND EQUIPMENT**

A summary of property and equipment at May 31, 2025 is as follows:

Land	\$ 551,315
Building and Improvements	4,910,794
Equipment and Furniture	530,251
Vehicles	<u>355,370</u>
	6,347,730
Less: Accumulated Depreciation/Amortization	<u>2,907,596</u>
	<u>\$ 3,440,134</u>

Depreciation expense was \$266,958 for the year ended May 31, 2025.

**Rapid City Club for Boys, Inc. and  
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**NOTE 3 - LEASES**

The Organization leases a security system, equipment, storage, and a copier under various terms. The right-of-use assets are included in property and equipment and totaled \$101,063 with accumulated amortization of \$36,568 at May 31, 2025. During the year ended May 31, 2025, amortization expense of \$17,020 was recorded. Total lease costs for the year ended May 31, 2025 were as follows:

Variable Lease Cost	\$	4,550
Short-term Lease Cost		111
Finance Lease Cost - Interest Expense		1,334
Finance Lease Cost - Amortization of Right-of-use Assets		17,020

The weighted-average remaining lease term was 34 months and the weighted-average discount rate was 4.04% for the year ended May 31, 2025.

The security system lease required upfront payments, resulting in no remaining lease liability. The future minimum lease payments under the noncancelable equipment and copier finance leases are as follows as of May 31, 2025:

2026	\$	16,514
2027		12,999
2028		12,999
2029		<u>7,513</u>
Total Lease Payments		50,025
Less: Interest		<u>3,034</u>
Present Value of Lease Liabilities	\$	<u>46,991</u>

**NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The three-level fair value hierarchy is defined as follows:

*Level 1* - Observable inputs such as quoted market prices for identical assets or liabilities in active markets. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted market prices.

*Level 2* - Inputs include quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. The types of assets and liabilities included in Level 2 are typically either comparable to actively traded securities or priced with models using observable inputs.

*Level 3* - Inputs are based on prices or valuation techniques that are unobservable. These types of assets and liabilities require significant management judgment or estimation.

**Rapid City Club for Boys, Inc. and  
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**NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

In accordance with the fair value hierarchy, the following table shows the fair value as of May 31, 2025, of those financial assets that are measured at fair value on a recurring basis, according to the valuation techniques the Organization used to determine their fair value.

	Level 1	Level 2	Level 3	Net Asset Value per Share	Total
U.S. Equities	\$ 3,260,160	\$ -	\$ -	\$ -	\$ 3,260,160
International Equities	939,015	-	-	-	939,015
Bonds	1,435,519	-	-	-	1,435,519
Real Estate	27,333	-	-	-	27,333
Mixed Assets	-	253,408	-	-	253,408
Annuity	-	10,882	-	-	10,882
Total Investments	5,662,027	264,290	-	-	5,926,317
Assets Held by Foundation	-	-	-	102,271	102,271
	<u>\$ 5,662,027</u>	<u>\$ 264,290</u>	<u>\$ -</u>	<u>\$ 102,271</u>	<u>\$ 6,028,588</u>

Bonds are measured at either the yields currently available on comparable securities of issuers with similar credit ratings or valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Mixed Assets and Annuity investments are valued based on the underlying assets, which are comprised primarily of actively traded mutual funds and stocks.

The Amounts Held by Black Hills Area Community Foundation (BHACF) have been valued, as a practical expedient, at the net asset value of the Organization's share of BHACF's investment pools as of the measurement date. BHACF values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of BHACF, which include private placements and other securities for which prices are not readily available, are determined by the management of BHACF and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The amounts held by BHACF are not redeemable by the Organization.

**NOTE 5 - ENDOWED AND BOARD-DESIGNATED FUNDS**

At May 31, 2025, the Board of Directors of the Foundation designated \$5,480,472 of net assets without donor restriction as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor restricted, it is classified and reported as net assets without donor restrictions.

**Rapid City Club for Boys, Inc. and  
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**NOTE 5 - ENDOWED AND BOARD-DESIGNATED FUNDS (CONTINUED)**

The Organization has a spending policy of appropriating for distribution each year no more than 5 percent of its Board-designated endowment fund's average fair value of the prior twelve quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected investment return on its endowment. Accordingly, over the long term, the Organization expected the current spending policy to allow its general endowment fund to grow at an average of over 5 percent annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through investment return.

To achieve the objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of no more than 5 percent while growing the fund if possible. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund. Investment assets and the allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

The composition of and changes in Board-designated endowment funds for the year ended May 31, 2025 are as follows:

Board-designated Endowment Net Assets - Beginning	\$ 4,252,491
Investment Return	437,825
Contributions Designated for the Endowment	1,053,250
Amounts Appropriated for Expenditure	<u>(263,094)</u>
Board-designated Endowment of Net Assets - Ending	<u>\$ 5,480,472</u>

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions represent resources currently available for those operating purposes specified by the donor or restricted by the donor for a specified period and are available as follows at May 31, 2025:

*Foundation:*

Craven Scholarship Fund	\$ 141,312
Warder Scholarship Fund	54,550
Black Hills Area Community Foundation - Programs	14,738

*Club:*

Staff Investment - Wages and Benefits	484,274
Christmas Family Sponsorship	72,716
Specified Use Donations - Various Programs	<u>46,958</u>
	<u>\$ 814,548</u>

During the year ended May 31, 2025, net assets in the amount of \$292,283 were released from donor restrictions by incurring expenses satisfying the restricted purpose by the occurrence of the passage of time or other events specified by the donors.

**Rapid City Club for Boys, Inc. and  
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**NOTE 7 - EXPENSE ALLOCATION**

The cost of providing various programs and other activities has been summarized on a functional basis in the Combined Statement of Activities. The Combined Statement of Functional Expenses presents the natural classification detail of expenses by function. Certain expenses can be directly allocated to program or supporting functions. Other categories of expenses are attributable to more than one program or supporting function and require allocation on a reasonable basis that is consistently applied. Accordingly, these costs have been allocated based on estimated time and effort (e.g., salaries) or building square footage (e.g., occupancy).

All funds raised through the Thrift Store directly support the Organization's programs. Without directing these funds to the Club, the Organization's mission would not be achieved. In accordance with generally accepted accounting principles, all costs of operating the Thrift Store are allocated to fundraising on the Combined Statements of Activities and Functional Expenses.

**NOTE 8 - EMPLOYEE BENEFITS**

The Organization maintains a 401(k) plan that provides for salary deferrals for all Club employees who meet certain eligibility requirements. Under provisions of the plan, employees may elect to contribute a percentage of their compensation to the plan, subject to limitations prescribed by law. The Organization matches employee contributions at 2% of employee compensation, with an additional 50% on the next 4% of employee compensation, for a total potential match of 4%. Employer contributions totaled \$39,552 for the year ended May 31, 2025.

**NOTE 9 - LIQUIDITY AND AVAILABILITY**

The Organization relies on in-kind contributions from Thrift Store sales, cash contributions from the general public, and certain grants to fund its operations. In the event of unanticipated liquidity needs, the Organization could utilize Board-designated endowment funds or reach out to past donors for assistance. At May 31, 2025, the Organization has the following financial assets available for general use within one year of the financial position date:

Cash and Cash Equivalents	\$	407,374
Accounts Receivable		416
Grants Receivable		40,623
		448,413
Plus: Estimated Endowment Distribution		243,324
Amounts Available for General Use Within One Year	\$	691,737

**NOTE 10 - LOW-INCOME HOUSING PROJECTS**

*Heartland Heights Apartments Limited Partnership (HH)* - Control of this partnership rests with the general partner, Heartland Heights LLC, of which the Club is the sole member. HH completed construction of an apartment building in May 2022. The building includes 41 units, all of which are to be utilized by lessees who qualify as low-income.

**Rapid City Club for Boys, Inc. and  
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May 31, 2025**

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**NOTE 10 - LOW-INCOME HOUSING PROJECTS (CONTINUED)**

*Heartland Heights Apartments Limited Partnership II (HH2)* - Control of this partnership rests with the general partner, Heartland Heights LLC II, of which the Club is the sole member. HH2 completed construction of an apartment building in May 2023. The building includes 41 units, all of which are to be utilized by lessees who qualify as low-income.

*Blackstone Flats Apartments Limited Partnership (BF)* - Control of this partnership rests with the general partner, Blackstone Flats, LLC, of which the Club is the sole member. BF is constructing an apartment building that will include 35 units, all of which are to be utilized by lessees who qualify as low-income. Construction activity began during the year ended May 31, 2025.

*Chalkstone View Apartments Limited Partnership (CV)* - This entity was started during the current year. Control of this partnership rests with the general partner, Chalkstone View, LLC, of which the Club is the sole member. CV is planning to construct an apartment building that will include 29 units, all of which are to be utilized by lessees who qualify as low-income. The project is pending approval from the South Dakota Housing Development Authority (SDHDA). During the year ended May 31, 2025, CV signed a land purchase agreement for \$150,000 contingent upon approval from the SDHDA for low-income housing tax credits and obtaining financing.

Each of the low-income housing projects is structured in the same manner, excluding CV, as the project is contingent upon SDHDA approval.

- Financing arrangements are entered into with private investors using new market tax credits (NMTC) to fund construction. The NMTCs are allocated by the SDHDA pursuant to Internal Revenue Code Section 42, which regulates the use of the apartment complex as to occupant eligibility and unit gross rent, among other requirements. The projects must meet the provisions of these regulations during each of the 15 consecutive years in order to continue to qualify to receive the tax credits. Failure to comply with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specific time period, could result in recapture of the previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the limited partner. All units within the project are subject to the rent restrictions, and qualified tenant restrictions are required by the Low Income Housing Tax Credit Program. NMTC's total \$5,872,770 for HH; \$6,729,330 for HH2; and \$6,849,320 for BF. Private investor contributions total \$5,021,721 for HH; \$5,754,150 for HH2; and \$4,617,000 for BF.
- Additional financing arrangements exist for HH and HH2 with a bank and SDHDA loans and grants. Mortgages payable to banks total \$1,285,203 (unaudited) and to SDHDA total \$2,395,500 (unaudited) at May 31, 2025. A member of the Organization's board of directors is an employee and minority shareholder of the bank. Subsequent to year-end, financing was secured for BF. The financing package includes a \$5,600,000 construction loan that is expected to be converted as necessary to permanent financing after private investor contributions. Permanent financing will also include \$750,000 and \$460,308 from two separate nonprofit organizations, as well as \$600,000 SDHDA Housing Trust Funds and \$1,000,000 SDHDA Home Investment Partnership Program Funds. All financing agreements are secured by the low-income housing project and most include guarantees of the Club.
- The LLC is the project developer and receives fees from the partnerships for these services. A project consultant is also retained for a fee that is due in full upon project stabilization.

**Rapid City Club for Boys, Inc. and  
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Notes to the Combined Financial Statements  
May 31, 2025**

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**NOTE 10 - LOW-INCOME HOUSING PROJECTS (CONTINUED)**

- A property manager oversees operations for a percentage of the rent, the limited partner receives a compliance monitoring fee, and the LLC receives an incentive management fee.
- The project must maintain certain operating and replacement reserves.
- The Club guarantees delivery of the NMTCs to the Investors. The Club would be required to act under the guarantee if, for any reason, there was a disallowance of the NMTCs.
- The partnerships have a right of first refusal option on the apartments for 12 months after the tax credit compliance requirement expires. The purchase price is equal to the greater of \$100 or the remaining debt on the project.

Excess LLC cash flows are intended to be distributed to the Club annually. The Organization received \$171,203 related to these projects during the year ended May 31, 2025.

**NOTE 11 - SUBSEQUENT EVENTS**

Subsequent events were evaluated through the date of the independent auditor's report, which is the date the combined financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Combining Statement of Financial Position  
May 31, 2025**

	<u>Club</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Combined Total</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 373,895	\$ 33,479	\$ -	\$ 407,374
Accounts Receivable	416	-	-	416
Grants Receivable	40,623	-	-	40,623
Prepaid Expenses	25,529	-	-	25,529
Inventory	84,159	-	-	84,159
Reimbursements Due from Club	-	94	(94)	-
<b>Total Current Assets</b>	<u>524,622</u>	<u>33,573</u>	<u>(94)</u>	<u>558,101</u>
Property and Equipment, Net of Accumulated Depreciation and Amortization	<u>3,440,134</u>	-	-	<u>3,440,134</u>
Other Assets:				
Amounts Held by Foundation	-	102,271	-	102,271
Investments	484,274	5,505,090	-	5,989,364
Cash Surrender Value of Life Insurance	-	54,826	-	54,826
<b>Total Other Assets</b>	<u>484,274</u>	<u>5,662,187</u>	<u>-</u>	<u>6,146,461</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,449,030</u>	<u>\$ 5,695,760</u>	<u>\$ (94)</u>	<u>\$ 10,144,696</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities:				
Accounts Payable	\$ 21,529	\$ -	\$ (94)	\$ 21,435
Accrued Payroll and Taxes	64,381	4,531	-	68,912
Accrued Vacation	56,516	157	-	56,673
Current Portion of Finance Lease Liability	16,514	-	-	16,514
<b>Total Current Liabilities</b>	<u>158,940</u>	<u>4,688</u>	<u>(94)</u>	<u>163,534</u>
Finance Lease Liability, Net of Current Portion	<u>30,477</u>	-	-	<u>30,477</u>
<b>Total Liabilities</b>	<u>189,417</u>	<u>4,688</u>	<u>(94)</u>	<u>194,011</u>
Net Assets:				
Without Donor Restrictions:				
Board-designated Endowment - Operations	-	5,480,472	-	5,480,472
Undesignated	3,655,665	-	-	3,655,665
	<u>3,655,665</u>	<u>5,480,472</u>	<u>-</u>	<u>9,136,137</u>
With Donor Restrictions	<u>603,948</u>	<u>210,600</u>	<u>-</u>	<u>814,548</u>
<b>Total Net Assets</b>	<u>4,259,613</u>	<u>5,691,072</u>	<u>-</u>	<u>9,950,685</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,449,030</u>	<u>\$ 5,695,760</u>	<u>\$ (94)</u>	<u>\$ 10,144,696</u>

See independent auditor's report.

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Combining Statement of Activities and Changes in Net Assets  
For the Year Ended May 31, 2025**

	Club	Foundation	Eliminations	Combined Total
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
Revenue and Support:				
Contributions - Gifts in Kind	\$ 1,446,846	\$ -	\$ -	\$ 1,446,846
Contributions - Cash	698,088	1,053,250	(214,908)	1,536,430
Net Investment Return	39,120	433,188	-	472,308
Grants	557,681	-	-	557,681
Special Events	422,385	-	-	422,385
Low-income Housing	171,203	-	-	171,203
Thrift Store, Net of Cost of Sales of \$1,472,374	152,761	-	-	152,761
Membership Dues	14,810	-	-	14,810
Miscellaneous	2,934	-	-	2,934
Loss on Disposal of Property and Equipment	(660)	-	-	(660)
Net Assets Released from Restriction	287,646	4,637	-	292,283
Total Revenue and Support	<u>3,792,814</u>	<u>1,491,075</u>	<u>(214,908)</u>	<u>5,068,981</u>
Functional Expenses				
Program Services:				
Social/Recreation	199,427	-	-	199,427
Athletic	371,326	-	-	371,326
Nutrition	341,115	-	-	341,115
Education	153,878	1,000	-	154,878
Individual Services	247,374	-	-	247,374
Arts and Crafts	39,055	-	-	39,055
Outdoor	140,706	-	-	140,706
Older Boys	158,516	-	-	158,516
Younger Boys	173,757	-	-	173,757
Juniors	139,860	-	-	139,860
Membership	66,700	-	-	66,700
Special Activities	54,960	-	-	54,960
Contributions to Club	-	214,908	(214,908)	-
Supporting Services:				
Administration	313,313	30,424	-	343,737
Fundraising - Thrift Store	1,220,953	-	-	1,220,953
Fundraising - Other	215,841	16,762	-	232,603
Total Functional Expenses	<u>3,836,781</u>	<u>263,094</u>	<u>(214,908)</u>	<u>3,884,967</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>(43,967)</u>	<u>1,227,981</u>	<u>-</u>	<u>1,184,014</u>

See independent auditor's report.

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Combining Statement of Activities and Changes in Net Assets (Continued)  
For the Year Ended May 31, 2025**

	<u>Club</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Combined Total</u>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>				
Revenue and Support:				
Contributions	357,165	141,312	-	498,477
Net Assets Released from Restriction	<u>(287,646)</u>	<u>(4,637)</u>	-	<u>(292,283)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>69,519</u>	<u>136,675</u>	-	<u>206,194</u>
<b>TOTAL CHANGE IN NET ASSETS</b>	25,552	1,364,656	-	1,390,208
<b>NET ASSETS - BEGINNING</b>	<u>4,234,061</u>	<u>4,326,416</u>	-	<u>8,560,477</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 4,259,613</u>	<u>\$ 5,691,072</u>	<u>\$ -</u>	<u>\$ 9,950,685</u>

See independent auditor's report.

**Rapid City Club for Boys, Inc. and Rapid City Club for Boys Foundation, Inc.  
Combining Statement of Functional Expenses  
For the Year Ended May 31, 2025**

	Club Program	Foundation Program	Club Administration	Foundation Administration	Club Fundraising	Foundation Fundraising	Club Thrift Store Fundraising	Grand Total	Elimination Total	Combined Total
Payroll Expenses:										
Salaries	\$ 1,047,382	\$ -	\$ 115,413	\$ 16,903	\$ 81,082	\$ 5,634	\$ 800,382	\$ 2,066,796	\$ -	\$ 2,066,796
Payroll Taxes	77,517	-	8,749	1,595	6,145	532	60,636	155,174	-	155,174
Employee Benefits	81,485	-	8,541	958	5,432	319	30,140	126,875	-	126,875
Total Payroll Expenses	1,206,384	-	132,703	19,456	92,659	6,485	891,158	2,348,845	-	2,348,845
Thrift Store Cost of Goods Sold	-	-	-	-	-	-	1,472,374	1,472,374	-	1,472,374
Program Supplies and Other Costs	344,076	1,000	5,644	-	-	-	31,837	382,557	-	382,557
Occupancy	230,012	-	23,961	2,491	1,556	-	155,404	413,424	-	413,424
Depreciation and Amortization	218,042	-	22,714	-	1,475	-	41,747	283,978	-	283,978
Professional Fees	50,250	-	57,983	7,869	51,102	-	8,101	175,305	-	175,305
Special Events:										
Tree Cost of Sales	-	-	-	-	-	-	64,510	64,510	-	64,510
Supplies	-	-	-	580	-	-	-	580	-	580
Other	-	-	250	-	47,104	-	-	47,354	-	47,354
Information Technology	24,823	-	20,273	-	5,837	-	5,570	56,503	-	56,503
Travel	74	-	18,327	-	-	-	6,756	25,157	-	25,157
Advertising and Promotion	6,901	-	4,995	-	10,136	10,277	1,682	33,991	-	33,991
Office	434	-	7,826	-	5,966	-	7,577	21,803	-	21,803
Equipment Maintenance	3,087	-	4,353	-	-	-	3,147	10,587	-	10,587
Miscellaneous	1,258	-	6,835	28	6	-	1,244	9,371	-	9,371
Interest and Penalties	-	-	6,791	-	-	-	2,149	8,940	-	8,940
Staff Training	1,333	-	569	-	-	-	-	1,902	-	1,902
Conventions and Meetings	-	-	89	-	-	-	71	160	-	160
Contribution to Club	-	214,908	-	-	-	-	-	214,908	(214,908)	-
Total	2,086,674	215,908	313,313	30,424	215,841	16,762	2,693,327	5,572,249	(214,908)	5,357,341
Less: Thrift Store Cost of Good Sold Included with Revenues on the Combined Statement of Activities	-	-	-	-	-	-	(1,472,374)	(1,472,374)	-	(1,472,374)
Total Expenses Included in the Expense Section of the Combined Statement of Activities	<u>\$ 2,086,674</u>	<u>\$ 215,908</u>	<u>\$ 313,313</u>	<u>\$ 30,424</u>	<u>\$ 215,841</u>	<u>\$ 16,762</u>	<u>\$ 1,220,953</u>	<u>\$ 4,099,875</u>	<u>\$ (214,908)</u>	<u>\$ 3,884,967</u>

See independent auditor's report.

**Rapid City Club for Boys, Inc. and  
Rapid City Club for Boys Foundation, Inc.  
Combining Statement of Cash Flows  
For the Year Ended May 31, 2025**

	<u>Club</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Combined Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in Net Assets	\$ 25,552	\$ 1,364,656	\$ -	\$ 1,390,208
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	283,978	-	-	283,978
Unrealized/Realized Gain on Investments	(36,442)	(423,060)	-	(459,502)
Increase in Amounts Held by Foundation	-	(5,293)	-	(5,293)
Loss from Property and Equipment Disposal	660	-	-	660
Cash Surrender Value of Life Insurance	-	(503)	-	(503)
Working Capital Changes Increasing (Decreasing) Cash:				
Accounts Receivable	516	-	-	516
Grant Receivables	16,660	-	-	16,660
Pledges Receivables	30,206	-	-	30,206
Inventory	(11,871)	-	-	(11,871)
Prepaid Expenses	15,307	-	-	15,307
Reimbursements Due from Club	-	(13)	13	-
Accounts Payable	4,142	-	(13)	4,129
Accrued Payroll and Taxes	1,376	2,581	-	3,957
Accrued Vacation	4,179	(5,251)	-	(1,072)
Net Cash Provided by Operating Activities	<u>334,263</u>	<u>933,117</u>	<u>-</u>	<u>1,267,380</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of Property and Equipment	(54,485)	-	-	(54,485)
Purchases of Investments	(110,334)	(2,303,548)	-	(2,413,882)
Proceeds from Sales and Maturities of Investments	49,476	1,159,237	-	1,208,713
Net Cash Used by Investing Activities	<u>(115,343)</u>	<u>(1,144,311)</u>	<u>-</u>	<u>(1,259,654)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Principal Payments on Finance Lease	(11,052)	-	-	(11,052)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	207,868	(211,194)	-	(3,326)
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<u>166,027</u>	<u>244,673</u>	<u>-</u>	<u>410,700</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 373,895</u>	<u>\$ 33,479</u>	<u>\$ -</u>	<u>\$ 407,374</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>				
Cash Paid for Interest	<u>\$ 1,335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,335</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>				
Right-of-use Assets Obtained in Exchange for Lease Liabilities:				
Finance Lease	<u>\$ 41,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,487</u>

See independent auditor's report.