

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

FINANCIAL STATEMENTS,  
ADDITIONAL INFORMATION  
AND  
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2010 AND 2009

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

FINANCIAL STATEMENTS,  
ADDITIONAL INFORMATION  
AND  
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2010 AND 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Boys and Girls Clubs of Middle Tennessee, Inc.  
Nashville, Tennessee

We have audited the accompanying statements of financial position of the Boys and Girls Clubs of Middle Tennessee, Inc. (the "Agency"), a Tennessee not-for-profit corporation, as of June 30, 2010 and 2009, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Boys and Girls Clubs of Middle Tennessee, Inc. as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the above-mentioned basic financial statements taken as a whole. The accompanying additional information on pages 26 and 27 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Nashville, Tennessee  
March 1, 2011

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 304,501	\$ 202,491
Grant and contract receivables	55,027	11,512
Contributions receivable - operating - Note 2	163,658	334,509
Prepaid expenses and deposits	30,306	18,676
Investments - Notes 3, 13 and 14	402,831	376,804
Property and equipment - net - Note 4	1,510,088	1,664,188
Capital campaign assets:		
Cash and cash equivalents	1,500,147	50,018
Contributions receivable - net - Note 2	185,554	564,536
Investments - Notes 3 and 13	-	840,079
Membership rights - net - Note 12	202,500	232,500
Beneficial interest in agency endowment fund held by the Community Foundation of Middle Tennessee - Notes 11 and 13	<u>14,968</u>	<u>13,355</u>
 TOTAL ASSETS	 <u>\$ 4,369,580</u>	 <u>\$ 4,308,668</u>
 <u>LIABILITIES AND NET ASSETS</u>		
 LIABILITIES		
Accounts payable	\$ 119,164	\$ 107,039
Accrued expenses	23,698	39,597
Deferred revenue	-	5,000
Capital lease payable - Note 10	5,589	8,950
Obligation under line of credit - Note 5	499,565	500,000
Notes payable - Note 5	<u>189,803</u>	<u>218,662</u>
 TOTAL LIABILITIES	 <u>837,819</u>	 <u>879,248</u>
 COMMITMENTS - Notes 5 and 10		
 NET ASSETS		
Unrestricted	1,022,227	1,254,089
Temporarily restricted - Note 6	2,050,079	1,715,876
Permanently restricted	<u>459,455</u>	<u>459,455</u>
 TOTAL NET ASSETS	 <u>3,531,761</u>	 <u>3,429,420</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 4,369,580</u>	 <u>\$ 4,308,668</u>

See accompanying notes to financial statements.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTALS
SUPPORT AND REVENUE				
Public Support:				
Individual gifts and contributions	\$ 833,035	\$ 758,791	\$ -	\$ 1,591,826
Government grants and contracts	388,718	-	-	388,718
United Way grants, allocations and designations	22,943	103,000	-	125,943
Special events	383,688	20,000	-	403,688
Program service fees	87,462	-	-	87,462
Membership dues and other	7,920	-	-	7,920
Donated rent	16,800	-	-	16,800
Investment income (loss) - net - Note 3	29,996	-	-	29,996
Other	34,167	-	-	34,167
Change in value of beneficial interest in agency endowment fund held by the Community Foundation of Middle Tennessee - Note 11	1,613	-	-	1,613
Loss on doubtful contributions receivable	(84,450)	(257,650)	-	(342,100)
Net assets released resulting from satisfaction of donor restrictions	289,938	(289,938)	-	-
TOTAL SUPPORT AND REVENUE	2,011,830	334,203	-	2,346,033
EXPENSES				
Program Services:				
Comprehensive Youth Development	1,424,044	-	-	1,424,044
Supporting Services:				
Management and general	369,464	-	-	369,464
Fundraising	421,320	-	-	421,320
Fundraising - capital campaign	28,864	-	-	28,864
TOTAL EXPENSES	2,243,692	-	-	2,243,692
CHANGE IN NET ASSETS	(231,862)	334,203	-	102,341
NET ASSETS - BEGINNING OF YEAR	1,254,089	1,715,876	459,455	3,429,420
NET ASSETS - END OF YEAR	\$ 1,022,227	\$ 2,050,079	\$ 459,455	\$ 3,531,761

See accompanying notes to financial statements.

2009

<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTALS</u>
\$ 1,537,903	\$ 159,378	\$ 25,127	\$ 1,722,408
694,616	-	-	694,616
497	130,827	-	131,324
453,359	24,617	-	477,976
174,798	-	-	174,798
11,603	-	-	11,603
32,900	-	-	32,900
(39,787)	-	-	(39,787)
21,221	-	-	21,221
(3,406)	-	-	(3,406)
-	(62,000)	-	(62,000)
404,358	(404,358)	-	-
3,288,062	(151,536)	25,127	3,161,653
2,294,343	-	-	2,294,343
471,740	-	-	471,740
465,457	-	-	465,457
168,986	-	-	168,986
3,400,526	-	-	3,400,526
(112,464)	(151,536)	25,127	(238,873)
1,366,553	1,867,412	434,328	3,668,293
\$ 1,254,089	\$ 1,715,876	\$ 459,455	\$ 3,429,420

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 102,341	\$ (238,873)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	184,623	205,107
Loss on disposal of equipment	875	679
Realized and unrealized (gains) losses on investments	(20,346)	63,435
Loss on doubtful contributions receivable	342,100	62,000
Change in value of beneficial interest in agency endowment fund	(1,613)	3,406
Restricted contributions for capital campaign	(566,494)	(43,606)
Donated equipment	-	(8,000)
(Increase) decrease in:		
Grant and contract receivables	(43,515)	41,459
Contributions receivable - operating	72,501	13,346
Prepaid expenses and deposits	(11,630)	32,177
Increase (decrease) in:		
Accounts payable	12,125	(71,162)
Accrued expenses	(15,899)	15,834
Deferred revenue	(5,000)	(14,629)
NET ADJUSTMENTS	<u>(52,273)</u>	<u>300,046</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>50,068</u>	<u>61,173</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(8,898)	(29,553)
Proceeds from sale of property and equipment	7,500	-
Proceeds from sale of investments	102,211	86,642
Purchase of investments	(107,892)	(243,151)
Proceeds from sale of investments restricted for capital campaign	840,079	-
(Increase) decrease in cash restricted for capital campaign	<u>(1,450,129)</u>	<u>75,509</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(617,129)</u>	<u>(110,553)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit, net of payments	(435)	85,436
Payments on notes payable	(28,859)	(31,897)
Payments on capital lease obligation	(3,361)	(3,096)
Capital campaign contributions collected	<u>701,726</u>	<u>96,918</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>669,071</u>	<u>147,361</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	102,010	97,981
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>202,491</u>	<u>104,510</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 304,501</u>	<u>\$ 202,491</u>
ADDITIONAL CASH FLOW INFORMATION:		
Interest expense paid	<u>\$ 25,319</u>	<u>\$ 29,055</u>

See accompanying notes to financial statements.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>			
	<u>COMPREHENSIVE YOUTH DEVELOPMENT</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>CAPITAL CAMPAIGN</u>	<u>TOTAL</u>
Salaries	\$ 641,185	\$ 186,756	\$ 117,467	\$ -	\$ 945,408
Employee taxes and fringe benefits	<u>122,553</u>	<u>39,912</u>	<u>21,484</u>	<u>-</u>	<u>183,949</u>
 TOTAL PAYROLL AND RELATED EXPENSES	 763,738	 226,668	 138,951	 -	 1,129,357
 Awards and grants	 73,453	 442	 86	 -	 73,981
Collaborative fees paid to the Preston Taylor YMCA Club	50,833	-	-	-	50,833
Conferences and meetings	4,663	2,086	986	-	7,735
Equipment purchases	-	302	-	-	302
Equipment rental and maintenance	12,360	2,984	1,120	-	16,464
Food program expense	51,863	-	-	-	51,863
Insurance	51,030	2,120	3,080	-	56,230
Interest expense	-	25,319	-	-	25,319
Licenses and permits	-	300	-	-	300
Membership dues	20,863	3,715	2,736	-	27,314
Miscellaneous	1,325	2,516	-	-	3,841
Postage	388	1,430	705	-	2,523
Printing and publications	220	730	1,187	-	2,137
Professional fees	42,884	38,891	54,321	28,864	164,960
Rent - donated	15,120	1,680	-	-	16,800
Special events	-	-	164,729	-	164,729
Supplies expense	23,947	9,584	1,053	-	34,584
Telephone	17,623	9,924	1,778	-	29,325
Travel and mileage	37,180	4,285	3,525	-	44,990
Utilities and occupancy costs	<u>104,591</u>	<u>33,828</u>	<u>17,063</u>	<u>-</u>	<u>155,482</u>
 TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION	 1,272,081	 366,804	 391,320	 28,864	 2,059,069
 Depreciation and amortization	 <u>151,963</u>	 <u>2,660</u>	 <u>30,000</u>	 <u>-</u>	 <u>184,623</u>
 TOTAL FUNCTIONAL EXPENSES	 <u>\$ 1,424,044</u>	 <u>\$ 369,464</u>	 <u>\$ 421,320</u>	 <u>\$ 28,864</u>	 <u>\$ 2,243,692</u>

See accompanying notes to financial statements.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>			
	<u>COMPREHENSIVE YOUTH DEVELOPMENT</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>CAPITAL CAMPAIGN</u>	<u>TOTAL</u>
Salaries	\$ 1,068,199	\$ 250,557	\$ 135,387	\$ 8,753	\$ 1,462,896
Employee taxes and fringe benefits	<u>222,518</u>	<u>21,319</u>	<u>18,525</u>	<u>670</u>	<u>263,032</u>
 TOTAL PAYROLL AND RELATED EXPENSES	 1,290,717	 271,876	 153,912	 9,423	 1,725,928
 Awards and grants	 153,583	 149	 25,848	 -	 179,580
Collaborative fees paid to the Preston Taylor YMCA Club	56,667	-	-	-	56,667
Conferences and meetings	22,441	2,794	1,333	3,376	29,944
Equipment purchases	15,580	-	-	-	15,580
Equipment rental and maintenance	16,646	1,694	1,626	-	19,966
Food program expense	115,373	-	-	-	115,373
Insurance	63,083	6,688	2,251	-	72,022
Interest expense	5,051	24,004	-	-	29,055
Licenses and permits	455	25	25	-	505
Maintenance supplies	11,385	138	109	-	11,632
Marketing	-	-	4,761	-	4,761
Membership dues	44,555	4,845	6,479	-	55,879
Miscellaneous	3,197	-	-	-	3,197
Postage	840	963	627	-	2,430
Printing and publications	467	458	1,163	-	2,088
Professional fees	46,487	68,792	25,599	156,187	297,065
Rent - donated	-	22,400	-	-	22,400
Repairs and maintenance	37,465	1,533	1,039	-	40,037
Special events	-	-	159,670	-	159,670
Supplies expense	48,549	17,419	17,977	-	83,945
Telephone	39,613	5,305	3,652	-	48,570
Travel and mileage	58,735	3,185	5,897	-	67,817
Utilities and occupancy costs	<u>98,619</u>	<u>34,649</u>	<u>18,040</u>	<u>-</u>	<u>151,308</u>
 TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION	 2,129,508	 466,917	 430,008	 168,986	 3,195,419
Depreciation and amortization	<u>164,835</u>	<u>4,823</u>	<u>35,449</u>	<u>-</u>	<u>205,107</u>
 TOTAL FUNCTIONAL EXPENSES	 <u>\$ 2,294,343</u>	 <u>\$ 471,740</u>	 <u>\$ 465,457</u>	 <u>\$ 168,986</u>	 <u>\$ 3,400,526</u>

See accompanying notes to financial statements.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Boys and Girls Clubs of Middle Tennessee, Inc. (the "Agency") is a Boys & Girls Clubs of America affiliated organization providing services to at-risk children in the Middle Tennessee area. The Agency consists of five Club facilities, including two school sites (one in partnership with Metro Nashville Public Schools and one in partnership with the YMCA of Middle Tennessee). The goal of the Agency is to inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible and caring citizens. Founded in 1903, the Agency strives to improve each child's life by enhancing self-esteem and courage, and instilling positive values through educational programs.

Basis of Presentation

The accompanying financial statements present the financial position and changes in net assets of the Agency on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Resources are classified as unrestricted, temporarily restricted and permanently restricted net assets, based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- *Temporarily restricted net assets* are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.
- *Permanently restricted net assets* are amounts required by donors to be held in perpetuity, including gifts requiring that the principal be invested and the income or specific portions thereof be used for operations.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Codification

In June 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a Replacement of FASB Statement No. 162. This statement modifies the GAAP hierarchy by establishing only two levels of GAAP, authoritative and nonauthoritative accounting literature. Effective July 2009, the FASB Accounting Standards Codification (the "Codification") is considered the single source of authoritative U.S. accounting and reporting standards, except for additional authoritative rules and interpretive releases issued by the Securities and Exchange Commission. Nonauthoritative guidance and literature include, among other things, FASB Concepts Statements, American Institute of Certified Public Accountants Issues Papers and Technical Practice Aids, and accounting textbooks. The Codification was developed to organize GAAP pronouncements by topic so that users can more easily access authoritative accounting guidance.

Contributions and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions.

The Agency also receives grant revenue from various state and local agencies. Grant revenues are recognized in the period a liability is incurred for eligible expenditures under the terms of the grant. Grant receivables relate primarily to grant money from the State of Tennessee Department of Human Services.

The Agency reports gifts of equipment or materials as unrestricted support unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on those amounts is computed using the risk-free interest rate applicable to the year in which the promise is received (3.36% for 2010 and 2009). Amortization of the discount is recognized on the interest method over the term of the gift and included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

An allowance for uncollectible contributions is provided based on historical experience and management's estimates. Pledges determined to be uncollectible are charged off against the allowance in the period of determination. Increases in the allowance relating to temporarily restricted pledges are reported as loss on doubtful contributions receivable under support and revenue.

Cash and Cash Equivalents

Cash and cash equivalents consist principally of checking account balances.

Investments

Investments consist of money market accounts, certificates of deposit and fixed income and equity securities and are carried at their quoted market value on the last business day of the reporting period. Changes in unrealized gains and losses are recognized in the Statement of Activities for the year.

Property and Equipment

Property and equipment are reported at cost at the date of purchase or at estimated fair value at date of gift to the Agency. The Agency's policy is to capitalize purchases with a cost of \$1,000 or more and an expected useful life greater than one year. Depreciable assets are depreciated by the straight-line method over their estimated useful lives. Estimated useful lives are five to ten years for furniture, equipment, software, vehicles and building improvements, and forty years for buildings.

Membership Rights

Purchased membership rights have been capitalized at acquisition cost and are being amortized by the straight-line method over the life of the agreement, which is ten years. Amortization expense is included in depreciation and amortization in the Statement of Functional Expenses.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services

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

Program Services - include programs and services to promote and enhance the development of boys and girls. The Agency's Comprehensive Youth Development program includes:

- Character, Leadership, and Development - empowers youth to support and influence their Club and community, sustain meaningful relationships with others, develop a positive self-image, participate in the democratic process and respect their own and others' cultural identity.
- Education and Career Development - enables youth to become proficient in basic educational disciplines, apply learning to everyday situations and embrace technology to achieve success in a career.
- Health and Life Skills - develops young people's capacity to engage in positive behaviors that nurture their own well-being, set personal goals and live successfully as self-sufficient adults.
- The Arts - enables youth to develop their creativity and cultural awareness through knowledge and appreciation of the visual arts, crafts, performing arts and creative writing.
- Sports, Fitness, and Recreation - develops fitness, positive use of leisure time, skills for stress management, appreciation for the environment and social skills.

Supporting Services

Management and General - includes the functions necessary to ensure an adequate working environment, Board operations, and community planning and networking activities.

Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Capital Campaign - includes costs of activities relating to the Agency's capital campaign to fund construction and renovations at the Thompson Lane location, establishment of an endowment fund, and expansion into other neighborhoods.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

Income Taxes

The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

On July 1, 2009, the Agency adopted new guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions. Income tax positions must meet a more-likely-than-not recognition threshold to be recognized. The adoption of this guidance did not have a material effect on the Agency's financial position and change in net assets.

As of June 30, 2010 and 2009, the Agency did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the years then ended.

The Agency files a U. S. Federal Form 990 for organizations exempt from income tax. The Agency's federal income tax returns for years prior to 2006 are closed.

Compensated Absences

Compensated absences are accrued for vacation days earned by employees in a calendar year that will be paid in the future. Current policy allows carryover of vacation days that must be used within the first thirty days of the next calendar year.

Donated Services and Use of Facilities

The Agency's policy is to record support and expenses for contributed services that require specialized skills and would be purchased if not provided by the donor at the estimated fair value of the services received. The Agency received donated facility rental for one center, valued at \$16,800 in 2010 (donated rental for two centers valued at \$22,400 in 2009), which is included in revenues and expenses.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Financial accounting standards relating to fair value measurements establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.

Level 2      Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by the observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for financial assets measured at fair value on a recurring basis:

*Investments* - Securities are classified within Level 1 where quoted market prices are available in an active market. Inputs include securities that have quoted market prices in active markets for identical assets. If quoted market prices are unavailable, fair value is estimated using quoted prices of securities with similar characteristics, and the securities are classified within Level 3. Securities without readily available market data are classified as Level 3.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

*Beneficial interest in agency endowment fund* - The agency endowment fund held at the Community Foundation of Middle Tennessee (the "Foundation") represents the Agency's interest in pooled investments with other participants in the funds. The Foundation prepares a valuation of the fund based on the fair value of the underlying investments and allocates income or loss to each participant based on market results. Due to the nature of the underlying investments and method of allocation of the fund, the beneficial interest in the agency endowment fund is classified within Level 3 of the valuation hierarchy.

No changes in the valuation methodologies have been made since the prior year.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Events Occurring After Reporting Date

The Agency has evaluated events and transactions that occurred between June 30, 2010 and March 1, 2011, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at June 30:

	<u>2010</u>	<u>2009</u>
Temporarily restricted:		
Due in less than one year	\$ 272,830	\$ 508,565
Due in one to five years	<u>282,366</u>	<u>491,557</u>
	555,196	1,000,122
Less: discounts to net present value	(18,809)	(33,077)
Less: allowance for doubtful accounts	<u>(187,175)</u>	<u>(68,000)</u>
Net contributions receivable	<u>\$ 349,212</u>	<u>\$ 899,045</u>

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 2 - CONTRIBUTIONS RECEIVABLE (CONTINUED)

Contributions receivable are classified as follows at June 30:

	<u>2010</u>	<u>2009</u>
Operating	\$ 163,658	\$ 334,509
Capital campaign	<u>185,554</u>	<u>564,536</u>
	<u>\$ 349,212</u>	<u>\$ 899,045</u>

During the 2007 fiscal year, the Agency was notified that two separate \$1,000,000 donations to the Capital Campaign would be recommended by a donor to the Community Foundation of Middle Tennessee, Inc. (the "Foundation"), to be paid over a five-year period. The first \$800,000 of each of these gifts (\$200,000 per year in 2007-2010) was approved by the Foundation and recognized as support by the Agency. The Foundation has final authority over these donor recommendations, which are advisory only and, accordingly, the balance of the intention will not be recognized until the period approved by the Foundation. Additionally, the Agency was notified of a \$500,000 pledge to the Capital Campaign subject to satisfaction of certain specified conditions. This donation has not been recognized as support as the conditions had not been satisfied as of June 30, 2010.

Over 90% of the capital campaign contributions receivable are from Board members. The initial timing of the expected collection period has been extended due to changes in construction plans. Currently, the Agency is contemplating renovation of the existing Thompson Lane facility instead of constructing a new building. As of March 1, 2011, no capital expenditure commitments have been made.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 3 - INVESTMENTS

Investments consisted of the following at June 30:

	<u>2010</u>		<u>2009</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Short-term investments	\$ 18,097	\$ 18,097	\$ 865,827	\$ 865,827
Common stock	220,070	243,152	216,010	264,035
Corporate bond funds	164,664	157,500	135,046	137,500
	<u>\$ 402,831</u>	<u>\$ 418,749</u>	<u>\$ 1,216,883</u>	<u>\$ 1,267,362</u>

Investments are classified as follows at June 30:

	<u>2010</u>		<u>2009</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Operating	\$ 402,831	\$ 418,749	\$ 376,804	\$ 427,283
Capital Campaign	-	-	840,079	840,079
	<u>\$ 402,831</u>	<u>\$ 418,749</u>	<u>\$ 1,216,883</u>	<u>\$ 1,267,362</u>

Investment income consisted of the following for the years ended June 30:

	<u>2010</u>	<u>2009</u>
Interest and dividend income	\$ 16,673	\$ 29,662
Realized losses - net	(12,422)	(8,517)
Unrealized gains (losses) - net	32,768	(54,918)
Investment fees	(7,023)	(6,014)
Investment gain (loss) - net	<u>\$ 29,996</u>	<u>\$ (39,787)</u>

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2010</u>	<u>2009</u>
Land	\$ 26,530	\$ 26,530
Buildings and improvements	2,720,165	2,714,933
Vehicles	288,705	299,205
Furniture, equipment and software	<u>358,744</u>	<u>355,079</u>
	3,394,144	3,395,747
Less accumulated depreciation	<u>(1,884,056)</u>	<u>(1,731,559)</u>
Net property and equipment	<u>\$ 1,510,088</u>	<u>\$ 1,664,188</u>

The Agency had fully depreciated assets with an original cost of approximately \$1,004,000 as of June 30, 2010 (\$973,000 in 2009). Depreciation expense totaled \$154,623 for the year ending June 30, 2010 (\$175,108 in 2009).

As discussed in Note 2, the Agency is conducting a capital campaign for the purpose of renovating the Thompson Lane facility. The Thompson Lane facility is not currently in use and has a net book value of approximately \$64,000 as of June 30, 2010.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 5 - NOTES PAYABLE

Notes payable consisted of the following at June 30:

	<u>2010</u>	<u>2009</u>
Note payable to bank. Monthly principal payments of \$1,400 plus interest are due through January 2011 at the Bank's base commercial rate (3.25% at June 30, 2010 and June 30, 2009). All accrued interest and remaining principal are due January 30, 2011; secured by the Agency's building. The note was repaid in December 2010.	\$ 156,016	\$ 170,434
Note payable to bank. Principal and interest payments of \$936 due monthly with remaining balance of principal and interest due February 2012. Interest is charged at 7.25%; secured by a vehicle.	17,765	27,280
Note payable to bank. Principal and interest payments of \$499 due monthly with remaining balance of principal and interest due May 2013. Interest is charged at 5.55%; secured by a vehicle.	<u>16,022</u>	<u>20,948</u>
	<u>\$ 189,803</u>	<u>\$ 218,662</u>

Annual future maturities of notes payable are as follows as of June 30, 2010:

Year Ending June 30,

2011	\$ 171,547
2012	13,004
2013	<u>5,252</u>
	<u>\$ 189,803</u>

The Agency has a \$500,000 line of credit agreement with a bank. Interest on the outstanding borrowings under the line is charged at the bank's base commercial rate (3.25% as of June 30, 2010) and is payable monthly. The line of credit, which had a balance outstanding of \$499,565 as of June 30, 2010, matured August 1, 2010 and was repaid after year end.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30:

	<u>2010</u>	<u>2009</u>
Scholarship - Youth of the Year	\$ 43,808	\$ 39,867
Donations for capital campaign	1,685,701	1,454,633
United Way of Middle Tennessee:		
Designations	-	9,607
United Way of Williamson County	103,000	101,000
Special event sponsorship	20,000	31,851
Restricted contributions for various programs	<u>197,570</u>	<u>78,918</u>
	<u>\$ 2,050,079</u>	<u>\$ 1,715,876</u>

Subsequent to June 30, 2010, certain donors released approximately \$650,000 of the temporarily restricted donations for the capital campaign that were utilized for operating purposes and debt reduction.

NOTE 7 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Agency to concentrations of credit risk consist of cash and cash equivalents, various grant, contract and contributions receivables. Contributions receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources. Contributions receivable from two donors represent 46% of total contributions receivable before discount and allowance at June 30, 2010 (two donors represent 30% of contributions receivable at June 30, 2009). One donor represented 25% of individual gifts and contributions revenue at June 30, 2010 (one donor represented 23% of individual gifts and contributions revenue at June 30, 2009). Grant receivables represent concentrations of credit risk to the extent they are receivable from concentrated sources.

The Agency maintains cash accounts at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to statutory limits. As of June 30, 2010, all interest bearing and noninterest bearing cash accounts of the Agency were fully insured.

Investments are subject to market risk, the risk inherent in a fluctuating market. The broker/dealer that is the custodian of the Agency's securities is covered by the Securities Investor Protection Corporation ("SIPC"), which provides protection to investors in certain circumstances such as fraud or failure of the institution. Coverage is limited to \$500,000, including up to \$250,000 in cash. The SIPC does not insure against market risk.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 8 - RELATED PARTY TRANSACTIONS

One of the Agency's board members is a senior officer with a financial institution which is the Agency's principal bank and lender. During 2010, the board member resigned from the Agency's board.

NOTE 9 - EMPLOYEE BENEFIT PLAN

Substantially all of the Agency's employees are covered by a defined contribution pension plan known as the Boys & Girls Clubs of America Pension Trust (the "Plan"). The Agency funds its share of pension expense for the year in quarterly contributions to the Plan.

The plan provides for elective employer contributions. The Agency contributed five percent of eligible employees' annual compensation to the Plan for the years ended June 30, 2010 and 2009. Employees become eligible to participate on the plan anniversary date if they are at least 21 years of age and have worked at least 1,000 hours in the immediately preceding twelve months. Employee benefits are fully vested after six years of service as a plan participant.

The Agency's total pension expense for the year ended June 30, 2010 was \$19,408 (\$20,785 in 2009), which is included in employee taxes and fringe benefits on the Statement of Functional Expenses.

NOTE 10 - LEASES

Effective May 1, 2007, the Agency entered into a lease agreement for its administrative offices which expired April 30, 2010. Effective May 2010, the Agency entered into an agreement to lease administrative office space and reimburse certain operating costs with another organization through April 2012. The agreement calls for a reimbursement of actual costs to operate the facility including association fees, utilities, janitorial costs, insurance, maintenance and other items. Operating costs reimbursable under the agreement include a pro-rata share of an office services associate, telephone and internet service, consumable supplies and other items. An accounting of the actual costs is prepared on a semi-annual basis and any adjustment from the projected cost to the actual cost is reimbursed at that time.

On December 1, 2007, the Agency entered into a lease agreement for a club facility that expires October 31, 2011.

In April 2010, the Agency entered into a lease for office equipment that expires June 2013.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 10 - LEASES (CONTINUED)

A schedule of future minimum lease payments required under all noncancelable operating leases as of June 30, 2010, follows:

Year Ending June 30,

2011	\$ 24,492
2012	13,136
2013	<u>8,136</u>
	<u>\$ 45,764</u>

The Agency leases its telephone system under a capital lease that expires in 2012. Total payments made under the capital lease for the year ended June 30, 2010 amounted to \$3,974, including \$613 of imputed interest.

Future minimum payments required under the capital lease as of June 30, 2010, are:

Years Ending June 30:

2011	\$ 3,974
2012	<u>1,987</u>
Total minimum lease payments	5,961
Less: interest imputed at a rate of 8.25%	<u>(372)</u>
Capital lease payable	<u>\$ 5,589</u>

NOTE 11 - AGENCY ENDOWMENT FUND

The Agency has a beneficial interest in the Boys and Girls Clubs of Middle Tennessee's Agency Endowment Fund held by the Community Foundation of Middle Tennessee (the "Foundation"). Earnings on this fund are used to support the Agency. The Agency has granted variance power to the Foundation, and the Foundation has the ultimate authority and control over the fund and the income derived therefrom. The fund is charged a .4% administrative fee annually. Upon request by the Agency, income from the fund representing a 5% annual return may be distributed to the Agency or to another suggested beneficiary.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 11 - AGENCY ENDOWMENT FUND (CONTINUED)

A schedule of changes in the Agency's beneficial interest in this fund for the years ended June 30, 2010 and 2009 follows:

	<u>2010</u>	<u>2009</u>
Balance - beginning of year	\$ 13,355	\$ 16,761
Change in value of beneficial interest in agency endowment fund:		
Investment gain (loss)	1,712	(3,316)
Administrative expenses	<u>(99)</u>	<u>(90)</u>
	<u>1,613</u>	<u>(3,406)</u>
Balance - end of year	<u>\$ 14,968</u>	<u>\$ 13,355</u>

NOTE 12 - MEMBERSHIP RIGHTS

During 2007, the Agency entered into a membership purchase agreement with the Golf Club of Tennessee (the "Club") and paid \$300,000 for membership rights. The Agency received a restricted contribution to finance the membership, which allows for 10 years of annual fundraising golf tournaments at the Club and the right to unlimited use of the Club's facilities for the cultivation and solicitation

n of donors. The Agency has no equity or ownership or any other property interest in the Club. The Agency is amortizing the cost of the membership rights over the term of the agreement. For the years ended June 30, 2010 and 2009, the Agency reported amortization expense of \$30,000 per year.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 13 - FAIR VALUE MEASUREMENTS

The following table summarizes the Agency's financial assets measured at fair value on a recurring basis segregated by level of valuation inputs within the fair value hierarchy utilized to measure fair value as of June 30:

<u>2010</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Investments:				
Short-term investments	\$ 18,097	\$ 18,097	\$ -	\$ -
Common stocks:				
Basic materials	28,402	28,402	-	-
Conglomerates	7,500	7,500	-	-
Consumer goods	16,522	16,522	-	-
Financial	31,642	31,642	-	-
Healthcare	29,344	29,344	-	-
Industrial goods	14,413	14,413	-	-
Services	46,894	46,894	-	-
Technology	42,126	42,126	-	-
Utilities	3,227	3,227	-	-
Corporate bond funds	<u>164,664</u>	<u>164,664</u>	<u>-</u>	<u>-</u>
Total investments	402,831	402,831	-	-
Beneficial interest in agency endowment fund	<u>14,968</u>	<u>-</u>	<u>-</u>	<u>14,968</u>
	<u>\$ 417,799</u>	<u>\$ 805,662</u>	<u>\$ -</u>	<u>\$ 14,968</u>
<u>2009</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Investments:				
Short-term investments	\$ 865,827	\$ 865,827	\$ -	\$ -
Common stocks	216,010	216,010	-	-
Corporate bond funds	<u>135,046</u>	<u>135,046</u>	<u>-</u>	<u>-</u>
Total investments	1,216,883	1,216,883	-	-
Beneficial interest in agency endowment fund	<u>13,355</u>	<u>-</u>	<u>-</u>	<u>13,355</u>
	<u>\$ 1,230,238</u>	<u>\$ 1,216,883</u>	<u>\$ -</u>	<u>\$ 13,355</u>

A reconciliation of changes in the amounts reported for the asset valued using Level 3 inputs is include in Note 11.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 14 - ENDOWMENT FUNDS

The Agency's endowment consists of funds established by donors to be held in perpetuity, including gifts requiring that the principal be invested and the income or specific portions thereof be used for operations. The Agency's permanently restricted endowment funds are based on the spending policies described below which follow the Uniform Prudent management of Institutional Funds Act of 2006 (UPMIFA) and the State of Tennessee's State Uniform Prudent Management of Institutional Funds Act (SUPMIFA). This Act became effective July 1, 2007.

Financial accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of UPMIFA. Financial accounting standards also require additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

*Interpretation of applicable law* - The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gifts 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 Agency classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. 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 Agency in a manner consistent with the standard of prudence prescribed by UPMIFA.

*Spending policy* - The Agency has a policy of appropriating for distribution each year a payout equal to the total earnings from the funds.

*Investment return objective, risk parameters and strategies* - The objective of the Agency's endowment portfolio is a balanced approach between equities and fixed income securities. The investment horizon is long term and balances the need for income and growth. The portfolio allows for a 30% to 70% investment in equities and a 30% to 70% investment in fixed income.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 14 - ENDOWMENT FUNDS (CONTINUED)

A schedule of Endowment net asset composition by type of fund as of June 30 follows:

	2010			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ (56,624)</u>	<u>\$ -</u>	<u>\$ 459,455</u>	<u>\$ 402,831</u>

  

	2009			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ (82,651)</u>	<u>\$ -</u>	<u>\$ 459,455</u>	<u>\$ 376,804</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SUPMIFA requires the Agency to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, such deficiencies, which are reported in unrestricted net assets, were \$56,624 as of June 30, 2010 (\$82,651 as of June 30, 2009). This deficiency primarily resulted from unfavorable market fluctuations.

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 14 - ENDOWMENT FUNDS (CONTINUED)

A schedule of changes in Endowment net assets follows for the years ended June 30:

	2010			
	Unrestricted (Deficit)	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2009	\$ (82,651)	\$ -	\$ 459,455	\$ 376,804
Investment income	5,681	-	-	5,681
Net appreciation (realized and unrealized)	20,346	-	-	20,346
Amounts appropriated for expenditure	-	-	-	-
Endowment net assets, June 30, 2010	<u>\$ (56,624)</u>	<u>\$ -</u>	<u>\$ 459,455</u>	<u>\$ 402,831</u>

  

	2009			
	Unrestricted (Deficit)	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, July 1, 2008	\$ (10,519)	\$ -	\$ 434,328	\$ 423,809
Contributions	-	-	25,127	25,127
Investment income	6,565	-	-	6,565
Net depreciation (realized and unrealized)	(63,435)	-	-	(63,435)
Amounts appropriated for expenditure	(15,262)	-	-	(15,262)
Endowment net assets, June 30, 2009	<u>\$ (82,651)</u>	<u>\$ -</u>	<u>\$ 459,455</u>	<u>\$ 376,804</u>

## ADDITIONAL INFORMATION

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

COMBINING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2010

	DAVIDSON COUNTY CLUBS	WILLIAMSON COUNTY CLUBS	COMBINING ENTRIES	COMBINED
<u>ASSETS</u>				
Cash and cash equivalents	\$ 283,560	\$ 20,941	\$ -	\$ 304,501
Grant and contract receivables	55,027	-	-	55,027
Contributions receivable - operating	31,957	131,701	-	163,658
Prepaid expenses and deposits	30,306	-	-	30,306
Investments	402,831	-	-	402,831
Property and equipment - net	1,463,657	46,431	-	1,510,088
Capital campaign assets:	-	-	-	-
Cash and cash equivalents	1,500,147	-	-	1,500,147
Contributions receivable - net	185,554	-	-	185,554
Membership rights - net	202,500	-	-	202,500
Beneficial interest in agency endowment fund held by the Community Foundation of Middle Tennessee	14,968	-	-	14,968
Due from Franklin Club	197,316	-	(197,316)	-
<b>TOTAL ASSETS</b>	<b>\$ 4,367,823</b>	<b>\$ 199,073</b>	<b>\$ (197,316)</b>	<b>\$ 4,369,580</b>
<u>LIABILITIES AND NET ASSETS</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ 118,748	\$ 416	\$ -	\$ 119,164
Accrued expenses	19,581	4,117	-	23,698
Capital lease payable	5,589	-	-	5,589
Obligation under line of credit	499,565	-	-	499,565
Notes payable	156,016	33,787	-	189,803
Due to Nashville Clubs	-	197,316	(197,316)	-
<b>TOTAL LIABILITIES</b>	<b>799,499</b>	<b>235,636</b>	<b>(197,316)</b>	<b>837,819</b>
<u>NET ASSETS</u>				
Unrestricted	1,176,772	(154,545)	-	1,022,227
Temporarily restricted	1,927,079	123,000	-	2,050,079
Permanently restricted	459,455	-	-	459,455
<b>TOTAL NET ASSETS</b>	<b>3,563,306</b>	<b>(31,545)</b>	<b>-</b>	<b>3,531,761</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,362,805</b>	<b>\$ 204,091</b>	<b>\$ (197,316)</b>	<b>\$ 4,369,580</b>

BOYS AND GIRLS CLUBS OF MIDDLE TENNESSEE, INC.

COMBINING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	DAVIDSON COUNTY CLUBS	WILLIAMSON COUNTY CLUBS	COMBINING ENTRIES	COMBINED
SUPPORT AND REVENUE				
Public Support:				
Individual gifts and contributions	\$ 1,519,064	\$ 72,762	\$ -	\$ 1,591,826
Government grants and contracts	329,084	85,158	(25,524)	388,718
United Way grants, allocations and designations	19,304	106,639	-	125,943
Special events	241,157	162,531	-	403,688
Program service fees	29,851	57,611	-	87,462
Membership dues	2,520	5,300	-	7,820
Sales to members and public	100	-	-	100
Donated rent	-	16,800	-	16,800
Investment income - net	29,674	322	-	29,996
Other	71,059	(120)	(36,772)	34,167
Change in value of beneficial interest in agency endowment fund held by the Community Foundation of Middle Tennessee	1,613	-	-	1,613
Loss on doubtful temporarily restricted contributions receivable	(342,100)	-	-	(342,100)
TOTAL SUPPORT AND REVENUE	<u>1,901,326</u>	<u>507,003</u>	<u>(62,296)</u>	<u>2,346,033</u>
EXPENSES				
Program Services:				
Comprehensive Youth Development	1,112,087	337,481	(25,524)	1,424,044
Supporting Services:				
Management and general	341,893	64,343	(36,772)	369,464
Fundraising	316,269	105,051	-	421,320
Fundraising - capital campaign	28,864	-	-	28,864
TOTAL EXPENSES	<u>1,799,113</u>	<u>506,875</u>	<u>(62,296)</u>	<u>2,243,692</u>
CHANGE IN NET ASSETS	102,213	128	-	102,341
NET ASSETS - BEGINNING OF YEAR	<u>3,461,093</u>	<u>(31,673)</u>	<u>-</u>	<u>3,429,420</u>
NET ASSETS - END OF YEAR	<u>\$ 3,563,306</u>	<u>\$ (31,545)</u>	<u>\$ -</u>	<u>\$ 3,531,761</u>