HERBERT HOOVER BOYS AND GIRLS CLUB OF ST. LOUIS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2009

HERBERT HOOVER
BOYS & GIRLS CLUB

Contents

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Independent Auditors' Report

Board of Directors
Herbert Hoover Boys and Girls Club
of St. Louis, Inc.
St. Louis, Missouri

We have audited the accompanying statement of financial position of Herbert Hoover Boys and Girls Club of St. Louis, Inc. (the Organization), a not-for-profit organization, as of December 31, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Herbert Hoover Boys and Girls Club of St. Louis, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

RubinBrown LLP

June 30, 2010

HERBERT HOOVER BOYS AND GIRLS CLUB OF ST. LOUIS, INC.

STATEMENT OF FINANCIAL POSITION

Assets

	December 31, 2009	December 31, 2008
Current Assets		
Cash and cash equivalents (Note 3)	**$ 320,513**	$ 396,193
Investments (Notes 4 and 9)	**1,896,844**	1,845,482
Unconditional promises to give - current (Note 5)	**767,776**	929,598
Accounts receivable	**145,000**	80,747
Prepaid insurance	**34,033**	18,731
Total Current Assets	**3,164,166**	3,270,751
Unconditional Promises To Give - Long-Term (Note 5)	**224,020**	451,770
Property And Equipment (Notes 6 And 7)	**13,062,157**	13,352,946
Assets Restricted For Endowment (Notes 4 And 9)	**550,382**	509,464
Total Assets	**$ 17,000,725**	$ 17,584,931

Liabilities And Net Assets

	December 31, 2009	December 31, 2008
Current Liabilities		
Current maturities of long-term debt (Note 7)	**$ 80,532**	$ 50,876
Accounts payable and accrued expenses	**174,560**	340,995
Total Current Liabilities	**255,092**	391,871
Long-Term Debt (Note 7)	**1,580,322**	1,661,528
Total Liabilities	**1,835,414**	2,053,399
Net Assets		
Unrestricted Net Assets:		
Operating	**367,379**	(127,284)
Amberg Fund - designated for capital improvements and building repairs (Note 8)	**1,134,723**	1,246,170
Unrestricted - invested in property and equipment	**11,401,303**	11,640,544
Total Unrestricted Net Assets	**12,903,405**	12,759,430
Temporarily Restricted (Note 8)	**1,589,006**	2,099,202
Permanetly Restricted (Note 9)	**672,900**	672,900
Total Net Assets	**15,165,311**	15,531,532
Total Liabilities And Net Assets	**$ 17,000,725**	$ 17,584,931

HERBERT HOOVER BOYS AND GIRLS CLUB OF ST. LOUIS, INC.

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues And Support				
Contributions	$ 696,615	$ 922,950	$ —	$ 1,619,565
Grants	570,578	—	—	570,578
United Way	40,061	566,078	—	606,139
In-kind donations	53,290	—	—	53,290
Membership and program fees	211,006	—	—	211,006
Fundraising event revenue (net of direct costs			—	
of benefits to donors of $127,659)	232,326	—	—	232,326
Interest and dividend income	64,375	—	—	64,375
Miscellaneous income	109,829	—	—	109,829
	1,978,080	1,489,028	—	3,467,108
Net assets released from restrictions (Note 8)	1,999,224	(1,999,224)	—	—
Total Revenues And Support	3,977,304	(510,196)	—	3,467,108
Expenses				
Program Services:				
Physical education and athletics	1,286,358	—	—	1,286,358
Health services	621,704	—	—	621,704
Social, cultural, rehabilitation				
and supplementary education	1,634,987	—	—	1,634,987
Total Program Services	3,543,049	—	—	3,543,049
General and administrative	301,687	—	—	301,687
Development and fundraising	328,825	—	—	328,825
Total Expenses	4,173,561	—	—	4,173,561
Decrease In Net Assets From Operations	(196,257)	(510,196)	—	(706,453)
Realized And Unrealized Gains				
On Investments (Note 4)	340,232	—	—	340,232
Increase (Decrease) In Net Assets	143,975	(510,196)	—	(366,221)
Net Assets - Beginning Of Year	12,759,430	2,099,202	672,900	15,531,532
Net Assets - End Of Year	$ 12,903,405	$ 1,589,006	$ 672,900	$ 15,165,311

HERBERT HOOVER BOYS AND GIRLS CLUB OF ST. LOUIS, INC.

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues And Support				
Contributions	$ 1,196,548	$ 308,872	$ 50,000	$ 1,555,420
Grants	232,671	—	—	232,671
United Way	—	598,243	—	598,243
In-kind donations	39,687	—	—	39,687
Membership and program fees	232,713	—	—	232,713
Fundraising event revenue (net of direct costs of benefits to donors of $184,293)	293,184	—	—	293,184
Interest and dividend income	64,719	30,351	—	95,070
Miscellaneous income	51,558	—	—	51,558
	2,111,080	937,466	50,000	3,098,546
Net assets released from restrictions (Note 8)	1,478,679	(1,478,679)	—	—
Total Revenues And Support	3,589,759	(541,213)	50,000	3,098,546
Expenses				
Program Services:				
Physical education and athletics	1,348,489	—	—	1,348,489
Health services	512,001	—	—	512,001
Social, cultural, rehabilitation and supplementary education	1,939,288	—	—	1,939,288
Total Program Services	3,799,778	—	—	3,799,778
General and administrative	235,570	—	—	235,570
Development and fundraising	347,337	—	—	347,337
Total Expenses	4,382,685	—	—	4,382,685
Increase (Decrease) In Net Assets From Operations	(792,926)	(541,213)	50,000	(1,284,139)
Realized And Unrealized Losses On Investments (Note 4)	(848,054)	(49,374)	—	(897,428)
Increase (Decrease) In Net Assets	(1,640,980)	(590,587)	50,000	(2,181,567)
Addition Of Mentor St. Louis Assets (Note 12)	170,580	19,023	622,900	812,503
Net Assets - Beginning Of Year	14,229,830	2,670,766	—	16,900,596
Net Assets - End Of Year	$ 12,759,430	$ 2,099,202	$ 672,900	$ 15,531,532

HERBERT HOOVER BOYS AND GIRLS CLUB OF ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2009

	Program Services						
	Physical Education And Athletics	Health Services	Social, Cultural, Rehabilitation And Supplementary Education	Total	General And Administrative	Development And Fundraising	Total
Salaries	$ 639,429	$ 245,484	$ 825,126	$ 1,710,039	$ 63,154	$ 138,573	$ 1,911,766
Payroll taxes	59,973	25,369	76,079	161,421	3,579	12,996	177,996
Employee benefits	83,173	31,931	108,964	224,068	8,214	18,025	250,307
Advertising and promotion	1,111	649	1,046	2,806	115	4,126	7,047
Assistance to individuals	924	528	924	2,376	264	—	2,640
Bank and trustee fees	1,074	1,074	1,075	3,223	1,075	1,075	5,373
Conferences and meetings	6,939	1,712	6,915	15,566	657	1,321	17,544
Depreciation	146,948	97,966	146,948	391,862	73,474	24,491	489,827
Equipment rental and maintenance	25,126	19,298	23,533	67,957	271	3,875	72,103
Insurance	18,626	10,706	17,619	46,951	3,514	—	50,465
Interest expense	28,963	24,135	24,135	77,233	9,655	9,654	96,542
Membership dues	4,856	2,364	4,180	11,400	1,334	359	13,093
Miscellaneous expense	244	244	244	732	245	245	1,222
National dues	3,058	1,489	2,633	7,180	859	226	8,265
Occupancy	118,312	57,557	137,417	313,286	19,186	12,791	345,263
Postage and shipping	4,047	2,323	5,631	12,001	3,668	1,121	16,790
Printing and publishing	1,589	969	2,101	4,659	365	15,954	20,978
Professional fees	39,579	55,533	52,705	147,817	94,118	58,348	300,283
Special events	4,702	6,872	5,786	17,360	11,573	7,234	36,167
Stipends	2,252	1,930	2,253	6,435	—	—	6,435
Supplies	46,129	16,210	152,442	214,781	2,017	12,793	229,591
Telephone	9,373	5,295	9,398	24,066	925	1,500	26,491
Travel	39,931	12,066	27,833	79,830	3,425	4,118	87,373
	$ 1,286,358	$ 621,704	$ 1,634,987	$ 3,543,049	$ 301,687	$ 328,825	$ 4,173,561

See the accompanying notes to financial statements.

HERBERT HOOVER BOYS AND GIRLS CLUB
OF ST. LOUIS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2008

	Program Services						
	Physical Education And Athletics	Health Services	Social, Cultural, Rehabilitation And Supplementary Education	Total	General And Administrative	Development And Fundraising	Total
Salaries	$ 624,949	$ 234,356	$ 906,476	$ 1,765,781	$ 32,550	$ 157,830	$ 1,956,161
Payroll taxes	51,737	19,401	74,697	145,835	2,491	12,074	160,400
Employee benefits	96,705	36,264	138,480	271,449	3,680	27,271	302,400
Advertising and promotion	1,822	683	2,049	4,554	911	12,751	18,216
Assistance to individuals	200	75	225	500	—	—	500
Bank and trustee fees	4,465	1,787	4,993	11,245	3,074	384	14,703
Conferences and meetings	3,877	1,454	4,328	9,659	539	538	10,736
Depreciation	151,805	56,927	170,781	379,513	71,159	23,719	474,391
Equipment rental and maintenance	14,164	5,919	15,813	35,896	4,741	1,913	42,550
Insurance	20,529	7,698	23,095	51,322	6,221	4,666	62,209
Interest expense	37,845	14,754	42,463	95,062	23,590	493	119,145
Membership dues	5,349	2,006	6,017	13,372	891	3,566	17,829
Miscellaneous expense	5,719	2,144	6,434	14,297	2,599	433	17,329
Occupancy	121,809	45,679	167,635	335,123	9,930	16,550	361,603
Postage and shipping	3,898	1,531	4,594	10,023	729	3,646	14,398
Printing and publishing	3,780	1,418	4,253	9,451	788	5,512	15,751
Professional fees	78,845	34,533	83,736	197,114	51,928	42,500	291,542
Special events	10,735	4,026	12,077	26,838	4,736	16,519	48,093
Stipends	4,808	1,803	5,409	12,020	245	—	12,265
Supplies	49,611	18,604	202,916	271,131	7,047	9,866	288,044
Telephone	9,110	3,416	10,249	22,775	1,231	616	24,622
Travel	46,727	17,523	52,568	116,818	6,490	6,490	129,798
	$ 1,348,489	$ 512,001	$ 1,939,288	$ 3,799,778	$ 235,570	$ 347,337	$ 4,382,685

HERBERT HOOVER BOYS AND GIRLS CLUB OF ST. LOUIS, INC.

STATEMENT OF CASH FLOWS

	For The Years Ended December 31, 2009	2008
Cash Flows From Operating Activities		
Decrease in net assets	**$ (366,221)**	$ (2,181,567)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	**489,827**	474,391
Contributions restricted for endowment	**—**	(50,000)
Realized and unrealized (gains) losses on investments	**(340,232)**	897,428
Changes in assets and liabilities:		
Decrease in unconditional promises to give	**389,572**	477,722
Decrease in accounts receivable	**(64,253)**	(80,747)
Decrease in interest receivable	**—**	302
(Increase) decrease in prepaid insurance	**(15,302)**	5,143
Increase (decrease) in accounts payable and accrued expenses	**(166,435)**	12,077
Net Cash Used In Operating Activities	**(73,044)**	(445,251)
Cash Flows From Investing Activities		
Cash received in acquisition of Mentor St. Louis	**—**	64,795
Proceeds from sale of investments	**1,643,202**	1,017,176
Purchases of investments	**(1,395,250)**	(1,683,716)
Purchases of property and equipment	**(199,038)**	(629,449)
Net Cash Provided By (Used In) Investing Activities	**48,914**	(1,231,194)
Cash Flows From Financing Activities		
Payments on long-term debt	**(1,051,550)**	(211,840)
Proceeds from first mortgage loan	**1,000,000**	—
Proceeds from endowment contributions	**—**	50,000
Net Cash Used In Financing Activities	**(51,550)**	(161,840)
Net Decrease In Cash And Cash Equivalents	**(75,680)**	(1,838,285)
Cash And Cash Equivalents - Beginning Of Year	**396,193**	2,234,478
Cash And Cash Equivalents - End Of Year	**$ 320,513**	$ 396,193
Supplemental Disclosure Of Cash Flow Information		
Interest paid	**$ 96,584**	$ 119,145

1. Summary Of Significant Accounting Policies

Basis Of Accounting

The accompanying financial statements of Herbert Hoover Boys and Girls Club of St. Louis, Inc. (the Organization) have been prepared on the accrual basis of accounting. Income is recognized when earned and expenses are recognized when incurred.

Basis Of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board for Not-for-Profit Organizations by present assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity and financial flexibility. As a result, the Organization is required to report its financial position and activities according to the following three classes of assets:

Unrestricted Net Assets represent those net assets that are not subject to donor-imposed stipulations. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets represent those net assets whose use has been limited by donor-imposed stipulations that either can be fulfilled or expire by the passage of time.

Permanently Restricted Net Assets represent those net assets whose use has been limited by donor-imposed stipulations that will remain in effect in perpetuity.

Estimates And Assumptions

The Organization uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for uncollectible receivables and pledges.

Cash And Cash Equivalents

The Organization considers all unrestricted and temporarily restricted temporary investments to be cash equivalents. Cash and cash equivalents include checking accounts and short-term investments with original maturity dates of three months or less.

Investments

Certificates of deposits are reported at cost plus accrued interest which approximates fair value. All other investments are reported at fair valued based on quoted prices in active markets. Gains or losses on sales of investments are determined on a specific cost identification method. Unrealized gains and losses are determined based on year-end fair value fluctuations. All investment income is reported as increase or decreases in unrestricted net assets unless or donor or law restricts the use of the income.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

Fair Value Of Financial Instruments

Various methods and assumptions were used to estimate the fair value of each class of financial instruments. Cash and cash equivalents are valued at their carrying amount due to their short maturities. Investments are reported at fair value based on quoted market prices. The carrying value of all other financial instruments approximates fair value.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollected amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Management has determined that no valuation allowance is necessary for accounts receivable as of December 31, 2009.

Unconditional Promises To Give

Unconditional promises to give in future periods are recognized as support in the period the promises are received. Promises to give, which depend upon specified future and certain events, are reported at the amount management expects to collect on balances outstanding at year end. Management provides for probable uncollected amounts through a charge to net assets and a credit to a valuation allowance based on its assessment of the current status of the existing receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to promises to give. Changes in the valuation allowance have not been material to the financial statements.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimate future cash flows. The result discount is amortized and reported as contribution revenue in the statement of activities.

Property And Equipment

Property and equipment are carried at cost, if purchased, or at fair value, if donated, less accumulated depreciation computed using the straight-line method over periods ranging from 3 to 40 years.

Restricted And Unrestricted Support And Revenue

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

Donated Property, Services And Materials

Various equipment, services and materials are donated to the Organization. Donated equipment, certain donated professional services and donated materials are recorded as contributions at their estimated fair value on the dates of the contributions. A substantial number of other volunteers have donated significant amounts of their time to the Organization's program services and its fundraising activities. However, these donated services have not been recorded because they do not meet the criteria for recognition under generally accepted accounting principles.

Description Of Program Services And Supporting Activities

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

Physical Education And Athletics

This program helps youth to achieve and maintain fitness, acquire a broad range of physical skills, develop a sense of teamwork, cooperation and fairness, and lead active, healthy lifestyles. Activities in the program include basketball, softball, baseball and tee-ball, football, track and field, swimming, karate, golf, tennis, jump rope, drill team, cheerleading and soccer.

Health Services

All members and their siblings are entitled to free dental care provided in the newly renovated dental clinic on site. Services include biannual cleaning, fluoride treatment, fillings and sealants, extractions and orthodontic care.

The Organization also operates an on-site vision center which offers free screenings and eyeglasses.

Social, Cultural, Rehabilitation And Supplementary Education

Social recreation helps youths to get along with others, make new friends, and provides opportunities for fun and constructive use of leisure time. Activities in the program include game room tournaments, parties, dances and field trips.

Cultural enrichment helps youth enhance self-expression and creativity, develops multicultural appreciation, provides exposure to and develops skills in crafts, visual arts, performing arts and literary arts. The program includes instrumental instruction from the Webster University School of Music, photography, art classes, concerts and African-American studies.

Rehabilitation and supplementary education provide personal and educational development. Personal and educational development helps youth prepare for their future, offers assistance in resolving personal crisis and provides opportunities for career exploration and educational enhancement. Activities include homework assistance, job skills training, computer classes, Junior Achievement, science, health education, conflict resolution, scouting, financial literacy and Junior Staff Career Development.

This programming also includes the activities of Mentor St. Louis, a program designed to pair adult mentors with high-needs youth in the St. Louis Public School district to assist them with their education and improvement of life skills.

General And Administrative

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

Development And Fundraising

Provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations as well as support from local, state, and federal government agencies.

Allocation Of Expenses

Expenses are charged to program services and supporting activities on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Tax Status

The Organization constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from federal income taxes.

On January 1, 2009, the Organization adopted recently issued accounting rules for uncertain tax positions. These rules required financial statement recognition of the impact of a tax position if a position is more likely than not of being sustained on audit, based on the technical merits of the position. The rules also provide guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, transition, and disclosure requirements for uncertain tax positions. The adoption of the new rules had no impact on the financial statements as of December 31, 2009. The Organization's tax returns for the tax years ended 2006 and later remain subject to examination by taxing authorities.

Subsequent Events

Management has evaluated subsequent events through June 30, 2010, the date which the financial statements were available for issue.

Reclassifications

Certain reclassifications have been made to the 2008 amounts to conform with the presentation of such amounts for 2009.

2. Operations

The Organization is a not-for-profit organization dedicated to providing recreational, athletic and educational facilities for youth in the metropolitan St. Louis area.

Effective October 29, 2009, the Organization merged with Mentor St. Louis, a nonprofit corporation. Mentor St. Louis offers school-based mentoring supplemented by additional weekly contact with students in the St. Louis Public School district, including personal visits, phone calls and writing correspondence.

Effective February 1, 2008, the Organization entered into an agreement with the Hazelwood School District to offer programs in South East Middle School. The cost for this service is funded by various grants. St. Louis County has contributed financially to this program and will continue to provide financial support.

3. Cash And Cash Equivalents

Cash and cash equivalents consist of the following:

	2009	2008
Checking accounts	$ 44,969	$ 157,072
Restricted cash - Deaconess Partnership	104,980	—
Amberg fund	37,864	66,446
Taylor Fund Character & Leadership Development Program	132,700	172,675
	$ 320,513	$ 396,193

The Organization maintains its cash and cash equivalents at several banks and with several investment managers. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per financial institution. A summary of the total insured and uninsured amounts, based on bank and investment statement balances at December 31, 2009, is as follows:

Total cash and cash equivalents held at financial institutions	$ 320,513
Portion insured by FDIC	284,221
Uninsured cash and cash equivalents	$ 36,292

Total cash and cash equivalents held at financial institutions represents the amount of cash and cash equivalents physically deposited in the various accounts at December 31, 2009 without regard to deposits in transit or outstanding checks.

4. Investments

Investments consist of:

	2009		2008	
	Cost	**Fair Value**	Cost	Fair Value
Money markets	**$ 13,639**	**$ 13,639**	$ 7,532	$ 7,532
Certificates of deposit	**5,095**	**5,095**	7,500	7,500
Government obligations	**249,374**	**258,071**	285,871	298,233
Corporate bonds	**196,586**	**207,665**	220,761	229,785
Corporate stocks	**572,688**	**622,641**	1,164,734	931,731
Mutual funds-balanced	**1,395,492**	**1,232,892**	1,131,200	792,974
Asset-backed securities	**106,483**	**107,223**	84,906	87,191
	$ 2,539,357	**$ 2,447,226**	$ 2,902,504	$ 2,354,946

For the year ended December 31, 2009, unrealized gains of $448,794 were recorded to adjust the investments to fair value. Unrealized losses of $848,312 were recorded to adjust the investments to fair value at December 31, 2008. For the years ended December 31, 2009 and 2008, the Organization realized losses totaling $108,562 and $49,116 respectively, from the sale of investments.

Investment fees of $15,911 and $20,500 were incurred in 2009 and 2008, respectively, and are netted against investment income.

Investments are classified in several funds as follows:

	2009	2008
General investments	$ 606	$ 19,431
Amberg Fund	1,096,859	1,179,724
Taylor Fund	794,284	638,827
Jamal Philips scholarship account	5,095	7,500
Endowment assets	550,382	509,464
	$ 2,447,226	$ 2,354,946

The Amberg Fund is designated for capital improvements and building repairs by the Board of Directors. The Taylor Fund is temporarily restricted for the Character & Leadership Development Program. The assets held for permanent endowment are described in Note 9.

In accordance with accounting standards related to fair value, major categories financial assets and liabilities are measured at fair value on a recurring basis using quoted prices in activities market s(Level 1), significant observable input for similar assets and liabilities (Level 2) and significant unobservable inputs (Level 3). The organizations investments are considered to be Level 1 investments for fair value purposes.

5. Promises To Give

Unconditional short-term promises consist of pledges that had not yet been collected at year end and are due within one year. Long-term promises to give include promises to give that are payable over a period greater than one year. At December 31, 2009, unconditional promises to give are expected to be collected as follows:

Pledges due in less than one year	$ 781,856
Pledges due in 1 - 5 years	235,920
Less: Present value discount	11,900
	1,005,876
Less: Allowance	14,080
	$ 991,796

The United Way of Greater St. Louis, Inc. (United Way) provides funding for the Organization's activities. Notification of the succeeding year's funding is received by the Organization in December. Accordingly, the amount awarded for 2010 and 2009 of $549,501 and $571,054, respectively, was recorded as temporarily restricted contributions and related promises to give at December 31, 2009 and 2008 (Note 8).

In 2009, the Organization received a long term conditional pledge from a local foundation. The pledge provides approximately $300,000 in funding per year to use for capacity building and strengthening the infrastructure of the Organization. Receipt of the funding each year is conditional upon the Organization ability to achieve its capacity and strengthening goals and the foundations approval of future plans.

6. Property And Equipment

Property and equipment consist of:

	2009	2008
Land	**$ 698,206**	$ 696,258
Land improvements	**136,855**	40,000
Buildings and improvements	**15,752,612**	15,729,242
Furniture and equipment	**928,172**	905,819
Construction in progress	**54,512**	—
	17,570,357	17,371,319
Less: Accumulated depreciation	**4,508,200**	4,018,373
	$ 13,062,157	$ 13,352,946

Depreciation expense charged to revenues amounted to $489,827 in 2009 and $474,391 in 2008.

7. Long-Term Debt

The following is a summary of long-term debt:

	2009	2008
Note payable - Illinois Facility Fund, principal and interest are payable monthly in equal installments of $8,304 through July 1, 2024. The loan is secured by a first deed of trust on the property on North Grand. The note bears interest at 5.75% fixed through July 2019.	$ 982,269	$ —
Note payable - Illinois Facility Fund, principal and interest are payable monthly in equal installments of $6,329 through October 1, 2022. The loan is secured by a second deed of trust on the property on North Grand. The note bears interest at 6% fixed through 2013.	678,585	712,404
Note payable - bank, under the amended line-of-credit agreement, matured June 30, 2009, bearing interest at 7.5%. The note is secured by the first deed of trust on the property at North Grand, personal property and capital campaign pledges and contributions. Proceeds from the Illinois Facility Fund noted above were used to pay off this note in 2009.	—	1,000,000
	$ 1,660,854	$ 1,712,404

The above notes payable contain covenants pertaining to the maintenance and sale of property, loans and advances, and substantial changes in management or ownership.

The scheduled maturities of the long-term debt at December 31, 2009 are as follows:

Year	Amount
2010	$ 80,532
2011	82,383
2012	90,525
2013	95,977
2014	101,597
Thereafter	1,209,840
	$ 1,660,854

8. Restricted Net Assets

Temporarily restricted net assets are restricted as follows:

	2009	2008
United Way of Greater St. Louis, Inc. - time restricted (Note 5)	$ 549,501	$ 571,054
Other - time restricted	8,275	46,307
Capital campaign	2,500	33,200
Active Living - Missouri Foundation for Health	—	9,037
Adams Park programs	437,500	750,000
Baseball fields	71,265	37,501
Character & Leadership Development Program	499,965	622,103
Dental clinic	20,000	30,000
	$ 1,589,006	$ 2,099,202

Net assets were released from donor-imposed restrictions as follows:

	2009	2008
Expiration of time restrictions - United Way	$ 571,054	$ 571,054
Expiration of time restrictions - other	43,307	10,725
Capital campaign	30,700	93,000
Active Living - Missouri Foundation for Health	9,037	81,833
Adams Park programs	312,500	250,000
Character & Leadership Development Program	249,623	181,813
Mentor St. Louis	159,288	290,254
Dental clinic	35,000	—
Deaconess Foundation - building capacity	367,479	—
Baseball field	146,236	—
Summer program	20,000	—
Various miscellaneous programs	55,000	—
	$ 1,999,224	$ 1,478,679

Net assets designated by the Board of Directors for the Amberg Fund are comprised of:

	2009	2008
Cash	$ 37,864	$ 66,446
Investments	1,096,859	1,179,724
	$ 1,134,723	$ 1,246,170

Permanently restricted net assets consist of an endowment (Note 9).

9. Permanently Restricted Endowment Funds

The Organization's endowment consists of funds acquired in the merge between Herbert Hoover Boys and Girls Club and Mentor St. Louis. The endowment includes donor-designated funds, the earnings from which are to be used to support operations of a school based mentoring program that matches adults with students in the St. Louis Public School System. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted relevant law to mean that the fair value of the original endowment is restricted in perpetuity, absent explicit donor stipulations to the contrary. Additionally, the Board of Directors has adopted a formal investment policy that details the objectives and constraints of the endowment. The primary goal of the endowment is long term growth and preservation of purchasing power by achieving returns in excess of the rate of inflation. The investment accepts minimal risk by acknowledging the need to assume risk in order to preserve long-term financial assets. The policy calls for a specific allocation of funds with periodic rebalancing at the discretion of the investment manager. As stipulated by the donors, the investment policy includes a formal spending policy which allows the Organization to distribute a maximum of 5% of the current market value of the endowment each year.

As of December 31, 2009 the net asset composition of the endowment was as follows:

	Unrestricted	Restricted	Restricted	Total
Donor-designated funds	$ (122,518)	$ —	$ 672,900	$ 550,382

The changes in the endowment net assets for the years ended December 31, 2009 and 2008 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance - January 1, 2008	$ —	$ 19,023	$ 622,900	$ 641,923
Interest and dividends	—	30,351	—	30,351
Realized loss	—	(28,375)	—	(28,375)
Unrealized loss	(133,436)	(20,999)	—	(154,435)
Total investment return	(133,436)	(19,023)	—	(152,459)
Contributions	—	—	50,000	50,000
Amounts appropriated for spending	(30,000)	—	—	(30,000)
Balance - December 31, 2008	(163,436)	—	672,900	509,464
				—
Interest and dividends	16,701		—	16,701
Realized loss	(39,299)	—	—	(39,299)
Unrealized gain	83,516	—	—	83,516
Total investment return	60,918	—	—	60,918
Amounts appropriated for spending	(20,000)	—	—	(20,000)
Balance - December 31, 2009	$ (122,518)	$ —	$ 672,900	$ 550,382

The fair market value of the assets associated with the endowment funds has fallen below the level that the donors require the Organization to retain in perpetuity. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets as of December 31, 2009 and 2008 in the amount of $122,518 and $163,436, respectively. These deficiencies resulted from unfavorable market conditions during 2008 and 2009. The Organization has obtained approval from the donors to continue drawing 5% of the current market value even though the market value is below the historical dollar value of the original endowment gifts.

10. Commitments

In connection with the merger with Adams Park Community Center, the Organization has become party to several real estate land lease agreements with the City of St. Louis and the Board of Education of the City of St. Louis. Commitments under the lease arrangement are not material to the Organization's financial statements.

11. Defined Contribution Pension Plan

The Organization maintains a Section 403(b) defined contribution plan covering essentially all full-time employees. Employer contributions to the plan totaled \$84,417 and \$88,007 for the years ended December 31, 2009 and 2008, respectively. Amounts contributed represent 5% of eligible salaries with a 3% match on employee contributions made during the fourth quarter in 2009 and 10% of eligible salaries for all of 2008. As of December 31, 2009 and 2008, the Organization has accrued contributions outstanding of \$10,407 and \$82,603, respectively, which are included in accounts payable and accrued expenses in the statement of financial position.

12. Merger

Effective October 29, 2009, the Organization acquired the assets and operations of Mentor St. Louis without an exchange of consideration. The merger has been accounted for in a manner similar to a "pooling of interests." The accompanying financial statements reflect the combined assets and net assets of the two organizations at January 1, 2008 and the statement of activities for the Organization for 2008 and 2009 includes the operations of Mentor St. Louis. Activity for both entities from the beginning of the periods presented through December 31, 2009 is as follows:

	Mentor St. Louis	Herbert Hoover
Net Assets, January 1, 2008	$ 812,503	$ 16,900,596
Contribution and grant revenue	340,254	2,378,951
Program revenue	—	232,713
Investment loss, net	(163,813)	(638,545)
Other income	932	50,626
Operating expenses	(427,293)	(3,955,392)
Net Assets, December 31, 2008	562,583	14,968,949
Contribution and grant revenue	159,288	2,922,610
Program revenue	—	211,006
Investment income, net	59,923	344,684
Other income	10,200	99,629
Operating expenses	(240,499)	(3,933,062)
Net Assets, December 31, 2009	$ 551,495	$ 14,613,816

Net assets of the acquired Organization are classified as follows:

	Unrestricted	Permanently Restricted	Total
January 1, 2008	$ 189,604	$ 622,900	$ 812,504
December 31, 2008	(110,317)	672,900	562,583
December 31, 2009	(121,405)	672,900	551,495