

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

FINANCIAL STATEMENTS

Year Ended December 31, 2008 with Comparative Totals
for the Year Ended December 31, 2007



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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, 2008, 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 2007 financial statements and, in our report dated October 10, 2008, 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, 2008, 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
June 30, 2009

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

STATEMENTS OF FINANCIAL POSITION

December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 401,032	\$ 389,129
Short-term investments	131,827	73,718
Pledges receivable, net	261,480	400,900
Receivable - United Way	463,818	463,818
Prepaid expenses and other	13,589	1,911
TOTAL CURRENT ASSETS	<u>1,271,746</u>	<u>1,329,476</u>
PROPERTY AND EQUIPMENT, at cost, less accumulated depreciation	2,399,221	883,576
RESTRICTED CASH	601,165	1,812,350
INVESTMENTS	1,271,274	1,656,663
PLEDGES RECEIVABLE - LONG-TERM, NET	<u>119,150</u>	<u>177,556</u>
TOTAL ASSETS	<u>\$ 5,662,556</u>	<u>\$ 5,859,621</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 140,760	\$ 116,955
Accrued expenses and other liabilities	158,114	261,455
TOTAL CURRENT LIABILITIES	<u>298,874</u>	<u>378,410</u>
<u>NET ASSETS</u>		
Unrestricted - Board designated	4,090,311	2,857,705
Temporarily restricted	1,145,371	2,495,506
Permanently restricted	128,000	128,000
TOTAL NET ASSETS	<u>5,363,682</u>	<u>5,481,211</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,662,556</u>	<u>\$ 5,859,621</u>

See Notes to Financial Statements.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2008 with Comparative Totals for the Year Ended December 31, 2007

	2008			2007	
	Unrestricted- Board Designated	Temporarily Restricted	Permanently Restricted	Total	Total
PUBLIC SUPPORT:					
United Way	\$ 18,896	\$ 463,818	\$ -	\$ 482,714	\$ 478,874
Contributions	1,054,762	11,530	-	1,066,292	1,326,249
In-kind donations	307,429	-	-	307,429	204,034
Banquets and special events	558,552	-	-	558,552	548,116
Memberships	26,335	-	-	26,335	36,918
United Way alloc released from restriction	463,818	(463,818)	-	-	-
Net assets released from restrictions	1,398,531	(1,398,531)	-	-	-
TOTAL PUBLIC SUPPORT	3,828,323	(1,387,001)	-	2,441,322	2,594,191
REVENUE (LOSS):					
Grants	64,865	-	-	64,865	51,480
Registration fees	51,473	-	-	51,473	73,133
Net realized and unrealized gains (losses) on investments	(359,585)	-	-	(359,585)	69,997
Interest and dividends	49,721	36,866	-	86,587	135,653
Room rental	19,993	-	-	19,993	38,872
Other	79,095	-	-	79,095	606
TOTAL REVENUE (LOSS)	(94,438)	36,866	-	(57,572)	369,741
TOTAL PUBLIC SUPPORT AND REVENUE	3,733,885	(1,350,135)	-	2,383,750	2,963,932
EXPENSES:					
Program services	1,948,152	-	-	1,948,152	1,623,486
General and administrative	257,807	-	-	257,807	218,525
Fundraising	295,320	-	-	295,320	271,444
TOTAL EXPENSES	2,501,279	-	-	2,501,279	2,113,455
CHANGE IN NET ASSETS	1,232,606	(1,350,135)	-	(117,529)	850,477
NET ASSETS, beginning of year	2,857,705	2,495,506	128,000	5,481,211	4,630,734
NET ASSETS, end of year	\$ 4,090,311	\$ 1,145,371	\$ 128,000	\$ 5,363,682	\$ 5,481,211

See Notes to Financial Statements.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2008 with Comparative Totals for the Year Ended December 31, 2007

	Supporting Services				2008 Total	2007 Total
	Program Services	General and Administrative	Fund-Raising	Supporting Services Total		
Salaries	\$ 564,790	\$ 63,035	\$ 128,706	\$ 191,741	\$ 756,531	\$ 763,637
Payroll taxes and fringe benefits	204,267	27,070	39,366	66,436	270,703	258,498
TOTAL SALARIES AND RELATED EXPENSES	769,057	90,105	168,072	258,177	1,027,234	1,022,135
Printing and artwork	42,332	4,482	2,988	7,470	49,802	47,886
Contract labor	127,518	-	-	-	127,518	73,972
Volunteer hours	199,660	-	-	-	199,660	88,000
Transportation	35,944	2,248	6,740	8,988	44,932	47,314
Postage and shipping	3,816	991	148	1,139	4,955	11,054
Scholarships and awards	38,723	5,279	-	5,279	44,002	41,640
Occupancy	94,612	19,407	7,277	26,684	121,296	112,108
Telephone	32,393	9,501	1,297	10,798	43,191	42,407
Insurance	41,648	7,025	1,506	8,531	50,179	75,059
Equipment and supplies	243,790	80,152	10,019	90,171	333,961	194,124
Repairs and maintenance	31,973	11,709	1,351	13,060	45,033	40,412
Service Fees	7,021	718	239	957	7,978	19,374
Professional services	81,439	11,498	2,874	14,372	95,811	68,498
Public affairs and events	94,080	3,665	85,458	89,123	183,203	147,481
TOTAL OTHER EXPENSES	1,074,949	156,675	119,897	276,572	1,351,521	1,009,329
Depreciation	104,146	11,027	7,351	18,378	122,524	81,991
TOTAL EXPENSES	\$ 1,948,152	\$ 257,807	\$ 295,320	\$ 553,127	\$ 2,501,279	\$ 2,113,455

See Notes to Financial Statements.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (117,529)	\$ 850,477
Adjustments to reconcile change in net assets to cash flows from operations-		
Depreciation	122,524	81,991
Net unrealized losses (gains) on investments	343,656	(39,651)
Net realized losses (gains) on investments	15,929	(30,346)
Changes in:		
Pledges receivable, current	139,420	(252,531)
Pledges receivable, long-term	58,406	106,405
Prepaid expenses and other	(11,678)	(1,175)
Accounts payable	23,805	9,844
Accrued expenses and other liabilities	<u>(103,341)</u>	<u>(21,075)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>471,192</u>	<u>703,939</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(1,638,169)	(247,315)
Purchases of investments	(49,660)	(131,100)
Sales of investments	<u>75,464</u>	<u>151,497</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(1,612,365)</u>	<u>(226,918)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Related party note payable	<u>-</u>	<u>(75,000)</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>(75,000)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND SHORT-TERM INVESTMENTS	(1,141,173)	402,021
CASH, CASH EQUIVALENTS, RESTRICTED CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	<u>2,275,197</u>	<u>1,873,176</u>
CASH, CASH EQUIVALENTS, RESTRICTED CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	<u>\$ 1,134,024</u>	<u>\$ 2,275,197</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 financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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, 2008 and 2007 is restricted by the donors to be used for renovating the Club's facilities.

Investments – Investments are recorded at fair value in the accompanying statements of financial position in accordance with 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 2009 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%. 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 \$100,850 and \$42,444 at December 31, 2008 and 2007, respectively.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(2) Summary of significant accounting policies (continued)

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.

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 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.

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.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(2) Summary of significant accounting policies (continued)

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, 2007 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 are carried at cost which approximates fair value due to the short-term nature of these instruments.

Beginning December 31, 2008, the Club has presented the fair value of certain assets on a recurring basis through application of Statements of Financial Accounting Standards No. 157, *Fair Value Measurements*, as disclosed in Note 5 to the financial statements.

Income taxes – The Club qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code) and therefore, there is no provision for income taxes. The Club has received a determination letter stating that its related function income is exempt from federal tax.

The Club has elected to defer the adoption of Financial Accounting Standards Board Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB No. 109* under the guidance of Financial Accounting Standards Board Staff Position No. 48-3 (FSP 48-3), *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. The Club's policy is to evaluate uncertain tax positions under the guidance of FAS 5, *Accounting for Contingencies*, which requires recognition of loss contingencies when it is probable that a liability has been incurred and the amount of loss is reasonably estimated.

Reclassification – Certain items in the 2007 financial statements have been reclassified to conform to the 2008 presentation.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(3) Pledges receivable

Pledges receivable are as follows:

	December 31,	
	<u>2008</u>	<u>2007</u>
Receivables in less than one year	\$ 296,480	\$ 400,900
Receivables in one to five years	<u>185,000</u>	<u>220,000</u>
Total pledges receivable	481,480	620,900
Less: uncollectible pledges and discounts to net present value	<u>(100,850)</u>	<u>(42,444)</u>
Net pledges receivable	380,630	578,456
Current portion	<u>261,480</u>	<u>400,900</u>
Non-current portion	<u>\$ 119,150</u>	<u>\$ 177,556</u>

(4) Investments

Investments at fair market value consist of the following:

	December 31,	
	<u>2008</u>	<u>2007</u>
Money market funds	\$ 131,827	\$ 73,718
Equity mutual funds and equity securities	609,703	1,012,585
Bond mutual funds and fixed income securities	<u>661,571</u>	<u>644,078</u>
	<u>\$ 1,403,101</u>	<u>\$ 1,730,381</u>

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(5) Fair Value Measurements

Fair values of assets and liabilities measured on a recurring basis at December 31, 2008 and 2007 are as follows:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2008</u>				
Short-term investments	\$ 131,827	\$ 131,827	\$ -	\$ -
Investments	<u>1,271,274</u>	<u>913,715</u>	<u>357,559</u>	<u>-</u>
Total	<u>\$ 1,403,101</u>	<u>\$ 1,045,542</u>	<u>\$ 357,559</u>	<u>\$ -</u>
 <u>December 31, 2007</u>				
Short-term investments	\$ 73,718	\$ 73,718	\$ -	\$ -
Investments	<u>1,656,663</u>	<u>1,305,094</u>	<u>351,569</u>	<u>-</u>
Total	<u>\$ 1,730,381</u>	<u>\$ 1,378,812</u>	<u>\$ 351,569</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. The fund includes donor-restricted and Board designated funds. In accordance with Financial Accounting Standards Board Staff Position No. 117-1, *Endowments of Not-for-Profit Organizations*, net assets associated with endowment funds and funds designated by the Board of Trustees are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment balance is included in investments in the statements of financial position. Permanently restricted endowment balances include the original value at the date of gift. There are no temporarily restricted funds in the endowment.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(6) Endowment (continued)

For the years ended December 31, 2008 and 2007, the Club had the following endowment-related activities:

	2008 Endowment Funds		
	Donor- Restricted	Board- Designated	Total
	Permanently Restricted	Unrestricted	
Beginning Balance, January 1, 2008	\$ 128,000	\$ 1,602,381	\$ 1,730,381
Investment Loss			
Investment Income and Realized Gains, Net	-	33,731	33,731
Net Unrealized Depreciation	-	(343,656)	(343,656)
Total Investment Loss	-	(309,925)	(309,925)
Contributions to Perpetual Endowment Amounts Appropriated for Expenditure	-	-	-
	-	(17,355)	(17,355)
Total Change In Endowment Funds	-	(327,280)	(327,280)
Ending Balance, December 31, 2008	\$ 128,000	\$ 1,275,101	\$ 1,403,101

	2007 Endowment Funds		
	Donor- Restricted	Board- Designated	Total
	Permanently Restricted	Unrestricted	
Beginning Balance, January 1, 2007	\$ 128,000	\$ 1,524,674	\$ 1,652,674
Investment Return			
Investment Income and Realized Gains, Net	-	76,909	76,909
Net Unrealized Appreciation	-	39,651	39,651
Total Investment Return	-	116,560	116,560
Contributions to Perpetual Endowment Amounts Appropriated for Expenditure	-	113,038	113,038
	-	(151,891)	(151,891)
Total Change In Endowment Funds	-	77,707	77,707
Ending Balance, December 31, 2007	\$ 128,000	\$ 1,602,381	\$ 1,730,381

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(6) Endowment (continued)

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.

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.

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.

(7) Property and equipment

Property and equipment consists of the following:

	December 31,	
	<u>2008</u>	<u>2007</u>
Building	\$ 334,234	\$ 334,234
Leasehold improvements	2,696,313	936,988
Furniture and equipment	545,481	419,322
Athletic equipment	340,707	340,707
Construction in progress	-	247,315
	<u>3,916,735</u>	<u>2,278,566</u>
Less accumulated depreciation	(1,517,514)	(1,394,990)
Total property and equipment, net	<u>\$ 2,399,221</u>	<u>\$ 883,576</u>

Depreciation expense for the years ended December 31, 2008 and 2007 was \$122,524 and \$81,991, respectively. Included in construction in progress at December 31, 2007 are building improvements that were placed into service during 2008.

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.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(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,

2009	\$	35,190
2010		29,304
2011		29,304
2012		14,784
2013		<u>7,600</u>
Totals	\$	<u>116,182</u>

Rental expense was \$19,152 and \$14,077 for the years ended December 31, 2008 and 2007, respectively.

(9) Temporarily restricted net assets

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

	December 31,	
	<u>2008</u>	<u>2007</u>
Preschool program	\$ 10,000	\$ 10,000
Building improvement campaign	671,553	2,021,688
United Way allocation	463,818	463,818
	<u>\$ 1,145,371</u>	<u>\$ 2,495,506</u>

(10) Permanently restricted net assets

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support building repairs and maintenance.

(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 \$29,275 and \$24,021 for the years ended December 31, 2008 and 2007, respectively.

MATHEWS-DICKEY BOYS' & GIRLS' CLUB

NOTES TO FINANCIAL STATEMENTS

(12) Related party transactions

During the year ended December 31, 2008 and 2007, the Club received \$232,070 and \$271,083, 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 year ended December 31, 2008 was \$12,502. In addition, a board member of the Club serves as a member of management for a construction firm. This firm donated services of approximately \$22,000 related to the management of the building renovations performed during the year ended December 31, 2008. The value of these in-kind contributions has been reflected as "In-kind Donations" on the statements of activities.

In addition, the Club paid \$19,550 to a family member of senior management of the Club for various services.

(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% and 16% of its total support and revenue from United Way funding during the years ended December 31, 2008 and 2007.