

AGREEMENT FOR COMMUNITY SERVICES

THIS AGREEMENT FOR COMMUNITY SERVICES (this “Agreement”) is entered into as of the date written below between the City of Bainbridge Island, a Washington state municipal corporation (the “City”) and Boys & Girls Club of Bainbridge Island (the “Service Provider”).

WHEREAS, the City desires to assist the Service Provider by providing funds for programs and services during after-school hours for youth and teens; and

WHEREAS, the Service Provider has the expertise and experience to provide such services and is willing to do so in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, promises, and agreements set forth herein, it is agreed by and between the City and the Service Provider as follows:

1. SERVICES BY SERVICE PROVIDER

The Service Provider shall provide the community services as defined in this Agreement and as necessary to accomplish the scope of work attached hereto as Attachment A and incorporated herein by this reference as if set forth in full. The Service Provider shall furnish all services, labor and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement.

The Service Provider will acknowledge support from the City in promotional materials.

2. PAYMENT

A. The City shall pay the Service Provider Forty-Six Thousand Six Hundred Fifty Dollars (\$46,650) for all services performed under this Agreement, to be billed quarterly. The Service Provider shall execute this Agreement by June 30, 2016 in order to receive funding for 2016.

B. The Service Provider shall submit quarterly invoices for services performed in a previous quarter in a format acceptable to the City. The Service Provider shall maintain time and expense records and provide them to the City upon request.

C. All invoices shall be paid by mailing a city check within sixty (60) days of receipt of a proper invoice.

D. If the services rendered do not meet the requirements of this Agreement, the Service Provider shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.

3. REPORT ON EXECUTION OF SERVICES

The Service Provider shall submit a final report prior to or accompanying their last invoice, due on January 20, 2017. In this report, the Service Provider shall:

1. Summarize the activities undertaken in providing the services described in Attachment A.
2. Reference the project objectives specified in Attachment A. Were those objectives achieved? Why or why not? Were there any unexpected positive outcomes or challenges?
3. Reference the specific measurable results specified in Attachment A. Were they achieved? If not, what challenges prevented the achievement of the anticipated results?
4. Describe involvement of any partners specified in Attachment A, as well as any unexpected cooperative relationships that developed through implementation of the project.
5. Reference the project budget specified in the Attachment A. Provide an analysis of actual expenses and income in relation to the projected budget.

4. INSPECTION AND AUDIT

The Service Provider shall maintain all books, records, documents and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Service Provider shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts and records where necessary to conduct or document an audit. The Service Provider shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Service Provider shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

5. INDEPENDENT CONTRACTOR

A. The Service Provider and the City understand and expressly agree that the Service Provider is an independent contractor in the performance of each and every part of this Agreement. The Service Provider expressly represents, warrants and agrees that his status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195. The Service Provider, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the services required under this Agreement. The Service Provider shall make no claim of City employment nor shall claim any related employment benefits, social security, and/or retirement benefits.

B. The Service Provider shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a

tax or assessment as a result of this Agreement, the Service Provider shall pay the same before it becomes due.

C. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Service Provider performs hereunder.

D. The Service Provider shall obtain a business license and, if applicable, pay business and occupation taxes pursuant to Title 5 of the Bainbridge Island Municipal Code.

6. DISCRIMINATION AND COMPLIANCE WITH LAWS

A. The Service Provider agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, sexual orientation, age, disability, or other circumstance prohibited by federal, state or local law or ordinance, except for a bona fide occupational qualification.

B. The Service Provider shall comply with all federal, state and local laws and ordinances applicable to the work to be done under this Agreement.

C. Violation of this Section 6 shall be a material breach of this Agreement and grounds for cancellation, termination or suspension by the City, in whole or in part, and may result in ineligibility for further work for the City.

7. TERM AND TERMINATION OF AGREEMENT

A. This Agreement shall become effective upon execution by both parties and shall continue in full force until December 31, 2016, unless sooner terminated by either party as provided below.

B. This Agreement may be terminated by either party without cause upon thirty (30) days' written notice to the other party. In the event of termination, all finished or unfinished documents, reports, or other material or work of the Service Provider pursuant to this Agreement shall be submitted to the City, and the Service Provider shall be entitled to just and equitable compensation at the rate set forth in Section 2 for any satisfactory work completed prior to the date of termination.

8. OWNERSHIP OF WORK PRODUCT

All data, materials, reports, memoranda and other documents developed under this Agreement whether finished or not shall become the property of the City, shall be forwarded to the City in hard copy and in digital format that is compatible with the City's computer software programs.

9. GENERAL ADMINISTRATION AND MANAGEMENT

The City Manager of the City, or designee, shall be the City's representative, and shall oversee and approve all services to be performed, coordinate all communications, and review and approve all invoices, under this Agreement.

10. HOLD HARMLESS AND INDEMNIFICATION

A. The Service Provider agrees to protect, defend, indemnify, and hold harmless the City, its elected officials, officers, employees and agents from any and all claims, demands, losses, liens, liabilities, penalties, fines, lawsuits, and other proceedings and all judgments, awards, costs and expenses (including reasonable attorneys' fees and disbursements) caused by or occurring by reason of any negligent act, error and/or omission of the Service Provider, its officers, employees, and/or agents, arising out of or in connection with the performance or non-performance of the services, duties, and obligations required of the Service Provider under this Agreement.

B. In the event that the Service Provider and the City are both negligent, then the Service Provider's liability for indemnification of the City shall be limited to the contributory negligence for any resulting suits, actions, claims, liability, damages, judgments, costs and expenses (including reasonable attorneys' fees and disbursements) that can be apportioned to the Service Provider, its officers, employees and agents.

C. The foregoing indemnity is specifically and expressly intended to constitute a waiver of the immunity of the Service Provider under Washington's Industrial Insurance Act, RCW Title 51, as respects the other parties only, and only to the extent necessary to provide the indemnified party with a full and complete indemnity of claims made by the employees of the Service Provider. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

D. The City's inspection or acceptance of any of the Service Provider's work when completed shall not be grounds to void, nullify and/or invalidate any of these covenants of indemnification.

E. Nothing contained in this section of this Agreement shall be construed to create a liability or a right of indemnification in any third party.

F. The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

11. INSURANCE

Service Provider shall maintain insurance as follows:

- Commercial General Liability as described in Attachment B.
- Directors and Officers Liability as described in Attachment B.
- Automobile Liability as described in Attachment B.
- None.

12. SUBLETTING OR ASSIGNING CONTRACT

This Agreement, or any interest herein or claim hereunder, shall not be assigned or transferred in whole or in part by the Service Provider to any other person or entity without the prior written

consent of the City. In the event that such prior written consent to an assignment is granted, then the assignee shall assume all duties, obligations, and liabilities of the Service Provider as stated herein.

13. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

14. SEVERABILITY

A. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

15. FAIR MEANING

The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

16. NON-WAIVER

A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

17. NOTICES

Unless stated otherwise herein, all notices and demands shall be in writing and sent or hand-delivered to the parties at their addresses as follows:

To the City: City of Bainbridge Island
280 Madison Avenue North
Bainbridge Island, WA 98110
Attention: City Manager

To the Service Provider: Boys & Girls Club of Bainbridge Island
8525 Madison Avenue NE
Bainbridge Island, WA 98110

Attention: Executive Director

or to such addresses as the parties may hereafter designate in writing. Notices and/or demands shall be sent by registered or certified mail, postage prepaid, or hand-delivered. Such notices shall be deemed effective when mailed or hand-delivered at the addresses specified above.

18. SURVIVAL

Any provision of this Agreement which imposes an obligation after termination or expiration of this Agreement shall survive the term or expiration of this Agreement and shall be binding on the parties to this Agreement.

19. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

20. VENUE

The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Kitsap County, Washington.

21. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of _____, 2016.

BOYS & GIRLS CLUB OF
BAINBRIDGE ISLAND

CITY OF BAINBRIDGE ISLAND

By _____

By _____

Douglas Schulze, City Manager

Name _____

Title _____

Tax I.D. # _____

ATTACHMENT A

**CITY OF BAINBRIDGE ISLAND
2016 HUMAN SERVICES FUNDING PROGRAM PROPOSAL
Boys & Girls Club of Bainbridge Island**

1. Organization name: Boys & Girls Club of Bainbridge Island, chapter of Boys & Girls Clubs of King County (BGCKC)
2. Contract person: Kelly Otis, Grantwriter, 206.436.1823; Brooke Beals, Club Executive Director for Bainbridge Club, 206.436.1861
3. Email address: kotis@positiveplace.org; bbeals@positiveplace.org
4. Physical address: 9453 Coppertop Loop NE, Bainbridge Island, WA 98110
5. Mailing address: 603 Stewart St. #300, Seattle, WA 98101
6. 501 c3: yes
7. EIN (BGCKC): 91-0532600
8. Request for 2016:
 - a. Amount of City funding requested: \$50,000
 - b. Type: Operations
 - c. Name of Program: Bainbridge Island Boys & Girls Club (BI-BGC)
 - d. Brief description of request: Bainbridge Island Boys & Girls Club (BI-BGC) requests general operating support for out-of-school youth programming (for ages 5 to 18 years), with an emphasis on academic success, healthy lifestyles and good character/citizenship.
9. Attached as separate PDF documents:
 - ✓ Funding application – cover letter and proposal (this doc)
 - ✓ Current Board of Directors – BI-BGC and Boys & Girls Clubs of King County (BGCKC)
 - ✓ 2014 Organization Financial Statement (Balance sheet and income statement) – BGCKC
 - ✓ 2015 Budget & 2016 draft budget – BI-BGC
10. One copy of recent 990 – BGCKC (attached as .pdf)
11. For capital requests – N/A
12. Authorized signature:



Calvin L. Lyons

President/CEO for Boys & Girls Clubs of King County

20 OCT 2015

Date

**CITY OF BAINBRIDGE ISLAND
2016 HUMAN SERVICES FUNDING PROGRAM PROPOSAL
Boys & Girls Club of Bainbridge Island**

I. STATEMENT OF PURPOSE

1. Describe community need

Bainbridge Island Boys & Girls Club (BI-BGC) is the Island's primary provider of out-of-school programming for ages 5 to 18 years, offering dynamic afterschool and summer activities with an emphasis on academic success, healthy lifestyles and good character/citizenship. It is the only drop-in youth program on the Island, providing a unique and much needed service to families and the broad community. Last spring, the Club moved to a larger facility in order to accommodate nearly twice the number of kids, bring all programs under one roof and better serve the community. Beyond direct youth services, BI-BGC actively advocates for the greater youth community, hosts public events (Pumpkin Walk), and contributes to the overall vibrancy on the Island with open social events (for tweens and teens), parents' night out events, and by sharing the Club facility with diverse community groups. Since moving into the new building, the Club has registered 252 brand new Boys & Girls Club members and is serving an average of 91 youth each day (up from the 2014 average daily attendance of 57). Today, in total, more than 550 young people are taking advantage of the programs, activities and services provided by Bainbridge Island Boys & Girls Club.

Out-of-School Expanded Learning Opportunities Critical to Community and Youth Development

As a community, Bainbridge Island needs: safe and positive out-of-school support for youth; diverse enrichment activities for youth; and affordable and flexible afterschool care which is accessible and accommodating for all families. As a drop-in program, the Bainbridge Club is the only non-licensed child care site on the Island, offering youth the flexibility and independence to come and go. Hundreds of Bainbridge kids need adult supervision and a safe and positive environment afterschool and during school vacations. Throughout the country and locally, research validates that youth benefit tremendously from consistent support during afterschool hours.

- School's Out Washington highlights: "Children and youth spend only 20% of their waking hours in school. How they spend that remaining 80% of their time has a significant impact on their success and well-being. Over a decade of research and evaluation shows that high-quality AYD [Afterschool Youth Development] programs are directly linked to youth achievement of positive social, emotional, health, and academic gains." (*Making the Case: A 2008 Fact Sheet on Children and Youth in Out-of-School Time*, National Institute on Out-of-School Time, Wellesley Centers for Women at Wellesley College, 2008; *Outcomes Linked to High Quality Afterschool Programs*, D. Lowe Vandell, E. Reisner & C. Pierce, 2007.)
- According to the October 2011 "Expanded Learning Opportunities in Washington State Pathways to Student Success" report, prepared by Priscilla M. Little, Research & Evaluation Consultant: "Afterschool and summer programs are particularly well positioned to provide a wide variety of activities that promote physical and mental health.¹ These health-related afterschool activities are especially important at a time when schools are cutting back their physical education and sports programs and have few additional resources to provide counseling or other mental health services. Youth who are in good health (physically and mentally) are better prepared to come to school ready to learn, and thus are better positioned for academic success than their less healthy peers."² (Little, P., Wimer, C., & Weiss, H. B. (2008). *After school programs in the 21st century: Their potential and what it takes to achieve it*. Cambridge, MA: Harvard Family Research Project.; ²See, for example: Grossman, J. & Vang, Z. (2009). *The case for school-based integration of services: Changing the ways students, families,*

and communities engage with their schools. Philadelphia, PA: Public/Private Ventures. Online at: www.ppv.org/ppv/publications/assets/267_publication.pdf; Haas, S. A. & N. E. Fosse. (2008). Health and the educational attainment of adolescents: evidence from the NLSY97. *Journal of Health and Social Behavior*, 49(2):178–92; and Basch, C. E. (2010). Healthier students are better learners: A missing link in school reforms to close the achievement gap. *Equity Matters: Research Review No. 6*. New York: The Campaign for Educational Equity. Online at: www.tc.columbia.edu/i/a/document/12558_EquityMattersVol6_WebFINAL.pdf)

- On school days, the hours between 3 p.m. and 6 p.m. are the peak hours for juvenile crime and experimentation with drugs, alcohol, cigarettes and sex. (Fight Crime: Invest in Kids, 2003)
- Studies show that children in afterschool programs do better in school, stay in school longer and have greater expectations for the future. (Afterschool Alliance, afterschoolalliance.org)
- Parents with children in afterschool programs are less stressed, have fewer unscheduled absences and are more productive at work. (Afterschool Alliance, afterschoolalliance.org)

Bainbridge-Specific Challenges

Traditional youth challenges are compounded in Bainbridge’s rather isolated, generally privileged, high achieving environment. As with public schools across the nation, in-school enrichment activities at Bainbridge public schools have been greatly restricted, due to rigorous academic testing and stringent curriculum requirements. Today, activities like art, music and physical fitness must be supplemented out-of-school and Bainbridge youth face limited options for these out-of-school experiences, beyond academics and structured team sports. Some afterschool programs on the Island offer specialized skill development. Chess and Lego clubs, for example, are offered afterschool, but focus on one skill development, meet only once a week, and have an average cost of \$10 to 15 per hour.

On Bainbridge, nearly half (46%) of residents have a work commute longer than 45 minutes (according to Kitsap County data report, 2013), and the Island’s primary focus for youth is on academics and athletics. Surveys compiled as part of the 2013 Bainbridge Healthy Youth Summit (BHYS) highlight a notable void in programs for older youth and indicate corresponding dangerous implications. According to BHYS reports, Bainbridge youth have a statistically higher incidence of alcohol use (versus peers throughout the state) and anecdotally report a growing abuse of alcohol, cocaine, MDMA and prescriptions drugs. As part of the survey, five Bainbridge youth-exclusive therapists anecdotally report that stress, anxiety and depression are at high levels, with limited cultural efforts to help manage stress. These therapists also indicate the Island’s “cultural norms emphasize achievement versus social emotional health (i.e. overall well-being, playtime, social life).” In addition, teen comments from the survey mention the lack of teen activities and “Nothing to do leads kids to hang out and do drugs.”

Bainbridge Island Boys & Girls Club Provides Holistic, Integrated Youth Development Support

Far beyond music, arts and fitness enrichment, the Bainbridge Boys & Girls Club proactively supports holistic youth development by integrating social-emotional learning, academic support and physical fitness within accessible, affordable and ongoing programs. Hundreds of parents, particularly those working off-Island, rely on the Club’s flexible drop-in program with fees averaging just \$2.25 per hour. During the school year, the Club serves an average of nearly 100 youth each day with positive programming at the time of greatest risk to youth. In the safe Club environment, all type of learners and interests are supported and encouraged by positive adult mentors, healthy snacks, outcome-driven experiences and a diverse peer group. BI-BGC’s intentional structure and activities strengthen many developmental assets including personal power, planning and decision-making, interpersonal competence, culture competence, service to others and positive self-esteem. Many kids, who may not feel a sense of accomplishment from academics and athletics, gain confidence from exploring other

passions at the Club. Ultimately, Club kids are building 21st century skills and enjoying a sense of belonging while garnering the motivation and engagement necessary to succeed in life.

II. PROGRAM SUMMARY

2. What services will these funds provide?

BI-BGC respectfully requests funding from the City of Bainbridge Island for general operating support for out-of-school programs. Specifically, funds will be used to help fund part-time youth development associates. The majority of this staff time is for dedicated afterschool youth contact, assisting kids with: homework help, math and reading tutoring as needed; cooking and nutrition education/activities; athletics (structured and informal physical fitness); arts and crafts projects; technology and photography education (computer-based programs); science and creative writing; a girl empowerment club; music classes; community service projects; and educational games and activities. Part time staff also support our diverse, experiential learning opportunities in summer day camps. Staff assist with multiple activities designed to prevent summer learning loss (educational slides that commonly occur without structured summer programs, including ensuring that each member read 30 minutes per weekday. Throughout the 2016 calendar year, BI-BGC will run afterschool and school break (winter, mid-winter and spring break) programs as well as day camps during the summer months. In previous years, the Club provided 1,700 hours of direct youth development services annually, at heavily subsidized rates, focusing on youth in kindergarten through 8th grade. Funds provided over the 2016 calendar year will support services spanning a portion of two school years as well as summer programming. Consistent, knowledgeable staff and an adequate ratio of 1 adult to 15 youth ensure the greatest impact. Ultimately, this general operating support will ensure proper staffing to positively influence youth and help kids establish a solid foundation for future choices.

3. Who will receive service provided by these funds?

In 2016, BI-BGC anticipates serving a total of over 600 Bainbridge youth, including 100 kids afterschool each day, with positive programming. The Club focuses on kindergarten through 8th grade, and engages high school students as program volunteers. The Club serves youth from all Bainbridge public schools, including elementary schools (Ordway, Blakely, Wilkes), Commodore Options School, Sonokji Sakai Intermediate School and Woodward Middle School, and extends innovative community service and leadership opportunities for Bainbridge High School and Eagle Harbor High School students. The Club is divided into age-segmented activities, with the elementary ages downstairs and older kids upstairs in a dedicated Rick Skelton Teen Center. High school teens learn life, leadership and career skills by volunteering and acting as staff-in-training at the Club, while also gaining eligibility for possible college scholarships (administered through the Club, with funding from Rick Skelton).

BI-BGC's membership demographics generally mirror the Bainbridge community, with 69% white, 10% two or more races and 4% Asian. The current Club membership includes a slight majority of males (58%) and 18% youth from single parent households. Though the Island population is generally middle to upper income, 15% of Club members are estimated to be low-income (2014 annual Club report), while only 7.5% of youth in the Bainbridge School district are eligible for free or reduced price lunch. Sixteen percent of Club members receive some type of scholarship.

4. How will recipients access these services?

BI-BGC's out-of-school programming is available to all youth on Bainbridge Island. Kids and teens come to the program through referrals from school staff and community partners (Helpline House and Bainbridge Youth Services), as well as through Club outreach and family and peer word-of-mouth. Students from Ordway Elementary, Blakely Elementary, Wilkes Elementary and Commodore Options

School arrive to the Club by Bainbridge Island School District transportation. Students from nearby Sakai Intermediate and Woodward Middle School walk to the Club from school. Teens from Bainbridge Island High School arrive to volunteer at the Club by their own means of transportation.

5. What percent of the population of BI residents who are eligible for these services will be served?

The Bainbridge Club welcomes youth of all socio-economic backgrounds. With Club services available to all youth, nearly 4,000 youth living on Bainbridge are eligible for Club services. We anticipate serving 600 youth in 2016 and are dedicated to eliminating any potential barriers to program participation. We provide generous scholarships for all those who need them (currently 16% of our membership), and no child is ever turned away for lack of funds. Through continual community outreach and partnership referrals, providing bus transportation from local schools and extending generous financial assistance, BI-BGC's ability to serve youth is limited only by the physical constraints of the facility and operational funds to adequately maintain programming. Prior to moving to the new Club location, Boys & Girls Club was rapidly reaching capacity, with a wait list required for winter, mid-winter and spring break camps. However, with its expanded capacity, BI-BGC is now able to nearly double the number of youth the Club can serve.

6. How many of those served overall will be Bainbridge Island residents?

The vast majority of BI-BGC Club members (estimated 97%) live on Bainbridge Island, while a nominal number of youth come from other areas of Kitsap County, including Poulsbo and Kingston. The few non-BI residents are typically youth who attend Bainbridge Island schools, but live in neighboring communities and/or kids who have recently moved from Bainbridge and want to continue coming to the Club.

7. Describe how this fits Human services element of City's Comprehensive Plan

Healthy and safe youth are integral to a healthy community. At the most base level, the Club provides a continuum of services and a safe place kids and parents can always rely on. With the Club's positive role models and intentional programs, Bainbridge kids are building the foundation for success while advancing academics, gaining important life and career skills, and keeping active and healthy. The Club's daily homework help, tutoring and educational games and experiences help improve grades, reduce high school drop-out rates, and teach kids to see themselves as learners. At the Club, Bainbridge youth are developing healthy lifestyles by eating nutritious snacks, participating in cooking and nutrition education, and being encouraged to exercise at least 30 minutes per day with fun Club games and activities. These healthy behaviors correlate to reducing drug use and childhood obesity, and fostering a positive self-image. Dedicated youth development professionals, using proven youth curriculum and best-practices strategies, cultivate social-emotional growth. Club kids are volunteering, learning acts of kindness and gaining leadership skills. Teens build confidence, interpersonal skills and real work experience acting as staff-in-training. These are the building blocks for youth to achieve economic, social and emotional stability. Club services are provided year-round, improving the quality of life for kids and well as working parents who are confident in the Club's safety and ability to provide positive, enriching growth opportunities for their child. The Bainbridge Club also builds positive community among the general public by hosting public events and engaging teen socials, providing inexpensive child care during school auctions, and welcoming diverse community groups to use its facility.

8. Describe how this funding will foster improvement in the range and quality of health, housing and human services on BI

BI-BGC's youth services play an important role in collectively addressing health and human services on the Island. The Club collaborates with Bainbridge Youth Services, Bainbridge Parks & Recreation,

IslandWood, Helpline House, local schools and other community organizations to maximize the greatest benefit for Bainbridge youth as we integrate services and share referrals. Each year, the Club expands its' membership, welcomes kids from families that are new to the Island, engages both new and long-time members with new classes and opportunities (rock climbing and ukulele instruction began in 2014), and continually works to support the Bainbridge schools' educational goals. Safe and positive youth contribute to strong families and greater community.

Financial support from the City of Bainbridge Island is critical to adequately meeting the increasing needs of our community's youth. BI-BGC programs are the lowest cost on the Island and 16% of our membership receives scholarships. As our membership and average daily attendance increase, we must rely on City funds offset the expense of greatly subsidizing programs. By helping to fund part time Club employees to support out-of-school programming, the Club can continue to accommodate the growing needs of Bainbridge kids and families.

III. ORGANIZATIONAL STRENGTH

9. Organizational ability and qualifications

Bainbridge Island Boys & Girls Club (BI-BGC) has a track record of providing safe, beneficial and innovative youth development programs since 1999. For more than 15 years, Bainbridge parents have relied on the Club to augment academic, social and emotional learning opportunities. Today, more than 550 youth benefit from the Bainbridge Club's heavily subsidized afterschool and summer programs annually. The Club is one of six organizational leaders of the Bainbridge Healthy Youth Alliance, driving a five-year plan to help improve youth support on the Island. Club Executive Director Brooke Beals manages the Bainbridge Club with over a decade of youth programming experience, a sincere passion for youth and a dedication to securing and maintaining community partnerships. Ms. Beals serves as a member of the Bainbridge Island Healthy Youth Advisory Leadership Council and works closely with local CBOs and businesses to leverage and expand resources. She is supported at the Club by two full time experienced youth development professionals: Program Director Pip Pipkins and Teen Director Jake Reynolds; and nine part-time employees, including 1 Teen Coordinator, 2 Youth Development Assistants, 4 Youth Development Specialists, 1 Administrative Assistant and a newly created Education Coordinator position to drive even more concentrated focus towards academic success. In addition to teen volunteers, the Club appreciates volunteer support from roughly 40 adults. BI-BGC partners with the Bainbridge School District and numerous human services and community agencies, including Bainbridge Youth Services, Helpline House, Bainbridge Parks & Recreation, among others. All BI-BGC staff are CPR/First Aid certified, have passed extensive criminal background checks, completed a thorough agency orientation and participate in regular staff-development trainings. As part of the BGCKC organization, Bainbridge Club staff is committed to ongoing assessments and evaluations (largely focused around the nationally recognized Youth Program Quality Initiative) which continually enhance our programs.

The Bainbridge Club is one of 12 Clubs, 2 Teen Centers, and 27 child care sites operating under the Boys & Girls Clubs of King County (BGCKC), which leverages national, regional and local resources to promote comprehensive youth support from cradle to career. In total, BGCKC serves 17,000 annually, under the mission to enable all young people, especially those who need us most, to reach their full potential as productive, caring and responsible citizens. BGCKC is the third largest Boys & Girls Club in the nation, and Boys & Girls Clubs are among the top providers of afterschool care in Washington State. As such, BGCKC is a pivotal leader in youth development, helping evolve national programs and statewide standards, regional protocols and collective impact strategies by partnering with national Boys & Girls Clubs of America, School's Out Washington, Youth Development Executives of King County (YDEKC) and

many others. Bainbridge Club staff is supported off-site by BGCKC’s experienced management professionals, including: Senior Vice President of Club Operations (and former Bainbridge Club Director), Patrick Murray; Vice President of Quality, Impact & Partnerships, Evan McKittrick; and Program Services & Training Director Quincy Robertson. The Club leverages a Director of Philanthropy and Grantwriter to best steward BI-BGC gifts and contributions, as well as support from BGCKC’s centralized human resource, marketing and finance departments.

IV. BUDGET

10. Budget Summary Chart – General Club Operating/Personnel – Proposed for Calendar Year 2016

*NOTE: BI-BGC operates on a fiscal year July 1- June 30. Contributed income from special events, grants and contributions (estimated \$162,400), as well as earned income from member fees and program fees (estimated \$251,900) largely help offset general operating expenses. Only select grant funds are designated for specific programs (including staffing and associated expenses) or furniture/equipment.

Area	Total Program Budget (Total BI-Club budget)	COBI HSF Request	Other Revenue Sources (pending/likely)
Human Resources (salaries & wages, benefits, taxes) for 3 FTE and 9 PTE	\$212,108	\$50,000	One Call for All - \$25,000 (general operating) Bainbridge Community Foundation -\$6,500 (general operating) Individual contributions & earned income
Bank and Processing Fees	\$4,900		Earned and other income
Space/facilities (rent & lease, utilities, maintenance & report, janitorial)	\$126,000		Earned and other income
Equipment Purchase & repair	\$1,200		Bainbridge Rotary - \$1,000
Telephone & internet	\$5,200		Earned and other income
Insurance	\$6,120		Earned and other income
Operating expenses (professional fees, food, awards, rentals, program fees, supplies, etc.)	\$47,820		Kitsap Community Foundation –\$3,500 (program specific – middle school summer program) Avalara, Inc. - \$4,000 Windermere Real Estate - \$2,000
Scholarships/Stipends	(\$37,000*)		(This is not a direct expense, but shown as a lack of potential revenue)
Transportation/vehicle costs	\$7,100		Earned income
Other (Advertising, dues, misc.)	\$2,700		Earned income
TOTAL	\$413,148	\$50,000	\$363,148 Other grants, contributions, special events and earned revenue

Proposed COBI funding will help support six part-time employees, primarily for direct youth contact during afterschool hours. \$13/hr. x 20 average hrs./week x 52 weeks (Jan 2016-Dec 2016) = \$13,520/yr. x 6 PTEs = \$81,120

11. Total agency budget for 2016

We operate on a fiscal year system from July 1 – June 30. The Bainbridge Island Boys & Girls Club FY2016 budget is \$413,148. Overall, Boys & Girls Clubs of King County FY16 budget is \$16 million.

12. What portion of your budget does this request represent?

BI-BGC respectfully requests \$50,000 from the City of Bainbridge, representing 12% of the Club’s operating budget for fiscal year 2016. To best meet community demand, the Bainbridge Club moved into a new facility, more than tripling the facility’s square footage, allowing greater age segmentation, and locating closer to intermediate and middle schools, in spring 2015. While the Club is realizing increased membership and program revenue due to this additional capacity, with the move, the Club added three additional part-time staff positions and has assumed nearly \$123,000 per year in new facility expenses.

13. How have services been paid in the past?

BI-BGC members pay a \$50/annual membership fee and \$10 per day for the afterschool drop-in program (with further discounted rates for siblings); summer camp rates vary by program. By contrast, on average, Washington families who pay for their child’s afterschool program spend \$109 per week (according to Afterschool Alliance’s report “Washington After 3pm”). To keep participant fees minimal, we rely heavily on contributed income through grants, special events and individuals to maintain these affordable fees and provide scholarships as requested.

Historically, earned income has roughly been projected to cover half of the cost to effectively implement BI-BGC programs. The City of Bainbridge Island has consistently provided funding to support the Club’s heavily subsidized youth services. In previous years, the COBI has awarded the Club roughly \$30,000 per year, financing roughly 9 percent of the Club’s previous general operating budget.

14. What other sources of funding are you seeking (or have secured)?

Contributed income is a significant source of support for BGC’s heavily subsidized programs. In addition to the City of Bainbridge funding, we receive financial support from: Bainbridge Community Foundation, Rotary Club of Bainbridge Island, One Call for All, Kitsap Community Foundation, RBC/Dain Rauscher Foundation as well as individual donations and special events. Previously, the Club has received support from the Hillswood Foundation, Suquamish Tribe Fund and Walmart community giving. Positive youth development is a priority for many funders, and we are continually seeking contributed income from corporate, foundation and government sources as well as individual donors. The Island’s relatively low percentage of clearly identified at-risk and low-income demographics makes the community less eligible for select grant funding. The vast majority of BI-BGC funding comes from the local community as the external perception is that the Bainbridge community does not need or warrant support from outside funders.

15. What are consequences to clientele/community if you do not receive these funds?

Engaging more youth with out-of-school activities is vital to the health of the Bainbridge community. If City funds are not received, the Bainbridge community would suffer from a lack of, or reduction in, affordable, accessible youth support. The Bainbridge Club is the only organization to offer drop-in services, the Club’s nominal fees are the lowest on the Island, blending families of all socio-economic

backgrounds and extending free scholarships to low-income families. Reliable City funding allows the Club to maintain minimal program fees, ensure proper adult-to-youth ratios (1:15), provide scholarships to those in need, and pursue innovations in programs. If funding is not secured, the Club would be faced with the tough choices of raising fees, increasing staff-to-child ratios and/or reducing program hours. Mostly likely, the Club would be forced to raise fees and/or shorten hours for full day care.

V. ESTIMATED OUTPUTS, OUTCOMES & ASSESSMENT

16.

OUTPUTS AND OUTCOMES CHART		
Program Activity or Services	Annual Goal: Unduplicated Bainbridge Residents Served (Outputs)	Outcome of Receiving this Program/Service (Outcomes)
Youth Development Support	550 youth registered Club members	Youth programs are readily available/accessible in the Bainbridge community Kids engage in interactive learning across a broad spectrum of interests in the Club's positive, safe environment <ul style="list-style-type: none"> As validated by Club registration and attendance
Physical fitness/nutrition, including: Triple Play – program combining healthy habits for mind, body and soul Cooking – program teaching nutrition, healthy food growth and preparation, daily snack	259 youth regularly accessing Club programs	BI youth engage in daily physical activity <ul style="list-style-type: none"> Club youth average 30 minutes/day of physical activity per day at Club), measured by program attendance Youth gain knowledge of good nutrition through cooking classes and healthy snacks <ul style="list-style-type: none"> 90% of youth demonstrate improved awareness and understanding around nutrition, as evidenced by snack consumption, youth dialogue and cooking engagement and parent surveys
Positive character development - Community service projects and leadership opportunities	40 youth	Bainbridge teens and local community realize mutually beneficial rewards from monthly stewardship projects <ul style="list-style-type: none"> Estimated 1,600 community service hours (40 hours/teen/school year), as recorded by youth logs
Social & Emotional Learning, through: SMARTGirls - female empowerment and education, led by female adults Positive adult role models and peer relations –intentional best practices for youth development	259 youth (regularly attending the Club)	Youth develop improved relationships and self-confidence, demonstrating ability to make healthy choices, as indicated by: <ul style="list-style-type: none"> Youth giving 85% of desired responses to oral and/or written survey questions relating to attitude, awareness and behaviors 85% of parents report observing improvements in child behaviors and attitudes, as indicated in

<p>Academic and Educational Support including - Power Hour homework assistance and academic tutoring Project Learn & Summer Brain Gain - educational games/activities Reading Buddies - bi-weekly literacy program for 2nd & 3rd graders Summer Reading program – ensuring kids participate in 30 minutes of reading weekdays during summer programs</p>	<p>219 elementary; 40 middle school youth (regularly attending members)</p>	<p>family surveys</p> <p>Youth will strengthen skills that support academic success. As a result of daily homework help, learning games, tutoring and specific interventions:</p> <ul style="list-style-type: none"> • An estimated 99% of BI-BGC members will make on-grade progressions as indicated by fall 2016 grade entry reporting • 150+ Club members will develop regular homework habits, as evidenced by participating in daily homework help at least three times per week (validated by KidTrax attendance system) and staff observations • 100% of 102 2nd & 3rd grader members will make substantial literacy gains, as demonstrated through pre- and post-program reading assessments • 85% of summer program participants will maintain or increase reading levels over summer months, as indicated by spring 2016 and fall 2016 testing (as available and shared with the Club)
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VI. PROGRAM EVALUATION

17. How does your organization evaluate the effectiveness of its programming?

The Bainbridge Club is committed to high-yield activities and outcome-driven results, closely monitoring our impact through validated instruments, including youth development assessments developed by the Weikart Center for Program Quality, national Boys & Girls Clubs of America program measurements (including a National Youth Outcomes Initiative survey of attitudes and awareness), and extensive Club reporting/anecdotal feedback. The Club uses an electronic attendance system, KidTrax, to gauge daily engagement in programs.

The Bainbridge Club aligns with the national Boys & Girls Clubs of America Formula for Impact (FFI) as a roadmap to help ensure that members achieve our priority outcomes of Academic Success, Good Character and Citizenship, and Healthy Lifestyles. Older Club members take annual National Youth Outcome Initiative (NYOI) surveys and younger members will take Club-specific surveys to provide feedback on Club activities, staff engagement and youth attitudes toward school. In addition, BI-BGC is dedicated to using the nationally recognized Youth Program Quality Initiative (YPQI) framework, which includes an assess-plan-improve sequence, which uses internal and external assessors (averaging assessments twice per year) to continually improve programming and deepen our impact on youth.

We also solicit feedback about Club programs and effectiveness from Club parents. We offer members a voice in the design of programs and a choice in how to participate. Student-led interests help drive specific activities, specialty programs and community service priorities. We also gather Island-specific input about community needs from other community-based organizations as well as Bainbridge teachers, business leaders and others. This school year BI-BGC is partnering with the local Senior Community Center for a reading buddies program to engage the community in bolstering 2nd and 3rd grade literacy skills to ensure Bainbridge youth meet critical educational competencies.

Bainbridge Island Boys & Girls Club 2015-16 Advisory Board

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Boys & Girls Clubs of King County 2015-16 Board of Directors

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Princess Tours

Mike Burton, Secretary
Regence

Brad Chase, Board Chair
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Robert Clough, Treasurer
Children's Advocate

Kristin Gibson
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Continental Mills, Inc

Richard S. Williams
Wells Fargo

Tammy Young
Alaska Airlines

Bainbridge Island Boys & Girls Club

Projected Budgets for Fiscal Year 2015 and 2016

	FY16 Budget		FY15 Budget
REVENUES		REVENUES	
Grants and Contributions	92,000.00	Grants and Contributions	59,000.00
Special Events	70,400.00	Special Events (Net)	73,475.00
Earned and Other	251,900.00	Earned and Other	122,033.16
Total REVENUES	<u>414,300.00</u>	Total REVENUES	<u>254,508.16</u>
EXPENSES AND ICA		EXPENSES AND ICA	
Non Wage Expenses		Non Wage Expenses	
Advertising and Promotions	500.00	Advertising and Promotions	0.00
Bank and Processing Fees	4,900.00	Bank and Processing Fees	2,940.00
Board Expenses	0.00	Board Expenses	200.00
Conferences and Events - St	0.00	Conferences and Events - Staff	250.00
Donor Stewardship	0.00	Donor Stewardship	300.00
Dues and Subscriptions	1,000.00	Dues and Subscriptions	195.00
Equipment - Purchase	600.00	Equipment - Purchase	0.00
Equipment - Repair	600.00	Equipment - Repair	0.00
Insurance Property and Liabi	6,000.00	Insurance Property and Liability	5,760.00
Occupancy - Insurance	120.00	Occupancy - Insurance	120.00
Occupancy - Janitorial	6,000.00	Occupancy - Janitorial	200.00
Occupancy - Maintenance ar	1,200.00	Occupancy - Maintenance and R	2,400.00
Occupancy - Rent and Lease	111,000.00	Occupancy - Rent and Lease	0.00
Occupancy - Utilities	7,800.00	Occupancy - Utilities	1,500.00
Postage and Shipping	1,200.00	Postage and Shipping	235.20
Printing	0.00	Printing	0.00
Professional Fees - Manager	0.00	Professional Fees - Managemen	0.00
Professional Fees - Program	3,200.00	Professional Fees - Programs	0.00
Program - Awards and Youth	100.00	Program - Awards and Youth Inc	0.00
Program - Field Trips and Ex	800.00	Program - Field Trips and Expen	350.00
Program - Food and Meals	2,500.00	Program - Food and Meals	950.00
Program - Rentals	420.00	Program - Rentals	0.00
Program - Supplies	40,800.00	Program - Supplies	4,225.00
Technology and Software	0.00	Technology and Software	0.00
Telephone and Internet	5,200.00	Telephone and Internet	4,980.00
Training and Workshops	0.00	Training and Workshops	745.00
Vehicles - Gas	900.00	Vehicles - Gas	600.00
Vehicles - Insurance	3,000.00	Vehicles - Insurance	2,448.00
Vehicles - License	0.00	Vehicles - License	156.00
Vehicles - Maintenance	1,200.00	Vehicles - Maintenance	2,000.00
Vehicles - Parking Mileage F	2,000.00	Vehicles - Parking Mileage Ferry	760.00
Total Non Wage Expenses	<u>201,040.00</u>	Total Non Wage Expenses	<u>31,314.20</u>
Wages & Benefits		Wages & Benefits	
Salaries & Wages	180,379.12	Salaries & Wages	153,194.65
Benefits	15,404.46	Benefits	16,451.79
Taxes	16,324.29	Taxes	13,603.48
Total Wages & Benefits	<u>212,107.87</u>	Total Wages & Benefits	<u>183,249.92</u>
Total EXPENSES AND ICA	<u>413,147.87</u>	Total EXPENSES AND ICA	<u>214,564.12</u>
NET SURPLUS / (DEFICIT)	<u>1,152.13</u>	NET SURPLUS / (DEFICIT)	<u>39,944.04</u>

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2013

Department of the Treasury
Internal Revenue Service

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at www.irs.gov/form990

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning **JUL 1, 2013** and ending **JUN 30, 2014**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization BOYS & GIRLS CLUBS OF KING COUNTY		D Employer identification number 91-0532600
	Doing Business As		E Telephone number 206-436-1800
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 15,826,627.
	603 STEWART ST	#300	H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	City or town, state or province, country, and ZIP or foreign postal code SEATTLE, WA 98101-1313		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
F Name and address of principal officer: CALVIN LYONS SAME AS C ABOVE			H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: ▶ WWW.POSITIVEPLACE.ORG			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1957
			M State of legal domicile: WA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: YOUTH HEALTH AND SOCIAL, EDUCATIONAL, & CHARACTER DEVELOPMENT OF YOUTH		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	28
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	27
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	819
	6 Total number of volunteers (estimate if necessary)	6	2122
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	6,684,542.	6,713,474.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	8,208,946.	8,546,395.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	177,104.	143,337.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	-87,205.	-838,730.
		14,983,387.	14,564,476.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	8,836,349.	9,402,888.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,323,806.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	6,266,863.	6,286,250.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	15,103,212.	15,689,138.	
19 Revenue less expenses. Subtract line 18 from line 12	-119,825.	-1,124,662.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	46,962,654.	58,835,366.
	22 Net assets or fund balances. Subtract line 21 from line 20	13,390,369.	11,858,101.
	33,572,285.	46,977,265.	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date			
	CHRIS COLEMAN, CFO				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	HOWARD DONKIN, CPA	HOWARD DONKIN, CPA	05/12/15		P00147726
	Firm's name ▶ JACOBSON JARVIS & CO, PLLC	Firm's EIN ▶ 91-2011386			
	Firm's address ▶ 200 FIRST AVE WEST, SUITE 200 SEATTLE, WA 98119-4219	Phone no. (206)-628-8990			

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: YOUTH HEALTH AND SOCIAL, EDUCATIONAL, & CHARACTER DEVELOPMENT OF YOUTH

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 4,427,665. including grants of \$) (Revenue \$ 2,368,377.) SPORTS, FITNESS & RECREATION: PROGRAMS IN THIS AREA DEVELOP FITNESS, POSITIVE USE OF LEISURE TIME, SKILLS FOR STRESS MANAGEMENT, APPRECIATION FOR ENVIRONMENTAL AND SOCIAL SKILLS.

4b (Code:) (Expenses \$ 5,765,943. including grants of \$) (Revenue \$ 5,406,337.) CHILDCARE: THIS PROGRAM PROVIDES A SAFE, SUPERVISED ENVIRONMENT FOR CHILDREN WHOSE PARENTS ARE WORKING, IN SCHOOL OR TRAINING, OR REFERRED BY CHILD PROTECTIVE SERVICES. THE PROGRAM ALSO PROVIDES SCHOLARSHIP FUNDS TO ASSIST WORKING, UNDERPRIVILEGED FAMILIES AND PARENTS.

4c (Code:) (Expenses \$ 1,816,005. including grants of \$) (Revenue \$ 450,335.) EDUCATION & CAREER DEVELOPMENT: ENABLE YOUTH TO BECOME PROFICIENT IN BASIC EDUCATIONAL DISCIPLINES, APPLY LEARNING TO EVERY SITUATION AND EMBRACE TECHNOLOGY TO ACHIEVE SUCCESS IN A CAREER.

4d Other program services (Describe in Schedule O.) (Expenses \$ 710,373. including grants of \$) (Revenue \$ 321,346.)

4e Total program service expenses 12,719,986.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24b			
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24c			
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
24d			
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
25b			X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28a			X
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b			X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	X	
28c		X	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
29		X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
30			X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
31			X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
32			X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
33			X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
34		X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35a			X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
35b			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36			X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
37			X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	
38		X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
	1a 63		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
	1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a 819		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
	3a		
b	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O		
	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
	4a		
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	4b		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
	5a		
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
	5b		
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
	6a		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	6b		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
	7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
	7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
	7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
	7h		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	8		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
	9b		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 1a 28 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b	Enter the number of voting members included in line 1a, above, who are independent 1b 27		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3	X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6	Did the organization have members or stockholders?	6	X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	X
b	Each committee with authority to act on behalf of the governing body?	8b	X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	X
13	Did the organization have a written whistleblower policy?	13	X
14	Did the organization have a written document retention and destruction policy?	14	X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	X
b	Other officers or key employees of the organization	15b	X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **WA**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **CHRIS COLEMAN - 206-436-1800**
603 STEWART STREET, #300, SEATTLE, WA 98101

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BRAD THORESON CHAIR	3.00	X		X				0.	0.	0.
(2) BRAD CHASE CHAIR-ELECT	3.00	X		X				0.	0.	0.
(3) BOB CLOUGH TREASURER	3.00	X		X				0.	0.	0.
(4) DON JENKINS SECRETARY	3.00	X		X				0.	0.	0.
(5) CHARLIE BALL BOARD MEMBER	3.00	X						0.	0.	0.
(6) ERIKA BITZER BOARD MEMBER	3.00	X						0.	0.	0.
(7) JOAN BONVICINI BOARD MEMBER	3.00	X						0.	0.	0.
(8) TOM CHEW BOARD MEMBER	3.00	X						0.	0.	0.
(9) ELENA DONIO BOARD MEMBER	3.00	X						0.	0.	0.
(10) KRISTIN GIBSON BOARD MEMBER	3.00	X						0.	0.	0.
(11) TROY GREENFIELD BOARD MEMBER	3.00	X						0.	0.	0.
(12) BRIAN HAMILTON BOARD MEMBER	3.00	X						0.	0.	0.
(13) RICHARD HARRIS BOARD MEMBER	3.00	X						0.	0.	0.
(14) MATTI HAVENER BOARD MEMBER	3.00	X						0.	0.	0.
(15) TOM HERCHE BOARD MEMBER	3.00	X						0.	0.	0.
(16) ROBERT JONES BOARD MEMBER	3.00	X						0.	0.	0.
(17) KELLY KEMP BOARD MEMBER	3.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) PETER MUSSER BOARD MEMBER	3.00	X						0.	0.	0.
(19) DAN NILES BOARD MEMBER	3.00	X						0.	0.	0.
(20) E M PASATIEMPO BOARD MEMBER	3.00	X						0.	0.	0.
(21) DAVE REMER BOARD MEMBER	3.00	X						0.	0.	0.
(22) JON ROSKILL BOARD MEMBER	3.00	X						0.	0.	0.
(23) MATT SAURI BOARD MEMBER	3.00	X						0.	0.	0.
(24) ERIKA SCHMIDT BOARD MEMBER	3.00	X						0.	0.	0.
(25) CLYDE WALKER BOARD MEMBER	3.00	X						0.	0.	0.
(26) RICHARD S WILLIAMS BOARD MEMBER	3.00	X						0.	0.	0.
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								377,100.	0.	19,401.
d Total (add lines 1b and 1c)								377,100.	0.	19,401.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 2

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
REMER INC 205 MARION STREET, SEATTLE, WA 98104	MARKETING	137,647.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 1

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a 302,680.					
	b Membership dues	1b					
	c Fundraising events	1c 1,895,760.					
	d Related organizations	1d					
	e Government grants (contributions)	1e 1,288,943.					
	f All other contributions, gifts, grants, and similar amounts not included above	1f 3,226,091.					
	g Noncash contributions included in lines 1a-1f: \$	803,144.					
	h Total. Add lines 1a-1f		6,713,474.				
	Program Service Revenue	2 a YOUTH SPORTS & EDU.	Business Code 713940	7,860,851.	7,860,851.		
b MEMBERSHIPS		713990	362,431.	362,431.			
c NON PROFIT USE OF ATHLETIC FIELDS		713940	323,113.	323,113.			
d							
e							
f All other program service revenue							
g Total. Add lines 2a-2f			8,546,395.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		162,795.			162,795.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real					
		(ii) Personal					
		b Less: rental expenses					
		c Rental income or (loss)					
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	(i) Securities	181,893.				
		(ii) Other	3,371.				
		b Less: cost or other basis and sales expenses	169,173.	35,549.			
		c Gain or (loss)	12,720.	-32,178.			
	d Net gain or (loss)			-19,458.		-19,458.	
	8 a Gross income from fundraising events (not including \$ 1,895,760. of contributions reported on line 1c). See Part IV, line 18	a	877,124.				
		b Less: direct expenses	b	1,057,429.			
c Net income or (loss) from fundraising events			-180,305.			-180,305.	
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a	61,697.					
	b Less: cost of goods sold	b	0.				
	c Net income or (loss) from sales of inventory		61,697.			61,697.	
Miscellaneous Revenue		Business Code					
11 a RAINIER CLUB NMTC UNWIND	900003		-720,122.			-720,122.	
b							
c							
d All other revenue							
e Total. Add lines 11a-11d			-720,122.				
12 Total revenue. See instructions.			14,564,476.	8,546,395.	0.	-695,393.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	343,261.		194,538.	148,723.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	7,748,655.	6,662,167.	656,760.	429,728.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	568,595.	468,131.	59,818.	40,646.
10 Payroll taxes	742,377.	611,207.	78,101.	53,069.
11 Fees for services (non-employees):				
a Management	441,764.		53,924.	387,840.
b Legal	10,475.		10,475.	
c Accounting	327,120.		327,120.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	401,425.	401,425.		
12 Advertising and promotion	33,785.	26,981.		6,804.
13 Office expenses	674,702.	509,687.	59,090.	105,925.
14 Information technology				
15 Royalties				
16 Occupancy	1,283,671.	1,162,026.	83,477.	38,168.
17 Travel	342,745.	327,947.	5,770.	9,028.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	257,267.	227,855.	9,691.	19,721.
20 Interest	57,784.	57,784.		
21 Payments to affiliates	44,059.	44,059.		
22 Depreciation, depletion, and amortization	790,717.	766,141.	24,576.	
23 Insurance	97,319.	78,698.	18,621.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PROGRAM SUPPLIES AND EX	1,386,364.	1,274,947.	32,716.	78,701.
b EQUIPMENT MAINTENANCE	137,053.	100,931.	30,669.	5,453.
c				
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	15,689,138.	12,719,986.	1,645,346.	1,323,806.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1 Cash - non-interest-bearing	552,554.	1	800,472.	
	2 Savings and temporary cash investments		2		
	3 Pledges and grants receivable, net	2,198,814.	3	1,731,281.	
	4 Accounts receivable, net	159,037.	4	320,114.	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6		
	7 Notes and loans receivable, net	1,000,000.	7	0.	
	8 Inventories for sale or use		8		
	9 Prepaid expenses and deferred charges	354,274.	9	248,861.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 55,089,214.			
	b Less: accumulated depreciation	10b 10,167,805.			
	11 Investments - publicly traded securities	29,849,650.	10c	44,921,409.	
	12 Investments - other securities. See Part IV, line 11	1,738,926.	11	2,108,771.	
	13 Investments - program-related. See Part IV, line 11		12		
	14 Intangible assets	13,971.	13	3,382.	
	15 Other assets. See Part IV, line 11	11,095,428.	14	8,701,076.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	46,962,654.	15	58,835,366.		
Liabilities	17 Accounts payable and accrued expenses	1,136,090.	16	1,510,680.	
	18 Grants payable		17		
	19 Deferred revenue	710,267.	18	732,746.	
	20 Tax-exempt bond liabilities		19		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		20		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		21		
	23 Secured mortgages and notes payable to unrelated third parties	11,402,627.	22		
	24 Unsecured notes and loans payable to unrelated third parties		23	9,504,579.	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	141,385.	24		
	26 Total liabilities. Add lines 17 through 25	13,390,369.	25	110,096.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	23,449,093.	26	11,858,101.	
	28 Temporarily restricted net assets	9,784,232.	27	35,537,193.	
	29 Permanently restricted net assets	338,960.	28	11,101,112.	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		29	338,960.	
	31 Paid-in or capital surplus, or land, building, or equipment fund		30		
	32 Retained earnings, endowment, accumulated income, or other funds		31		
	33 Total net assets or fund balances	33,572,285.	32	46,977,265.	
34 Total liabilities and net assets/fund balances	46,962,654.	33	58,835,366.		

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	14,564,476.
2	Total expenses (must equal Part IX, column (A), line 25)	2	15,689,138.
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,124,662.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	33,572,285.
5	Net unrealized gains (losses) on investments	5	13,669,548.
6	Donated services and use of facilities	6	
7	Investment expenses	7	-14,985.
8	Prior period adjustments	8	875,079.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	46,977,265.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization BOYS & GIRLS CLUBS OF KING COUNTY	Employer identification number 91-0532600
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

- The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)
- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
 - 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
 - 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
 - 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
 - 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
 - 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
 - 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
 - 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
 - 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
 - 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
 - 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally integrated d Type III - Non-functionally integrated
 - e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
 - f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
 - g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii) A family member of a person described in (i) above?	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	
 - h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	7885047.	7681603.	7599243.	6684542.	6679086.	36529521.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	7885047.	7681603.	7599243.	6684542.	6679086.	36529521.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						1868207.
6 Public support. Subtract line 5 from line 4.						34661314.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4	7885047.	7681603.	7599243.	6684542.	6679086.	36529521.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	271,425.	190,935.	69,133.	124,728.	162,795.	819,016.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	8,910.	16,082.			-720,122.	-695,130.
11 Total support. Add lines 7 through 10						36653407.
12 Gross receipts from related activities, etc. (see instructions)					12	43,231,267.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here	<input type="checkbox"/>					

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	94.57	%
15 Public support percentage from 2012 Schedule A, Part II, line 14	15	94.36	%
16a 33 1/3% support test - 2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input checked="" type="checkbox"/>		
b 33 1/3% support test - 2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and
its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Name of the organization

Employer identification number

BOYS & GIRLS CLUBS OF KING COUNTY

91-0532600

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2013)

Name of organization BOYS & GIRLS CLUBS OF KING COUNTY	Employer identification number 91-0532600
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>	_____ _____ _____	\$ <u>165,828.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>2</u>	_____ _____ _____	\$ <u>255,219.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>3</u>	_____ _____ _____	\$ <u>302,680.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>4</u>	_____ _____ _____	\$ <u>180,845.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>5</u>	_____ _____ _____	\$ <u>625,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization BOYS & GIRLS CLUBS OF KING COUNTY	Employer identification number 91-0532600
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____

Name of organization	Employer identification number
BOYS & GIRLS CLUBS OF KING COUNTY	91-0532600

Part III *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once.) ▶ \$ _____
 Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990**

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization BOYS & GIRLS CLUBS OF KING COUNTY **Employer identification number** 91-0532600

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b Assets included in Form 990, Part X

▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	423,221.	395,490.	433,979.	350,934.	353,482.
b Contributions		600.			
c Net investment earnings, gains, and losses	89,025.	42,431.	-9,603.	94,595.	31,340.
d Grants or scholarships					
e Other expenditures for facilities and programs	20,382.	15,300.	28,886.	11,550.	33,888.
f Administrative expenses					
g End of year balance	491,864.	423,221.	395,490.	433,979.	350,934.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment 0.00 %
- b Permanent endowment 69.00 %
- c Temporarily restricted endowment 31.00 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,217,844.		4,217,844.
b Buildings		43,927,787.	6,087,157.	37,840,630.
c Leasehold improvements		3,315,019.	1,178,538.	2,136,481.
d Equipment		2,747,722.	2,245,506.	502,216.
e Other		880,842.	656,604.	224,238.

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶ 44,921,409.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) CONTRIBUTED FACILITIES RECEIVABLE	8,698,676.
(2) CONSTRUCTION IN PROGRESS	2,400.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	8,701,076.

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) LEASE PAYABLE	110,096.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	110,096.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	22,367,968.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	185,509.
b	Donated services and use of facilities	2b	1,555,519.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	6,062,464.
e	Add lines 2a through 2d	2e	7,803,492.
3	Subtract line 2e from line 1	3	14,564,476.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	14,564,476.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	18,864,271.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	1,555,519.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	1,619,614.
e	Add lines 2a through 2d	2e	3,175,133.
3	Subtract line 2e from line 1	3	15,689,138.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	15,689,138.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4:

EXPLANATION: THE CLUBS' ENDOWMENT CONTAINS FOUR DONOR-RESTRICTED FUNDS ESTABLISHED TO SUPPORT A VARIETY OF PROGRAM AREAS.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

RAINIER VALLEY CLUB REVENUE REPORT ON SEPARATE RETURN

PART XII, LINE 2D - OTHER ADJUSTMENTS:

RAINIER VALLEY REPORTED ON A SEPARATE TAX RETURN

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))	
		DINNER & AUCTION (event type)	LUNCHEON (event type)	14 (total number)		
Revenue	1	Gross receipts	995,561.	484,519.	1,292,804.	2,772,884.
	2	Less: Contributions	659,891.	484,519.	751,350.	1,895,760.
	3	Gross income (line 1 minus line 2)	335,670.		541,454.	877,124.
Direct Expenses	4	Cash prizes				
	5	Noncash prizes				
	6	Rent/facility costs				
	7	Food and beverages	110,719.	37,777.	159,518.	308,014.
	8	Entertainment				
	9	Other direct expenses	315,077.		434,338.	749,415.
	10	Direct expense summary. Add lines 4 through 9 in column (d)				1,057,429.
	11	Net income summary. Subtract line 10 from line 3, column (d)				-180,305.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		1	Gross revenue		
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
7	Direct expense summary. Add lines 2 through 5 in column (d)				
8	Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization operates gaming activities: _____
 a Is the organization licensed to operate gaming activities in each of these states? Yes No
 b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No
 b If "Yes," explain: _____

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

2013

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990

Name of the organization

BOYS & GIRLS CLUBS OF KING COUNTY

Employer identification number

91-0532600

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax indemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
<input checked="" type="checkbox"/> Compensation committee		
<input type="checkbox"/> Independent compensation consultant		
<input type="checkbox"/> Form 990 of other organizations		
<input checked="" type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a Receive a severance payment or change-of-control payment?	4a	X
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?	5a	X
b Any related organization?	5b	X
If "Yes" to line 5a or 5b, describe in Part III.		
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?	6a	X
b Any related organization?	6b	X
If "Yes" to line 6a or 6b, describe in Part III.		
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	X
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2013

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) CALVIN LYONS CEO	(i)	151,173.	0.	0.	0.	8,365.	159,538.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) PETER RAFFA CDO	(i)	143,478.	0.	0.	0.	8,396.	151,874.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
DAVID REMER	BOARD MEMBER AND OW	137,647.	REMER INC P		X

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: DAVID REMER

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

BOARD MEMBER AND OWNER OF REMER INC

(D) DESCRIPTION OF TRANSACTION: REMER INC PROVIDED MARKETING SERVICES

FOR THE 7/1/13 - 6/30/14 FISCAL YEAR FOR THE BOYS AND GIRLS CLUB OF KING COUNTY. DAVID REMER, A BOARD MEMBER OF THE ORGANIZATION IS THE OWNER OF REMER INC.

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990

Name of the organization **BOYS & GIRLS CLUBS OF KING COUNTY** Employer identification number **91-0532600**

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles	X	3	40,898.	FMV
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	8	85,236.	QUOTED PRICE
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (AUCTION ITEMS)	X	1,226	706,354.	SALES PRICE
26 Other ▶ (SUPPLIES)	X	33	28,937.	SALES PRICE
27 Other ▶ (FOOD)	X	1	19,583.	1.50 PER POUND
28 Other ▶ (BACK PACKS . A)	X	2	7,372.	SALES PRICE

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 - 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2013)

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public
Inspection

Name of the organization

BOYS & GIRLS CLUBS OF KING COUNTY

Employer identification number

91-0532600

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

CHARACTER & LEADERSHIP DEVELOPMENT: EMPOWER YOUTH TO SUPPORT &
INFLUENCE THEIR CLUB & COMMUNITY, SUSTAIN MEANINGFUL RELATIONSHIPS WITH
OTHERS, DEVELOP A POSITIVE SELF-IMAGE, PARTICIPATE IN THE DEMOCRATIC
PROCESS AND RESPECT THEIR OWN AND OTHERS' CULTURAL IDENTITIES.

EXPENSES \$ 710,373. INCLUDING GRANTS OF \$ 0. REVENUE \$ 321,346.

ARTS, HEALTH AND LIFE SKILLS

FORM 990, PART VI, SECTION B, LINE 11:

EXPLANATION: FORM 990 WAS REVIEWED BY THE CFO. ALL BOARD MEMBERS ARE
PROVIDED A COPY OF THE RETURN BEFORE FILING.

FORM 990, PART VI, SECTION B, LINE 12C:

EXPLANATION: THE ORGANIZATION USES AN ANNUAL QUESTIONNAIRE WHICH IS SIGNED
BY BOARD MEMBERS.

FORM 990, PART VI, SECTION B, LINE 15:

EXPLANATION: EXECUTIVE COMMITTEE FOLLOWS A SALARY ADMINISTRATION PLAN WHICH
INCLUDES REBUTTABLE PRESUMPTION RULES: INDEPENDENT COMMITTEE, COMPARABILITY
DATA & WRITTEN MINUTES.

FORM 990, PART VI, SECTION C, LINE 19:

EXPLANATION: THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF
INTEREST POLICY, AND FINANCIAL STATEMENTS PUBLIC UPON REQUEST.

Name of the organization
BOYS & GIRLS CLUBS OF KING COUNTY

Employer identification number
91-0532600

FORM 990, PART XII, LINE 2C:

EXPLANATION: THE AUDIT COMMITTEE HAS NOT CHANGED HOW IT REVIEWS THE
AUDITED FINANCIAL STATEMENTS.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

**Open to Public
Inspection**

Name of the organization

BOYS & GIRLS CLUBS OF KING COUNTY

Employer identification number

91-0532600

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
RAINIER VALLEY BOYS AND GIRLS CLUB - 26-1550879, 603 STEWART STREET, SEATTLE, WA 98101	YOUTH DEVELOPMENT	WASHINGTON	501(C)(3)	170(B)(1)(A)	BOYS AND GIRLS CLUBS OF KING COUNTY		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2013

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)	X	
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)	X	
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) RANIER VALLEY BOYS AND GIRLS CLUB	S	13,469,054.	BOOK
(2)			
(3)			
(4)			
(5)			
(6)			

Asset Number	Description of property							
	Date placed in service	Method/IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
	BUILDINGS							
2	BUILDINGS							
	VARIABLES	SL	20.00	16	43,927,787.		4,747,875.	1,339,282.
	* 990 PAGE 10 TOTAL BUILDINGS							
					43,927,787.	0.	4,747,875.	1,339,282.
	MACHINERY & EQUIPMENT							
3	FURNITURE AND EQUIPMENT							
	VARIABLES	SL	5.00	16	2,747,722.		1,976,536.	268,970.
	* 990 PAGE 10 TOTAL MACHINERY & EQUIPMENT							
					2,747,722.	0.	1,976,536.	268,970.
	OTHER							
1	LAND							
	VARIABLES	SL			4,217,844.			0.
4	LEASEHOLD IMPROVEMENTS							
	VARIABLES	SL	15.00	16	2,932,736.		1,088,744.	89,794.
6	LAND IMPROVEMENTS							
	VARIABLES	SL			382,283.			0.
7	LOAN FEES							
	VARIABLES	SL	10M	43	68,112.		54,141.	10,589.
8	VEHICLES							
	VARIABLES	SL	5.00	16	880,842.			176,168.
	* 990 PAGE 10 TOTAL OTHER							
					8,481,817.	0.	1,142,885.	276,551.
	* GRAND TOTAL 990 PAGE 10 DEPR & AMORT							
					55,157,326.	0.	7,867,296.	1,884,803.

Depreciation and Amortization 990
 (Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return: **BOYS & GIRLS CLUBS OF KING COUNTY**
 Business or activity to which this form relates: **FORM 990 PAGE 10**
 Identifying number: **91-0532600**

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2014. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	1,874,214.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2013	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	1,874,214.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No		24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No						
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use.....								25
26 Property used more than 50% in a qualified business use:								
	:	:	%					
	:	:	%					
	:	:	%					
27 Property used 50% or less in a qualified business use:								
	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No										
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2013 tax year:					
	:				
	:				
43 Amortization of costs that began before your 2013 tax year					43
					10,589.
44 Total. Add amounts in column (f). See the instructions for where to report					44
					10,589.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED JUNE 30, 2014 AND 2013

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

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INDEPENDENT AUDITOR'S REPORT

December 18, 2014

Board of Directors
Boys & Girls Clubs of King County, Inc.
Seattle, Washington

We have audited the accompanying financial statements of Boys & Girls Clubs of King County, Inc., a non-profit corporation, which comprise the statements of financial position as of June 30, 2014 and 2013, and the related 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 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 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 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 in the first paragraph of this letter present fairly, in all material respects, the financial position of Boys & Girls Clubs of King County, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Jacobson Jarvis & Co, PLLC

Jacobson Jarvis & Co, PLLC

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2014 AND 2013

	2014	Restated 2013
<u>ASSETS</u>		<u>Consolidated</u>
Current Assets		
Cash and cash equivalents	\$ 800,473	\$ 645,156
Investments	1,616,907	1,315,705
Promises to give - current portion	532,333	804,154
Grants receivable	234,792	219,826
Contributed facilities receivable - current portion	177,837	192,882
Other receivables	320,114	464,293
Prepaid expenses	248,861	375,767
Total Current Assets	3,931,317	4,017,783
Endowment Investments	491,864	423,221
Promises to Give, net of current portion	786,319	1,338,652
Contributed Facilities Receivable, net of current portion	8,698,676	8,962,805
Note Receivable	-	11,044,109
Property and Equipment, net	44,927,191	45,705,052
	\$ 58,835,367	\$ 71,491,622
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 684,758	\$ 526,387
Accrued liabilities	825,922	691,944
Unearned revenue	732,746	735,711
Line of credit	-	555,000
Lease obligation, current portion	33,716	31,289
Notes payable, current portion	3,226,054	409,838
Total Current Liabilities	5,503,196	2,950,169
Long-term Lease, net of current portion	76,381	110,096
Long-term Debt, net of current portion	3,400,000	22,012,964
Forgivable Debt	2,878,525	2,944,825
Total Liabilities	11,858,102	28,018,054
Net Assets		
Unrestricted	35,537,193	32,409,380
Temporarily restricted	11,101,112	10,725,228
Permanently restricted	338,960	338,960
Total Net Assets	46,977,265	43,473,568
	\$ 58,835,367	\$ 71,491,622

See notes to financial statements.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2014 AND 2013

	2014				Restated 2013 - Consolidated			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenue								
Public support								
Contributions	\$ 3,995,468	\$ 405,353	\$ -	\$ 4,400,821	\$ 3,513,470	\$ 1,127,448	\$ 600	\$ 4,641,518
Grants from government agencies	1,691,193			1,691,193	1,320,820			1,320,820
In-kind contributions	1,027,309	625,000	-	1,652,309	1,092,332	227,500	-	1,319,832
Special events, net of direct expenses of \$317,378 and \$365,892, respectively	571,685	-	-	571,685	502,720	-	-	502,720
United Way	345,339	-	-	345,339	335,678	-	-	335,678
Net assets released from restriction	729,839	(729,839)	-	-	682,732	(682,732)	-	-
Total Public Support	<u>8,360,833</u>	<u>300,514</u>	<u>-</u>	<u>8,661,347</u>	<u>7,447,752</u>	<u>672,216</u>	<u>600</u>	<u>8,120,568</u>
Revenue								
Program service fees	7,936,702			7,936,702	7,622,694			7,622,694
Membership dues	375,909			375,909	370,974			370,974
Other	875,072			875,072	1,215,452			1,215,452
Total Revenue	<u>9,187,683</u>			<u>9,187,683</u>	<u>9,209,120</u>			<u>9,209,120</u>
Total Public Support and Revenue	<u>17,548,516</u>	<u>300,514</u>	<u>-</u>	<u>17,849,030</u>	<u>16,656,872</u>	<u>672,216</u>	<u>600</u>	<u>17,329,688</u>
Expenses								
Program services	15,708,396			15,708,396	15,111,122			15,111,122
Management and general	1,783,853			1,783,853	1,591,811			1,591,811
Fundraising	1,327,963			1,327,963	1,101,317			1,101,317
Total Functional Expenses	<u>18,820,212</u>			<u>18,820,212</u>	<u>17,804,250</u>			<u>17,804,250</u>
Boys & Girls Clubs of America Dues	44,059			44,059	43,063			43,063
Total Expenses	<u>18,864,271</u>			<u>18,864,271</u>	<u>17,847,313</u>			<u>17,847,313</u>
Change in Net Assets before Gains and (Losses)	<u>(1,315,755)</u>	<u>300,514</u>	<u>-</u>	<u>(1,015,241)</u>	<u>(1,190,441)</u>	<u>672,216</u>	<u>600</u>	<u>(517,625)</u>
Gains and (Losses)								
Gain on investments	122,859	75,370		198,229	99,475	35,198		134,673
(Loss) gain on sale of property	(33,178)			(33,178)	9,992			9,992
Loss on uncollectible contributions	-	-		-	(121,250)	-		(121,250)
Gain on Unwind of New Market Tax Credit Financing	4,353,887			4,353,887	-			-
Total Gains and (Losses)	<u>4,443,568</u>	<u>75,370</u>	<u>-</u>	<u>4,518,938</u>	<u>(11,783)</u>	<u>35,198</u>	<u>-</u>	<u>23,415</u>
Total Change in Net Assets	<u>3,127,813</u>	<u>375,884</u>	<u>-</u>	<u>3,503,697</u>	<u>(1,202,224)</u>	<u>707,414</u>	<u>600</u>	<u>(494,210)</u>
Net Assets - beginning of year	<u>32,409,380</u>	<u>10,725,228</u>	<u>338,960</u>	<u>43,473,568</u>	<u>33,611,604</u>	<u>10,017,814</u>	<u>338,360</u>	<u>43,967,778</u>
Net Assets - end of year	<u>\$ 35,537,193</u>	<u>\$ 11,101,112</u>	<u>\$ 338,960</u>	<u>\$ 46,977,265</u>	<u>\$ 32,409,380</u>	<u>\$ 10,725,228</u>	<u>\$ 338,960</u>	<u>\$ 43,473,568</u>

See notes to financial statements.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2014 AND 2013

	2014				Restated 2013 - Consolidated			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 7,278,855	\$ 868,578	\$ 579,471	\$ 8,726,904	\$ 6,790,248	\$ 750,951	\$ 600,362	\$ 8,141,561
Employee health and retirement benefits	526,071	61,442	40,742	628,255	646,388	75,241	58,537	780,166
Payroll taxes	667,421	79,676	53,162	800,259	621,187	71,645	58,003	750,835
Total Payroll and Related Expenses	8,472,347	1,009,696	673,375	10,155,418	8,057,823	897,837	716,902	9,672,562
Occupancy	1,985,502	169,769	38,166	2,193,437	1,873,507	92,018	7,533	1,973,058
Supplies and awards	1,721,774	32,637	79,798	1,834,209	1,723,105	30,758	49,233	1,803,096
Professional fees and contract services	450,371	423,334	387,840	1,261,545	269,636	441,798	214,978	926,412
Interest	783,510	-	-	783,510	1,019,208	-	-	1,019,208
Other	288,498	19,000	54,799	362,297	238,431	-	46,750	285,181
Local transportation	341,265	5,770	9,075	356,110	348,926	4,445	9,108	362,479
Conferences and training	233,312	9,691	19,743	262,746	97,277	3,724	11,985	112,986
Telephone	177,063	28,344	-	205,407	163,640	32,170	-	195,810
Equipment maintenance	101,656	30,669	5,690	138,015	39,896	31,567	7,683	79,146
Insurance	80,419	18,621	-	99,040	86,989	17,167	-	104,156
Outside printing	30,943	10,645	49,616	91,204	17,570	21,057	28,982	67,609
Advertising and promotion	28,068	-	6,824	34,892	88,640	-	5,252	93,892
Postage	18,147	1,101	3,037	22,285	31,848	-	2,911	34,759
Total Expenses Before Depreciation and Amortization	14,712,875	1,759,277	1,327,963	17,800,115	14,056,496	1,572,541	1,101,317	16,730,354
Depreciation and Amortization	995,521	24,576	-	1,020,097	1,054,626	19,270	-	1,073,896
Total Expenses	\$ 15,708,396	\$ 1,783,853	\$ 1,327,963	\$ 18,820,212	\$ 15,111,122	\$ 1,591,811	\$ 1,101,317	\$ 17,804,250

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u> <u>Consolidated</u>
Cash Flows from Operating Activities		
Cash received from contributors	\$ 6,658,515	\$ 5,694,798
Cash received from government agencies	1,609,927	1,233,402
Cash received from program participants	7,785,221	7,670,735
Cash received from members	375,909	370,974
Interest and other received	743,146	1,175,497
Cash paid to employees	(10,021,440)	(9,490,226)
Cash paid to vendors	(6,090,652)	(5,587,216)
Cash paid for interest	<u>(485,272)</u>	<u>(699,766)</u>
Net Cash Provided by Operating Activities	<u>575,354</u>	<u>368,198</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	(234,516)	(281,660)
Issuance of notes receivable	-	(1,432,057)
Proceeds from New Market Tax Credit Unwind	869,832	-
Purchase of investments	(135,500)	(186,531)
Proceeds from sale of investments	<u>87,429</u>	<u>92,351</u>
Net Cash Provided (Used) by Investing Activities	<u>587,245</u>	<u>(1,807,897)</u>
Cash Flows from Financing Activities		
Proceeds from contribution restricted to investment in property	5,263	41,749
Proceeds from line of credit	1,107,000	2,040,000
Principal payments on line of credit	(1,662,000)	(2,345,000)
Proceeds from issuance of notes payable	-	6,855,000
Principal payments on notes payable	<u>(457,545)</u>	<u>(4,883,248)</u>
Net Cash (Used) Provided by Financing Activities	<u>(1,007,282)</u>	<u>1,708,501</u>
Change in Cash and Cash Equivalents	155,317	268,802
Cash and Cash Equivalents - beginning of year	<u>645,156</u>	<u>376,354</u>
Cash and Cash Equivalents - end of year	<u>\$ 800,473</u>	<u>\$ 645,156</u>

See notes to financial statements.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u> <u>Consolidated</u>
Reconciliation of Change in Net Assets to		
Cash Flows from Operating Activities		
Change in net assets	\$ 3,503,697	\$ (494,210)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,020,097	1,073,896
Gain on New Market Tax Credit Unwind	(4,345,723)	-
Forgiveness of debt	(916,791)	(66,300)
Contributed property and equipment	(40,898)	(28,541)
Reinvested earnings	(123,545)	(53,001)
Gain on investments	(198,229)	(121,627)
Loss on uncollectible accounts	-	121,250
Contributions restricted to reduction of long-term debt	-	(227,500)
Contributions restricted to investment in property and equipment	(5,263)	(41,749)
Decrease (increase) in		
Promises to give	824,154	154,416
Grants receivable	(14,966)	(21,118)
Contributed facilities receivable	279,174	184,573
Other receivables	144,179	(263,677)
Prepaid expenses	126,906	20,959
(Decrease) increase in		
Accounts payable	191,549	(99,550)
Accrued liabilities	133,978	182,336
Unearned revenue	(2,965)	48,041
Net Cash Provided by Operating Activities	<u>\$ 575,354</u>	<u>\$ 368,198</u>

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Boys & Girls Clubs of King County, Inc. is a nonprofit corporation organized to promote the health; life skills; and educational, vocational, and character development of youth ages 6-18. The Boys & Girls Clubs of King County's operations are carried out through 13 Clubs and 28 before-and-after-school program sites in King County, Washington (Bainbridge Island Club is located within Kitsap County).

Each of the program sites facilitates programs designed to meet the physical, emotional, cultural, and social needs of the participants. Because these core areas are integrated, it is not practical to separate expenses into program categories. Some of the programs are as follows:

Project Learn – The base of all educational programs offered through Boys & Girls Clubs, Project Learn bridges the gap between school-based educational activities and the wide range of programs offered at Boys & Girls Clubs. For each participating Boys & Girls Club member, an assessment plan (educational, fitness, social, and life skills) is established to reinforce regular school curriculum through Club activities.

Computer Education – Each of the 13 Clubs offers access to networked computer workstations and skill-level/age appropriate training classes. In addition to Microsoft Office Suite lessons (Word, Excel, PowerPoint, etc.), a full range of digital arts and desktop publishing programs is offered as part of Club Tech. For younger members, software titles geared toward developing cognitive skills are featured.

Smart Girls – Community service is a leading principle for Boys & Girls Clubs life skills-focused programs. The Smart Girls program matches teenage girl members with younger female members in a mentorship-based program that addresses personal, health, and social issues.

Athletics – Boys & Girls Clubs sports/fitness programs have an introductory-skills focus and emphasize inclusion, sportsmanship and life skills lessons. Options range from daily drop-in activities to full-league sessions.

Keystone & Torch Clubs – Members have access to Clubs-based leadership-development programs through Keystone (high school) and Torch Clubs (middle school). Highlights include community service projects, national conferences, and member-to-member mentoring.

Principles of Consolidation

The financial statements for 2013 reflect a consolidation of the assets, liabilities, and activities of the Boys & Girls Clubs of King County and the Rainier Valley Boys & Girls Club. Rainier Valley Boys & Girls Club was incorporated in the State of Washington on October 24, 2007 to qualify as an eligible Qualified Active Low Income Community Business (QALICB) under the "targeted population" criteria for purposes of receiving New Markets Tax Credit Financing for the construction of the Rainier Valley Boys and Girls Club.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

As part of the Unwind as described in Note B, the Rainier Valley Boys & Girls Club dissolved as a Washington State corporation in 2014, conveying and assigning all assets and liabilities of the Rainier Valley Boys & Girls Club to the Boys & Girls Clubs of King County.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation

In accordance with financial accounting standards, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The net assets of the Clubs are available as follows:

Unrestricted net assets are available without restriction for support of the Clubs' operations.

Temporarily restricted net assets are restricted by the donors to be used for certain purposes or future periods as follows:

	<u>2014</u>	<u>2013</u>
Contributed facility - use in future periods	\$ 8,876,513	\$ 9,155,687
Capital expenditures	964,362	359,926
Reduction of debt	707,500	602,500
Program services	<u>552,737</u>	<u>607,115</u>
	<u>\$11,101,112</u>	<u>\$10,725,228</u>

Net assets were released from donor temporary restrictions by incurring costs satisfying the restricted purposes or by the passage of time as follows:

	<u>2014</u>	<u>2013</u>
Capital campaign expenditures	\$ 25,827	\$ 44,492
Use of contributed facilities	279,174	184,574
Program services	<u>424,838</u>	<u>453,666</u>
	<u>\$ 729,839</u>	<u>\$ 682,732</u>

Permanently restricted net assets are endowment gifts given with the intent that the principal will be maintained intact in perpetuity, and the income may be used for various program purposes.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents consist of checking and savings accounts. The Clubs maintain cash deposits in bank accounts which may exceed federally insured limits at times during the year. The Clubs have not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Fair value measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

Investments

Investments are stated at fair value. Investment earnings are reported net of related investment expenses on the statements of activities. The amount of expenses netted with earnings was \$14,985 and \$13,126 for the years ended June 30, 2014 and 2013, respectively.

Grants receivable

Grants and accounts receivable are stated at net realizable value and consist of grants from corporations and government agencies to fund after-school programs for children from low-to-moderate income families.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to give

In accordance with financial accounting standards, unconditional promises to give are recognized as support in the period received. Promises to give are shown net of the allowance for uncollectible amounts. Allowances for uncollectible accounts are estimated based on management's periodic evaluation of the Clubs' past loss experience, and management's analysis of specific amounts due.

Long-term promises to give are discounted to present value using a 4.5% discount rate and are due in one to seven years. The fair value of promises to give is estimated by discounting the future cash flows using the rates currently offered for deposits of similar remaining maturities. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At June 30, 2014 and 2013, the Clubs had no conditional promises to give. Unconditional promises to give as of June 30, consist of:

	<u>2014</u>	<u>2013</u>
Receivable in less than one year	\$ 532,333	\$ 804,154
Receivable in two to five years	604,068	1,318,491
Receivable in more than five years	<u>357,001</u>	<u>272,102</u>
	1,493,402	2,394,747
Less allowance for uncollectible accounts	(74,670)	(70,253)
Less discounts to net present value	<u>(100,080)</u>	<u>(181,688)</u>
	<u>\$ 1,318,652</u>	<u>\$ 2,142,806</u>

Property and equipment

Property and equipment are stated at cost, or if donated, at fair value at date of donation. The Clubs capitalize all expenditures for property and equipment exceeding the capitalization threshold. During 2014, the capitalization threshold was raised from \$1,000 to \$5,000. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Property and equipment consist of the following:

	<u>Estimated Useful Lives</u>	<u>2014</u>	<u>2013</u>
Land and improvements		\$ 4,600,127	\$ 4,600,127
Buildings	20 years	43,998,299	43,904,346
Furniture, equipment, vehicles	5 years	3,628,564	3,559,179
Leasehold improvements	15 years	<u>2,932,736</u>	<u>2,932,736</u>
		55,159,726	54,996,388
Less accumulated depreciation		<u>(10,232,535)</u>	<u>(9,291,336)</u>
		<u>\$44,927,191</u>	<u>\$45,705,052</u>

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned revenue

Unearned revenue consists of payments received for childcare registrations and camp fees in advance of the month of service. Revenue is recognized in the period to which it applies.

Federal income taxes

The Internal Revenue Service has recognized Boys & Girls Clubs of King County as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

Restricted and unrestricted support

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the year 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 restrictions expire (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 as net assets released from restrictions.

Gifts of equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

In-kind goods and services

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation. The following in-kind support has been recorded in the financial statements for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Goods	\$ 55,893	\$ 83,570
Advertising and promotion	-	74,580
Imputed interest on non-interest bearing notes	298,238	319,442
Use of contributed facilities and equipment	848,634	759,078
Services	<u>62,820</u>	<u>11,694</u>
Total in-kind expenses	1,265,585	1,248,364
Reduction in contributed facilities receivable	(279,174)	(184,573)
Debt forgiveness	625,000	227,500
Property and equipment	<u>40,898</u>	<u>28,541</u>
Total in-kind revenue	<u>\$ 1,652,309</u>	<u>\$ 1,319,832</u>

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind support benefited the following activities for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Program services	\$ 1,132,936	\$ 1,224,326
Management and general	112,542	9,928
Fundraising	20,107	14,110
	<u>\$ 1,265,585</u>	<u>\$ 1,248,364</u>

The Clubs receive donated facilities for their Federal Way, Rotary Club, Sammamish and two Mercer Island sites under long-term lease agreements. The contributions have been recorded at the estimated fair value and are shown as a receivable and temporarily restricted net asset. The receivables will decrease each year by the following amounts:

Years ending June 30,	
2015	\$ 177,837
2016	186,212
2017	194,990
2018	204,185
2019	213,845
Thereafter	<u>7,899,444</u>
	<u>\$ 8,876,513</u>

Advertising

The Clubs use advertising to promote programs among the audiences served. The production costs of advertising are expensed as incurred. Advertising expense was \$34,892 and \$93,892 for the years ended June 30, 2014 and 2013, respectively.

Functional allocation of expenses

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

Reclassifications

Certain amounts in the 2013 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on the total net assets or total change in net assets as of or for the year ended June 30, 2013.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE B - NEW MARKET TAX CREDIT FINANCING

In January 2007, CDF VIII Investment Fund, LLC (the Investment Fund), a Delaware corporation, was formed as part of New Market Tax Credit Financing for the Rainier Valley Boys & Girls Club (the Project). Community Development Funding, LLC (the CDF), a Minnesota limited liability company, was the non-managing member of the Investment Fund. U.S. Bancorp Community Development Corporation, a Minnesota corporation, had contracted with the CDF as the investing member of the Investment Fund and agreed to make capital contributions to the Investment Fund in exchange for a sole membership interest. U.S. Bancorp Community Development Corporation is a Community Development Entity and recipient of a new markets tax credit allocation from the Internal Revenue Service.

In February 2014, pursuant to the original Project documents, all management and servicing agreements between the parties were terminated. Simultaneously, the Boys & Girls Clubs of King County purchased (for \$1,000) U.S. Bancorp Community Development Corporation's interest in the Investment Fund under a "put" option as provided for under the original Project documents, thereby becoming the sole member of the Investment Fund. As a result of these events (the Unwind), the Boys & Girls Clubs of King County received net cash payment in the amount of \$869,832.

In conjunction with the termination and Unwind of the Project, the Rainier Valley Boys & Girls Club dissolved as a Washington State corporation, conveying and assigning all assets and liabilities of the Rainier Valley Boys & Girls Club to the Boys & Girls Clubs of King County (in its capacity as the sole member of the Rainier Valley Boys & Girls Club). As a result of this dissolution, the notes payable of \$14,520,000 and notes receivable of \$11,044,109 between the parties were forgiven. The resulting gain on Unwind (net of \$8,164 in other income and fees) was \$4,353,887 as shown on the statement of activities.

NOTE C - LINES OF CREDIT

The Clubs have two lines of credit. The first is a secured line from US Bank for operating purposes. The line's interest is payable monthly at a rate of 3.4% and is renewed annually with an expiration date of March 31. Upon the March 31, 2014 expiration and renewal, the line was increased from \$1,400,000 to \$2,200,000. As of June 30, 2014, there were no amounts outstanding on this line.

The second is a secured line of credit (against the value of securities held on account) from Morgan Stanley for capital improvement purposes entered into in April 2014. Available credit on the line is based on a percentage of the underlying securities that serve as the line's collateral. Interest is based on the 30 day LIBOR index plus 3.0% and the line does not have a predetermined expiration or renewal date. As of June 30, 2014, available credit was \$1,476,140 with no amounts outstanding on this line.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE D - LONG TERM DEBT

	<u>2014</u>	<u>2013</u>
Long term debt consists of the following as of June 30,		
Note payable to US Bank bearing interest at 3.5% plus 1 month LIBOR (3.687% at June 30, 2014). Principal and interest are payable monthly through May 2015. The debt is secured by the Mercer Island Club property.	\$ 623,554	\$ 876,403
In July 2012, the Clubs entered into a loan agreement in the amount of \$6,855,000 with an anonymous party or parties. The term of the loan is five years and carries an interest rate of zero percent. The loan is payable in two installments of \$3,455,000 and \$3,400,000, due on June 30, 2015 and 2017, respectively. The loan agreement specifies annual fundraising thresholds ranging from \$455,000 to \$2,500,000, that if met, result in loan forgiveness of fifty percent of the year's fundraising threshold, with a maximum forgiveness of fifty percent of the loan. As of June 30, 2014 the amount forgiven was \$852,500 reducing the amount due June 30, 2015 to \$2,602,500.	 6,002,500	 6,855,000
In 2013, the Clubs obtained bridge loans from six Board members and/or donors for the purpose of paying a portion of the construction costs of the Sammamish EX3 Teen and Recreation Center. The loans are non-interest bearing and repayment is scheduled over a four year period, based on the receipt of payments for capital campaign pledges. The loans were repaid in full in May 2014.	 -	 171,399
Note payable by Rainier Valley Boys & Girls Club to CDF VIII for \$14,520,000 bearing interest at 4.118%. Monthly payments of interest only are due beginning January 2008 through February 2014. The loan was forgiven as part of the New Market Tax Credit Unwind. See Note B.	 -	 14,520,000
	<hr/> 6,626,054	<hr/> 22,422,802
Less current portion	3,226,054	409,838
	<hr/> <u>\$ 3,400,000</u>	<hr/> <u>\$22,012,964</u>

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE D - LONG TERM DEBT (Continued)

Future principal reductions of long term debt are as follows for the years ending June 30:

2015	\$ 3,226,054
2016	-
2017	<u>3,400,000</u>
	<u>\$ 6,626,054</u>

Imputed interest expense on non-interest bearing notes payable has been recorded at a market rate of 4.5%. Interest of \$298,238 and \$319,442 have been recorded as in-kind interest expense and in-kind donations for the years ended June 30, 2014 and 2013, respectively. Interest expense incurred for the years ended June 30, 2014 and 2013 totaled \$783,510 and \$1,019,208, respectively.

NOTE E - CAPITAL LEASE OBLIGATION

The Clubs lease certain office equipment under non-cancelable capital leases, with a total recorded cost of \$172,252 and related accumulated depreciation at June 30, 2014 and 2013 of \$71,803 and \$37,354, respectively. Total monthly payments are \$3,137 including interest from 5% per annum. Scheduled lease payments for the years ending June 30 are as follows:

2015	\$ 37,647
2016	37,647
2017	30,863
2018	<u>13,365</u>
	119,522
Less interest	<u>(9,425)</u>
	110,097
Less current portion	<u>(33,716)</u>
	<u>\$ 76,381</u>

NOTE F - FORGIVABLE DEBT

In 2007, Boys & Girls Clubs of King County entered into a \$3,315,000 non-interest bearing note payable to the City of Seattle Department of Parks and Recreation secured by the Rainer Valley property. The terms of the agreement were met during the year ended June 30, 2009 and the property and related note payable were recorded. The note is to be forgiven over a 50-year period ending in 2057 provided that Boys & Girls Clubs of King County complies with the terms of the loan agreement, principally requiring continuing use of the property for age appropriate recreational opportunities, educational support, and technology access for teenagers from predominantly low and moderate income backgrounds.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE F - FORGIVABLE DEBT (Continued)

The management of Boys & Girls Clubs of King County fully intends to comply with the terms of the loan agreement. The annual amount forgiven is \$66,300. As of June 30, 2014, \$2,878,525 was outstanding under the terms of this note.

NOTE G - UNEMPLOYMENT INSURANCE

The Clubs have elected to self-insure employees for unemployment compensation through participation in the 501(c) Agencies Trust plan. Unemployment claims are paid by the Trust from the Clubs' account. The surplus in the Clubs' account is included in prepaid expense.

NOTE H - RETIREMENT PLAN

The Clubs participate in a defined contribution plan covering all employees with one year and 1,000 hours of service. No employer contributions to the plan were made during the years ended June 30, 2014 or 2013.

NOTE I - GREENBRIDGE RENOVATION PROJECT

In 2007, Boys & Girls Clubs of King County received \$1,601,668 from the Department of Housing and Urban Development and the State of Washington Department of Community, Trade and Economic Development for use in the renovation of the Greenbridge Community Center (the Center). In order to secure sufficient financial resources to redevelop the Center to serve children and families of Greenbridge and the White Center community, Greenbridge Foundation, a 501(c)(3) organization, was formed to help raise funding. The Center is owned by King County Housing Authority. On December 1, 2006, Boys & Girls Clubs of King County entered into a 7-year lease agreement with Greenbridge Foundation, which leases the Center property from King County Housing Authority. This lease expired in December 2013.

NOTE J - SALE OF PROPERTY

In November 2007, Boys & Girls Clubs of King County sold the building and land associated with the Mercer Island Club. As part of the sale, Boys & Girls Clubs of King County agreed to lease the property back from the purchaser for a nominal annual rent of \$10 for a term of 12 years, expiring in October 2019. The promise to give inherent in the below-market lease was recorded at its net present value of \$571,547 as temporarily restricted contributed facilities and is being amortized over the term of the lease. In addition, the sale agreement includes a provision whereby any proceeds in excess of \$7 million from the sale of the property occurring during the lease term shall be remitted to Boys & Girls Clubs of King County, up to the maximum additional consideration of \$1 million.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE K - LEASE COMMITMENTS

At June 30, 2014, the Clubs were obligated to make payments under several non-cancelable operating lease agreements for vehicles, equipment, and buildings. Rent expense under these commitments was \$150,875 and \$168,555 for the years ended June 30, 2014 and 2013, respectively. Future minimum lease commitments under these agreements are as follows:

Years ending June 30,	
2015	\$ 96,602
2016	76,502
2017	9,809
2018	3,746
2019	1,224
	<u>\$ 187,883</u>

NOTE L - COMMITMENTS

Boys & Girls Clubs of King County received funds from the State of Washington Department of Community, Trade and Economic Development for use in the construction of the Federal Way Teen Center. A requirement of this funding is that Boys & Girls Clubs of King County continue to operate this facility for the intended purpose of offering age appropriate recreational opportunities, educational support, and technology access for teenagers from predominantly low and moderate income backgrounds through 2015. In the event that Boys & Girls Clubs of King County is found to be out of compliance with this requirement Boys & Girls Clubs of King County would be obligated to repay funds in the amount of \$392,250 plus accrued interest to the State of Washington. The management of the Clubs fully intends to comply with the requirements of this funding.

Boys & Girls Clubs of King County received funds from the State of Washington Department of Commerce for use in the remodel of the Ballard Club. A requirement of this funding is that Boys & Girls Clubs of King County continue to operate this facility for the intended purpose of offering age appropriate recreational opportunities, educational support, and technology access for teenagers from predominantly low and moderate income backgrounds through 2022. In the event that Boys & Girls Clubs of King County is found to be out of compliance with this requirement, Boys & Girls Clubs of King County would be obligated to repay funds in the amount of \$420,275 plus accrued interest to the State of Washington. The management of the Clubs fully intends to comply with the requirements of this funding.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE L - COMMITMENTS (Continued)

Boys & Girls Clubs of King County received funds from the State of Washington Department of Commerce for use in the construction of the Mercer Island Club. A requirement of this funding is that Boys & Girls Clubs of King County continue to operate this facility for the intended purpose of offering age appropriate recreational opportunities, educational support, and technology access for teenagers from predominantly low and moderate income backgrounds through 2022. In the event that Boys & Girls Clubs of King County is found to be out of compliance with this requirement, Boys & Girls Clubs of King County would be obligated to repay funds in the amount of \$776,000 plus accrued interest to the State of Washington. The management of the Clubs fully intends to comply with the requirements of this funding.

In 2006, Boys & Girls Clubs of King County entered into a \$340,517 non-interest bearing note payable to the King County Department of Community and Human Services secured by the Federal Way Teen Center property. The note is to be forgiven in 2021 provided that Boys & Girls Clubs of King County complies with the terms of the loan agreement, principally requiring continuing use of the property for age appropriate recreational opportunities, educational support, and technology access for teenagers from predominantly low and moderate income backgrounds. In 2012, management considered the likelihood of its failure to meet the commitments of the agreement to be remote and accordingly recognized the \$340,517 as grant revenue.

In 2008, Boys and Girls Clubs of King County and the City of Auburn entered to a lease agreement to promote youth recreational activities at the Parks, Recreation and Arts Administration Building (PRAB) located at 911 9th Ave, Auburn WA. The original term of the lease was 25 years with a yearly rent of \$1. Subsequently, the Clubs and the City entered into a Joint Operating Agreement which specified that both the Clubs and the City would operate programs at the PRAB.

In December 2010, Boys & Girls Clubs of King County received a \$780,000 grant commitment from the State of Washington Department of Commerce for use in the renovation of the building owned by the City of Auburn and leased to the Clubs. In September 2013, the Clubs received a further \$306,520 for the same purpose. As the Clubs have no variance authority over the use of the funds and as the building is owned by the City of Auburn, the Clubs passed these amounts through to the City, and did not record grant revenue or expenses.

As requirement of this funding, the PRAB facility must continue to operate programs for the intended purpose of offering age appropriate recreational opportunities, educational support, and technology access for teenagers from predominantly low and moderate income backgrounds for a period of 10 years. In the event that the City of Auburn or Boys & Girls Clubs of King County are found to be out of compliance with this requirement, both parties would be jointly obligated to repay funds in the amount of \$1,086,520 plus accrued interest to the State of Washington. Both parties to the Joint Operating Agreement fully intend to comply with the requirements of this funding.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE M - FAIR VALUE MEASUREMENTS

Assets carried at fair value on a recurring basis (at least annually) consist of the following:

	Quoted Prices (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
As of June 30, 2014:				
Mutual funds	\$ 1,903,036	\$ -	\$ -	\$ 1,903,036
Money market funds	205,735	-	-	205,735
Total assets shown at fair value	<u>\$ 2,108,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,108,771</u>
As of June 30, 2013:				
Mutual funds	\$ 1,637,610	\$ -	\$ -	\$ 1,637,610
Money market funds	101,316	-	-	101,316
Total assets shown at fair value	<u>\$ 1,738,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,738,926</u>

Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities and services. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows discounted at a risk-free rate of return which is a level 3 input. The Clubs also use fair value concepts to test various long-lived assets for impairment.

NOTE N - ENDOWMENT

The Clubs' endowment contains four donor-restricted funds established to support a variety of program areas. Endowments in Washington State are governed by the "Uniform Prudent Management of Institutional Funds Act," (UPMIFA) as stated in the Revised Code of Washington (RCW) 24.55. The RCW provides that, unless stated otherwise in endowment gift instruments, no portions of donor-restricted endowments will be shown as unrestricted net assets other than amounts appropriated for spending in the current year, or negative endowment earnings to date.

The Clubs have interpreted 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 Clubs classify as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment; and (b) the original value of subsequent gifts to the permanent endowment. 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.

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE N - ENDOWMENT (Continued)

Occasionally, the fair value of the assets associated with donor-restricted endowment funds may fall below the amount recorded as permanently restricted net assets. Future appreciation of investments generally restores the value to the required level. As of June 30, 2014, there were no such deficiencies.

The Board has adopted an investment and spending policy for the endowment designed to provide reasonable spending in support of the Clubs, while maintaining the purchasing power of the endowment over the long term. To achieve these objectives, endowment assets are invested in a well-diversified, balanced portfolio intended to capture the broad market return. This means the portfolio assumes moderate investment risk consistent with the broad market.

The Clubs utilize a total return strategy, with investment returns achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Because the Clubs seek to balance current spending with maintenance of purchasing power over the long term, the asset allocation of the portfolio favors equity investments, but within an overall balanced portfolio.

Endowment net assets by fund type as of June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds				
Ballard Club Endowment	\$ -	\$ 2,913	\$ 12,956	\$ 15,869
Southwest Club Endowment	-	138,374	187,557	325,931
Finkbeiner Scholarship (Kirkland)	-	11,098	108,533	119,631
Arlene Brooks-Bull Scholarship	-	519	29,914	30,433
Total endowment funds	<u>\$ -</u>	<u>\$ 152,904</u>	<u>\$ 338,960</u>	<u>\$ 491,864</u>

Change in endowment net assets for the year ended June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (13,655)	\$ 97,916	\$ 338,960	\$ 423,221
Additions				
Investment return:				
Investment income	4,779	32,207	-	36,986
Net gains	8,876	43,163	-	52,039
Total investment return	<u>13,655</u>	<u>75,370</u>	<u>-</u>	<u>89,025</u>
Appropriated for expenditure	-	(20,382)	-	(20,382)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 152,904</u>	<u>\$ 338,960</u>	<u>\$ 491,864</u>

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE N - ENDOWMENT (Continued)

Endowment net assets by fund type as of June 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds				
Ballard Club Endowment		\$ 53	\$ 12,956	\$ 13,009
Southwest Club Endowment	-	97,853	187,557	285,410
Finkbeiner Scholarship (Kirkland)	(13,655)	-	108,533	94,878
Arlene Brooks-Bull Scholarship	-	10	29,914	29,924
Total endowment funds	<u>\$ (13,655)</u>	<u>\$ 97,916</u>	<u>\$ 338,960</u>	<u>\$ 423,221</u>

Change in Endowment Net Asset for the year ended June 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ (15,388)</u>	<u>\$ 72,518</u>	<u>\$ 338,360</u>	<u>\$ 395,490</u>
Additions			600	600
Investment return:				
Investment income	4,661	13,046	-	17,707
Net losses	<u>2,572</u>	<u>22,152</u>	-	<u>24,724</u>
Total investment return	7,233	35,198	-	42,431
Appropriated for expenditure	<u>(5,500)</u>	<u>(9,800)</u>	-	<u>(15,300)</u>
Endowment net assets, end of year	<u>\$ (13,655)</u>	<u>\$ 97,916</u>	<u>\$ 338,960</u>	<u>\$ 423,221</u>

NOTE O - PRIOR PERIOD RESTATEMENT

During the year ended June 30, 2014, the Clubs discovered that the in-kind lease for the Rotary Boys and Girls Club had been renegotiated and a new lease signed effective July 2010. The existence of the revised lease was not properly communicated and therefore, the financial statements reflected the original lease term. Upon discovery of this error, the financial statements were restated to properly reflect the revised lease terms as of the effective date of the new lease. The effect of the corrections on the 2013 financial statements are as follows:

	<u>Previously Reported</u>	<u>Change</u>	<u>Restated</u>
Statement of Financial Position			
Contributed facilities receivable	\$ 8,280,608	\$ 875,079	\$ 9,155,687
Temporarily restricted net assets	\$ 9,850,149	\$ 875,079	\$ 10,725,228

BOYS & GIRLS CLUBS OF KING COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2014 AND 2013

NOTE O - PRIOR PERIOD RESTATEMENT (Continued)

	<u>Previously Reported</u>	<u>Change</u>	<u>Restated</u>
Statement of Activities			
In-kind contributions	\$ 1,278,519	\$ 41,313	\$ 1,319,832
Net assets released from restriction	\$ 733,105	\$ (50,373)	\$ 682,732
Program services - Occupancy	\$ 15,120,182	\$ (9,060)	\$ 15,111,122
Net assets - beginning of year			
Temporarily restricted	\$ 9,193,108	\$ 824,706	\$ 10,017,814

NOTE P - RELATED PARTY

During fiscal 2014, the Clubs entered into a contract with a Board member to provide consulting services for marketing and advertising. As of June 30, 2014, \$137,647 of expenses were incurred.

NOTE Q - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to June 30, 2014 through December 18, 2014, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at June 30, 2014, including the estimates inherent in the processing of financial statements.

ATTACHMENT B

Insurance against claims for injuries to persons or damage to property arising out of or in connection with the performance of this Agreement by the Service Provider, its officers, employees and agents:

A. Automobile Liability Insurance with limits no less than \$1,000,000.00 combined single limit per accident for bodily injury and property damage.

B. Directors and Officers Liability Insurance with limits no less than \$1,000,000.00 limit per occurrence.

C. Commercial General Liability Insurance written on an occurrence basis with limits no less than \$1,000,000.00 combined single limit per occurrence and \$2,000,000.00 aggregate for personal injury, bodily injury and property damage. Coverage shall include, but not be limited to blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability.

Before commencing work and services, the Service Provider shall provide to the person identified in Section 9 of the Agreement a Certificate of Insurance evidencing the required insurance. City reserves the right to request and receive a certified copy of all required insurance policies.

Any payment of deductible or self-insured retention shall be the sole responsibility of the Service Provider. City shall be named as an additional insured on the Commercial General Liability Insurance Policy, with regard to work and services performed by or on behalf of the Service Provider, and a copy of the endorsement naming City as an additional insured shall be attached to the Certificate of Insurance.

The insurance policies (1) shall state that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (2) shall be primary insurance with regard to City; and (3) shall state that City will be given at least 30 days' prior written notice of any cancellation, suspension or material change in coverage.