



 **DestinationImagiNation®**  
creativity @ teamwork @ problem solving

# 2009 Annual Report

A Year of Celebration and Transition

**Destination ImagiNation, Inc.**  
**1111 S Union Avenue**  
**Cherry Hill, New Jersey 08002**

[www.DestinationImagiNation.org](http://www.DestinationImagiNation.org)

Destination ImagiNation, Inc. is a 501(c)(3) Nonprofit Education Organization.

Copyright ©2009 by Destination ImagiNation, Inc. All rights reserved. Printed in the United States of America. No part of this publication may be reproduced or distributed in any form or by any means, or stored in database or retrieval systems, without prior written permission of the publisher.

# Celebrating 10 Years of the DI® Brand 2009



## Dear Reader,

In 2009, we celebrated the 10th anniversary of the Destination ImagiNation, Inc. (DI) brand. Over that time span, our small non-profit organization has grown dramatically and in remarkable ways. But we're not finished. Our vision is for Destination ImagiNation, Inc. to be the world's leading non-profit organization dedicated to promoting three life-long values: Creativity, Teamwork and Problem Solving.

**Creativity has the power to change the world.** Currently, more than 30 countries participate in the Destination ImagiNation program, and we seek to grow that figure. Over time we have increased the number of our offerings, and as we move forward, we strive to further advance the quality and accessibility of our programs. We want our programs to always provide positive and fun environments, so participants can explore, develop and apply their unlimited creativity toward achieving their goals.

**Becoming a team is a life-changing experience.** 12,000 teams participated in the Destination ImagiNation program in the 2008-09 season, and we are aiming to reach the 20,000-team mark by the end of the 2010-11 season. To achieve this ambitious goal, the organization has added a diverse set of staff members and instituted efforts to unite our community of volunteers and alumni. Like the teams that participate in our programs, we know that we will succeed only by working together.

**Our world's future depends on extraordinary problem solvers.** To foster a generation of students who can explore possibilities and develop effective solutions, we are actively working to make our programs simpler, more accessible and tailored to teach 21st-century skills. Within the organization, we are focused on finding ways to improve efficiency and communication to better support our goals.

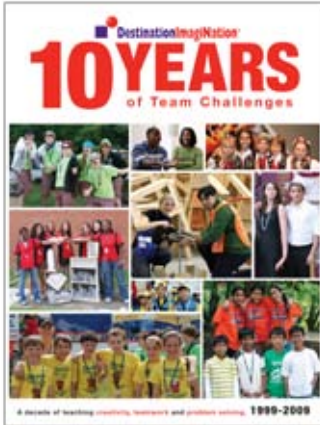
As we celebrate the 10th year of the DI brand, we are excited about the years to come, and we invite you to join us.

Chuck Cadle  
Chief Executive Officer

# Highlights of 2009



creativity  teamwork  problem solving



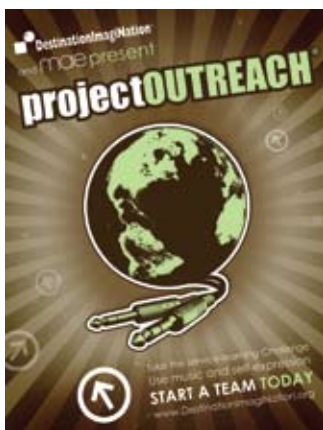
Celebrating the 10th anniversary of the Destination ImagiNation, Inc. brand as we compiled our *Team Challenges* from 1999 to 2009 into one book.



A partnership with the Capital Area REACH Program, a Washington, D.C.-based non-profit organization that provides opportunities for youth to achieve career goals.



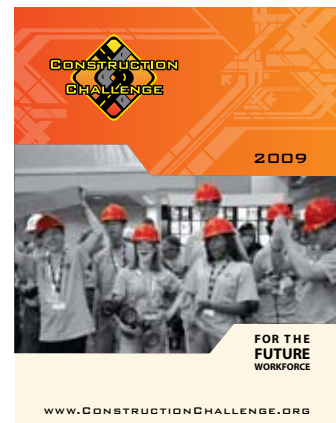
The premier of the 3M Disaster Challenge, which expanded our relationship with one of our key partners.



The incorporation of projectOUTREACH as a Destination ImagiNation *Team Challenge* with support from the National Dairy Council.



Double-digit growth of Destination ImagiNation teams internationally.



Dramatic Construction Challenge expansion – On February 7, 2009, 15 Regional Rallies were held around the U.S. and Canada.



# Destination ImagiNation, Inc. 2009



## Executive Summary

### Destination ImagiNation, Inc. welcomes a time of change, reflection and moving forward

as the organization sets its sights on the growth and expansion of its two educational programs: Destination ImagiNation and Destination ImagiNation 4-Life.

Over the course of this fiscal year, many actions were taken to increase the reach and participation of the organization. For example, the process of how *Team Challenges* are created and evaluated was reevaluated, and the organization increased focus on how its programs are connected to educational standards. Additionally, the staff and management structure was reviewed, measures were taken to improve internal and external customer service, and a more robust infrastructure is being developed to handle growth. Finally, a new CEO was selected to lead Destination ImagiNation, Inc. into the future.

## Introducing Charles “Chuck” Cadle

After an exhaustive search, Destination ImagiNation, Inc. announced Mr. Chuck Cadle as its new Chief Executive Officer. With the approval of the Board of Trustees, Mr. Cadle stepped into his new role on June 1, 2009 with a mission to improve communications, refocus the organization on team growth and raise funds for at-risk populations and scholarships.



Mr. Cadle has been a longtime advocate of online-learning communities that enable students and subject-matter experts to share ideas and experiences. He has demonstrated a lifelong commitment to promoting global tolerance, teaching critical thinking, and facilitating creative problem solving through training and personal development opportunities. A forward-thinking, collaborative, and transformational leader, Mr. Cadle has effectively translated his vision for 21st-century innovation into fiscally sound, sustainable, and winning results.

Within Destination ImagiNation, Inc., Mr. Cadle will spearhead the organization's growth and expansion efforts. His presence has already resulted in a new business plan and an ambitious growth strategy: the Start a Team initiative. The initiative, which was implemented at the end of the 2008-09 program season, will set the stage for the next phase of Destination ImagiNation, Inc.'s journey.



# Destination ImagiNation 2009



In a year that marked the 10th anniversary of the Destination ImagiNation, Inc. brand, the organization received continued support from past sponsors and partners and achieved a number of organizational firsts.

## Center for Creative Learning & Donald Treffinger, Ph.D.

Over an eight-year span, the partnership between Destination ImagiNation, Inc. and the Center for Creative Learning, Inc. has focused on ways to help children, adolescents and adults learn creative problem solving. The skills and tools developed in the partnership have appeared in a variety of programs, services and resources offered by Destination ImagiNation, Inc. The roots of our collaboration stemmed from the partnership's potential mutual value and benefits—including the opportunity to bring creative problem solving to a broader audience, the potential for new research and development, and a wider scope of practice and application of the process. Destination ImagiNation, Inc. is grateful to Dr. Treffinger and the Center for Creative Learning, Inc. for their tremendous support over the past eight years.

## Internship Program

2009 marked the second year of the Destination ImagiNation Internship Program, which invites past program participants to work at Destination ImagiNation, Inc. headquarters for three summer months. The 2009 class was an incredibly diverse and talented group that consisted of Karla Kantola, Kristina Anderson, Zack Ahrens, Issa Thullah, and Sam Johnson. The interns were immediately involved in organizational programming upon their arrival: they were tasked with producing a magazine, developing new resources, creating promotional and marketing materials, and planning a trip to the nation's capital. To date, nine students have participated in the Internship Program.

## Quality Review Panel

To ensure that the Destination ImagiNation *Team Challenges* are of the highest standard, a Quality Review Panel was created to review all Challenges prior to being publicly released. The panel consisted of Affiliate Directors, International Challenge Masters and representatives of the Board of Trustees. The Quality Review Panel convened for the first time during the Challenge Development kickoff weekend in June 2009. Each 2009-10 *Team Challenge* was thoroughly reviewed and tested by the Panel, who received additional help from the volunteers who participated in Challenge Development for the 2010-11 *Team Challenges*. Now established as the final step in Challenge Development, the Quality Review Panel will continue to take an intense, objective look at the *Team Challenges* with the goal of making them easy to understand and implement.





# projectOUTREACH Take Charge!

The National Dairy Council sponsored teams to participate in the pilot year of projectOUTREACH – a service-learning *Team Challenge*. Over the course of the 2008-09 season, teams participating in the Challenge conducted and measured their own campaigns to encourage physical activity and healthy eating among their peers.



## Global Finals 2009

Approximately 16,000 participants, volunteers, VIPs, and staff attended the 2009 Destination ImagiNation Global Finals. The creative problem solving celebration was held at the University of Tennessee in Knoxville, which once again proved a gracious and accommodating host.

Global Finals 2009 special events included the 3M Disaster Challenge and the Construction Challenge Championship Finals. Global Finals was also a shining example of the power of social media and how it can be a valuable communication tool. With the threat of the H1N1 virus, the Global Finals team used Facebook and Twitter to constantly supply information and facts about the new strain of the flu virus so attendees could better protect themselves.

After all the creativity, hard work, celebration and fun, Global Finals 2009 proved to be a great success and a testament to the commitment and dedication of Destination ImagiNation volunteers and participants.

### Volunteerism Survey

Destination ImagiNation could not exist without the help and dedication of its 35,000 volunteers. From International Challenge Masters to Team Managers, our volunteers graciously give their time and energy to make Destination ImagiNation a positive experience for every team.

In 2009, the organization conducted the first survey of its 35,000 volunteers. The survey was sent out shortly after Global Finals 2009, and it was designed to gauge volunteer experiences and improve the overall experience. The survey inquired about the effectiveness of volunteer training and techniques, the reasons why volunteers became involved in the program and the overall satisfaction of volunteers.

88 percent of those surveyed identified themselves as Team Managers. Respondents were a mix of new and returning volunteers, with more than 76 percent of respondents coming back after their first year, and 80 percent rating their volunteer experience a seven or higher on a 10-point scale.





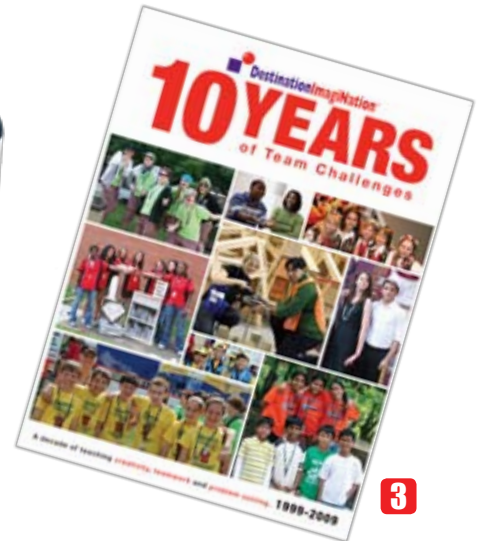
# New Resources 2009



1



2



3



4



5



6



7



8





Destination ImagiNation, Inc. created more resources so Destination ImagiNation participants can enhance their experience and be better prepared for Challenges.

**1** **Instant Challenge FLIP** is a flipbook that suggests hundreds of elements—including materials, settings, tasks, and much more—to help teams practice *Instant Challenges* and further develop their creative problem solving skills. *Instant Challenge FLIP* contains more than 4 billion possible *Instant Challenge* combinations.

**2** Teams will have a blast with **Improv 24-7-11**, an improvisational-based practice kit that comes in a reusable 64oz mug. The portable kit, which contains rules and exercises, can be used to practice improvisation anywhere and at any time.

**3** **10 Years of Team Challenges** celebrates the 10th anniversary of the Destination ImagiNation brand, and it includes every *Team Challenge* from 1999 to 2009. *10 Years of Team Challenges* is at once a collector's item, a unique DI reference, and a working anthology for educators looking for new classroom activities.

**4** The **Dnamic Materials Kit** and the **AscenDIng Instant Challenge Materials Kit** were created as all-in-one *Instant Challenge* kits to help teams learn about the nature and uses of materials. Their step-by-step approaches provide fun and easy ways for participants to discover and explore the properties of materials.

**5** **NO FUSS Backdrops** is an all-inclusive guide to building innovative set designs. The book contains detailed information to walk readers through the process of building memorable backdrops, and it also includes hints, tips, and other ideas to help readers along the way.

**6** **By DI-sign** is a subscription-based bulletin that includes 6 monthly editions jam-packed with *Instant Challenges*, team-building activities, Mini-Challenges and team support. The resource offers information and guidance that help teams through the process of creative problem solving and building a successful team.

**7** **Instant Challenge Book Volume 3** and **Volume 4** each provide more than 110 team-tested, Tournament-approved *Instant Challenges*, which will help teams develop impromptu thinking skills by creating solutions to unique Challenges within minutes.

**8** **The 3M Instant Challenge Practice Set** includes 15 fresh and original *Instant Challenges* designed around 3M materials. The Challenges are designed to better teamwork and problem solving skills, and the kit includes all of the specialized materials required to solve the Challenges.



# 4Life<sup>®</sup>

**A Destination ImagiNation 4-Life custom program can...**

- \* Design and implement your workforce development.
- \* Create unique public relations campaigns.
- \* Gain direct contact and activation with youth.
- \* Develop educational opportunities for schools and communities.

**Client List**



NATIONAL DAIRY COUNCIL

U.S. AIR FORCE



Innovative \* Educational \* Programming



# Destination ImagiNation 4-Life 2009

The Destination ImagiNation 4-Life program designs and implements cause-based programming for client organizations to reach target audiences in a powerful way. In 2009, Destination ImagiNation 4-Life produced the following programs and events:

## Construction Challenge

With a rising workforce shortage, the construction industry is actively looking for talented and motivated employees for a wide range of career opportunities – from engineering, project management, and service technicians, to sales, marketing, systems, and graphic designers.

Sponsored by Association of Equipment Manufacturers (AEM) and developed and implemented by Destination Imagination, Inc., Construction Challenge is a career-education initiative designed to develop the workforce of the future. In Construction Challenge, teen participants compete in and solve infrastructure, design, and service-tech Challenges.

In its second year, Construction Challenge expanded dramatically. On February 7, 2009, 15 Regional Rallies were held around the U.S. and Canada. Over the course of the day, more than 300 teams competed in 3 Challenges, and the top 50 teams were invited to the Championship Finals, which were held concurrently with Global Finals 2009. Additionally, several Construction Challenge sponsors had booths at the Construction Challenge Expo area, so teams could meet representatives from the equipment manufacturing industry and learn more about the great jobs available in construction, agriculture, mining, utility and forestry.

## Internships Within REACH

The Capital Area REACH program is a non-profit organization committed to helping young people in the Northern Virginia, Maryland and Washington, D.C.,



metropolitan area become successful in school, work, and the community. In 2009, Destination Imagination, Inc. partnered with REACH to develop “Internships Within REACH,” an initiative that provides participants a comprehensive series of workshops, courses and career-building sessions. More than 50 REACH participants took part in the initiative over five months, and the success of the initiative has resulted in a continued and expanded partnership between REACH and Destination ImagiNation, Inc. in 2010.

## Fuel Up To Play Summit

Destination ImagiNation, Inc. partnered with the National Dairy Council to provide content for their Fuel Up To Play (FUTP) program, which was aimed at promoting physical activity and healthy eating habits in communities. At the conclusion of the program’s pilot year, the FUTP Summit brought together the best and brightest program participants from across the U.S.

The Summit was held in Times Square in New York City during the National Football League’s Draft weekend. Twenty Student Ambassadors and their Program Advisors attended the event to interact with one another and receive additional training. The three-day event was filled with team-building activities, exercise, an interactive presentation by a world-renowned pediatrician, an interactive workshop by a celebrity chef, a visit to the NFL Draft, and much more.

## 3M Disaster Challenge

The 3M Disaster Challenge debuted at Global Finals 2009. Close to 6000 participants entered the interactive special event, which simulated a natural disaster and asked the participants to use creative problem solving to escape. The 3M Disaster Challenge was billed much like a summer blockbuster.

# Thanks to our Sponsors

# 2009



Destination ImagiNation, Inc. is proud to work with industry leaders to create programming that engages youth with creative problem solving, invites them to bring about change and improve quality of life, and provides new

and innovative ways to motivate future workforces. Destination ImagiNation, Inc. recognizes the philosophical and financial support its sponsors provide year after year.



## NATIONAL DAIRY COUNCIL®

The National Dairy Council (NDC) is the International Sponsor of the Destination ImagiNation program and is an important catalyst in helping the program develop and nurture creativity, teamwork and problem solving in participants. The relationship between the two organizations is complementary: one works to develop healthy bodies, and the other works to develop healthy and creative minds. Both work for a common goal—to help children reach and realize their true potential. Throughout 2009, NDC also engaged Destination ImagiNation, Inc. in several other projects to help move the mission of NDC forward.



As a 10-year sponsor, 3M has supported many different aspects of Destination ImagiNation. In the 2008-09 season, 3M was the proud sponsor of the program's Structure Challenge, *A New Angle*, and during Global Finals 2009, thousands of people experienced the 3M Disaster Challenge as they used creative innovation to navigate through a maze of disaster scenarios.



The Association of Equipment Manufacturers (AEM) worked with Destination ImagiNation, Inc. to provide middle and high school participants a real-world experience to inspire them to explore and pursue careers in the construction industry. The team members presented multimedia presentations about the need for roads, bridges, water, and sewage infrastructure improvement in local communities across the U.S. and Canada. Through this sponsorship, many students are learning about the endless possibilities in the construction industry.





# Destination ImagiNation, Inc.

Our family of staff and consultants are dedicated to providing the highest level of service and programming.

## Staff

### Management

Chuck Cadle | Chief Executive Officer  
Rusty McCarty | Chief Operating Officer & Creative Director  
Joe O'Brien | Contoller  
Maureen Donovan | Director of Human Resources

### Programming

Hilary Anderson | International Coordinator  
Brittany Dyer | Program Coordinator  
Roger Garriock | Director of Canada DI  
Victoria "Tori" Gwynn | Training Coordinator  
Peggy Middendorf | Program Coordinator  
Sheila Swanson | DI Program Director  
Linda Wayne | Director of Partnership Relations  
Andrew Whitmire | Operations Project Manager

### Information Technology

Charles Bell | IT Administrator/Programmer  
George "Mickey" Buckno | Web Developer  
Lynn Macey | IT Consultant  
Steve Greenwood | IT Consultant

### Service

Jennifer Batchelor | Service Coordinator  
Darlene Courter | Service Representative  
Mike Marcasciano | Shipper & Receiver  
Delilah Passero | Data Entry Operator

### Marketing & Public Relations

Matthew Arts | Marketing & PR Director  
Ginger Green | Volunteerism & Alumni Coordinator  
Yeanina "Nina" Parker | Outreach Coordinator

### Finance

Kevin McDonough | Purchasing Agent  
JoAnne Quinn | Bookkeeper

### Creative

Drew Coburn | Branding Consultant  
Justin Billek | Creative Developer  
George Jacob | Copy & Technical Writer  
Kate Wise | Graphic Designer

### Development

Rosemary Becchi | Relationship Development  
Kathy Hamor | Sponsor & Partner Development

## Board of Trustees

### Board of Trustees Chair:

Brownie Mitchell

### Board of Trustees Vice-Chair

Pamela Schroeder

### Board Members

Karen Anderson  
Rosemary Bognar-Pinney  
Michael Kelly  
Valerie Conroy  
John Maloney  
Susan Oclassen  
David Thomason  
Bruce Urban  
Johnny Wells  
Dr. Nancy Wingenbach  
Eric Wolff  
Charles R. Cadle, CEO

# Scholarships 2009



## British Columbia

### Dereck and Janice Booth Scholarship (\$500 each)

- ★ Tracy Thomas

## California

### California Creativity Essay Scholarship

- ★ Jamie Anderson
- ★ Justin Kissel

## Colorado

### IDODI Appraiser Scholarship

- ★ Isabel Bristow

### Masters & Directors Scholarship

- ★ Emily Martin
- ★ Michael Crane
- ★ Matthew Kalan

## British Columbia

### BC Original Minds Association (\$500 each)

- ★ Rochelle Picardo
- ★ Betty Tang

## Gulf Coast Region

- ★ Bryan Gray (\$500)
- ★ Kelsey Sallade (\$500)

## Nebraska

- ★ MudDI Waters Scholarship
- ★ Andrew Deckert, Green Bay, WI
- ★ Megan Kinneberg, Plymouth, MN

## New Jersey

- ★ Megan Masuret (\$1000)
- ★ Meghan Fallon (\$1000)

## Maryland

### Pat Swanson Scholarship (\$1000)

- ★ Marie Farley

### Eric Dahl/Verizon Scholarship (\$1000)

- ★ Nick Hobbs

### Rick Feutz scholarship (\$1000)

- ★ Emily Trefry

## Massachusetts

### MADI Scholarships (\$500)

- ★ Alyssa Smith
- ★ Jane Barnard
- ★ Meghan Ryan
- ★ Catherine Chaput
- ★ Kristine Tom
- ★ Sarah Christ
- ★ Caroline Praderio
- ★ Alexandra Hsu
- ★ Shannon Walker

### Jean Josie Scholarship (\$1000)

- ★ Mark Jenkins Jr.

## Michigan

### Michigan Creativity Association

### MICA Betty Schmidt Scholarship

- ★ Austin Kantola (\$1000)

### MICA Central Michigan University

- ★ Zachary Frenzel, Aaron Pickett

## Minnesota

### MudDI Waters Scholarship (\$500)

### DISC Personal Essay Scholarship (\$250)

### DISC Presentation Scholarship (\$500)

### DISC Internet Scholarship (\$500)

- ★ Megan Kinneberg

### Distinguished Leader Award

- ★ Nicholas Baker
- ★ Zachary Baker
- ★ Aaron Bartnik
- ★ Brian Stroinski

## Missouri

- ★ Missouri Creative Adventures
- ★ Christopher Good
- ★ Lauren Good
- ★ Caleb Treat

## Montana

### Montana Creativity Quest (\$500)

- ★ Kirsten Aasen

## Oregon

- ★ Hunter Park (\$500)

## South Dakota

### MudDI Waters Scholarship

- ★ Andrew Deckert WI
- ★ Megan Kinneberg MN

### Sponsored by Watertown Optimists Club

- ★ That Titze

## Texas

- ★ Zachary Wilhoit (\$1000)
- ★ Parker Owen (\$750)
- ★ Kelsey Norden (\$750)
- ★ Jordan Wright (\$500)

## Washington

### Imagination Network Scholarship

- ★ Griffin Miller (\$1000)

## Wyoming

### Jennifer Tillard Award (\$400.00)

- ★ Skylar Baron

### W.A.C.Y. Awards

- ★ Kaleigh Peil (\$300)
- ★ Crystal Wunder (\$300)

## DISC

### Destination ImagiNation Support Committee

- ★ James Hedrick, CA (\$1,000)
- ★ Jennifer McKenzie, CA (\$250)
- ★ Robert Dignan, IL (\$500)
- ★ Alexandra Hsu, MA (\$250)
- ★ Kristine Tom, MA (\$750)
- ★ Megan Kinneberg, MN (\$250)
- ★ Megan Kinneberg, MN (\$500)
- ★ Megan Kinneberg, MN (\$500)
- ★ Christopher Good, MO (\$250)
- ★ Lauren Good, MO (\$250)
- ★ Abigail Brailey, NY (\$250)
- ★ Michael Korte, OH (\$500)
- ★ Nick Leos, TX (\$500)
- ★ Kelsey Norden, TX (\$500)
- ★ Matthew Wyder, TX (\$750)
- ★ Cydney Asher, VA (\$750)
- ★ Ryan Dulde, WI (\$750)



# The Year Ahead



As 2009 comes to a close, Destination ImagiNation, Inc. looks forward to the years to come. The organization is making great strides toward cultivating more participation, garnering new partners and sponsors, and increasing the visibility of the brand.

## Start a Team Initiative

Destination ImagiNation, Inc. has had a solid foundation of teams that have consistently made our programs successful, but in 2009, a unique initiative was started to grow and spread the word about the Destination ImagiNation program.

The Start a Team initiative is a two-year campaign with the ultimate goal of 20,000 Destination ImagiNation teams by the end of the 2010-11 season. The initiative was launched at the beginning of the 2009 season through an aggressive marketing and public relations campaign. Key efforts included rolling out a suite of new collateral materials, offering streamlined message points, and producing a new brand style guide. The initiative will strive to make sure all participants, volunteers and staff use a single voice to encourage others to Start a Team with Destination ImagiNation.

The Start a Team message has been heard in our new radio and TV public service announcements, seen on new billboards nationwide and experienced on our Web site. Start a Team is also the main message on all of our 2009-10 marketing materials.

## Other 2009-10 Previews...

In addition to our Start a Team initiative, Destination ImagiNation, Inc. is already working toward improving operations that will enhance all participants' experiences. Some strategic efforts include:

- The relocation of Destination ImagiNation, Inc. headquarters to a larger, more modern building.
- A new brand and marketing campaign aimed at increasing public awareness of Destination ImagiNation, Inc.
- The reorganization of business and staff to better serve our customers and internal audiences.
- A growing number of partnership programs with existing and new organizations such as Global Entrepreneurship Week, the National Learn and Serve Challenge, and a program evaluation with the University of Virginia.



INDEPENDENT AUDITOR'S REPORT

To the Officers and Board of Trustees of  
Destination ImagiNation, Inc.  
Glassboro, New Jersey 08028

We have audited the accompanying statements of financial position of Destination ImagiNation, Inc. (a nonprofit organization) as of September 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Destination ImagiNation, Inc. as of September 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

FAKTOROW, BARNETT & BRUNNER, L.L.C.

*Faktorow, Barnett & Brunner, L.L.C.*

Certified Public Accountants

November 13, 2009

DESTINATION IMAGINATION, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 SEPTEMBER 30,

The accompanying notes are an integral part of these financial statements.

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 801,080	\$ 1,028,486
Accounts receivable	129,462	277,468
Inventory and prepaid expenses	356,925	311,748
Property and equipment	1,263,443	179,502
Deposits	30,000	30,000
Long-term investments	<u>161,869</u>	<u>155,010</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,742,779</u></u>	<u><u>\$ 1,982,214</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Mortgage payable	\$ 990,000	\$ -
Accounts payable	108,883	91,525
Accrued expenses	289,671	291,008
Loans & exchange	49,678	30,177
Deferred revenue	<u>291,754</u>	<u>524,945</u>
<b>TOTAL LIABILITIES</b>	<u>1,729,986</u>	<u>937,655</u>
<b>NET ASSETS</b>		
Unrestricted net assets	999,213	994,559
Temporarily restricted net assets	<u>13,580</u>	<u>50,000</u>
<b>TOTAL NET ASSETS</b>	<u>1,012,793</u>	<u>1,044,559</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,742,779</u></u>	<u><u>\$ 1,982,214</u></u>



DESTINATION IMAGINATION, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30,

The accompanying notes are an integral part of these financial statements.

	<b>2009</b>			<b>2008</b>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND GAINS</b>						
Contributions	\$ 267,497	\$ 140,100	\$ 407,597	\$ 143,585	\$ 50,000	\$ 193,585
Membership fees	1,049,199	-	1,049,199	730,455	-	730,455
Program revenue	5,934,744	-	5,934,744	6,764,681	-	6,764,681
Investment income	30,725	-	30,725	52,582	-	52,582
Net realized and unrealized gains (loss) on investments	6,712	-	6,712	(5,780)	-	(5,780)
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<u>7,288,877</u>	<u>140,100</u>	<u>7,428,977</u>	<u>7,685,523</u>	<u>50,000</u>	<u>7,735,523</u>
<b>EXPENSES</b>						
Program	6,622,053	176,520	6,798,573	6,598,077	185,000	6,783,077
Management and general	609,659	-	609,659	464,317	-	464,317
Fundraising	52,511	-	52,511	59,919	-	59,919
<b>TOTAL EXPENSES</b>	<u>7,284,223</u>	<u>176,520</u>	<u>7,460,743</u>	<u>7,122,313</u>	<u>185,000</u>	<u>7,307,313</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	4,654	(36,420)	(31,766)	563,210	(135,000)	428,210
<b>NET ASSETS, beginning of year</b>	<u>994,559</u>	<u>50,000</u>	<u>1,044,559</u>	<u>431,349</u>	<u>185,000</u>	<u>616,349</u>
<b>NET ASSETS, end of year</b>	<u>\$ 999,213</u>	<u>\$ 13,580</u>	<u>\$ 1,012,793</u>	<u>\$ 994,559</u>	<u>\$ 50,000</u>	<u>\$ 1,044,559</u>

DESTINATION IMAGINATION, INC.  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED SEPTEMBER 30,

The accompanying notes are an integral part of these financial statements.

	<b>2009</b>	<b>2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (31,766)	\$ 428,210
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	23,040	19,028
Realized losses on investments	2,067	-
Bad debts	9,991	9,198
Unrealized (gains) losses on investments	(8,779)	5,780
(Gain) loss on sale of property and equipment	2,096	(2,778)
(Increase) decrease in:		
Accounts receivable	138,015	208,441
Inventory and prepaid expenses	(45,177)	52,159
Increase (decrease) in:		
Accounts payable	17,358	(79,500)
Accrued expenses	(1,337)	122,106
Loans and exchange	19,501	(15,173)
Deferred revenue	(233,191)	(141,950)
<b>Net cash (used) provided by operating activities</b>	<u>(108,182)</u>	<u>605,521</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Short-term investments, net	-	25,000
Purchase of long-term investments	(7,702)	(7,593)
Proceeds from sale of property and equipment	-	8,500
Proceeds from sales of investments	7,555	-
Purchase of property and equipment	<u>(1,109,077)</u>	<u>(38,994)</u>
<b>Net cash used by investing activities</b>	<u>(1,109,224)</u>	<u>(13,087)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on note payable	-	(7,729)
Proceeds of long-term borrowings	<u>990,000</u>	<u>-</u>
<b>Net cash provided (used) by financing activities</b>	<u>990,000</u>	<u>(7,729)</u>
<b>Net (decrease) increase in cash</b>	(227,406)	584,705
<b>Cash at beginning of year</b>	<u>1,028,486</u>	<u>443,781</u>
<b>Cash at end of year</b>	<u>\$ 801,080</u>	<u>\$ 1,028,486</u>
Supplemental disclosures of cash payments made:		
Interest	<u>\$ 516</u>	<u>\$ 408</u>

DESTINATION IMAGINATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

The accompanying notes are an integral part of these financial statements.

	<u>PROGRAM</u> <u>SERVICES</u>	<u>MANAGEMENT</u> <u>and GENERAL</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u>
Salaries	\$ 765,647	\$ 197,746	\$ 41,225	\$ 1,004,618
Employee benefits	29,397	4,930	2,012	36,339
Payroll taxes	<u>72,166</u>	<u>9,475</u>	<u>2,322</u>	<u>83,963</u>
<b>TOTAL SALARIES AND BENEFITS</b>	<u>867,210</u>	<u>212,151</u>	<u>45,559</u>	<u>1,124,920</u>
Advertising and exhibits	20,942	6,165	-	27,107
Bad debts	9,991	-	-	9,991
Board of directors expense	8,750	35,002	-	43,752
Chief executive officer search	5,327	21,306	-	26,633
Conferences	1,962	-	-	1,962
Consulting fees	260,681	166,088	-	426,769
Global finals expense	4,079,448	-	-	4,079,448
Insurance	40,663	39,463	237	80,363
Interest expense	516	-	-	516
Occupancy	38,468	2,408	200	41,076
Office	155,655	29,484	295	185,434
Postage	126,589	1,173	132	127,894
Professional fees	97,207	40,058	1,858	139,123
Program development and design	479	-	-	479
Program expenses	242,510	2,796	-	245,306
Program support materials	286,832	271	-	287,103
Rebates	138,663	-	-	138,663
Software	4,153	-	-	4,153
Telephone	27,952	2,083	2,292	32,327
Travel	<u>374,398</u>	<u>36,276</u>	<u>1,914</u>	<u>412,588</u>
	<u>5,921,186</u>	<u>382,573</u>	<u>6,928</u>	<u>6,310,687</u>
Loss on disposal of assets	1,886	210	-	2,096
Depreciation	<u>8,291</u>	<u>14,725</u>	<u>24</u>	<u>23,040</u>
<b>TOTAL EXPENSES</b>	<u>\$ 6,798,573</u>	<u>\$ 609,659</u>	<u>\$ 52,511</u>	<u>\$ 7,460,743</u>



DESTINATION IMAGINATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

The accompanying notes are an integral part of these financial statements.

	<u>PROGRAM</u> <u>SERVICES</u>	<u>MANAGEMENT</u> <u>and GENERAL</u>	<u>FUND</u> <u>RAISING</u>	<u>TOTAL</u>
Salaries	\$ 465,360	\$ 220,089	\$ 45,739	\$ 731,188
Employee benefits	18,949	6,654	2,503	28,106
Payroll taxes	<u>47,669</u>	<u>3,943</u>	<u>3,288</u>	<u>54,900</u>
<b>TOTAL SALARIES AND BENEFITS</b>	<u>531,978</u>	<u>230,686</u>	<u>51,530</u>	<u>814,194</u>
Advertising and exhibits	10,193	(59)	-	10,134
Bad debts	9,198	-	-	9,198
Board of directors expense	9,415	37,658	-	47,073
Chief executive officer search	3,756	15,025	-	18,781
Conferences	1,605	-	-	1,605
Consulting fees	221,618	16,663	-	238,281
Global finals expense	4,658,973	-	-	4,658,973
Insurance	45,439	33,780	212	79,431
Interest expense	408	-	-	408
Occupancy	31,537	464	-	32,001
Office	76,643	61,300	148	138,091
Postage	69,164	955	269	70,388
Professional fees	80,879	47,580	4,589	133,048
Program development and design	-	-	-	-
Program expenses	256,384	61	-	256,445
Program support materials	113,575	-	77	113,652
Rebates	106,000	-	-	106,000
Software	2,275	-	-	2,275
Telephone	25,794	1,860	2,440	30,094
Travel	<u>518,470</u>	<u>9,089</u>	<u>654</u>	<u>528,213</u>
	<u>6,241,326</u>	<u>224,376</u>	<u>8,389</u>	<u>6,474,091</u>
Loss on disposal of assets	-	-	-	-
Depreciation	<u>9,773</u>	<u>9,255</u>	<u>-</u>	<u>19,028</u>
<b>TOTAL EXPENSES</b>	<u>\$ 6,783,077</u>	<u>\$ 464,317</u>	<u>\$ 59,919</u>	<u>\$ 7,307,313</u>

DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS

**NATURE OF ACTIVITIES AND CREDIT CONCENTRATION**

DESTINATION IMAGINATION, INC. is a nonprofit organization exempt from income tax under section 501(c)(3) of the Internal Revenue Code. Destination ImagiNation, Inc. values and nurtures creativity. Through its activities, the Organization provides for the fullest development of human, creative, intellectual, social, artistic and psychological ability by organizing and managing educational and human service programs.

The Organization grants credit to members who are educational institutions, state affiliations, community groups, or foreign affiliates located worldwide.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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 Organization has no permanently restricted net assets.

**Affiliates**

The financial statements do not include the assets, liabilities, and results of operations of affiliates since such affiliates are autonomous and are treated as independent.

**Inventory**

Inventory consisting of awards, certificates, educational books, videos, and souvenirs is carried at the lower of cost or market determined by the first-in, first-out method.

**Property and Equipment**

Property and equipment are recorded at cost. Expenditures for maintenance and repairs are expensed. Renewals and betterments that materially extend the life of the assets are capitalized. Asset impairments are recorded when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Depreciation is provided for using the straight-line method for financial reporting purposes. The estimated useful lives of the assets are as follows:

Building	40 years
Building improvements	10 years
Furniture, fixtures and equipment	5-8 years

DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

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

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income from memberships are deferred and recognized over the periods to which they relate.

**Use of Estimates**

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

**Advertising**

The Organization follows the policy of charging the costs of advertising to expense as incurred.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits**

The Organization maintains cash balances at several financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2009, there were no uninsured account balances.



DESTINATION IMAGINATION, INC.  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributed Services**

During the current period, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**LONG-TERM INVESTMENTS**

Long-term investments consisting of the following are presented in the financial statements in the aggregate at the fair value method. The values are based on quoted market prices.

	2009		2008	
	Cost	Fair Value	Cost	Fair Value
Equities	<u>\$ 164,382</u>	<u>\$ 161,869</u>	<u>\$ 166,302</u>	<u>\$ 155,010</u>

The relationship between carrying values and fair values of investments are as follows:

For the year ended September 30, 2009:

	Carrying Value	Fair Value	Excess of Cost over Fair Value
Balance at end of year	<u>\$ 164,382</u>	<u>\$ 161,869</u>	\$ (2,513)
Balance at beginning of year	<u>\$ 166,302</u>	<u>\$ 155,010</u>	<u>(11,292)</u>
Decrease in unrealized loss			<u>\$ 8,779</u>

For the year ended September 30, 2008:

	Carrying Value	Fair Value	Excess of Cost over Fair Value
Balance at end of year	<u>\$ 166,302</u>	<u>\$ 155,010</u>	\$ (11,292)
Balance at beginning of year	<u>\$ 158,709</u>	<u>\$ 153,197</u>	<u>(5,512)</u>
Increase in unrealized loss			<u>\$ (5,780)</u>

DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

Land	\$ 222,814
Buildings	944,235
Building improvements	110,702
Furniture, fixtures and equipment	<u>152,468</u>
	1,430,219
Less: Accumulated depreciation	<u>166,776</u>
	<u>\$ 1,263,443</u>

**TAX-DEFERRED ANNUITY PLAN**

The Organization maintains a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization. The Organization contributes a percentage of gross salaries for qualified employees to the plan. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. The Organization's contributions for the years ended September 30, 2009 and 2008 amounted to \$26,255 and \$18,150, respectively.

**MORTGAGE PAYABLE**

The Organization is obligated to The Bank under a commercial mortgage in the original aggregate amount of \$990,000. The New Jersey Economic Development Authority (NJEDA) has agreed to participate in this mortgage in the amount of \$495,000.

The mortgage obligation to The Bank requires 300 monthly payments of \$3,291.91 which include interest at 6.25% for the initial five year period. After the initial term, unless renegotiated by the Organization and The Bank, the interest rate will be a variable rate of one percent per annum over the Wall Street Journal Prime with a floor rate of 5%. The Bank has the option to call this mortgage on each five year anniversary, and, if not called, it will mature September 2034. Within this mortgage are covenants which must be met by the Organization.

The mortgage obligation to the NJEDA requires 60 monthly payments of \$3,521.68 which includes interest at 3.43% and matures September 2014. The underlying real estate serves as collateral for this commercial mortgage.

DESTINATION IMAGINATION, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**GLOBAL FINALS**

The Organization holds an annual Global Finals tournament. Revenues and expenses of this tournament for the years ended September 30, 2009 and 2008 are as follows:

	<b>2009</b>	<b>2008</b>
Revenues		
Housing and registration	\$ 4,859,445	\$ 5,503,011
Sponsorships and contributions	8,000	12,450
Souvenir sales	65,304	55,652
Special events and transfers	<u>137,807</u>	<u>142,222</u>
	<u>5,070,556</u>	<u>5,713,335</u>
Expenses		
Housing and registration	3,382,672	4,067,218
Awards	27,874	18,449
Consulting	50,000	14,300
Program and video expense	498,652	430,643
Special events and transfers	<u>120,250</u>	<u>128,543</u>
	4,079,448	4,659,153
Extra salary	<u>26,150</u>	<u>34,795</u>
	<u>4,105,598</u>	<u>4,693,948</u>
	<u>\$ 964,958</u>	<u>\$ 1,019,387</u>

In 2009 housing and registration includes \$163,560 of Construction Challenge revenue.

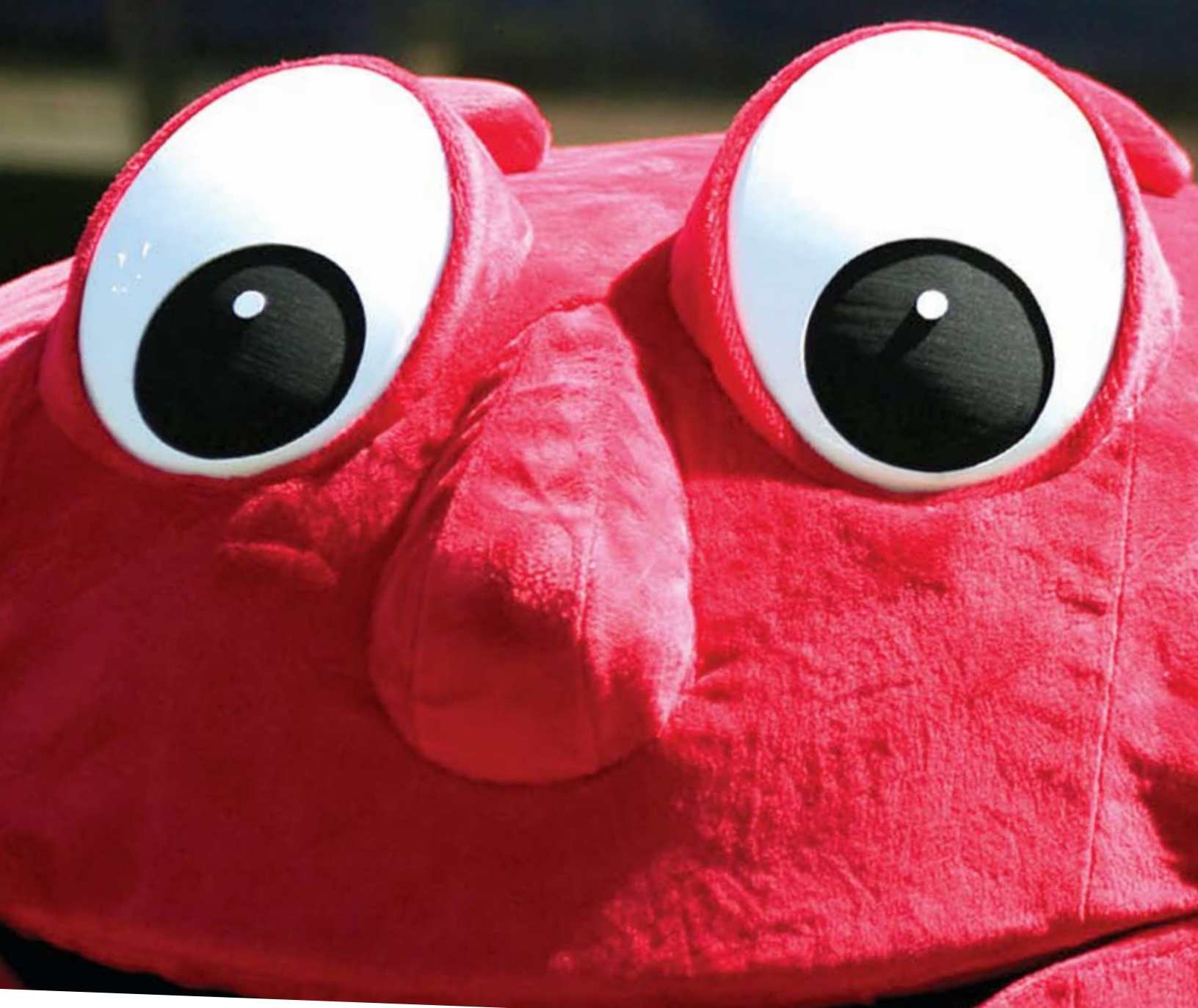
**COMMITMENTS AND CONTINGENCIES**

The National Dairy Council has agreed to become a sponsor for the Organization and provide additional monies for projects. Under the old terms of this agreement, including amendments, the Council was to provide \$750,000 for sponsorship and \$201,300 for projects over a three-year period that expired July 2009. Under the new terms of this agreement, including amendments, the Council is to provide \$750,000 for sponsorship and \$444,050 for projects over a three year period. This agreement, including renewal and termination rights, expires July 2012. The Organization received \$394,500 and \$306,800 for the years ended September 30, 2009 and 2008, respectively, under this agreement.

The Organization has contracted to hold Global Finals through 2014 at the University of Tennessee. Either party can terminate these contracts. Under certain circumstances cancellation fees would apply.







 **DestinationImagiNation®**  
creativity@teamwork@problem solving

# 2009 Annual Report

A Year of Celebration and Transition