

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

FINANCIAL STATEMENTS

Year Ended December 31, 2009 with Comparative Totals
for the Year Ended December 31, 2008



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

Mathews-Dickey Boys' & Girls' Club:

We have audited the statement of financial position of the Mathews-Dickey Boys' & Girls' Club as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior-year summarized comparative information has been derived from the 2008 financial statements and, in our report dated June 30, 2009, we expressed an unqualified opinion on those statements.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mathews-Dickey Boys' & Girls' Club as of December 31, 2009, and the results of its activities and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Mayer Hoffman McCann P.C.

St. Louis, Missouri
July 14, 2010

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

STATEMENTS OF FINANCIAL POSITION

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 129,481	\$ 401,032
Short-term investments	261,905	131,827
Pledges receivable, net	163,845	261,480
Receivable - United Way	446,425	463,818
Prepaid expenses and other	23,783	13,589
TOTAL CURRENT ASSETS	<u>1,025,439</u>	<u>1,271,746</u>
PROPERTY AND EQUIPMENT, at cost, less accumulated depreciation	2,413,841	2,399,221
RESTRICTED CASH	698,262	601,165
INVESTMENTS	1,323,292	1,271,274
PLEDGES RECEIVABLE - LONG-TERM, NET	<u>-</u>	<u>119,150</u>
TOTAL ASSETS	<u>\$ 5,460,834</u>	<u>\$ 5,662,556</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 151,073	\$ 140,760
Accrued expenses and other liabilities	129,088	158,114
TOTAL CURRENT LIABILITIES	<u>280,161</u>	<u>298,874</u>
<u>NET ASSETS</u>		
Unrestricted - Board designated	3,847,597	4,090,311
Temporarily restricted	1,205,076	1,145,371
Permanently restricted	128,000	128,000
TOTAL NET ASSETS	<u>5,180,673</u>	<u>5,363,682</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,460,834</u>	<u>\$ 5,662,556</u>

See Notes to Financial Statements.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2009 with Comparative Totals for the Year Ended December 31, 2008

	2009				2008
	Unrestricted- Board Designated	Temporarily Restricted	Permanently Restricted	Total	Total
PUBLIC SUPPORT:					
United Way	\$ 2,621	\$ 446,425	\$ -	\$ 449,046	\$ 482,714
Contributions	522,603	117,500	-	640,103	1,066,292
In-kind donations	216,675	-	-	216,675	307,429
Banquets and special events	476,739	104,350	-	581,089	558,552
Memberships	31,665	-	-	31,665	26,335
United Way allocation released from restriction	463,818	(463,818)	-	-	-
Net assets released from restrictions	147,057	(147,057)	-	-	-
TOTAL PUBLIC SUPPORT	1,861,178	57,400	-	1,918,578	2,441,322
REVENUE (LOSS):					
Grants	-	-	-	-	64,865
Registration fees	74,280	-	-	74,280	51,473
Net realized and unrealized gains (losses) on investments	154,890	-	-	154,890	(359,585)
Interest and dividends	42,701	2,305	-	45,006	86,587
Room rental	18,623	-	-	18,623	19,993
Other	30,781	-	-	30,781	79,095
TOTAL REVENUE (LOSS)	321,275	2,305	-	323,580	(57,572)
TOTAL PUBLIC SUPPORT AND REVENUE	2,182,453	59,705	-	2,242,158	2,383,750
EXPENSES:					
Program services	1,889,175	-	-	1,889,175	1,948,152
General and administrative	243,826	-	-	243,826	257,807
Fundraising	292,166	-	-	292,166	295,320
TOTAL EXPENSES	2,425,167	-	-	2,425,167	2,501,279
CHANGE IN NET ASSETS	(242,714)	59,705	-	(183,009)	(117,529)
NET ASSETS, beginning of year	4,090,311	1,145,371	128,000	5,363,682	5,481,211
NET ASSETS, end of year	\$ 3,847,597	\$ 1,205,076	\$ 128,000	\$ 5,180,673	\$ 5,363,682

See Notes to Financial Statements.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2009 with Comparative Totals for the Year Ended December 31, 2008

	Supporting Services				2009 Total	2008 Total
	Program Services	General and Administrative	Fundraising	Supporting Services Total		
Salaries	\$ 569,163	\$ 63,523	\$ 129,702	\$ 193,225	\$ 762,388	\$ 756,531
Payroll taxes and fringe benefits	192,476	25,508	37,094	62,602	255,078	270,703
TOTAL SALARIES AND RELATED EXPENSES	761,639	89,031	166,796	255,827	1,017,466	1,027,234
Printing and artwork	44,990	4,764	3,175	7,939	52,929	49,802
Contract labor	138,430	-	-	-	138,430	127,518
Volunteer hours	134,880	-	-	-	134,880	199,660
Transportation	41,411	2,590	7,764	10,354	51,765	44,932
Postage and shipping	6,467	1,680	251	1,931	8,398	4,955
Scholarships and awards	61,923	8,442	-	8,442	70,365	44,002
Occupancy	98,194	20,142	7,553	27,695	125,889	121,296
Telephone	28,352	8,316	1,134	9,450	37,802	43,191
Insurance	49,649	8,374	1,795	10,169	59,818	50,179
Equipment and supplies	179,930	59,156	7,395	66,551	246,481	333,961
Repairs and maintenance	33,872	12,403	1,431	13,834	47,706	45,033
Service fees	4,670	478	159	637	5,307	7,978
Professional services	62,457	8,818	2,204	11,022	73,479	95,811
Public affairs and events	90,008	3,506	81,759	85,265	175,273	183,203
TOTAL OTHER EXPENSES	975,233	138,669	114,620	253,289	1,228,522	1,351,521
Depreciation	152,303	16,126	10,750	26,876	179,179	122,524
TOTAL EXPENSES	\$ 1,889,175	\$ 243,826	\$ 292,166	\$ 535,992	\$ 2,425,167	\$ 2,501,279

See Notes to Financial Statements.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (183,009)	\$ (117,529)
Adjustments to reconcile change in net assets to cash flows from operations-		
Depreciation	179,179	122,524
Net unrealized losses (gains) on investments	(186,011)	343,656
Net realized losses on investments	31,121	15,929
Changes in:		
Pledges receivable, current	97,635	139,420
Pledges receivable, long-term	119,150	58,406
United Way receivable	17,393	-
Prepaid expenses and other	(10,194)	(11,678)
Accounts payable	10,313	23,805
Accrued expenses and other liabilities	<u>(29,026)</u>	<u>(103,341)</u>
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>46,551</u>	 <u>471,192</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(193,799)	(1,638,169)
Purchases of investments	(42,635)	(49,660)
Sales of investments	<u>145,507</u>	<u>75,464</u>
 NET CASH FLOWS FROM INVESTING ACTIVITIES	 <u>(90,927)</u>	 <u>(1,612,365)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND SHORT-TERM INVESTMENTS	 <u>(44,376)</u>	 <u>(1,141,173)</u>
 CASH, CASH EQUIVALENTS, RESTRICTED CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	 <u>1,134,024</u>	 <u>2,275,197</u>
 CASH, CASH EQUIVALENTS, RESTRICTED CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	 <u>\$ 1,089,648</u>	 <u>\$ 1,134,024</u>

See Notes to Financial Statements.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(1) Organization

Mathews-Dickey Boys' & Girls' Club (the Club) is a Missouri not-for-profit corporation established for the purpose of providing recreational, athletic, and educational facilities and programs for youth in the metropolitan St. Louis, Missouri community. The St. Louis, Missouri community and the United Way are the primary sources of revenue for the Club.

(2) Summary of significant accounting policies

Basis of accounting – The financial statements of the Club have been prepared on the accrual basis of accounting.

Basis of presentation – The Club follows accounting standards set by the Financial Accounting Standards Board (FASB). In June 2009, the FASB issued FASB ASC 105, *Generally Accepted Accounting Principles*, which establishes the FASB Accounting Standards Codification (FASB ASC), as the sole source of authoritative U.S. generally accepted accounting principles (GAAP). FASB ASC 105 is effective for periods ending on or after September 1, 2009. Pursuant to FASB ASC 105, the Club has updated references to GAAP throughout these financial statements, including a parenthetical reference to the prior authoritative literature. The Codification had no effect on the Club's financial statements, as it is for disclosure purposes only.

The financial statement presentation follows the recommendations of FASB ASC 958-205 (formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*). Under FASB ASC 958-205, the Club is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and cash equivalents – All highly liquid investments with maturity of three months or less when purchased are considered to be cash equivalents. Money market funds are included in short-term investments. Cash received by the Club that is restricted in use by the donor is accounted for separately by the Club. Restricted cash held at December 31, 2009 and 2008 is restricted by the donors to be used for renovating the Club's facilities and a specific scholarship program.

Investments – Investments are recorded at fair value in the accompanying statements of financial position in accordance with FASB ASC 958 (formerly SFAS No. 124, *Accounting for Certain Investments Held by Not-For-Profit Organizations*). The fair values of investments with readily determinable fair values are based on quoted market prices. Realized and unrealized gains and losses are reflected in the statements of activities. Contributed securities are recorded at their fair market value on the date of receipt.

Receivables – Receivables consist of United Way allocations and pledges receivable. These are recorded at net realizable value. The 2010 United Way allocation is recorded as temporarily restricted support. Pledges are recorded in the year they are made. Pledges made and received beyond one year are discounted to the present value of estimated future cash flows using a discount rate of 5%.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(2) Summary of significant accounting policies (continued)

Amortization of discounts is included in contribution revenue. The Club maintains an allowance for uncollectible pledges based on their collection experience and a review of the current status of existing receivables. The Club has an allowance for uncollectible pledges net of discounts to present value of \$46,005 and \$100,850 at December 31, 2009 and 2008, respectively.

Property and equipment – Property and equipment is stated at original cost, if purchased, or at fair market value at date of donation, if donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, as follows: Building—27.5 years; Leasehold improvements—19 years; Furniture and equipment—3-8 years; and Athletic equipment—4 years. Maintenance and repairs are charged to operations. Major renewals and improvements are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and the gain or loss, if any, is included in the statement of activities. Construction in process includes expenditures made toward the development of a customized membership database.

Unrestricted-Board designated net assets – Unrestricted-Board designated net assets include net assets restricted by the Board to fund the general activities of the Club to provide programs and facilities for youth in the metropolitan St. Louis, Missouri, community.

Temporarily restricted net assets – The donor for specific programs restricts temporarily restricted net assets. When the temporary restriction is met or the donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. In situations where the restriction is met in the period the contribution is made or revenue is earned, the income is recorded in unrestricted net assets.

Permanently restricted net assets – Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the Club to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

In-kind donations – In-kind donations include contributions of nonfinancial assets, including tickets and autographed items for special events, and volunteer time. Nonfinancial assets are recorded at fair value. Volunteer time primarily relates to tutors whose time meets the requirements of FASB ASC 958-605 (formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*).

Functional expenses – The Club allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service activity are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by management's estimate of resources devoted to the program or support service activity.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(2) Summary of significant accounting policies (continued)

Use of estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comparative financial information – The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Club's financial statements for the year ended December 31, 2008 from which the summarized information was derived.

Fair value of financial instruments – Financial instruments, including cash, prepaid expenses and other, accounts payable, and accrued expenses and other liabilities are carried at cost which approximates fair value due to the short-term nature of these instruments.

The Club has presented the fair value of certain assets on a recurring basis through application of FASB ASC 820 (formerly Statements of Financial Accounting Standards No. 157, *Fair Value Measurements*), as disclosed in Note 5 to the financial statements.

During the year ended December 31, 2009, FASB ASC 820 became effective for nonfinancial instruments. There were no triggering events that required fair value measurements of the Club's nonfinancial assets and liabilities at December 31, 2009.

Income taxes – The Club is a not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and none of its present or anticipated future activities are subject to taxation as unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

During the year ended December 31, 2009, the Club adopted the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB No. 109*) requiring disclosure of uncertain tax positions. There have been no interest or penalties neither recognized in the Statements of Activities nor in the Statements of Financial Position related to uncertain tax positions. In addition, no tax positions exist for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease within the next 12 months. The Club evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts.

Reclassifications – Certain items in the 2008 financial statements have been reclassified to conform to the 2009 presentation.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(3) Pledges receivable

Pledges receivable are as follows:

	December 31,	
	<u>2009</u>	<u>2008</u>
Receivables in less than one year	\$ 209,850	\$ 296,480
Receivables in one to five years	-	185,000
 Total pledges receivable	 209,850	 481,480
Less: uncollectible pledges and discounts to net present value	<u>(46,005)</u>	<u>(100,850)</u>
 Net pledges receivable	 163,845	 380,630
Less: current portion	<u>(163,845)</u>	<u>(261,480)</u>
Non-current portion	<u>\$ -</u>	<u>\$ 119,150</u>

(4) Investments

Investments at fair market value consist of the following:

	December 31,	
	<u>2009</u>	<u>2008</u>
Money market funds	\$ 261,905	\$ 131,827
Equity mutual funds and equity securities	733,390	609,703
Bond mutual funds and fixed income securities	<u>589,902</u>	<u>661,571</u>
	<u>\$ 1,585,197</u>	<u>\$ 1,403,101</u>

(5) Fair value measurements

Fair values of assets and liabilities measured on a recurring basis at December 31, 2009 and 2008 are as follows:

	Fair Value	Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		(Level 1)	(Level 2)	(Level 3)
<u>December 31, 2009</u>				
Short-term investments	\$ 261,905	\$ 261,905	\$ -	\$ -
Investments	<u>1,323,292</u>	<u>733,390</u>	<u>589,902</u>	<u>-</u>
 Total	 <u>\$ 1,585,197</u>	 <u>\$ 995,295</u>	 <u>\$ 589,902</u>	 <u>\$ -</u>

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(5) Fair value measurements (continued)

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>December 31, 2008</u>				
Short-term investments	\$ 131,827	\$ 131,827	\$ -	\$ -
Investments	<u>1,271,274</u>	<u>609,702</u>	<u>661,572</u>	<u>-</u>
Total	<u>\$ 1,403,101</u>	<u>\$ 741,529</u>	<u>\$ 661,572</u>	<u>\$ -</u>

Fair value for investments valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. The Club's investments in this category consist primarily of common stocks, mutual funds, U.S. Treasuries, and money market funds. Fair value for investments valued using Level 2 inputs are based primarily on available quoted prices for similar assets in active or inactive markets. Investments in the Level 2 category primarily include corporate bonds.

(6) Endowment

The Club's endowment consists of one general fund established for a variety of purposes. As required by GAAP, 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.

In August 2009, the State of Missouri enacted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Club has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Club classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Club in a manner consistent with the standard of prudence prescribed by UPMIFA. The Club's interpretation of UPMIFA did not significantly impact the classification of net assets for the endowment at December 31, 2009.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(6) Endowment (continued)

Spending policy

The Board of Trustees has approved a spending policy that allows the Club to withdraw, if needed, the amount of net income produced by the endowment fund in the subsequent year after the income is earned.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Club relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Club targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Funds with deficiencies

At no time has the fair value of assets associated with donor-restricted endowment funds fallen below the level that the donor requires the Club to retain as a fund of perpetual duration.

For the year ended December 31, 2009, the Club had the following endowment-related activities:

	2009 Endowment Funds		
	Donor- Restricted	Board- Designated	Total
	Permanently Restricted	Unrestricted	
Beginning Balance, January 1, 2009	\$ 128,000	\$ 1,275,101	\$ 1,403,101
Investment Return			
Investment Income and Realized Gains, Net	-	10,977	10,977
Net Unrealized Appreciation	-	186,011	186,011
Total Investment Return	-	196,988	196,988
Contributions to Perpetual Endowment	-	-	-
Amounts Appropriated for Expenditure	-	(14,892)	(14,892)
Total Change In Endowment Funds	-	182,096	182,096
Ending Balance, December 31, 2009	<u>\$ 128,000</u>	<u>\$ 1,457,197</u>	<u>\$ 1,585,197</u>

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(7) Property and equipment

Property and equipment consists of the following:

	December 31,	
	<u>2009</u>	<u>2008</u>
Leasehold improvements	\$ 2,817,726	\$ 2,696,313
Furniture and equipment	559,065	545,481
Athletic equipment	345,766	340,707
Building	334,234	334,234
Construction in progress	53,743	-
	<u>4,110,534</u>	<u>3,916,735</u>
Less accumulated depreciation	<u>(1,696,693)</u>	<u>(1,517,514)</u>
Total property and equipment, net	<u>\$ 2,413,841</u>	<u>\$ 2,399,221</u>

Depreciation expense for the years ended December 31, 2009 and 2008 was \$179,179 and \$122,524, respectively.

The Club's building and sports facility, built with contributions and subsequently deeded to the City of Saint Louis, Missouri (the City), is leased for a nominal annual fee from the City pursuant to a 50-year lease agreement. The Club is obligated to provide for the maintenance of the leased property for the term of the lease. The value of such property is not capitalized in the financial statements of the Club. Improvements to such facilities are capitalized as leasehold improvements.

(8) Operating leases

The Club leases office equipment and an employee automobile under noncancelable operating lease agreements having an initial term of greater than one year. The expected future minimum lease payments are as follows:

Years Ending December 31,

2010	\$	37,152
2011		37,152
2012		14,784
2013		7,600
Thereafter		-
Totals	<u>\$</u>	<u>96,688</u>

Rental expense was \$23,893 and \$19,152 for the years ended December 31, 2009 and 2008, respectively.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(9) Temporarily restricted net assets

Temporarily restricted net assets are available for the following purposes at:

	December 31,	
	<u>2009</u>	<u>2008</u>
Building improvement campaign	\$ 543,899	\$ 671,553
Preschool program	10,000	10,000
Scholarship matching	100,000	-
United Way allocation	446,425	463,818
Other	104,752	-
	<u>\$ 1,205,076</u>	<u>\$ 1,145,371</u>

(10) Permanently restricted net assets

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support the Club.

(11) Benefit plan

The Club has a defined contribution 401(k) retirement plan, which is offered to all full-time employees age 21 and over who have been with the Club for at least one year. Employees can contribute up to 75% of their annual salary to the plan. The Club may elect to make a matching contribution to the Plan. The expense for the employer match was \$27,576 and \$29,275 for the years ended December 31, 2009 and 2008, respectively.

(12) Related party transactions

During the year ended December 31, 2009 and 2008, the Club received \$229,280 and \$232,070, respectively, in contributions from various board members and companies at which board members are executives or owners.

A board member of the Club is a member of the law firm utilized by the Club. In-kind contributions from this law firm for services provided for the years ended December 31, 2009 and 2008 was \$7,051 and \$12,502, respectively. In addition, a board member of the Club serves as a member of management for a construction firm. There were no donated services during the current year. In prior year, this firm donated services of approximately \$22,000 related to the management of the building renovations performed during the year ended December 31, 2009. The value of these in-kind contributions has been reflected as "In-kind Donations" on the statements of activities.

In addition, during the year ended December 31, 2009 and 2008, the Club paid \$25,700 and \$19,550, respectively, to a family member of senior management of the Club for various services.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(13) Risks and uncertainties

The Club's assets include investments in various securities which, in general, are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of financial position and the statements of activities.

The Club maintains cash and cash equivalents and short and long-term investments with major banks and financial institutions. Accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. At times, the Club may have cash balances with banks in excess of the FDIC coverage.

The Club derived approximately 20% of its total support and revenue from United Way funding during the years ended December 31, 2009 and 2008.

(14) Subsequent events

In accordance with FASB ASC 855 (formerly 165, *Subsequent Events*), the Club has evaluated subsequent events through July 14, 2010, which is the date the financial statements were available to be issued.