

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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**BOYS & GIRLS CLUBS**  
OF THE LOWCOUNTRY

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**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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# CROWLEY WECHSLER & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS

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BEAUFORT • MOUNT PLEASANT

Richard D. Crowley, CPA, CVA  
Lisa T. Wechsler, CPA

Member:  
American Institute of CPAs  
South Carolina Association of CPAs

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Boys & Girls Clubs of the Lowcountry, Inc.

We have audited the accompanying financial statements of Boys & Girls Clubs of the Lowcountry, Inc. (a nonprofit organization) which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year 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 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Boys & Girls Clubs of the Lowcountry, Inc. as of September 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements on pages 19 - 24 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



Crowley Wechsler & Associates LLC  
Beaufort, South Carolina  
January 17, 2014

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2013**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 295,728	\$ 232,825	\$ -	\$ 528,553
Investments	1,027,666	7,352	452,959	1,487,977
Due (To) From Other Clubs	(47)	47	-	-
Unconditional Promises to Give	-	201,752	-	201,752
Accounts Receivable	19,425	-	-	19,425
Inter Club Advances Receivable	60,000	-	-	60,000
Prepaid Expenses	22,094	-	-	22,094
Property and Equipment - Net	5,774,289	-	-	5,774,289
Total Assets	<u>\$ 7,199,155</u>	<u>\$ 441,976</u>	<u>\$ 452,959</u>	<u>\$ 8,094,090</u>
<b>LIABILITIES AND NET ASSETS</b>				
Accounts Payable	\$ 111,899	\$ -	\$ -	\$ 111,899
Salaries Payable	64,577	-	-	64,577
Accrued Expenses	16,702	-	-	16,702
Inter Club Advances Payable	60,000	-	-	60,000
Notes Payable	185,000	-	-	185,000
Total Liabilities	<u>438,178</u>	<u>-</u>	<u>-</u>	<u>438,178</u>
Net Assets				
Unrestricted	(40,978)	-	-	(40,978)
Board Designated Unrestricted	1,027,666	-	-	1,027,666
Property and Equipment	5,774,289	-	-	5,774,289
Temporarily Restricted	-	441,976	-	441,976
Permanently Restricted	-	-	452,959	452,959
Total Net Assets	<u>6,760,977</u>	<u>441,976</u>	<u>452,959</u>	<u>7,655,912</u>
Total Liabilities and Net Assets	<u>\$ 7,199,155</u>	<u>\$ 441,976</u>	<u>\$ 452,959</u>	<u>\$ 8,094,090</u>

The notes to the financial statements are an integral part of this statement.

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
<b>REVENUES AND SUPPORT</b>				
Contributions	\$ 612,389	\$ 144,329	\$ -	\$ 756,718
In-kind Contributions	21,600	-	-	21,600
Trusts and Foundations	261,027	55,000	-	316,027
United Way	-	134,501	-	134,501
Membership Dues	186,110	-	-	186,110
Government Funds	92,797	8,111	-	100,908
Program Fees	191,479	2,992	-	194,471
Special Events	707,424	82,302	-	789,726
Investment Income	115,436	420	56,561	172,417
Rental of Facility	42,109	-	-	42,109
Concessions	3,478	233	-	3,711
Miscellaneous Income	5,740	-	-	5,740
Net Assets Released from Restrictions	636,840	(636,840)	-	-
Total Revenues and Support	<u>2,876,429</u>	<u>(208,952)</u>	<u>56,561</u>	<u>2,724,038</u>
<b>FUNCTIONAL EXPENSES</b>				
Program Services	2,572,016	-	3,073	2,575,089
General and Administrative	432,012	-	-	432,012
Fundraising	183,265	-	-	183,265
Total Functional Expenses	<u>3,187,293</u>	<u>-</u>	<u>3,073</u>	<u>3,190,366</u>
Increase (Decrease) in Net Assets	(310,864)	(208,952)	53,488	(466,328)
Net Assets, Beginning of Year	7,071,841	650,928	399,471	8,122,240
Net Assets, End of Year	<u>\$ 6,760,977</u>	<u>\$ 441,976</u>	<u>\$ 452,959</u>	<u>\$ 7,655,912</u>

The notes to the financial statements are an integral part of this statement.

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	SUPPORTING SERVICES			TOTAL
	GENERAL			
	PROGRAM SERVICES	AND ADMINISTRATIVE	FUND RAISING	
Salaries	\$ 1,135,651	\$ 190,463	\$ -	\$ 1,326,114
Payroll Taxes	121,278	29,980	-	151,258
Pension	6,636	6,013	-	12,649
Health Insurance	96,484	18,546	-	115,030
Workers Compensation	24,478	3,658	-	28,136
Other Benefits	3,093	889	-	3,982
Total Personnel Expenses	<u>1,387,620</u>	<u>249,549</u>	<u>-</u>	<u>1,637,169</u>
Professional Fees	50,131	94,786	-	144,917
Postage	2,732	2,693	-	5,425
Office Supplies	10,742	2,653	-	13,395
Housekeeping Supplies	15,106	14	-	15,120
Medical Supplies	917	-	-	917
Program Supplies	34,801	-	-	34,801
Food Supplies	16,793	-	-	16,793
Meeting Supplies	2,928	1,586	-	4,514
Concession Supplies	1,417	-	-	1,417
Snack Expense	13,770	-	-	13,770
Telephone	32,240	8,478	-	40,718
Utilities	167,475	(142)	-	167,333
Building and Ground Maintenance	119,209	-	-	119,209
Equipment Repairs	12,832	107	-	12,939
Vehicle Repairs	6,824	(1,000)	-	5,824
License	1,371	50	-	1,421
Insurance	100,079	7,308	-	107,387
Bank and Investment Charges	17,045	4,267	-	21,312
Printing	24,664	8,821	-	33,485
Travel	27,604	12,610	-	40,214
Conferences and Training	7,729	3,550	-	11,279
Rent Expense	21,890	14,055	-	35,945
Property Taxes	4,311	968	-	5,279
Activity Fees	119,038	-	-	119,038
National Dues	8,120	1,533	-	9,653
Civic Dues	625	1,308	-	1,933
Professional Organizations	1,418	5,738	-	7,156
Annual Meeting	135	100	-	235
Out of Zone Busing	12,549	-	-	12,549
Interest Expense	1,612	3,026	-	4,638
Staff Apparel	1,709	-	-	1,709
Club Merchandising Expense	3,469	266	-	3,735
Awards	326	-	-	326
Equipment	6,456	997	-	7,453
Miscellaneous	4,485	7,104	183,265	194,854
Total Expenses Before Depreciation	<u>2,240,172</u>	<u>430,425</u>	<u>183,265</u>	<u>2,853,862</u>
Depreciation	334,917	1,587	-	336,504
Total Functional Expenses	<u>\$ 2,575,089</u>	<u>\$ 432,012</u>	<u>\$ 183,265</u>	<u>\$ 3,190,366</u>

The notes to the financial statements are an integral part of this statement.

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	2013
<b>Cash Flows From Operating Activities</b>	
Net income (loss)	\$ (466,328)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities	
Depreciation	336,504
(Increase) decrease in accounts receivable	11,264
(Increase) decrease in prepaid assets	(11,735)
(Increase) decrease in promises to give	36,072
Increase (decrease) in accounts payable	76,701
Increase (decrease) in salaries payable and other benefits	14,558
Increase (decrease) in other accrued liabilities	(23,606)
Total adjustments	439,758
Net Cash Provided (Used) by Operating Activities	(26,570)
 <b>Cash Flows From Investing Activities</b>	
(Increase) decrease in investments	(59,211)
Purchases of fixed assets	(138,163)
Net Cash Provided (Used) by Investing Activities	(197,374)
 <b>Cash Flows From Financing Activities</b>	
Increase in short-term debt	10,000
Net Cash Provided (Used) by Financing Activities	10,000
NET INCREASE (DECREASE) IN CASH	(213,944)
CASH AT BEGINNING OF YEAR	742,497
CASH AT END OF YEAR	\$ 528,553
 <u>Supplemental Disclosures</u>	
Cash Paid During the Year for:	
Interest	\$ 3,455

The notes to the financial statements are an integral part of this statement.



**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of the Organization:** The Boys & Girls Clubs of the Lowcountry, Inc. (the Organization) was incorporated November 21, 1985, for the purpose of contributing to the quality of life and well-being of disadvantaged youth from the ages of six to eighteen. This objective is achieved by providing social, recreational, and sports facilities under adult supervision and by providing behavioral guidance to help achieve character and leadership development.

**Basis of Presentation:** The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

In June 2009, the Financial Accounting Standards Board (FASB) established the FASB Accounting Standards Codification as the source of authoritative United States generally accepted accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles. This authoritative guidance has been applied in the preparation of the Organization's financial statements as of September 30, 2013. The following accounting policies are presented to facilitate the understanding of information presented in the financial statements.

**Net Assets:** The financial statements are presented in accordance with authoritative guidance as required by the FASB Accounting Standards Codification for Not-for-Profit Entities ASC 958, which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. 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. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. 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 and reported in the statement of activities as net assets released from restrictions.

The permanently restricted net assets have been set aside to accumulate resources to assist club members with medical needs. The income on this fund is released to temporary restricted assets each quarter. Also included in the permanently restricted net assets is a perpetual fund for the Hilton Head Unit.

**Contributions:** Contributions received, including unconditional pledges, are recognized as revenue when donors' commitments are received. Pledges made and collected in the same reporting period are recorded when received in the appropriate net asset category.

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.

Contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those assets must be maintained, the Organization reports expirations of donor restriction when the acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Investments:** Investments are made for the purpose of providing income to the Boys & Girls Clubs of the Lowcountry, Inc. and therefore are categorized as trading. These investments are recorded at fair value. Realized gains and losses on dispositions are based on the net proceeds and the costs basis of the securities sold. Unrealized gains and losses on investments are based on the difference between the cost basis and the market value of each security. Both realized and unrealized gains and losses are included on the Statement of Activities as investment income.

Investments in marketable securities are stated at fair value determined by management, relying upon the information provided by external investment managers. Marketable securities are subject to fluctuations based on market conditions. Given market volatility, there is no assurance that the unrealized gains/losses above may be realized. The estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed.

Liquidity risk represents the risk of the possibility that the Boys & Girls Clubs of the Lowcountry, Inc. may not be able to rapidly adjust the size of its portfolio holdings in times of high volatility and financial stress at a reasonable price.

Interest rate and credit risk is the risk that changes in interest rates and credit risks will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk or adverse interest changes. The Boys & Girls Clubs of the Lowcountry, Inc. does not have a formal investment policy on interest rate and credit risk.

Market price risk is the risk the value of securities held by the Boys & Girls Clubs of the Lowcountry, Inc. may decline in response to certain economic events, including those events impacting entities whose securities are owned and included in the investment portfolio. Those events impacting valuation may include (but not limited to) economic changes, market fluctuations, regulatory changes, global and political instability, currency, interest rate, and commodity price fluctuations. The Boys & Girls Clubs of the Lowcountry, Inc. attempts to manage this risk through diversification, ongoing due diligence of fund managers, and monitoring of economic conditions.

Currency and foreign exchange risk is the risk that the Boys & Girls Clubs of the Lowcountry, Inc. may hold investments denominated in currencies other than the U.S. dollar. Thus, there is exposure to currency risk because the value of the investments denominated in other currencies may fluctuate due to changes in currency exchange rates.

The FASB Accounting Standards Codification provides authoritative guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA or the Act) and also requires disclosure about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Boys & Girls Clubs of the Lowcountry, Inc. endowment is invested in approximately 10 individual funds. Its endowment, established for a variety of purposes, includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

The Board of Directors has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Boys & Girls Clubs of the Lowcountry, Inc. classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) 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 funds. 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 expenditures by the Boys & Girls Clubs of the Lowcountry, Inc. in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, the Boys & Girls Clubs of the Lowcountry, Inc. considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund,
2. The purposes of the Boys & Girls Clubs of the Lowcountry, Inc. and the donor-restricted endowment fund,
3. General economic conditions,
4. The possible effect of inflation and deflation,
5. The expected total return from income and the appreciation of investments,
6. Other resources of the Boys & Girls Clubs of the Lowcountry, Inc. and,
7. The investment policies of the Boys & Girls Clubs of the Lowcountry, Inc.

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 the Act requires the Boys & Girls Clubs of the Lowcountry, Inc. to retain as a fund of perpetual duration. There were no deficiencies of this nature to be reported in unrestricted net assets as of September 30, 2013. Deficiencies result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that were deemed prudent by the Board. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in unrestricted net assets.

The Boys & Girls Clubs of the Lowcountry, Inc. has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, the endowment assets are invested in a manner that is intended to produce results that reflect the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Boys & Girls Clubs of the Lowcountry, Inc. expects its endowment funds to attain an average annual real total return of at least 5% over the long term (rolling five year periods). Actual returns in any given year may vary from this amount.

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

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

The Board may apply up to eight percent of the fair value of the board designated unrestricted net assets for support of annual operations as approved in the budget for the next fiscal year, based on the fair value of the board designated unrestricted net assets on the June 30<sup>th</sup> preceding the next fiscal year. With a vote of 75% of the Board, additional amounts of the board designated unrestricted net assets may be applied to the purchase of new structures or equipment or to the significant repair of either. Also, with a vote of 75% of the Board, additional amounts may be applied for the support of annual operations.

**Fair Value Measurements:** The Boys & Girls Clubs of the Lowcountry, Inc. accepts and applies FASB ASC 820, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expand disclosures about fair value measurements. Under the standard, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity would use when pricing the asset or liability. In support of this principle, the standard establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The three levels of hierarchy are as follows:

Level 1 – Valuations based on unadjusted quoted market prices for identical assets or liabilities in active markets that the Boys & Girls Clubs of the Lowcountry, Inc. has the ability to access.

Level 2 – Valuations based on pricing inputs that are other than quoted prices in active markets which are either directly or indirectly observable. Examples include quote prices for similar assets or liabilities in active markets; quote prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.

Level 3 – Valuations are derived from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and require significant professional judgment in determining the fair value assigned to such assets or liabilities.

The assets or liabilities 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 assets measured at fair value.

Common stocks, corporate bonds, and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (“NAV”) of shares held by the plan at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Boys & Girls Clubs of the Lowcountry, Inc. believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Cash and Cash Equivalents:** Deposits of the Boys & Girls Clubs of the Lowcountry, Inc. are maintained in demand deposits, savings accounts, or certificates of deposits. The book balance of the Organization is \$580,251 while the bank balance is \$619,267 of which \$425,431 was insured by the FDIC. The balance of \$193,836 was not collateralized or insured.

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposits may not be returned to it. The Boys & Girls Clubs of the Lowcountry, Inc. does not have a deposit policy for custodial credit risk.

For purposes of the financial statements, the Organization considers all highly liquid debt instruments (cash equivalents) purchased with a maturity of three months or less to be cash. The statement of cash flows is prepared by the indirect method. No income taxes were paid during the year. Interest of \$3,455 was paid on the line of credit.

**Land, Buildings, and Equipment:** The Organization capitalizes all expenses for land, buildings, and improvements with a value of \$10,000 or more and all expenses for furniture and equipment with a value of \$5,000 or more and an estimated life greater than two years. Donated property and equipment is recorded at fair value at the date of the donation. The costs for replacements or additional components follow the same guidance. Accordingly, all costs of repairs and maintenance are charged to expense as incurred, because they cannot be considered replacements or additional components. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Vehicles	5 years
Building	30 years
Furniture and Equipment	5 years

As required by the Asset Retirement and Environmental Obligations of the FASB Accounting Standards Codification, the Organization applies the provisions requiring a liability be recorded for the fair value of a conditional asset retirement obligation if the fair value of the obligation can be reasonably estimated. As of September 30, 2013, the Organization is unaware of any such obligations. The Organization will recognize a liability in the period in which they become aware of such liability and sufficient information is available to reasonably estimate its fair value.

**Functional allocation of expenses:** Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical or are allocated based on space utilization.

**Use of Estimates:** The preparation of 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.

**Volunteers:** The Organization receives a substantial amount of services donated by individuals in carrying out its programs. No amounts have been reflected in the financial statements for those services.

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Contingencies:** The Boys & Girls Clubs of the Lowcountry, Inc. is a recipient of federal grants. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal or state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial. The federal financial assistance received by the Organization was less than the threshold requiring a single audit.

The Boys & Girls Clubs of the Lowcountry, Inc. is subject to claims and legal actions arising in the ordinary course of business. In the opinion of management, the outcome of such actions will not have a material adverse effect on the financial position of the Boys & Girls Clubs of the Lowcountry, Inc.

**NOTE 2 TAX STATUS**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization follows FASB ASC 740, Income Taxes, which clarifies the accounting for uncertainty in income taxes by prescribing the recognition threshold a tax position is required to meet before being recognized in the financial statements. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim period, disclosure and transition. Management believes the Organization has no material uncertainties in income taxes. The Organization is no longer subject to income tax examination by the federal or state authorities for years before 2010.

**NOTE 3 INVESTMENTS**

Investments carried at fair value consisted of the following at September 30, 2013:

	<u>Fair Value</u>	<u>Cost</u>	<u>Accumulated Unrealized Gains (Losses)</u>
Cash	\$ 25,416	\$ 25,416	\$ -
Marketable Securities	1,410,362	1,137,602	272,760
Total	<u>\$ 1,435,778</u>	<u>\$ 1,163,018</u>	<u>\$ 272,760</u>

Investment income consists of the following:

Interest and dividends	\$ 37,401
Realized Gains (Losses)	17,478
Unrealized Gains (Losses)	117,017
	<u>\$ 171,896</u>

Investment management expenses were approximately \$8,127.

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 4 ENDOWMENT**

The changes in fair value of the investments in the endowment accounts for the year ended September 30, 2013 are as follows:

	Board Designated			Permanently Restricted		Total
	Corporate	Beaufort	Hilton Head	Beaufort	Hilton Head	
Balance-beginning of year	\$ 26,987	\$ 105,300	\$ 889,656	\$ 269,029	\$ 130,442	\$ 1,421,414
Realized/unrealized gains/losses	-	(1,717)	91,398	41,814	3,000	134,495
Interest and dividends	-	745	24,704	8,407	3,340	37,196
Investment fees	-	(474)	(5,259)	(3,074)	-	(8,807)
Withdrawals for operations	-	(103,673)	-	-	-	(103,673)
Balance-end of year	<u>\$ 26,987</u>	<u>\$ 181</u>	<u>\$ 1,000,499</u>	<u>\$ 316,176</u>	<u>\$ 136,782</u>	<u>\$ 1,480,625</u>

**NOTE 5 FAIR VALUE MEASUREMENTS**

The following is a summary of the levels within the fair value hierarchy for the Boys & Girls Clubs of the Lowcountry, Inc. assets and liabilities as of September 30, 2013:

	2013			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	\$ 528,553	\$ -	\$ -	\$ 528,553
Investments:				
Marketable securities	1,487,977	-	-	1,487,977
Total	<u>\$ 2,016,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,016,530</u>

**NOTE 6 PROMISES TO GIVE**

Promises to give in two to ten years are recorded at net present value. Unconditional promises to give consist of the following at September 30, 2013:

Receivable in less than one year	\$ 170,574
Receivable in two to five years	67,250
Gross Receivable	<u>237,824</u>
Less: allowance for doubtful accounts	-
Net Promises to Give	<u>\$ 237,824</u>

Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Boys & Girls Clubs of the Lowcountry, Inc. has received verbal communications from potential donors naming the Boys & Girls Clubs of the Lowcountry, Inc. as a beneficiary to their life insurance policies, wills, and charitable trusts. These conditional promises have not been recognized. There has been no allowance for doubtful accounts established because it is the opinion of management that all amounts have been deemed fully collectible.

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 7 PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at September 30, 2013:

Land and Land Improvements	\$ 774,830
Buildings	6,063,263
Leasehold Improvements	2,079,232
Vehicles	256,438
Furniture and Equipment	564,080
Total Property and Equipment	<u>9,737,843</u>
Less: Accumulated Depreciation	<u>(3,963,554)</u>
Net Property and Equipment	<u><u>\$ 5,774,289</u></u>

The building at the Bluffton Unit is located on land owned by Beaufort County School District. The Boys & Girls Clubs of the Lowcountry, Inc. has a 99 year lease to occupy the building that will expire in year 2102.

Depreciation for the year was \$336,504 and was charged as follows:

Corporate	\$ 1,587
Beaufort	84,038
Sheldon	4,882
Hilton Head	150,371
Bluffton	94,848
Jasper	778
Total Depreciation Expense	<u><u>\$ 336,504</u></u>

**NOTE 8 ACCRUED EXPENSES**

Compensated vacation and sick leave are provided to all full-time employees. The annual leave is based on the number of years of employment. Sick leave does not vest; accordingly, no liability is accrued. The liability of \$16,702 for compensated absences including employee benefits at September 30, 2013 is reported in accrued expenses.

**NOTE 9 IN-KIND**

The following is a summary of the amounts recorded as in-kind revenues and expenses in the financial statements.

	<b>Revenues Program</b>	<b>Expenses Program</b>
Rent	<u>\$ 21,600</u>	<u>\$ 21,600</u>
	<u><u>\$ 21,600</u></u>	<u><u>\$ 21,600</u></u>



**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 10 OPERATING LEASES**

The Organization has various leases on office and security equipment that range from three to ten years in duration. It is anticipated that these leases will be renewed at the end of the lease. Future minimum lease payments for the years ending September 30 are as follows:

Year Ending	Amount
2014	\$ 21,582
2015	13,435
2016	11,999
2017	10,740
2018	9,481
Total Minimum Lease Requirements	\$ 67,237

**NOTE 11 RETIREMENT PLAN**

The Boys & Girls Clubs of the Lowcountry, Inc. has a money purchase pension plan covering all full time employees having completed twelve months of full time employment with the Boys & Girls Clubs of the Lowcountry, Inc., or another Boys & Girls Clubs of America. Under the plan, 3 percent of each qualifying employee's salary was contributed to their pension account for fiscal year 2013. Total pension cost for the year ended September 30, 2013 is \$12,649.

**NOTE 12 NOTES PAYABLE**

The Boys & Girls Clubs of the Lowcountry, Inc. has an open end line of credit agreement that expires July 1, 2014 with a local bank for a total of \$300,000 at a variable interest rate (not to be less than 5%). This loan is secured by a negative pledge for property located at 1100 Boundary Street, Beaufort, South Carolina. At September 30, 2013, the balance outstanding was \$185,000. Interest paid was \$3,455 for the year ended September 30, 2013.

**NOTE 13 NET ASSETS DESIGNATIONS**

The following details board designated unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets at September 30, 2013.

<b><u>Board Designated Unrestricted Net Assets</u></b>		
Corporate	Cash	\$ 26,987
Beaufort	Investments	179
Hilton Head	Investments	1,000,500
Total Board Designated Unrestricted Net Assets		\$ 1,027,666

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 13 NET ASSETS DESIGNATIONS - CONTINUED**

**Temporarily Restricted Net Assets**

	Corporate	Beaufort	Sheldon	Hilton Head	Bluffton	Jasper	Total
United Way	\$ -	\$ 60,525	\$ 24,210	\$ 43,378	\$ 43,377	\$ 30,262	\$ 201,752
Clubs & Activities	-	2,858	2,562	18,982	24,084	2,383	50,869
Club Improvements	-	-	8,361	-	-	-	8,361
Scholarship	-	3,092	166	9,963	3,973	-	17,194
Education/Leadership	(11,864)	41,306	118	8,260	286	-	38,106
Out of Zone Busing	-	-	-	(3,344)	-	-	(3,344)
Technology	-	-	-	29,328	4,000	-	33,328
Health & Medical	-	-	-	21,047	33	-	21,080
Reading Center	-	-	-	31,000	-	-	31,000
Environmental	-	835	-	-	-	-	835
Sports	-	-	-	12,098	1,585	(413)	13,270
Career Opportunities	-	14,355	-	2,450	-	-	16,805
Fine Arts	-	7,750	457	533	71	-	8,811
Healthy Eating	-	575	1,280	918	-	(1,362)	1,411
Other Specific Activities	-	-	-	1,398	-	1,100	2,498
Total	<u>\$ (11,864)</u>	<u>\$ 131,296</u>	<u>\$ 37,154</u>	<u>\$ 176,011</u>	<u>\$ 77,409</u>	<u>\$ 31,970</u>	<u>\$ 441,976</u>

**Permanently Restricted Net Assets**

**Beaufort**

Beaufort	Perpetual Fund	<u>\$ 316,177</u>
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**Hilton Head**

Medical Needs	Programs	111,455
Hilton Head	Perpetual Fund	<u>25,327</u>
Total Hilton Head		<u>136,782</u>

Total Permanently Restricted Net Assets	<u><u>\$ 452,959</u></u>
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**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 14 NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets were released for the year ended September 30, 2013 as follows:

	<u>Corporate</u>	<u>Beaufort</u>	<u>Sheldon</u>	<u>Hilton Head</u>	<u>Bluffton</u>	<u>Jasper</u>	<u>Total</u>
United Way	\$ -	\$ 51,172	\$ 20,469	\$ 36,673	\$ 36,673	\$ 25,586	\$ 170,573
Career Opportunities	-	12,562	-	19	-	-	12,581
Clubs & Activities	-	1,433	2,293	68,787	75,370	4,877	152,760
Club Improvements	-	(825)	6,639	-	3,274	-	9,088
Education/Leadership	-	73,365	-	15,499	14,875	-	103,739
Environmental	-	1,040	-	-	-	-	1,040
Fine Arts	-	189	-	-	72	-	261
Healthy Eating	-	3,881	676	17,989	-	400	22,946
Health & Medical	-	-	-	(372)	-	-	(372)
Maintenance of Facilities	-	-	-	-	930	-	930
Other Specific Activities	15,383	-	15,000	349	450	100	31,282
Out of Zone Busing	-	1,451	-	-	-	-	1,451
Reading Center	-	-	-	15,078	-	-	15,078
Scholarship	-	4,535	-	3,191	14,627	-	22,353
Sports	-	8,618	-	1,996	2,216	-	12,830
Technology	-	-	-	20,510	33,521	-	54,031
Time Restriction	-	-	-	11,325	12,400	-	23,725
Teen Programs	-	-	-	-	2,544	-	2,544
<b>Total</b>	<b>\$ 15,383</b>	<b>\$ 157,421</b>	<b>\$ 45,077</b>	<b>\$ 191,044</b>	<b>\$ 196,952</b>	<b>\$ 30,963</b>	<b>\$ 636,840</b>

**NOTE 15 INTER CLUB ADVANCES**

The Board agreed to advance \$100,000 from the Beaufort Unit and \$100,000 from the Hilton Head Unit for a total advance of \$200,000 for the purpose of funding the operating deficits of the Allendale, Colleton, Bluffton, and Jasper units. The advance effective December 1, 2009 shall be amortized in four equal annual payments commencing December 1, 2011 and on each December 1 thereafter until the final maturity date of December 1, 2014. Interest on the unpaid balance is at the rate of 5% per annum. No interest was recorded during the year ended September 30, 2013. The obligation to repay said advances and interest thereon is apportioned to the units as follows:

<u>Operating Unit</u>	<u>Dollar Amount</u>
Jasper	\$ 60,000
Total	\$ 60,000

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 16 EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through January 17, 2014, the date which the financial statements were available to be issued.

The Board has been notified of an EEOC complaint by a former employee. A civil action lawsuit was filed on November 13, 2012 between Joyce Wright and the Boys & Girls Club of the Lowcountry, Inc. On December 4, 2013 the case was dismissed by the United States District Court.

The Beaufort Club closed on the sale of the teen center building and property on November 21, 2013 resulting in proceeds of \$197,340.

On December 9, 2013, the Boys & Girls Club entered into a purchase and sale agreement with Highmark School Development, LLC to sell 1.75 acres of land located at 1100 Boundary Street, Beaufort, South Carolina, including a 23,267 square foot building and all other improvements located on such real property. The purchase price for the property is \$1,200,000. Closing shall occur on or before 15 days after the end of the due diligence period, period commencing on the effective date and terminating at 5 o'clock (MST) on that date, which is ninety (90) days from the effective date as extended as provided in agreement.

**NOTE 17 RELATED PARTY**

Karen Wendell is a board treasurer for the Bluffton Club and is employed by Wade & Associates that was contracted to takeover the accounting functions for the Organization. During the year, the Boys & Girls Club of the Lowcountry, Inc. paid Wade & Associates a total of \$50,647 and at year end, September 30, 2012; the Boys & Girls Club of the Lowcountry, Inc. had \$5,443 in accounts payable to Wade & Associates.

SUPPLEMENTARY  
INFORMATION

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**COMBINING STATEMENT OF FINANCIAL POSITION - UNRESTRICTED FUND**  
**SEPTEMBER 30, 2013**

ASSETS	CORPORATE	BEAUFORT	SHELDON	HILTON HEAD	BLUFFTON	JASPER	TOTAL
Cash and Cash Equivalents	\$ (93,058)	\$ 38,505	\$ 16,358	\$ 132,718	\$ 161,576	\$ 39,629	\$ 295,728
Investments	26,987	179	-	1,000,500	-	-	1,027,666
Due to Other Clubs	-	-	-	-	-	(47)	(47)
Accounts Receivable	-	3,633	1,712	-	10,085	3,995	19,425
Inter Club Advances Receivable	-	30,000	-	30,000	-	-	60,000
Prepaid Expenses	2,695	1,254	692	10,048	3,268	4,137	22,094
Property and Equipment - Net	-	1,660,530	10,052	2,504,023	1,599,684	-	5,774,289
Total Assets	<u>\$ (63,376)</u>	<u>\$ 1,734,101</u>	<u>\$ 28,814</u>	<u>\$ 3,677,289</u>	<u>\$ 1,774,613</u>	<u>\$ 47,714</u>	<u>\$ 7,199,155</u>

**LIABILITIES AND NET ASSETS**

Liabilities							
Accounts Payable	\$ 11,855	\$ 13,629	\$ 3,582	\$ 37,105	\$ 39,324	\$ 6,404	\$ 111,899
Salaries Payable	8,086	6,515	2,503	16,466	24,414	6,593	64,577
Accrued Expenses	4,881	857	791	3,538	6,073	562	16,702
Inter Club Advances Payable	-	-	-	-	-	60,000	60,000
Notes Payable	71,676	113,324	-	-	-	-	185,000
Total Liabilities	<u>96,498</u>	<u>134,325</u>	<u>6,876</u>	<u>57,109</u>	<u>69,811</u>	<u>73,559</u>	<u>438,178</u>
Net Assets							
Unrestricted	(186,861)	(60,933)	11,886	115,657	105,118	(25,845)	(40,978)
Board Designated	26,987	179	-	1,000,500	-	-	1,027,666
Property and Equipment	-	1,660,530	10,052	2,504,023	1,599,684	-	5,774,289
Total Net Assets	<u>(159,874)</u>	<u>1,599,776</u>	<u>21,938</u>	<u>3,620,180</u>	<u>1,704,802</u>	<u>(25,845)</u>	<u>6,760,977</u>
Total Liabilities and Net Assets	<u>\$ (63,376)</u>	<u>\$ 1,734,101</u>	<u>\$ 28,814</u>	<u>\$ 3,677,289</u>	<u>\$ 1,774,613</u>	<u>\$ 47,714</u>	<u>\$ 7,199,155</u>

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**COMBINING STATEMENT OF ACTIVITIES - UNRESTRICTED FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>CORPORATE</u>	<u>BEAUFORT</u>	<u>SHELDON</u>	<u>HILTON HEAD</u>	<u>BLUFFTON</u>	<u>JASPER</u>	<u>TOTAL</u>
<b>REVENUES AND SUPPORT</b>							
Contributions	\$ 10,280	\$ 79,296	\$ 40,490	\$ 237,481	\$ 201,232	\$ 43,610	\$ 612,389
In-kind Contributions	-	-	9,600	-	-	12,000	21,600
Trusts and Foundations	5,000	20,100	18,250	41,177	125,000	51,500	261,027
Membership Dues	-	21,381	225	58,169	104,907	1,428	186,110
Government Funds	-	33,798	13,214	8,750	636	36,399	92,797
Program Fees	-	25,519	3,588	27,539	125,744	9,089	191,479
Special Events	2,420	70,747	-	323,810	247,043	63,404	707,424
Investment Income	101	(973)	-	116,100	208	-	115,436
Rental of Facility	-	30,109	-	12,000	-	-	42,109
Concessions	-	-	-	-	3,478	-	3,478
Miscellaneous Income	501	185	-	454	-	4,600	5,740
Net Assets Released from Restrictions	15,383	157,421	45,077	191,044	196,952	30,963	636,840
Total Revenues and Support	<u>33,685</u>	<u>437,583</u>	<u>130,444</u>	<u>1,016,524</u>	<u>1,005,200</u>	<u>252,993</u>	<u>2,876,429</u>
<b>FUNCTIONAL EXPENSES</b>							
Program Services	7,388	440,535	112,219	868,847	920,259	222,768	2,572,016
General and Administrative	432,012	-	-	-	-	-	432,012
Fundraising	1,600	3,237	-	90,214	72,207	16,007	183,265
Total Functional Expenses	<u>441,000</u>	<u>443,772</u>	<u>112,219</u>	<u>959,061</u>	<u>992,466</u>	<u>238,775</u>	<u>3,187,293</u>
Corporate Allocation Transfers	398,288	(119,486)	(4,464)	(119,486)	(119,486)	(35,366)	-
Increase (Decrease) in Net Assets	(9,027)	(125,675)	13,761	(62,023)	(106,752)	(21,148)	(310,864)
Net Assets, Beginning of Year	(150,847)	1,725,451	8,177	3,682,203	1,811,554	(4,697)	7,071,841
Net Assets, End of Year	<u>\$ (159,874)</u>	<u>\$ 1,599,776</u>	<u>\$ 21,938</u>	<u>\$ 3,620,180</u>	<u>\$ 1,704,802</u>	<u>\$ (25,845)</u>	<u>\$ 6,760,977</u>

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**COMBINING STATEMENT OF FINANCIAL POSITION - TEMPORARILY RESTRICTED FUND**  
**SEPTEMBER 30, 2013**

ASSETS	CORPORATE	BEAUFORT	SHELDON	HILTON HEAD	BLUFFTON	JASPER	TOTAL
Cash and Cash Equivalents	\$ (11,864)	\$ 63,419	\$ 12,944	\$ 132,633	\$ 34,032	\$ 1,661	\$ 232,825
Investments	-	7,352	-	-	-	-	7,352
Due From Other Clubs	-	-	-	-	-	47	47
Unconditional Promises to Give	-	60,525	24,210	43,378	43,377	30,262	201,752
Total Assets	<u>\$ (11,864)</u>	<u>\$ 131,296</u>	<u>\$ 37,154</u>	<u>\$ 176,011</u>	<u>\$ 77,409</u>	<u>\$ 31,970</u>	<u>\$ 441,976</u>
<b>LIABILITIES AND NET ASSETS</b>							
Liabilities	\$ -	-	-	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets							
Temporarily Restricted	(11,864)	131,296	37,154	176,011	77,409	31,970	441,976
Total Net Assets	<u>(11,864)</u>	<u>131,296</u>	<u>37,154</u>	<u>176,011</u>	<u>77,409</u>	<u>31,970</u>	<u>441,976</u>
Total Liabilities and Net Assets	<u>\$ (11,864)</u>	<u>\$ 131,296</u>	<u>\$ 37,154</u>	<u>\$ 176,011</u>	<u>\$ 77,409</u>	<u>\$ 31,970</u>	<u>\$ 441,976</u>



**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**COMBINING STATEMENT OF ACTIVITIES - TEMPORARILY RESTRICTED FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>CORPORATE</u>	<u>BEAUFORT</u>	<u>SHELDON</u>	<u>HILTON HEAD</u>	<u>BLUFFTON</u>	<u>JASPER</u>	<u>TOTAL</u>
<b>REVENUES AND SUPPORT</b>							
Contributions	\$ -	\$ 5,110	\$ -	\$ 31,852	\$ 105,027	\$ 2,340	\$ 144,329
Trusts and Foundations	-	55,000	-	-	-	-	55,000
United Way	-	40,350	16,140	28,918	28,918	20,175	134,501
Government Funds	-	-	-	8,111	-	-	8,111
Program Fees	-	1,651	-	1,341	-	-	2,992
Special Events	-	-	-	77,121	-	5,181	82,302
Investment Income	419	-	-	1	-	-	420
Concessions	-	-	-	-	233	-	233
Net Assets Released from Restrictions	(15,383)	(157,421)	(45,077)	(191,044)	(196,952)	(30,963)	(636,840)
Total Revenues and Support	<u>(14,964)</u>	<u>(55,310)</u>	<u>(28,937)</u>	<u>(43,700)</u>	<u>(62,774)</u>	<u>(3,267)</u>	<u>(208,952)</u>
Increase (Decrease) in Net Assets	(14,964)	(55,310)	(28,937)	(43,700)	(62,774)	(3,267)	(208,952)
Net Assets, Beginning of Year	3,100	186,606	66,091	219,711	140,183	35,237	650,928
Net Assets, End of Year	<u>\$ (11,864)</u>	<u>\$ 131,296</u>	<u>\$ 37,154</u>	<u>\$ 176,011</u>	<u>\$ 77,409</u>	<u>\$ 31,970</u>	<u>\$ 441,976</u>

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**COMBINING STATEMENT OF FINANCIAL POSITION - PERMANENTLY RESTRICTED FUND**  
**SEPTEMBER 30, 2013**

	BEAUFORT	HILTON HEAD	TOTAL
<b>ASSETS</b>			
Investments	\$ 316,177	\$ 136,782	\$ 452,959
Total Assets	\$ 316,177	\$ 136,782	\$ 452,959
<b>LIABILITIES AND NET ASSETS</b>			
Liabilities	-	-	-
Total Liabilities	-	-	-
Net Assets			
Temporarily Restricted	316,177	136,782	452,959
Total Net Assets	316,177	136,782	452,959
Total Liabilities and Net Assets	\$ 316,177	\$ 136,782	\$ 452,959

**BOYS & GIRLS CLUBS OF THE LOWCOUNTRY, INC.**  
**COMBINING STATEMENT OF ACTIVITIES - PERMANENTLY RESTRICTED FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	BEAUFORT	HILTON HEAD	TOTAL
<b>REVENUES AND SUPPORT</b>			
Investment Income	\$ 50,221	\$ 6,340	\$ 56,561
Total Revenues and Support	50,221	6,340	56,561
<b>FUNCTIONAL EXPENSES</b>			
Program Services	3,073	-	3,073
Total Functional Expenses	3,073	-	3,073
Increase (Decrease) in Net Assets	47,148	6,340	53,488
Net Assets, Beginning of Year	269,029	130,442	399,471
Net Assets, End of Year	\$ 316,177	\$ 136,782	\$ 452,959