



**BOYS AND GIRLS CLUBS OF SAN  
DIEGUITO AND BOYS & GIRLS CLUBS  
OF SAN DIEGUITO FOUNDATION**

**Combined Financial Statements and Supplemental  
Information**

*Years Ended June 30, 2014 and 2013*



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**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Combined Financial Statements and Supplemental Information**  
Years Ended June 30, 2014 and 2013

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
of Boys and Girls Clubs of San Dieguito and  
Boys & Girls Clubs of San Dieguito Foundation

We have audited the accompanying combined statements of Boys and Girls Clubs of San Dieguito and Boys & Girls Clubs of San Dieguito Foundation (nonprofit organizations), which comprise the combined statements of financial position as of June 30, 2014 and 2013, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Boys and Girls Clubs of San Dieguito and Boys & Girls Clubs of San Dieguito Foundation as of June 30, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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**INDEPENDENT AUDITORS' REPORT, CONTINUED**

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information in Schedules I through VIII are presented for the purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepared the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*AKT LLP*

San Diego, California  
October 21, 2014

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Combined Statements of Financial Position**  
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 432,913	\$ 521,003
Investments	320,937	285,630
Accounts receivable	39,716	31,214
Promises to give, net of allowance	146,000	172,500
Property and rights held under deferred compensation plan	20,732	20,732
Prepaid expenses	<u>71,653</u>	<u>61,391</u>
Total Current Assets	1,031,951	1,092,470
Property and Equipment, net of accumulated depreciation	10,600,662	10,497,173
Beneficial Interests in Charitable Remainder Trusts	<u>2,653,383</u>	<u>2,503,939</u>
Total Assets	<u>\$ 14,285,996</u>	<u>\$ 14,093,582</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 230,447	\$ 156,899
Accrued wages and related expenses	312,700	298,505
Current portion of deferred compensation	45,000	45,000
Deferred revenue	472,106	477,310
Obligations under deferred compensation plan	20,732	20,732
Deposits	14,781	14,781
Line of credit	777,495	457,495
Current portion of note payable	<u>22,610</u>	<u>39,163</u>
Total Current Liabilities	1,895,871	1,509,885
Deferred Compensation, net of current portion	90,000	135,000
Note Payable, net of current portion	<u>595,756</u>	<u>1,110,544</u>
Total Liabilities	2,581,627	2,755,429
Net Assets:		
Unrestricted	8,941,167	8,349,453
Temporarily restricted	<u>2,763,202</u>	<u>2,988,700</u>
Total Net Assets	<u>11,704,369</u>	<u>11,338,153</u>
Total Liabilities and Net Assets	<u>\$ 14,285,996</u>	<u>\$ 14,093,582</u>

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Combined Statement of Activities**  
Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support:			
Program services:			
Youth community services	\$ 3,455,115	\$ -	\$ 3,455,115
Support and other revenue:			
Contributions	900,988	300,436	1,201,424
Special events	594,694	-	594,694
Less direct expenses	(333,264)	-	(333,264)
Grants	159,347	-	159,347
Investment return	35,704	149,444	185,148
Rental income	283,509	-	283,509
Other income	54,865	-	54,865
Net assets released from restriction	675,378	(675,378)	-
Total Support and Other Revenue	<u>2,371,221</u>	<u>(225,498)</u>	<u>2,145,723</u>
Total Support and Revenue	5,826,336	(225,498)	5,600,838
Expenses:			
Program services:			
Youth community services	3,773,736	-	3,773,736
Donations	127,270	-	127,270
	<u>3,901,006</u>	<u>-</u>	<u>3,901,006</u>
Supporting services:			
Management and general	1,122,718	-	1,122,718
Fundraising	210,898	-	210,898
	<u>1,333,616</u>	<u>-</u>	<u>1,333,616</u>
Total Expenses	<u>5,234,622</u>	<u>-</u>	<u>5,234,622</u>
Change in Net Assets	591,714	(225,498)	366,216
Net Assets, beginning	<u>8,349,453</u>	<u>2,988,700</u>	<u>11,338,153</u>
Net Assets, ending	<u>\$ 8,941,167</u>	<u>\$ 2,763,202</u>	<u>\$ 11,704,369</u>

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Combined Statement of Activities**  
Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support:			
Program services:			
Youth community services	\$ 3,274,589	\$ -	\$ 3,274,589
Coast volleyball club	82,631	-	82,631
Total Program Services	3,357,220	-	3,357,220
Support and other revenue:			
Contributions	239,434	458,140	697,574
Special events	609,708	-	609,708
Less direct expenses	(366,115)	-	(366,115)
Grants	168,565	-	168,565
Investment return	34,298	149,444	183,742
Rental income	378,842	-	378,842
Other income	29,931	-	29,931
Net assets released from restriction	87,010	(87,010)	-
Total Support and Other Revenue	1,181,673	520,574	1,702,247
Total Support and Revenue	4,538,893	520,574	5,059,467
Expenses:			
Program services:			
Youth community services	3,777,399	-	3,777,399
Donations	66,135	-	66,135
	3,843,534	-	3,843,534
Supporting services:			
Management and general	1,299,742	-	1,299,742
Fundraising	189,647	-	189,647
	1,489,389	-	1,489,389
Total Expenses	5,332,923	-	5,332,923
Change in Net Assets	(794,030)	520,574	(273,456)
Net Assets, beginning	9,143,483	2,468,126	11,611,609
Net Assets, ending	\$ 8,349,453	\$ 2,988,700	\$ 11,338,153

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**

**Combined Statement of Functional Expenses**

Year Ended June 30, 2014

	Program Services			Supporting Services			Total Expenses
	Youth Community Services	Donations	Total Program Services	Management and General	Fundraising	Total Supporting Services	
<b>Labor Costs:</b>							
Salaries	\$ 1,955,984	\$ -	\$ 1,955,984	\$ 578,114	\$ 119,532	\$ 697,646	\$ 2,653,630
Payroll taxes	153,011	-	153,011	51,265	11,226	62,491	215,502
Workers' compensation	55,851	-	55,851	21,367	1,711	23,078	78,929
Employee health and retirement benefits	115,692	-	115,692	66,275	16,499	82,774	198,466
	<u>2,280,538</u>	<u>-</u>	<u>2,280,538</u>	<u>717,021</u>	<u>148,968</u>	<u>865,989</u>	<u>3,146,527</u>
<b>Program Expenses:</b>	315,295	-	315,295	19,577	17,616	37,193	352,488
<b>Other Expenses:</b>							
Advertising	10,282	-	10,282	50	16,663	16,713	26,995
Bank charges	66,892	-	66,892	10,066	6,538	16,604	83,496
Board expenses	-	-	-	16,195	615	16,810	16,810
Depreciation	362,490	-	362,490	-	-	-	362,490
Dues	-	-	-	1,433	4,594	6,027	6,027
Equipment rental	25,772	-	25,772	12,793	-	12,793	38,565
Insurance	74,420	-	74,420	10,552	-	10,552	84,972
Interest	44,040	-	44,040	14,680	-	14,680	58,720
Janitorial	130,383	-	130,383	3,146	-	3,146	133,529
Legal	-	-	-	95	-	95	95
Loss on disposal	-	-	-	111,934	-	111,934	111,934
Miscellaneous	33,363	-	33,363	23,005	1,066	24,071	57,434
Office supplies	22,915	-	22,915	19,281	4,584	23,865	46,780
Outside services	57,127	-	57,127	15,027	-	15,027	72,154
Permits and licenses	4,699	-	4,699	2,027	-	2,027	6,726
Postage	80	-	80	4,132	240	4,372	4,452
Printing	163	-	163	43	-	43	206
Professional accounting	-	-	-	66,117	-	66,117	66,117
Property taxes	3,888	-	3,888	-	-	-	3,888
Public relations	49	-	49	25	-	25	74
Repairs and maintenance	99,260	-	99,260	5,162	-	5,162	104,422
Scholarships	-	127,270	127,270	4,183	-	4,183	131,453
Staff development	15,634	-	15,634	34,775	8,259	43,034	58,668
Telephone	18,480	-	18,480	10,065	800	10,865	29,345
Transportation	32,183	-	32,183	8,480	955	9,435	41,618
Utilities	175,783	-	175,783	12,854	-	12,854	188,637
	<u>1,177,903</u>	<u>127,270</u>	<u>1,305,173</u>	<u>386,120</u>	<u>44,314</u>	<u>430,434</u>	<u>1,735,607</u>
<b>Total Expenses</b>	<b>\$ 3,773,736</b>	<b>\$ 127,270</b>	<b>\$ 3,901,006</b>	<b>\$ 1,122,718</b>	<b>\$ 210,898</b>	<b>\$ 1,333,616</b>	<b>\$ 5,234,622</b>



**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Combined Statement of Functional Expenses**  
Year Ended June 30, 2013

	Program Services			Supporting Services			Total Expenses
	Youth Community Services	Donations	Total Program Services	Management and General	Fundraising	Total Supporting Services	
<b>Labor Costs:</b>							
Salaries	\$ 1,916,065	\$ -	\$ 1,916,065	\$ 795,450	\$ 111,216	\$ 906,666	\$ 2,822,731
Payroll taxes	150,292	-	150,292	52,846	9,187	62,033	212,325
Workers' compensation	54,984	-	54,984	16,243	-	16,243	71,227
Employee health and retirement benefits	102,873	-	102,873	62,402	43,666	106,068	208,941
	<u>2,224,214</u>	<u>-</u>	<u>2,224,214</u>	<u>926,941</u>	<u>164,069</u>	<u>1,091,010</u>	<u>3,315,224</u>
<b>Program Expenses:</b>	384,460	-	384,460	18,329	-	18,329	402,789
<b>Other Expenses:</b>							
Advertising	7,847	-	7,847	25	2,847	2,872	10,719
Bad debt recoveries	-	-	-	(3,000)	-	(3,000)	(3,000)
Bank charges	61,499	-	61,499	17,736	5,664	23,400	84,899
Board expenses	-	-	-	21,796	-	21,796	21,796
Bookkeeping	-	-	-	9,000	-	9,000	9,000
Depreciation	384,725	-	384,725	-	-	-	384,725
Dues	-	-	-	908	660	1,568	1,568
Equipment rental	21,344	-	21,344	10,934	-	10,934	32,278
Insurance	84,226	-	84,226	4,102	-	4,102	88,328
Interest	68,697	-	68,697	34,738	-	34,738	103,435
Janitorial	125,226	-	125,226	3,039	-	3,039	128,265
Loss on disposal	-	-	-	68,248	-	68,248	68,248
Miscellaneous	9,867	-	9,867	26,224	10,057	36,281	46,148
Office supplies	25,325	-	25,325	15,816	731	16,547	41,872
Outside services	10,813	-	10,813	-	-	-	10,813
Permits and licenses	4,215	-	4,215	1,561	-	1,561	5,776
Postage	525	-	525	2,343	590	2,933	3,458
Printing	1,420	-	1,420	12	72	84	1,504
Professional accounting	-	-	-	69,071	-	69,071	69,071
Property taxes	2,807	-	2,807	100	-	100	2,907
Rent	19,000	-	19,000	-	-	-	19,000
Repairs and maintenance	107,097	-	107,097	8,539	-	8,539	115,636
Scholarships	-	66,135	66,135	264	-	264	66,399
Staff development	17,597	-	17,597	27,911	3,854	31,765	49,362
Telephone	17,118	-	17,118	12,146	725	12,871	29,989
Transportation	46,987	-	46,987	10,634	378	11,012	57,999
Utilities	152,390	-	152,390	12,325	-	12,325	164,715
	<u>1,168,725</u>	<u>66,135</u>	<u>1,234,860</u>	<u>354,472</u>	<u>25,578</u>	<u>380,050</u>	<u>1,614,910</u>
<b>Total Expenses</b>	<b>\$ <u>3,777,399</u></b>	<b>\$ <u>66,135</u></b>	<b>\$ <u>3,843,534</u></b>	<b>\$ <u>1,299,742</u></b>	<b>\$ <u>189,647</u></b>	<b>\$ <u>1,489,389</u></b>	<b>\$ <u>5,332,923</u></b>

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Combined Statements of Cash Flows**  
Years Ended 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 366,216	\$ (273,456)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	362,490	384,725
Noncash and restricted donations	(40,379)	-
Loss on disposal of property and equipment	111,934	68,248
Net realized and unrealized gains on investments	(179,067)	(168,761)
Bad debt recoveries	-	(3,000)
Change in operating assets and liabilities:		
Accounts receivable	(8,502)	(11,558)
Promises to give	26,500	2,500
Prepaid expenses	(10,262)	26,909
Accounts payable	73,548	(179,802)
Accrued wages and related expenses	14,195	(7,884)
Deferred compensation	(45,000)	180,000
Deferred revenue	(5,204)	74,615
Net Cash Provided by Operating Activities	<u>666,469</u>	<u>92,536</u>
Net Cash Used by Investing Activities:		
Purchases of property and equipment	(537,534)	(19,200)
Purchases of investments	(88,150)	(152,373)
Proceeds from sales of investments	<u>82,466</u>	<u>93,838</u>
Net Cash Used by Investing Activities	<u>(543,218)</u>	<u>(77,735)</u>
Cash Flows from Financing Activities:		
Net increase in line of credit	320,000	230,000
Payment of long-term debt	(531,341)	(235,203)
Cash contributions and collection of pledges for long-term purposes	<u>-</u>	<u>3,000</u>
Net Cash Used by Financing Activities	<u>(211,341)</u>	<u>(2,203)</u>
Net Increase (Decrease) in Cash	(88,090)	12,598
Cash, beginning	<u>521,003</u>	<u>508,405</u>
Cash, ending	<u>\$ 432,913</u>	<u>\$ 521,003</u>
Supplemental Disclosures of Cash Flow Information:		
Interest paid	<u>\$ 58,720</u>	<u>\$ 103,435</u>

See accompanying notes to combined financial statements.

# **BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**

## **Notes to Combined Financial Statements**

Years Ended June 30, 2014 and 2013

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### **Note 1 - Organization and Summary of Significant Accounting Policies**

#### Nature of Activities

Boys and Girls Clubs of San Dieguito (Club) was incorporated July 22, 1966 pursuant to the general nonprofit corporation laws of the State of California. The specific purpose of the Club is to assist in the acquisition, construction and operation of facilities for youth, suitable for athletic, recreational and instructional purposes. The Club provides its services to youth in the north coastal section of San Diego County. The Club's main sources of revenue are from fees paid for Club programs and membership, contributions, special events, and grants.

Boys & Girls Clubs of San Dieguito Foundation (Foundation) was incorporated in 1977. The purpose of the Foundation is the solicitation, receipt and administration of property and monies for the benefit of Boys and Girls Clubs of San Dieguito for its charitable uses. The Foundation's support is mainly from contributions received.

#### Principles of Combined Financial Statements

The combined financial statements include the accounts of Boys and Girls Clubs of San Dieguito and Boys & Girls Clubs of San Dieguito Foundation (collectively the Organizations). The Organizations have common elements of management and are economically dependent, i.e. solicitations of funds, payment of expenses, transfers of resources, commitments for capital improvements, insurance coverage, etc.

#### Financial Statement Presentation

The Organizations report information regarding their financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Temporarily restricted net assets consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The Organizations had no permanently restricted net assets during the years ended June 30, 2014 and 2013.

#### Use of Estimates

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

#### Investments

Investments are carried at market value. The Organizations record donated securities at their fair market value at the date of donation. Realized and unrealized investment gains and losses are determined by comparison of specific costs of acquisition to proceeds at the time of disposal or market value at the combined statement of financial position date. These gains and losses and other investment income are reflected in the combined statements of activities as changes in unrestricted net assets or temporarily restricted net assets if they relate to split-interest agreements.

#### Accounts Receivable

The accounts receivable arise in the normal course of business. It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. However, management believes all accounts receivable are fully collectible and, therefore, no allowance for doubtful accounts is necessary.

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**

**Notes to Combined Financial Statements**  
Years Ended June 30, 2014 and 2013

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**Note 1 - Organization and Summary of Significant Accounting Policies, continued**

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. It is the policy of management to review the outstanding promises to give at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for uncollectible promises to give.

Property and Equipment

Property and equipment are recorded at cost or at estimated fair value at date of gift if donated. The Organizations follow the practice of capitalizing expenditures and gifts in excess of \$5,000. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets that range from three to 40 years. Capital leases are included in property and equipment and are amortized using the straight-line method over their estimated useful lives of five years.

Beneficial Interests in Charitable Remainder Trusts

Charitable remainder trusts are trusts established in connection with a split-interest agreement, in which the donor or a third-party beneficiary receives specified distributions during the agreement's term. Remainder trusts are recorded at net present value, which approximates market value. The present value is determined by discounting the assets at the then current rate of return on investments and based on life expectancy tables considering the age of the donor. Upon termination of the trust, the Organizations receive the assets remaining in the trust. To the extent that the assets are unrestricted, the assets will first be used to pay down any amounts outstanding on the notes payable or the line of credit. Any remaining amounts may be used to fund operations.

Deferred Revenue

Deferred revenue includes deferred fee revenue and deferred grant revenue. Deferred fee revenue is income from program fees and entry fees for special events is deferred and recognized in the period to which the fees relate. Deferred grant revenue consists of grant awards from the County of San Diego that have been received but not yet earned according to the terms of the grant agreement.

Revenue 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. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Materials, Equipment and Services

Donated materials and equipment, with significant determinable values, are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt. Such items are capitalized or charged to operations as appropriate.

The Organizations receive donated services from unpaid volunteers who assist in fundraising and program services. No amounts have been recognized in the combined statements of activities for these services, because the criteria for recognition as contributions of such volunteer effort have not been satisfied.

The fair market values of contributed professional services are reported as support and expense in the period in which the services are performed.

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**

**Notes to Combined Financial Statements**

Years Ended June 30, 2014 and 2013

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**Note 1 - Organization and Summary of Significant Accounting Policies, continued**

Fair Value Measurements

The Organizations define fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Organizations apply fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying value of cash, receivables, and payables approximate fair values as of June 30, 2014 and 2013 is used, due to the relative short maturities of these instruments.

Advertising

The Organizations follow the policy of charging the costs of advertising to expense as incurred.

Income Tax Status

The Organizations are classified as Section 501(c)(3) organizations under the Federal Internal Revenue Code and Section 23701 of the California Revenue and Taxation Code. In addition, the Organizations have been determined by the Internal Revenue Service not to be private foundations within the meaning of Section 509(a) of the Internal Revenue Code. However, the Organizations remain subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organizations follow accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organizations recognize accrued interest and penalties associated with uncertain tax positions as part of the statements of activities, when applicable. Management has determined that the Organizations have no uncertain tax positions at June 30, 2014 or 2013 and therefore no amounts have been accrued.

The Organizations file informational and income tax returns in the United States, California, and in local jurisdictions. With few exceptions, the Organizations' federal income tax returns for the years prior to 2011 are closed. State and local jurisdictions have statutes of limitations that generally range from three to five years.

Subsequent Events

The Organizations have evaluated subsequent events through October 21, 2014, which is the date the combined financial statements were available to be issued.

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**

**Notes to Combined Financial Statements**

Years Ended June 30, 2014 and 2013

**Note 2 - Investments**

Investments are carried at quoted market prices in active markets for identical assets, Level 1 according to the fair value standard, and are summarized as follows:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Mutual funds:				
Fixed income – domestic	115,912	118,153	131,146	126,575
Large cap – domestic	52,643	51,862	31,308	29,779
Exchange-traded funds:				
Large cap – domestic	92,493	118,277	89,665	98,426
Mid cap – domestic	19,741	27,638	23,447	26,799
Small cap – domestic	3,352	5,043	3,352	4,051
	<u>\$ 284,141</u>	<u>\$ 320,937</u>	<u>\$ 278,918</u>	<u>\$ 285,630</u>

Investment return is summarized as follows:

	2014	2013
Unrestricted investment return		
Interest, dividends, and capital gains	\$ 9,921	\$ 14,981
Net realized and unrealized gains	<u>29,623</u>	<u>19,317</u>
Total unrestricted investment return	<u>\$ 39,544</u>	<u>\$ 34,298</u>
Temporarily restricted investment return		
Unrealized gains	<u>\$ 149,444</u>	<u>\$ 149,444</u>
Total temporarily restricted investment return	<u>\$ 149,444</u>	<u>\$ 149,444</u>

**Note 3 - Promises to Give**

Promises to give are as follows:

	2014	2013
Receivable in less than one year	\$ 596,586	\$ 623,086
Receivable in one to five years	<u>-</u>	<u>-</u>
	596,586	623,086
Less allowance for uncollectible pledges	<u>(450,586)</u>	<u>(450,586)</u>
	<u>\$ 146,000</u>	<u>\$ 172,500</u>

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**

**Notes to Combined Financial Statements**  
Years Ended June 30, 2014 and 2013

**Note 4 - Property and Equipment**

A summary of property and equipment is as follows:

	<u>2014</u>	<u>2013</u>
Land and improvements	\$ 26,872	\$ 26,872
Building and improvements	12,824,319	12,712,709
Gymnasiums	631,301	545,328
Pool	394,791	394,791
Automobiles	262,987	222,732
Equipment and furnishings	803,744	697,910
Construction in progress	104,611	-
	<u>15,048,625</u>	<u>14,600,342</u>
Less accumulated depreciation	<u>(4,447,963)</u>	<u>(4,103,169)</u>
	<u>\$ 10,600,662</u>	<u>\$ 10,497,173</u>

**Note 5 - Beneficial Interests in Charitable Remainder Trusts**

Beneficial interests in charitable remainder trusts consist of the following:

	<u>2014</u>	<u>2013</u>
Charitable remainder trusts	\$ 2,958,629	\$ 2,958,629
Obligations under trust agreements	<u>(305,246)</u>	<u>(454,690)</u>
	<u>\$ 2,653,383</u>	<u>\$ 2,503,939</u>

**Note 6 - Note Payable**

Note payable consists of the following:

	<u>2014</u>	<u>2013</u>
California Bank and Trust, secured by real estate, payable in monthly installments of \$6,851, including interest at 3.50%, through June 2018. The remaining principal and interest is due June 2018.	\$ 618,366	\$ 1,149,707
Less current portion	<u>(22,610)</u>	<u>(39,163)</u>
	<u>\$ 595,756</u>	<u>\$ 1,110,544</u>

Principal payments on the note payable at June 30, 2014 are due as follows:

Year Ending	
<u>June 30,</u>	
2015	\$ 22,610
2016	23,424
2017	24,391
2018	547,941
Thereafter	<u>-</u>
Total	<u>\$ 618,336</u>

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
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**Notes to Combined Financial Statements**  
Years Ended June 30, 2014 and 2013

**Note 7 - Restrictions on Net Assets**

Temporarily restricted net assets are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Charitable remainder trusts	\$ 2,653,383	\$ 2,503,939
Center for Healthy Lifestyle	43,755	43,755
Griset kitchen	24,167	-
Sage garden	22,091	42,804
Scholarships	12,591	32,987
Computers	7,615	7,615
Capital campaign	-	297,050
Griset gym roof	-	60,550
	<u>\$ 2,763,602</u>	<u>\$ 2,988,700</u>

**Note 8 - Leases**

The Club leases office space and office equipment under operating leases, with monthly payments of \$1,281. The leases expire through October 2018.

Minimum future lease payments under operating leases at June 30, 2014 are as follows:

Year Ending	
<u>June 30,</u>	
2015	\$ 25,018
2016	15,372
2017	9,720
2018	4,068
2019	1,356
Thereafter	<u>-</u>
Total	<u>\$ 55,534</u>

The Organizations conduct programs at sites owned by other nonprofit organizations and government units. No rent is charged for the use of the real property as the programs benefit the local community. No amounts have been reflected in the financial statements for the use of the real property as no objective basis is available to measure the relative value.

**Note 9 - Deferred Compensation Plan**

Until March 31, 2002, employees of the Organizations could participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code (IRC) Section 457 (Deferred Compensation Plans of State and Local Governments and Tax-Exempt Organizations). Although the deferred compensation plan is no longer an active plan the invested funds remain the property of the Organizations until they are distributed to the participants.



**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**

**Notes to Combined Financial Statements**

Years Ended June 30, 2014 and 2013

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**Note 9 - Deferred Compensation Plan, continued**

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Organizations, subject to the claims of the Organizations' general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Organizations, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Organizations believe that it is unlikely the plan's assets will be needed to satisfy claims of general creditors that might arise.

**Note 10 - Pension Plan**

The Organizations have a 401(k) pension plan available to employees who are 21 years of age and have completed one year of service. The employees may contribute up to 20% of their wages up to the benefit limits currently allowed for 401(k) plans. The Organizations matched 100% of the first 5% of an employee's contribution through February 28, 2009, after which the Organizations elected to provide no match. The participants are 100% vested in their contribution and are vested in the Organizations' contributions based on years of vesting service, 100% at five years. Contributions to the plan for the years ended June 30, 2014 and 2013 were \$49,689 and \$48,764, respectively.

**Note 11 - Concentration of Credit Risk**

The Organizations maintain their cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per institution. The Organizations do not have any uninsured cash and have not experience any losses in their bank deposit accounts and believe they are not exposed to any significant credit risk on cash.

**Note 12 - Intentions to Give**

The Foundation has received indications of gifts in the form of bequests which are revocable during the donors' lifetime. Due to the uncertain nature of these intentions, the Foundation has not recognized an asset or contribution revenue for these gifts.

**Note 13 - Commitments**

During the year ended June 30, 2004, the Club began a capital campaign to raise funds to improve its Lomas Santa Fe property. The project included the construction of a competitive swimming pool, new club house and the refurbishing of the remaining Lomas Santa Fe facilities.

The promises to give were scheduled to be collected through 2014, however, during the year ended June 30, 2009, due to the economic downturn, the allowance for uncollectible pledges was increased to 100% of the remaining promises to give commitments, totaling \$450,586 and \$450,586 for the years ended June 30, 2014 and 2013, respectively.

**Note 14 - Line of Credit**

The Organizations have an available line of credit from California Bank and Trust with maximum borrowings of \$1,000,000 with interest at the current 30 day LIBOR rate plus 3.25% (3.50% and 3.75% at June 30, 2014 and 2013, respectively). The Organizations had an outstanding balance on the line of credit of \$777,495 and \$457,495 at June 30, 2014 and 2013, respectively. Repayment on the line of credit is due December 4, 2015. The line of credit is unsecured.

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**

**Notes to Combined Financial Statements**

Years Ended June 30, 2014 and 2013

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**Note 15 - Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Note 16 - Reclassifications**

Certain items in the 2013 combined financial statements have been reclassified to conform to current year classifications. Such reclassifications have no effect on previously reported changes in net assets.

**Note 17 – Contingencies**

From time to time, the Organizations are subject to various litigation as a result of its ongoing business activities. Management believes that the outcome of any such litigation will not have a material adverse effect on the Organizations' combined statements of financial position, results of operations, or liquidity.

**SUPPLEMENTAL INFORMATION**

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
Schedule I: Combining Statement of Financial Position  
June 30, 2014

	<u>Club</u>	<u>Foundation</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 65,255	\$ 367,658	\$ 432,913
Investments	-	320,937	320,937
Accounts receivable	23,148	16,568	39,716
Promises to give, net of allowance	-	146,000	146,000
Property and rights held under deferred compensation plan	-	20,732	20,732
Prepaid expenses	<u>71,653</u>	<u>-</u>	<u>71,653</u>
Total Current Assets	160,056	871,895	1,031,951
Property and Equipment, net of accumulated depreciation	10,600,662	-	10,600,662
Beneficial Interests in Charitable Remainder Trusts	<u>-</u>	<u>2,653,383</u>	<u>2,653,383</u>
Total Assets	<u>\$ 10,760,718</u>	<u>\$ 3,525,278</u>	<u>\$ 14,285,996</u>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities:			
Accounts payable	\$ 225,694	\$ 4,753	\$ 230,447
Accrued wages and related expenses	312,700	-	312,700
Current portion of deferred compensation	45,000	-	45,000
Deferred revenue	472,106	-	472,106
Obligations under deferred compensation plan	-	20,732	20,732
Deposits	-	14,781	14,781
Line of credit	777,495	-	777,495
Current portion of note payable	<u>22,610</u>	<u>-</u>	<u>22,610</u>
Total Current Liabilities	1,855,605	40,266	1,895,871
Deferred Compensation, net of current portion	90,000	-	90,000
Note Payable, net of current portion	<u>595,756</u>	<u>-</u>	<u>595,756</u>
Total Liabilities	2,541,361	40,266	2,581,627
Net Assets:			
Unrestricted	8,129,345	811,822	8,941,167
Temporarily restricted	<u>90,012</u>	<u>2,673,190</u>	<u>2,763,202</u>
Total Net Assets	<u>8,219,357</u>	<u>3,485,012</u>	<u>11,704,369</u>
Total Liabilities and Net Assets	<u>\$ 10,760,718</u>	<u>\$ 3,525,278</u>	<u>\$ 14,285,996</u>

See independent auditors' report.

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Schedule II: Combining Statement of Financial Position**  
Year Ended June 30, 2013

	<u>Club</u>	<u>Foundation</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 60,481	\$ 460,522	\$ 521,003
Investments	-	285,630	285,630
Accounts receivable	15,370	15,844	31,214
Promises to give, net of allowance	-	172,500	172,500
Property and rights held under deferred compensation plan	-	20,732	20,732
Prepaid expenses	61,391	-	61,391
Total Current Assets	<u>137,242</u>	<u>955,228</u>	<u>1,092,470</u>
Property and Equipment, net of accumulated depreciation	10,497,173	-	10,497,173
Beneficial Interests in Charitable Remainder Trusts	<u>-</u>	<u>2,503,939</u>	<u>2,503,939</u>
Total Assets	<u>\$ 10,634,415</u>	<u>\$ 3,459,167</u>	<u>\$ 14,093,582</u>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities:			
Accounts payable	\$ 156,854	\$ 45	\$ 156,899
Accrued wages and related expenses	298,505	-	298,505
Current portion of deferred compensation	45,000	-	45,000
Deferred revenue	477,310	-	477,310
Obligations under deferred compensation plan	-	20,732	20,732
Deposits	-	14,781	14,781
Line of credit	457,495	-	457,495
Current portion of note payable	39,163	-	39,163
Total Current Liabilities	<u>1,474,327</u>	<u>35,558</u>	<u>1,509,885</u>
Deferred Compensation, net of current portion	135,000	-	135,000
Note Payable, net of current portion	<u>1,110,544</u>	<u>-</u>	<u>1,110,544</u>
Total Liabilities	<u>2,719,871</u>	<u>35,558</u>	<u>2,755,429</u>
Net Assets:			
Unrestricted	7,764,079	585,374	8,349,453
Temporarily restricted	<u>150,465</u>	<u>2,838,235</u>	<u>2,988,700</u>
Total Net Assets	<u>7,914,544</u>	<u>3,423,609</u>	<u>11,338,153</u>
Total Liabilities and Net Assets	<u>\$ 10,634,415</u>	<u>\$ 3,459,167</u>	<u>\$ 14,093,582</u>

See independent auditors' report.

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
Schedule III: Combining Statement of Activities  
June 30, 2014

	<u>Club</u>	<u>Foundation</u>	<u>Eliminating Entries</u>	<u>Total</u>
Unrestricted Net Assets:				
Revenue and Support:				
Program services:				
Youth community services	\$ 3,455,115	\$ -	\$ -	\$ 3,455,115
Support and other revenue:				
Contributions	878,008	522,980	(500,000)	900,988
Special events	594,694	-	-	594,694
Less direct expenses	(333,264)	-	-	(333,264)
Grants	159,347	-	-	159,347
Investment return	193	35,511	-	35,704
Rental income	283,509	-	-	283,509
Other income	50,869	3,996	-	54,865
Net assets released from restriction	318,439	356,939	-	675,378
	<u>1,951,795</u>	<u>919,426</u>	<u>(500,000)</u>	<u>2,371,221</u>
Total Unrestricted Support and Revenue	5,406,910	919,426	(500,000)	5,826,336
Expenses:				
Program services:				
Youth community services	3,773,736	-	-	3,773,736
Donations	-	627,270	(500,000)	127,270
	<u>3,773,736</u>	<u>627,270</u>	<u>(500,000)</u>	<u>3,901,006</u>
Supporting services:				
Management and general	1,057,010	65,708	-	1,122,718
Fundraising	210,898	-	-	210,898
	<u>1,267,908</u>	<u>65,708</u>	<u>-</u>	<u>1,333,616</u>
Total Expenses	<u>5,041,644</u>	<u>692,978</u>	<u>(500,000)</u>	<u>5,234,622</u>
Change in Unrestricted Net Assets	365,266	226,448	-	591,714
Temporarily Restricted Net Assets:				
Contributions	257,986	42,450	-	300,436
Investment return	-	149,444	-	149,444
Net assets released from restriction	(318,439)	(356,939)	-	(675,378)
Change in Temporarily Restricted Net Assets	<u>(60,453)</u>	<u>(165,045)</u>	<u>-</u>	<u>(225,498)</u>
Change in Net Assets	304,813	61,403	-	366,216
Net Assets, beginning	<u>7,914,544</u>	<u>3,423,609</u>	<u>-</u>	<u>11,338,153</u>
Net Assets, ending	<u>\$ 8,219,357</u>	<u>\$ 3,485,012</u>	<u>\$ -</u>	<u>\$ 11,704,369</u>

See independent auditors' report.

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Schedule IV: Combining Statement of Activities**  
Year Ended June 30, 2013

	<u>Club</u>	<u>Foundation</u>	<u>Eliminating Entries</u>	<u>Total</u>
Unrestricted Net Assets:				
Revenue and Support:				
Program services:				
Youth community services	\$ 3,274,589	\$ -	\$ -	\$ 3,274,589
Coast volleyball club	82,631	-	-	82,631
	<u>3,357,220</u>	<u>-</u>	<u>-</u>	<u>3,357,220</u>
Support and other revenue:				
Contributions	356,826	82,608	(200,000)	239,434
Special events	609,708	-	-	609,708
Less direct expenses	(366,115)	-	-	(366,115)
Grants	168,565	-	-	168,565
Investment return	24	34,274	-	34,298
Rental income	378,842	-	-	378,842
Other income	29,931	-	-	29,931
Net assets released from restriction	22,629	64,381	-	87,010
	<u>1,200,410</u>	<u>181,263</u>	<u>(200,000)</u>	<u>1,181,673</u>
Total Unrestricted Support and Revenue	4,557,630	181,263	(200,000)	4,538,893
Expenses:				
Program services:				
Youth community services	3,777,399	-	-	3,777,399
Donations	-	266,135	(200,000)	66,135
	<u>3,777,399</u>	<u>266,135</u>	<u>(200,000)</u>	<u>3,843,534</u>
Supporting services:				
Management and general	1,234,666	65,076	-	1,299,742
Fundraising	189,647	-	-	189,647
	<u>1,424,313</u>	<u>65,076</u>	<u>-</u>	<u>1,489,389</u>
Total Expenses	<u>5,201,712</u>	<u>331,211</u>	<u>(200,000)</u>	<u>5,332,923</u>
Change in Unrestricted Net Assets	(644,082)	(149,948)	-	(794,030)
Temporarily Restricted Net Assets:				
Contributions	109,940	348,200	-	458,140
Investment return	-	149,444	-	149,444
Net assets released from restriction	(22,629)	(64,381)	-	(87,010)
	<u>87,311</u>	<u>433,263</u>	<u>-</u>	<u>520,574</u>
Change in Temporarily Restricted Net Assets	87,311	433,263	-	520,574
Change in Net Assets	(556,771)	283,315	-	(273,456)
Net Assets, beginning	<u>8,471,315</u>	<u>3,140,294</u>	<u>-</u>	<u>11,611,609</u>
Net Assets, ending	<u>\$ 7,914,544</u>	<u>\$ 3,423,609</u>	<u>\$ -</u>	<u>\$ 11,338,153</u>

See independent auditors' report.

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Schedule V: Combined Analysis of Program Service Revenues and Expenses**  
Year Ended June 30, 2014

	Allred	Polster	Harper	Griset	Del Mar	La Colonia	Total Branches
Program Services	\$ 73,881	\$ 217,236	\$ 71,926	\$ 118,565	\$ 74,069	\$ 22,507	\$ 578,184
Expenses:							
Labor Costs:							
Salaries	41,976	109,013	53,117	108,069	39,412	97,480	449,067
Payroll taxes	2,884	11,104	2,013	8,540	2,697	9,313	36,551
Workers' compensation	1,071	12,666	1,590	3,280	1,263	1,814	21,684
Employee health and retirement benefits	771	339	(7)	12,541	22	2,911	16,577
	<u>46,702</u>	<u>133,122</u>	<u>56,713</u>	<u>132,430</u>	<u>43,394</u>	<u>111,518</u>	<u>523,879</u>
Direct Program Expenses	<u>2,114</u>	<u>11,510</u>	<u>1,309</u>	<u>5,727</u>	<u>1,919</u>	<u>27,156</u>	<u>49,735</u>
Net Program Revenue (Deficit)	25,065	72,604	13,904	(19,592)	28,756	(116,167)	4,570
Other Operating Expenses:							
Advertising	-	2,283	50	75	-	25	2,433
Bank charges	-	21,443	1,688	4,031	-	-	27,162
Equipment rental	52	3,970	1,513	1,808	1,331	6,946	15,620
Insurance	816	12,585	3,937	7,818	2,234	1,762	29,152
Janitorial	1,764	11,980	5,269	7,746	3,168	-	29,927
Miscellaneous	-	630	-	2,800	-	-	3,430
Office supplies	1,025	1,782	1,971	2,839	1,217	1,165	9,999
Outside services	-	26,439	-	-	-	-	26,439
Permits and licenses	235	336	101	340	1,635	-	2,647
Postage	-	-	-	-	-	-	-
Printing	20	7	13	13	25	-	78
Property taxes	-	230	1,478	-	504	-	2,212
Public Relations	-	-	49	-	-	-	49
Repairs and maintenance	3,119	10,266	5,600	7,053	9,601	195	35,834
Staff development	296	1,049	335	963	183	734	3,560
Telephone	1,923	601	717	3,107	1,935	2,147	10,430
Transportation	-	15,620	3,550	4,057	157	787	24,171
Utilities	987	13,981	8,132	7,536	2,446	294	33,376
Total Operating Expenses	<u>10,237</u>	<u>123,202</u>	<u>34,403</u>	<u>50,186</u>	<u>24,436</u>	<u>14,055</u>	<u>256,519</u>
Operating Income (Loss)	14,828	(50,598)	(20,499)	(69,778)	4,320	(130,222)	(251,949)
Other Revenue and Expenses:							
Rental income	-	75,203	9,180	21,755	7,435	-	113,573
Depreciation	(7,424)	(22,140)	(9,151)	(20,863)	(6,896)	(17,310)	(83,784)
Interest	-	-	(14,680)	-	-	-	(14,680)
	<u>(7,424)</u>	<u>53,063</u>	<u>(14,651)</u>	<u>892</u>	<u>539</u>	<u>(17,310)</u>	<u>15,109</u>
Excess (Deficit) in Program Revenue Over Expenses	\$ <u>7,404</u>	\$ <u>2,465</u>	\$ <u>(35,150)</u>	\$ <u>(68,886)</u>	\$ <u>4,859</u>	\$ <u>(147,532)</u>	\$ <u>(236,840)</u>

See independent auditors' report.



Schedule V

	CFHL	CVMS	Aquatics	Athletics	Performing Arts	Polster Camps	Polster Fitness	Total Program Services
\$	36,955	\$ 613,812	\$ 983,119	\$ 335,695	\$ 194,547	\$ 659,496	\$ 53,307	\$ 3,455,115
	102,902	160,048	578,424	185,725	127,056	320,992	31,770	1,955,984
	3,919	17,518	45,464	13,518	10,098	23,708	2,235	153,011
	-	8,842	16,225	4,509	4,341	250	-	55,851
	-	18,528	39,499	19,378	6,243	15,295	172	115,692
	106,821	204,936	679,612	223,130	147,738	360,245	34,177	2,280,538
	8,541	7,660	52,648	95,574	1,099	96,526	3,512	315,295
	(78,407)	401,216	250,859	16,991	45,710	202,725	15,618	859,282
	1,257	1,869	1,711	-	695	2,317	-	10,282
	-	2,076	19,294	2,137	2,076	14,063	84	66,892
	2,436	1,825	2,057	1,439	1,567	828	-	25,772
	90	1,260	10,741	28,231	3,580	1,276	90	74,420
	1,560	6,831	67,472	8,064	3,906	12,623	-	130,383
	2,710	1,219	20,470	2,782	753	1,999	-	33,363
	1,235	859	5,181	2,700	967	1,974	-	22,915
	6,330	24,358	-	-	-	-	-	57,127
	-	1,054	763	235	-	-	-	4,699
	-	-	80	-	-	-	-	80
	-	3	26	39	17	-	-	163
	-	-	1,676	-	-	-	-	3,888
	-	-	-	-	-	-	-	49
	2,166	8,528	31,720	10,620	7,522	2,833	37	99,260
	517	517	3,520	1,860	969	4,253	438	15,634
	-	600	2,767	2,285	450	1,948	-	18,480
	19	-	133	523	157	7,180	-	32,183
	561	14,723	84,496	15,721	14,373	12,533	-	175,783
	18,881	65,722	252,107	76,636	37,032	63,827	649	771,373
	(97,288)	335,494	(1,248)	(59,645)	8,678	138,898	14,969	87,909
	4,406	-	58,505	106,175	850	-	-	283,509
	(7,632)	(42,140)	(108,456)	(35,288)	(23,573)	(56,162)	(5,455)	(362,490)
	-	-	(29,360)	-	-	-	-	(44,040)
	(3,226)	(42,140)	(79,311)	70,887	(22,723)	(56,162)	(5,455)	(123,021)
\$	<u>(100,514)</u>	<u>\$ 293,354</u>	<u>\$ (80,559)</u>	<u>\$ 11,242</u>	<u>\$ (14,045)</u>	<u>\$ 82,736</u>	<u>\$ 9,514</u>	<u>\$ (35,112)</u>

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Schedule VI: Combined Analysis of Program Service Revenues and Expenses**  
Year Ended June 30, 2013

	Allred	Polster	Harper	Griset	Del Mar	La Colonia	Total Branches
Program Services:	\$ 91,025	\$ 841,301	\$ 85,420	\$ 132,276	\$ 83,246	\$ 15,466	\$ 1,248,734
Expenses:							
Labor Costs:							
Salaries	37,806	446,807	54,883	123,523	41,573	88,915	793,507
Payroll taxes	3,232	33,649	3,981	10,332	3,511	7,058	61,763
Workers' compensation	1,191	9,666	1,879	3,764	1,569	996	19,065
Employee health and retirement benefits	1,831	7,591	1,905	12,471	1,453	198	25,449
	44,060	497,713	62,648	150,090	48,106	97,167	899,784
Direct Program Expenses:	897	136,747	227	4,258	1,035	17,246	160,410
Net Program Revenue (Deficit)	46,068	206,841	22,545	(22,072)	34,105	(98,947)	188,540
Other Operating Expenses:							
Advertising	-	3,475	75	-	-	-	3,550
Bank charges	-	27,934	2,230	4,053	-	-	34,217
Equipment rental	-	3,329	1,530	1,730	1,240	6,737	14,566
Insurance	1,464	10,898	5,872	5,887	3,256	1,200	28,577
Janitorial	1,898	22,295	4,447	8,316	3,072	-	40,028
Miscellaneous	-	2,033	-	4,786	-	-	6,819
Office supplies	1,164	9,355	1,105	1,549	2,007	641	15,821
Outside services	-	-	-	-	-	-	-
Permits and licenses	-	698	100	111	1,400	-	2,309
Postage	-	373	-	-	-	-	373
Printing	-	-	19	-	-	-	19
Property taxes	-	85	723	14	538	-	1,360
Rent	-	-	-	-	-	-	-
Repairs and maintenance	1,476	9,334	6,344	7,164	10,875	8,317	43,510
Staff development	122	4,158	125	1,143	150	690	6,388
Telephone	1,144	2,840	948	2,280	1,072	1,848	10,132
Transportation	-	14,564	3,095	5,155	2,325	20,607	45,746
Utilities	1,032	20,297	8,050	6,783	3,126	-	39,288
Total Operating Expenses	8,300	131,668	34,663	48,971	29,061	40,040	292,703
Operating Income (Loss)	37,768	75,173	(12,118)	(71,043)	5,044	(138,987)	(104,163)
Other Revenue and Expenses:							
Rental income	-	105,304	13,823	20,355	8,783	-	148,265
Depreciation	(7,707)	(90,236)	(10,558)	(27,231)	(8,474)	(18,124)	(162,330)
Interest	-	-	(22,899)	-	-	-	(22,899)
	(7,707)	15,068	(19,634)	(6,876)	309	(18,124)	(36,964)
Excess (Deficit) in Program Revenue Over Expenses	\$ 30,061	\$ 90,241	\$ (31,752)	\$ (77,919)	\$ 5,353	\$ (157,111)	\$ (141,127)

See independent auditors' report.

**Schedule VI**

	CFHL	CVMS	Aquatics	Athletics	Performing Arts	Total Branches and Clubs	CVC	Total Program Services
\$	46,312	\$ 474,821	\$ 1,008,720	\$ 326,727	\$ 169,278	\$ 3,274,592	\$ 82,633	\$ 3,357,225
	46,981	230,275	510,658	196,804	110,887	1,889,112	26,953	1,916,065
	1,700	18,041	40,702	15,830	10,371	148,407	1,885	150,292
	-	10,465	15,919	3,782	4,864	54,095	889	54,984
	-	<u>27,605</u>	<u>29,751</u>	<u>17,781</u>	<u>2,161</u>	<u>102,747</u>	<u>126</u>	<u>102,873</u>
	<u>48,681</u>	<u>286,386</u>	<u>597,030</u>	<u>234,197</u>	<u>128,283</u>	<u>2,194,361</u>	<u>29,853</u>	<u>2,224,214</u>
	<u>13,369</u>	<u>10,442</u>	<u>72,465</u>	<u>98,505</u>	<u>2,234</u>	<u>357,425</u>	<u>27,035</u>	<u>384,460</u>
	<u>(15,738)</u>	<u>177,993</u>	<u>339,225</u>	<u>(5,975)</u>	<u>38,761</u>	<u>722,806</u>	<u>25,745</u>	<u>748,551</u>
	540	3,322	435	-	-	7,847	-	7,847
	-	2,079	18,726	3,034	2,079	60,135	1,364	61,499
	2,207	1,930	(396)	1,350	1,340	20,997	347	21,344
	-	2,028	10,905	37,840	4,760	84,110	116	84,226
	1,911	5,081	66,130	7,335	3,633	124,118	1,108	125,226
	593	2,108	-	-	347	9,867	-	9,867
	1,196	1,409	3,459	1,346	2,074	25,305	20	25,325
	10,813	-	-	-	-	10,813	-	10,813
	-	-	1,881	-	25	4,215	-	4,215
	-	-	107	-	45	525	-	525
	1,251	-	138	12	-	1,420	-	1,420
	-	-	1,447	-	-	2,807	-	2,807
	-	-	-	-	-	-	19,000	19,000
	1,420	3,898	30,441	21,297	6,531	107,097	-	107,097
	927	1,686	4,284	3,682	392	17,359	238	17,597
	-	637	2,559	3,006	633	16,967	151	17,118
	-	38	30	1,162	11	46,987	-	46,987
	<u>693</u>	<u>12,922</u>	<u>70,058</u>	<u>14,545</u>	<u>12,922</u>	<u>150,428</u>	<u>1,962</u>	<u>152,390</u>
	<u>21,551</u>	<u>37,138</u>	<u>210,204</u>	<u>94,609</u>	<u>34,792</u>	<u>690,997</u>	<u>24,306</u>	<u>715,303</u>
	<u>(37,289)</u>	<u>140,855</u>	<u>129,021</u>	<u>(100,584)</u>	<u>3,969</u>	<u>31,809</u>	<u>1,439</u>	<u>33,248</u>
	-	-	65,745	105,350	10,544	329,904	-	329,904
	(5,849)	(49,898)	(102,190)	(39,612)	(24,846)	(384,725)	-	(384,725)
	-	-	(45,798)	-	-	(68,697)	-	(68,697)
	<u>(5,849)</u>	<u>(49,898)</u>	<u>(82,243)</u>	<u>65,738</u>	<u>(14,302)</u>	<u>(123,518)</u>	<u>-</u>	<u>(123,518)</u>
\$	<u>(43,138)</u>	<u>\$ 90,957</u>	<u>\$ 46,778</u>	<u>\$ (34,846)</u>	<u>\$ (10,333)</u>	<u>\$ (91,709)</u>	<u>\$ 1,439</u>	<u>\$ (90,270)</u>

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Schedule VII: Combined Analysis of Revenues - Special Events**  
Year Ended June 30, 2014

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	<u>Total Revenue</u>	<u>Direct Expenses</u>	<u>Total Revenue, Net of Direct Expenses</u>
Youth of the Year	\$ 186,046	\$ 86,544	\$ 99,502
Chip-in for Kids Golf	155,001	74,297	80,704
Swim Team Booster	121,875	112,813	9,062
Cruise for Kids	54,012	40,976	13,036
Miscellaneous	46,226	8,376	37,850
Branch Board	31,534	10,258	21,276
	<u>\$ 594,694</u>	<u>\$ 333,264</u>	<u>\$ 261,430</u>

**BOYS AND GIRLS CLUBS OF SAN DIEGUITO AND  
BOYS & GIRLS CLUBS OF SAN DIEGUITO FOUNDATION**  
**Schedule VIII: Combined Analysis of Revenues - Special Events**  
Year Ended June 30, 2013

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	<u>Total Revenue</u>	<u>Direct Expenses</u>	<u>Total Revenue, Net of Direct Expenses</u>
Chip-in for Kids Golf	\$ 196,458	\$ 94,440	\$ 102,018
Bucks for Boys	119,757	68,589	51,168
Swim Team Booster	104,085	95,309	8,776
Cruise for Kids	76,230	70,616	5,614
Miscellaneous	72,549	13,332	59,217
Branch Board	40,629	23,829	16,800
	<u>\$ 609,708</u>	<u>\$ 366,115</u>	<u>\$ 243,593</u>