



**CITY OF BLOOMINGTON, COMMON COUNCIL
JACK HOPKINS SOCIAL SERVICES FUNDING
COMMITTEE
2014 GRANT APPLICATION**

AGENCY INFORMATION

Lead Agency Name

Is Lead Agency yes
a 501(c)(3) no

Number of Employees

Full -time

Part-time

Volunteers

Address

Zip Code

Phone

Agency E-mail

Website

President of Board of Directors

Executive Director

Title

Phone

E-Mail

**Name of Person to Present Proposal to
the Committee**
(If not the Executive Director)

Title

Phone

E-Mail

Name of Grant Writer

Phone

E-mail

Agency's Mission Statement (150 words or less)

PROJECT INFORMATION

Project Name

Is this a collaborative project? yes
no

If a collaborative project, list name(s) of
non-lead agency partner(s)

Address where project will be housed

Total Cost of Project

Requested JHSSF Funding

Other Funds Expected for this Project
(Source, Amount and Confirmed or
Pending)

Number of Total Clients Served by this
Project in 2014

Total Number of City Residents Served
by this Project in 2014

Is this a request for operational funds? yes
no

If "yes," indicate whether the request is pilot
for a pilot project, bridge funding or a bridge
collaborative project. collaborative

Please indicate the period in which you July-September 2014
intend to draw down funds, if granted October-December 2014

Please describe when you plan to submit your claims for reimbursement and what steps precede a complete draw down of funds.

If completion of your project depends on other anticipated funding, please describe when those funds are expected to be received.

Do you own or have site control of the property on which the project is to take place?

yes

no

n/a

Is the property zoned for your intended use?

yes

no

n/a

If "no," please explain.

If permits, variances, or other forms of approval are required for your project, please indicate whether the approval has been received. If it has not been received, please indicate the entity from which the permitting or approval is sought and the length of time it takes to secure the permit or approval.

NOTE: Funds will not be disbursed until all requisite variances or approvals are obtained..

Due to limited funds, the Committee may recommend partial funding for a program. In the event the Committee is unable to meet your full request, will you be able to proceed with partial funding?

yes

no

If "yes," please provide an itemized list of program elements, ranked by priority and cost.

Priority #1 (Item and Cost)

Priority #2 (Item and Cost)

Priority #3 (Item and Cost)

Priority #4 (Item and Cost)

Priority #5 (Item and Cost)

Priority #6 (Item and Cost)

Priority #7 (Item and Cost)

PROJECT SYNOPSIS (250 words or less)

Please provide a brief overview of your project. Assume that this synopsis will be used in a summary of your proposal.

CRITERIA

In the spaces below, please explain how your project meets the Jack Hopkins Funding criteria. Assume that your responses will be used in a summary of your proposal.

NEED (200 words or less)

Explain how your project addresses a previously-identified priority for social services funding as documented in the [Service Community Assessment of Needs](#), the City of Bloomington, Housing and Neighborhood Development Department's [2010-2014 Consolidated Plan](#), or any other community-wide survey of social services needs.

ONE-TIME INVESTMENT (100 words or less)

Jack Hopkins Funds are intended to be a one-time investment. If you are requesting operational funds, explain if the request is for pilot or bridge funding and please explain your plan for future funding.

FISCAL LEVERAGING (100 words or less)

Describe how your project will leverage other resources, such as other funds, in-kind contributions, etc.

LONG-TERM BENEFITS (200 words or less)

Explain how your program will have broad and long-lasting benefits for our community.

Jack Hopkins Social Service Funding Narrative

YMCA Center For Children and Families YCares Program

Request: The YMCA Center for Children and Families is requesting \$20,000 from the City of Bloomington Jack Hopkins Committee for the YCares Program, to award scholarship and tuition assistance for Bloomington families with low-to-moderate income.

Project Details: The Monroe County YMCA's new childcare center, YMCA Center for Children and Families (YCCF), providing quality full-day and partial day care for infants through preschoolers regardless of income, would enable parents and family members to know their children are in safe, stimulating environment. In Monroe County SCAN 2012, "33% of residents report having major difficulty finding affordable day care"(46). With the support of the Jack Hopkins Funding Committee, the YCCF is responding to this need by lending a hand to families who need us most, regardless of income.

Project Completion: Currently, the YCCF assists twenty-four children needing funding support in order to attend the high quality child care center. Thirteen children use state funding vouchers, eleven of the children accept YCares assistance, and one child attends YCCF through Vocational Rehabilitation funds. Out of the ninety children that are currently enrolled at the YCCF, over 25% receive assistance. There is a risk that when the guardians of children receiving state funded vouchers receive a higher paying wage, the vouchers are no longer available, and a large amount of YCares funding is needed so the child can continue at YCCF.

To completely draw the necessary funds for use in 2014, the YCCF will submit proof of assistance currently given to children and families and assistance promised to those families throughout the rest of the weeks of 2014. Jack Hopkins Funding is needed to ensure these children can stay at the YCCF at an affordable rate.

Impact: The YCCF is uniquely positioned to assist families by providing quality, affordable, and innovative early childhood education. Children receive two healthy meals and two nutritious snacks daily made from scratch by the YCCF full-time Chef and approved by the YMCA Nutritionist and USDA standards. Each child enrolled in full-time care participates in movement based learning activities, age-appropriate swim lessons, and receives a YMCA Membership for the whole family.

The YCCF's educational program ensures that children are ready for kindergarten and beyond. Using a project-based curriculum, founded on the Department of Education's "Foundations to the Academic Standards," all activities are designed to not only foster fun, but to engage children in literacy, math, science, social studies and the building of social skills. The use of authentic curriculum meets the child where s/he is, developmentally, and helps move them toward deeper understanding, critical thinking, and the ability to seek out new knowledge.

With the Healthy Eating and Nutrition Program at the YCCF, children learn to serve themselves which teaches proper portion sizes, encourages them to try all foods, and provides an intimate conversational-style meal setting (Academy of Nutrition and Dietetics). The YCCF focuses on fresh fruits and vegetables, lean proteins and whole grain foods for children that will support the child's healthy growth and development. Healthy habits formed early will combat future issues with body image, life-style related illness, and barriers because of physical inactivity.

Research demonstrates that high quality programs are often out of reach, financially, for low to moderate income families. Enrolling an infant and a preschooler in a high quality program in Indiana often costs more than a rent or mortgage payment, and so low to moderate income families often feel that they have to settle for either pieced-together “kin and kith” type care, or other care that doesn’t support optimal learning for their children. The YCares program bridges this gap for the low-to-moderate income families of Bloomington, thereby allowing families of all incomes access to the high quality care that ALL children deserve.

Outcome Indicators: The YCares Program at the YCCF will allow families to choose a high-quality, licensed daycare program for their children, rather than being forced to choose a substandard option because it falls within their price range. Jack Hopkins Funding will impact 10 children enrolled in YCCF and their families, ensuring the children receive one full year of childcare and the families receive one full year of YMCA Membership. Success for the YCares program will be measured by the amount of children impacted, their growth in the program, the nutrition and physical activity quotas met, and the level of school readiness achieved.

The importance of social behaviors’ impact on success in the classroom is crucial in achieving academic success. Positive effects related to social/ethical attitudes and behaviors will indicate progress toward long-lasting social change, including: significant increases in concern for others, significant increases in altruistic behavior, and increase in awareness of surrounding activities.

The YCCF will continue communication with all YCares recipients who receive funding through the Jack Hopkins grant into their kindergarten and school-age years. The YCCF will request feedback, through a survey and open forum, on how the programming aided the child when entering kindergarten and beyond. Questions in the survey and open forum will include: Level of comfort with leaving their child, did guardians miss more or less work due to child care arrangements, do they feel their child is having specific kinds of learning activities, etc. The first feedback from recipients of this type will be in August 2015.

Investing in high quality child care for our youngest citizens will impact this community for generations: “Readiness for school prepares children to benefit from schooling and be able to develop the cognitive, linguistic, social, and motor skills that allow a child to assimilate the K-12 Curriculum” (SCAN 46). Long-lasting social change of this type will be seen far into the future; effects will be seen such as: greater school success, higher graduation rates, lower juvenile crime, decreased need for special education services and lower adolescent pregnancy rates.

YMCA Center for Children and Families Ycares Budget 2014

Project Funding

Jack Hopkins Social Services Grant	\$20,000
YMCA Allocated Funding by Association Board of Directors	\$35,000
Community Donated Funds	\$15,000
Other local and national grant opportunities (Pending)	\$10,000
	<u>\$80,000</u>

Children Served for Full-Time Care 12 Months Jan - Dec **# Of Children** **Total Number in Family** **% Of Assistance** **Average Full Time Care Cost per Week** **# of Weeks** **Total Ycares Need**

**Because every family situation varies, it is hard to predict the exact need of each family entering in the YCCF Ycares Program. Below, you will find examples the YCCF has received in the past four months as indicators for future need.*

Family of 4 with Income <\$20,000	5	20	50%	205	50	\$25,625.00
Family of 2 with Income <\$25,000	6	12	50%	205	50	\$30,750.00
Family of 4 with Income <\$25,000	3	12	50%	205	50	\$15,375.00
Family of 4 with Income <\$35,000	3	12	30%	205	50	\$9,225.00
<u>Total</u>	<u>17</u>	<u>56</u>				<u>\$80,975.00</u>

YMCA OF MONROE COUNTY, INC.

FINANCIAL STATEMENTS

December 31, 2012 and 2011

YMCA OF MONROE COUNTY, INC.

FINANCIAL STATEMENTS
December 31, 2012 and 2011

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
YMCA of Monroe County, Inc.
Bloomington, Indiana

Report on the Financial Statements

We have audited the accompanying statements of financial position of the YMCA of Monroe County, Inc. (YMCA) as of December 31, 2012 and 2011, and the related statements of activities 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.

Auditor's 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 consolidated 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 YMCA'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 YMCA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YMCA of Monroe County, Inc. as of December 31, 2012 and 2011, 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.

Other Matter

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

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
April 5, 2013

YMCA OF MONROE COUNTY, INC.
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 1,172,951	\$ 1,107,340
Restricted funds for construction	1,106,759	-
Accounts receivable, net	72,422	35,363
Prepaid expenses	47,832	42,683
Pledges receivable, net (Note 2)	2,926,043	4,546,657
Investments (Note 10)	1,475,209	1,331,280
Inventories and other assets	3,001	3,650
Property and equipment, net (Note 3)	<u>9,541,981</u>	<u>4,512,559</u>
	<u>\$ 16,346,198</u>	<u>\$ 11,579,532</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 1,531,615	\$ 173,749
Accrued payroll	73,041	63,165
Deferred revenue	568,776	645,116
Other liabilities	68,001	42,523
Bonds payable (Note 4)	<u>2,750,000</u>	<u>-</u>
Total liabilities	4,991,433	924,553
Net assets		
Unrestricted - Undesignated	(2,974,338)	(152,733)
Unrestricted - Board Designated		
Capital	9,541,981	4,512,559
Capital reserve	290,873	290,873
Endowment	<u>978,007</u>	<u>879,852</u>
Total unrestricted net assets	7,836,523	5,530,551
Temporarily restricted (Note 6)	3,041,193	4,690,039
Permanently restricted (Note 6)	<u>477,049</u>	<u>434,389</u>
Total net assets	<u>11,354,765</u>	<u>10,654,979</u>
	<u>\$ 16,346,198</u>	<u>\$ 11,579,532</u>

See accompanying notes to financial statements.

YMCA OF MONROE COUNTY, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2012

	Unrestricted - Undesignated	Unrestricted Board Designated Capital	Unrestricted Board Designated Capital Reserve	Unrestricted Board Designated Endowment	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue								
Membership dues, net	\$ 2,119,933	-	-	-	\$ 2,119,933	-	-	\$ 2,119,933
Program fees, net	1,222,833	-	-	-	1,222,833	-	-	1,222,833
Daily membership fees	70,231	-	-	-	70,231	-	-	70,231
Y for All	-	-	-	-	-	163,825	-	163,825
Contributions	19,622	-	-	-	19,622	662,032	42,660	772,757
Joiner fees, net	-	48,443	91,720	-	139,163	-	-	139,163
Golf tournament, net	-	-	-	-	-	13,919	-	13,919
Merchandise sales	4,804	-	-	-	4,804	-	-	4,804
Investment income (Note 10)	2,804	-	-	133,883	136,687	9,776	-	146,463
Gain (loss) on disposal of assets	-	(8,251)	-	-	(8,251)	-	-	(8,251)
Miscellaneous	59,806	-	-	-	59,806	-	-	59,806
Net assets released from restrictions	2,498,398	-	-	-	2,498,398	(2,498,398)	-	-
Total Revenue	5,998,431	40,192	91,720	133,883	6,264,226	(1,648,846)	42,660	4,658,040
Expenses								
Program services (Note 5)	2,982,154	257,004	-	-	3,239,158	-	-	3,239,158
Management and general	365,124	3,742	-	-	368,866	-	-	368,866
Fund raising	285,733	1,221	-	-	286,954	-	-	286,954
Amounts paid to affiliates	63,276	-	-	-	63,276	-	-	63,276
Total expenses	3,696,287	261,967	-	-	3,958,254	-	-	3,958,254
Change in net assets	2,302,144	(221,775)	91,720	133,883	2,305,972	(1,648,846)	42,660	699,786
Net assets, beginning of year	(152,733)	4,512,559	290,873	879,852	5,530,551	4,690,039	434,389	10,654,979
Unrestricted net asset transfers	(5,123,749)	5,251,197	(91,720)	(35,728)	-	-	-	-
Net assets, end of year	\$ (2,974,338)	\$ 9,541,981	\$ 290,873	\$ 978,007	\$ 7,836,523	\$ 3,041,193	\$ 477,049	\$ 11,354,765

See accompanying notes to financial statements.

YMCA OF MONROE COUNTY, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2011

	Unrestricted - Undesignated	Unrestricted Board Designated Capital	Unrestricted Board Designated Reserve	Unrestricted Board Designated Endowment	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue								
Membership dues, net	\$ 2,106,243	-	-	-	\$ 2,106,243	-	-	\$ 2,106,243
Program fees, net	1,075,731	-	-	-	1,075,731	-	-	1,075,731
Daily membership fees	56,339	-	-	-	56,339	-	-	56,339
Y for All	17,600	-	-	-	17,600	135,076	-	152,676
Contributions	34,422	24,995	-	-	59,417	1,166,070	24,650	1,250,137
Joiner fees, net	-	-	88,601	-	88,601	-	-	88,601
Golf tournament, net	-	-	-	-	-	9,604	-	9,604
Merchandise sales	6,334	-	-	-	6,334	-	-	6,334
Investment income (Note 10)	4,892	-	-	(24,126)	(19,234)	(8,388)	-	(27,622)
Gain (loss) on disposal of assets	-	4,835	-	-	4,835	-	-	4,835
Miscellaneous	38,274	-	-	-	38,274	-	-	38,274
Net assets released from restrictions	950,652	-	-	(4,234)	946,418	(946,418)	-	-
Total Revenue	4,290,487	29,830	88,601	(28,360)	4,380,558	355,944	24,650	4,761,152
Expenses								
Program services (Note 5)	2,788,959	252,516	-	-	3,041,475	-	-	3,041,475
Management and general	388,468	3,650	-	-	392,118	-	-	392,118
Fund raising	333,323	1,199	-	-	334,522	-	-	334,522
Amounts paid to affiliates	63,276	-	-	-	63,276	-	-	63,276
Total expenses	3,574,026	257,365	-	-	3,831,391	-	-	3,831,391
Change in net assets								
Net assets, beginning of year	716,461	(227,535)	88,601	(28,360)	549,167	355,944	24,650	929,761
Unrestricted net asset transfers	(587,592)	676,193	(88,601)	-	-	-	-	-
Net assets, end of year	\$ (152,733)	\$ 4,512,559	\$ 290,873	\$ 879,852	\$ 5,530,551	\$ 4,690,039	\$ 434,389	\$ 10,654,979

See accompanying notes to financial statements.

YMCA OF MONROE COUNTY, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Change in net assets	\$ 699,786	\$ 929,761
Adjustments to reconcile change in net assets to cash from operating activities:		
Depreciation	261,967	257,365
Realized and unrealized (gain) loss on investments	(116,203)	61,511
(Gain) loss on sale of property and equipment	8,251	(4,835)
Contributions restricted for long-term investment	(642,445)	(1,176,974)
Contribution of property and equipment	(48,443)	(24,995)
Changes in:		
Prepaid expenses	(5,149)	(1,374)
Accounts receivable	(37,059)	(111)
Inventories and other assets	650	959
Pledges receivable	(650,849)	(1,102,640)
Accounts payable	1,357,866	118,597
Accrued salaries	9,876	8,228
Deferred revenue	(76,340)	11,876
Other liabilities	<u>25,478</u>	<u>(28,378)</u>
Net cash from operating activities	<u>787,386</u>	<u>(951,010)</u>
 Cash flows from investing activities		
Purchase of property and equipment	(5,253,992)	(683,210)
Proceeds from sale of property and equipment	2,795	7,016
Purchase of investments	(486,116)	(48,028)
Maturities and sales of investments	<u>458,390</u>	<u>22,463</u>
Net cash from investing activities	<u>(5,278,923)</u>	<u>(701,759)</u>
 Cash flows from financing activities		
Contributions restricted for long-term investment	642,445	1,176,974
Cash received on capital campaign pledges	2,271,463	693,163
Proceeds from issuance of long-term debt	2,750,000	-
Use of bond proceeds from escrow	<u>(1,106,759)</u>	<u>-</u>
Net cash from financing activities	<u>4,557,149</u>	<u>1,870,137</u>
 Net change in cash and cash equivalents	65,611	217,368
 Cash and cash equivalents at beginning of year	<u>1,107,340</u>	<u>889,972</u>
 Cash and cash equivalents at end of year	<u>\$ 1,172,951</u>	<u>\$ 1,107,340</u>
 Supplemental disclosures of non-cash flow activity		
In-kind contributions of property and equipment	\$ 48,443	\$ 24,995
In-kind contributions of goods and services	\$ 19,622	\$ 34,422
Cash paid during the year for interest	\$ 6,733	\$ -

See accompanying notes to financial statements.

YMCA OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: The YMCA of Monroe County, Inc. (the "YMCA") is a not-for-profit organization whose mission and purpose is to put Christian principles into practice through programs that build a healthy spirit, mind, and body for all. Programs focus on four core values – caring, honesty, respect, and responsibility. The YMCA serves men, women, and children of all ages, races, abilities, incomes, and religions. The YMCA provides financial assistance to those who need it, identifies needs within the community and responds to them so the entire community benefits from the YMCA's efforts. Revenues and support are derived primarily from membership dues, program fees and contributions. The YMCA's activities are conducted principally in Bloomington, Indiana and Monroe County.

Income Taxes: The YMCA is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the YMCA has been determined not to be a private foundation under Section 509(a) of the Internal Revenue Code. The YMCA is however subject to income taxes on income generated from activities that are unrelated to its exempt purpose.

Accounting standards require that the YMCA disclose the amount of potential benefit or obligation to be realized as a result of an examination performed by a taxing authority. For the years ended December 31, 2012 and 2011, management has determined the YMCA does not have any uncertain tax positions that would impact the YMCA's financial statements. The YMCA is no longer subject to examination by taxing authorities for the years before 2009.

The YMCA does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The YMCA recognizes interest and/or penalties related to income tax matters in income tax expense. The YMCA did not have any amounts accrued for interest and penalties at December 31, 2012 and 2011.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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.

Cash and Cash Equivalents: The YMCA considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash balances consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution. At times, the YMCA has bank balances in excess of this amount. In addition, the YMCA holds two non-interest bearing cash accounts with FDIC institutions for which the entire balance of those accounts is insured.

Restricted Funds for Construction: The YMCA holds funds that are restricted to be used to pay for ongoing construction costs. These funds are unspent bond proceeds and are held in money market funds.

Accounts Receivable: The YMCA's accounts receivable balance consists of amounts billed for services provided. Interest is not charged on outstanding receivables.

Allowance for Doubtful Accounts: The allowance for uncollectible accounts is determined by management based on historical losses, specific circumstances, and general economic conditions. At December 31, 2012 and 2011, management estimated that no allowance was needed.

YMCA OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Investment Return: Investments are stated at fair value based on quoted market rates, with unrealized gains or losses recognized based on the fair value of investments at the statement of financial position date.

Realized gains or losses are determined based on the cost basis of the specific security sold. Interest and dividend income is recorded when earned.

Property and Equipment: Property and equipment with a cost basis of \$2,000 or greater are capitalized at cost. Depreciation is computed using the straight-line method over the assets' estimated useful lives, which range from five to forty years.

Inventory: Inventories, which consist primarily of merchandise, are stated at the lower of cost or market, with cost determined by the first-in, first-out (FIFO) method.

Deferred Revenue: Deferred revenue consists of payments that have been received but not yet earned as of the statement of financial position date. Deferred revenue primarily consists of payments received from members for participation in programs and use of facilities, as well as advances received on federal grants.

Net Assets: The financial statements have been prepared in accordance with GAAP. This requires, among other things, that the financial statements report the changes in, and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as unrestricted, temporarily restricted, or permanently restricted and are detailed as follows:

1. Unrestricted - Undesignated net assets represent the part of net assets of the YMCA that has not been designated by the Board of Directors for a specific purpose, nor permanently or temporarily restricted by donor-imposed stipulations.

Unrestricted - Board designated net assets represent the part of net assets of the YMCA that have been designated by the Board of Directors for a specific future use.

- The capital fund represents the net book value of the YMCA's property and equipment.
 - The capital reserve fund includes resources designated for acquisition and construction of capital assets.
 - The endowment fund consists of resources that have been set aside by the Board of Directors to be held in perpetuity.
2. Temporarily restricted net assets represent the part of the net assets of the YMCA resulting from contributions and other inflows of assets whose use by the YMCA is limited by donor-imposed stipulations that either expire by passage of time or actions of the YMCA.
 3. Permanently restricted net assets represent the part of the net assets of the YMCA resulting from contributions and other inflows of assets whose use by the YMCA is limited by a donor-imposed stipulation that the funds be held in perpetuity as an endowment.

YMCA OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions: Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue. When a donor 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.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a discount rate commensurate with the risks involved. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributed property and equipment are recorded at fair value at the date of donation and then depreciated at an estimated useful life. Contributed property and equipment received during 2012 and 2011 totaled \$48,443 and \$24,995, respectively. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of property and equipment are recorded as unrestricted support.

Donated Services: Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Goods and services contributed during 2012 and 2011 totaled \$19,622 and \$34,422, respectively. In addition, a substantial number of volunteers have donated significant amounts of their time and effort to establishing fundraising campaigns, assistance with operations and administrative involvement; however, no amounts have been reflected in the accompanying financial statements for the value of these donated services because they do not meet the recognition criteria.

Membership Dues: Individuals or families may join the YMCA by paying a monthly, semi-annual or annual membership fee. In addition, daily membership fees may be purchased for one day access to the YMCA's facilities. Membership dues are recorded net of financial assistance and staff membership benefits. Financial assistance totaled \$94,194 and \$130,359 for 2012 and 2011. Staff membership benefits totaled \$161,005 and \$166,147 for 2012 and 2011. Membership revenue is recognized on a pro-rata basis based on the membership period of the individual or family.

Program Fees: Numerous program activities are available to YMCA members, including youth and adult sports, aquatics, health and wellness, cardiac rehab, yoga, day camp, preschool, and prime time fitness. Members may participate in these programs by paying a fee. Program fees are recorded net of financial assistance and staff membership benefits. Financial assistance totaled \$47,165 and \$66,557 for 2012 and 2011. Staff program benefits totaled \$7,885 and \$9,939 for 2012 and 2011.

Joiner Fees: Individuals and families joining the YMCA are charged a joiner fee. This fee is recorded net of discounts and financial assistance.

Financial Assistance: The YMCA provides financial assistance to individuals and families in need of assistance. Financial assistance is awarded based on the income level and family size. The financial assistance program is primarily funded by the annual Y for All fundraising campaign. Membership dues and program fees are shown net of financial assistance awarded. Total amounts awarded in 2012 and 2011 were \$141,359 and \$196,916, respectively.

YMCA OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Impairment of Long-Lived Assets: On an ongoing basis, the YMCA reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The YMCA recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the asset to fair value. As of December 31, 2012 and 2011, management believes that no impairments exist.

Reclassifications: Certain reclassifications have been made to present the 2011 financial statements on a basis comparable to 2012. The reclassifications had no effect on total net assets or the change in net assets.

Concentrations: For the years ended December 31, 2012 and 2011, 2 donors accounted for 10% and 36% of the YMCA's net contributions, with the largest donor accounting for 7% in 2012 and 20% in 2011 and the second largest donor accounting for 3% in 2012 and 16% in 2011. The pledge receivable from the largest donor was 73% of pledges receivable at December 31, 2012 and 77% at December 31, 2011.

NOTE 2 - PLEDGES RECEIVABLE

Pledges receivable at December 31, 2012 and 2011 consist of unconditional promises to give from various donors. Pledges that are expected to be collected beyond one year are recorded at present value using a discount rate of 3%. Management feels that the pledges are fully collectible, and thus no allowance for uncollectible pledges is deemed necessary.

The following is the detail of the pledges receivable balances at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Amounts receivable in:		
Less than one year	\$ 2,464,739	\$ 1,757,842
One to five years	473,922	2,935,564
Greater than five years	<u>9,450</u>	<u>9,940</u>
Total amounts receivable	2,948,111	4,703,346
Less: unamortized present value discounts	<u>(22,068)</u>	<u>(156,689)</u>
Net pledges receivable	<u>\$ 2,926,043</u>	<u>\$ 4,546,657</u>

YMCA OF MONROE COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012 and 2011

NOTE 3 - PROPERTY AND EQUIPMENT

The YMCA's property and equipment at December 31 include:

	<u>2012</u>	<u>2011</u>
Land	\$ 1,532,803	\$ 1,532,803
Land improvements	365,767	365,767
Buildings and improvements	7,895,747	7,409,906
Furnishings and equipment	884,533	874,896
Construction in progress	<u>5,285,451</u>	<u>639,092</u>
	15,964,301	10,822,464
Less: accumulated depreciation	<u>6,422,320</u>	<u>6,309,905</u>
	<u>\$ 9,541,981</u>	<u>\$ 4,512,559</u>

Depreciation expense for the years ended December 31, 2012 and 2011 was \$261,967 and \$257,365, respectively.

Construction in progress at December 31, 2012 is related to the Southeast YMCA pool renovation and Northwest YMCA construction. The YMCA has committed approximately \$11.5 million during 2013 in relation to completing these projects. The Southeast YMCA pool renovation funding sources have been identified and are in place. The YMCA is in discussion with an outside party regarding a line of credit related to the Northwest YMCA construction.

NOTE 4 - BONDS PAYABLE

In June 2012, the YMCA issued tax exempt bonds through the Indiana Finance Authority in the amount of \$2,750,000 for the purpose of the pool renovations. The interest rate is 3.4% until December 31, 2022 when the interest rate will be re-evaluated to the "Adjusted Rate". The "Adjusted Rate" is equal to the United States Prime rate on January 1, 2023 plus 25 basis points, multiplied by .59475. Principal payments did not begin until January 1, 2013. The bonds mature on January 1, 2033.

Estimated future principal payments due on the bonds payable are as follows:

2013	\$ 97,150
2014	100,505
2015	103,976
2016	107,567
2017	111,282
Thereafter	<u>2,229,520</u>
Total	<u>\$ 2,750,000</u>

Interest expense was \$6,733 for the year ended December 31, 2012, and was capitalized as pool construction was in process during 2012.

YMCA OF MONROE COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012 and 2011

NOTE 5 - PROGRAM SERVICE EXPENSES

Program service expenses consist of the following:

	<u>2012</u>	<u>2011</u>
Adult programming	\$ 854,170	\$ 841,234
Youth programming	920,130	757,421
Member and facility services	<u>1,464,858</u>	<u>1,442,820</u>
	<u>\$ 3,239,158</u>	<u>\$ 3,041,475</u>

NOTE 6 - NET ASSETS

Temporarily Restricted Net Assets: Temporarily restricted net assets are restricted to the following at December 31:

	<u>2012</u>	<u>2011</u>
Capital Campaign	\$ 2,835,396	\$ 4,522,348
Cardiac Rehab	39,935	39,644
W.I.S.E.	13,575	13,949
Vass Camp Fund & Energize Program	1,125	700
Y for All	47,719	30,094
Earnings on permanently restricted funds	79,429	52,681
Other	<u>24,014</u>	<u>30,623</u>
	<u>\$ 3,041,193</u>	<u>\$ 4,690,039</u>

Permanently Restricted Net Assets: Permanently restricted net assets are restricted to the following at December 31:

	<u>2012</u>	<u>2011</u>
Jonah Binkley Memorial Fund	\$ 28,815	\$ 28,815
Ginger Rink Youth Fund	80,182	76,417
Marlene Vass Camp Fund	10,000	10,000
Ronald Brooks Memorial Fund	4,077	4,077
Craig R. Burk Memorial Fund	13,473	12,848
Sonneborn Hearteam Fund	39,017	38,306
Wayne Nichols Youth Scholarship Fund, In Memory of Joanne "Ruff" Hufnagel	10,976	9,876
Leon and Thelma Thompson Fund	18,865	17,565
Ruth Clifford Engs and Jeffrey L. Franz Fit for Life Fund	10,000	-
Tom and Deb Porter Aquatics Fund	10,850	10,500
General Endowment	<u>250,794</u>	<u>225,985</u>
	<u>\$ 477,049</u>	<u>\$ 434,389</u>

Interest and dividends on investments are allocated to each of the permanently restricted funds for internal tracking of each fund's balance. These allocated earnings are recorded as part of temporarily restricted net assets until appropriated or released from restriction.

YMCA OF MONROE COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012 and 2011

NOTE 6 - NET ASSETS (Continued)

Net Assets Released from Restrictions: Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2012</u>	<u>2011</u>
Purpose restrictions accomplished		
Capital Campaign	\$ 2,310,458	\$ 710,494
Cardiac Rehab program	13,628	19,888
W.I.S.E.	985	4,815
Vass Camp Fund & Energize Program	-	16,463
Y for All	146,200	178,132
Other	44,099	16,266
Endowment earnings allocation	(16,972)	-
Craig R. Burk Memorial Fund	-	108
Leon and Thelma Thompson Fund	-	252
	<u>\$ 2,498,398</u>	<u>\$ 946,418</u>

NOTE 7 - OPERATING LEASES

The YMCA has one operating lease for equipment that expires in March 2015. Rental expense for this lease included in the statement of activities was \$15,681 and \$14,105 for the years ended December 31, 2012 and 2011.

Future minimum lease payments at December 31, 2012 are as follows:

2013	\$ 11,980
2014	11,980
2015	2,995
	<u>\$ 26,955</u>

YMCA OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 8 - RETIREMENT PLAN

The YMCA of Monroe County, Inc. participates in The YMCA Retirement Fund Retirement Plan which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended and The YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in section 403(b)(9) of the code. Both Plans are sponsored by The Young Men's Christian Association Retirement Fund (Fund). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs through-out the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As a defined contribution plan, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with our agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salary. These amounts are paid by the YMCA of Monroe County, Inc. Total contributions charged to retirement costs aggregated to \$104,806 and \$105,068 for the years ended December 31, 2012 and 2011.

Contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to the YMCA Retirement Fund. There is no matching employer contribution in this plan.

NOTE 9 - INTEREST IN ASSETS AT COMMUNITY FOUNDATION

The YMCA is the beneficiary of a fund established through the Community Foundation of Bloomington and Monroe County, Inc. The value of the fund was approximately \$11,741 and \$10,988 at December 31, 2012 and 2011. The YMCA receives an income distribution from the fund each year based upon the fund's investment performance. The YMCA has no rights to the fund principal; therefore, no asset is recorded on the YMCA's financial statements.

NOTE 10 - INVESTMENTS AND INVESTMENT RETURN

The following are the major types of investments held by the YMCA at December 31:

	<u>2012</u>	<u>2011</u>
Mutual funds - equity	\$ 223,620	\$ 529,713
Fixed income annuities	336,060	110,928
Preferred equities	114,445	100,620
Money market	241,231	355,807
Common stock - large cap	193,184	48,789
Exchange traded funds	<u>366,669</u>	<u>185,423</u>
	<u>\$ 1,475,209</u>	<u>\$ 1,331,280</u>

YMCA OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 10 - INVESTMENTS AND INVESTMENT RETURN (Continued)

The following schedule summarizes the investment return for the years ended December 31:

	<u>2012</u>	<u>2011</u>
Interest and dividend income - endowment	\$ 27,456	\$ 29,409
Realized gains - endowment	2,547	1,587
Unrealized gain (loss) on endowment	113,656	(63,098)
Other interest and dividend income	<u>2,804</u>	<u>4,480</u>
	<u>\$ 146,463</u>	<u>\$ (27,622)</u>

Investment returns on endowment funds are recorded in the Temporarily Restricted and Unrestricted Board Designated Endowment categories on the statement of activities.

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the YMCA's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of mutual funds, preferred equities, common stock, exchange traded funds, and money markets are based on quoted prices in active markets. This is considered a level 1 input.

The fair value of the YMCA's fixed income annuity investment is based upon reporting by the investment manager and the YMCA's historical invested principal. The YMCA reviews the valuation in comparison to industry benchmarks and expected rates of return. This is considered a level 3 input. All withdrawals are subject to an early withdrawal penalty until 2017 unless certain conditions are met that will allow early withdrawal without penalty. There were no unrealized gains held in level 3 investments as of December 31, 2012 and 2011.

YMCA OF MONROE COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012 and 2011

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Assets measured at fair value on a recurring basis are summarized below:

	2012		
	<u>Fair Value Measurements</u>		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds - equity	\$ 223,620	\$ -	\$ -
Fixed income annuities	-	-	336,060
Preferred equities	114,445	-	-
Money market	241,231	-	-
Common stock - large cap	193,184	-	-
Exchange traded funds	<u>366,669</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,139,149</u>	<u>\$ -</u>	<u>\$ 336,060</u>

	2011		
	<u>Fair Value Measurements</u>		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds - equity	\$ 529,713	\$ -	\$ -
Fixed income annuities	-	-	110,928
Preferred equities	100,620	-	-
Money market	355,807	-	-
Common stock - large cap	48,789	-	-
Exchange traded funds	<u>185,423</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,220,352</u>	<u>\$ -</u>	<u>\$ 110,928</u>

The table below presents a reconciliation and statement of activities classification of gains and losses for all assets measured on a recurring basis using significant unobservable inputs (level 3) for the years ending December 31, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Beginning balance, January 1	\$ 110,928	\$ 203,077
Interest	10,132	11,216
Deposits (withdrawals)	<u>215,000</u>	<u>(103,365)</u>
Ending balance, December 31	<u>\$ 336,060</u>	<u>\$ 110,928</u>

YMCA OF MONROE COUNTY, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012 and 2011

NOTE 12 - ENDOWMENT COMPOSITION

The YMCA's endowment (the Fund) consists of three parts:

- The Endowment for the Future Fund (EFF) (Board Designated);
- Restricted contributions not expected to be spent during upcoming year (Temporarily Restricted);
- Special endowment funds, general endowment funds, and unappropriated accumulated earnings on these funds. Special endowment funds are donor-restricted funds that the YMCA must hold in perpetuity to provide support for a specified area or purpose. General endowment funds are donor restricted contributions the YMCA must hold in perpetuity but do not specify a purpose.

As required by applicable standards, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund as of December 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 79,429	\$ 430,849	\$ 510,278
Board-designated funds	<u>978,007</u>	<u>-</u>	<u>-</u>	<u>978,007</u>
 Total funds	 <u>\$ 978,007</u>	 <u>\$ 79,429</u>	 <u>\$ 430,849</u>	 <u>\$ 1,488,285</u>

Changes in endowment net assets for year ended December 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets, beginning of year	\$ 879,852	\$ 52,681	\$ 411,909	\$ 1,344,442
Investment return:				
Investment income, net	17,680	9,776	-	27,456
Realized gain	2,547	-	-	2,547
Unrealized gain	<u>113,656</u>	<u>-</u>	<u>-</u>	<u>113,656</u>
Total investment return	133,883	9,776	-	143,659
 New gifts	 -	 -	 18,940	 18,940
Appropriation of endowment assets for expenditure	<u>(35,728)</u>	<u>16,972</u>	<u>-</u>	<u>(18,756)</u>
 Net assets, end of year	 <u>\$ 978,007</u>	 <u>\$ 79,429</u>	 <u>\$ 430,849</u>	 <u>\$ 1,488,285</u>

YMCA OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 12 - ENDOWMENT COMPOSITION (Continued)

Endowment net asset composition by type of fund as of December 31, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 52,681	\$ 411,909	\$ 464,590
Board-designated funds	<u>879,852</u>	<u>-</u>	<u>-</u>	<u>879,852</u>
 Total funds	 <u>\$ 879,852</u>	 <u>\$ 52,681</u>	 <u>\$ 411,909</u>	 <u>\$ 1,344,442</u>

Changes in endowment net assets for year ended December 31, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets, beginning of year	\$ 908,212	\$ 61,586	\$ 381,341	\$ 1,351,139
Investment return:				
Investment income, net	19,576	9,262	-	28,838
Realized gain	1,587	-	-	1,587
Unrealized loss	<u>(45,289)</u>	<u>(17,809)</u>	<u>-</u>	<u>(63,098)</u>
Total investment return	(24,126)	(8,547)	-	(32,673)
New gifts	-	-	30,568	30,568
Appropriation of endowment assets for expenditure	<u>(4,234)</u>	<u>(358)</u>	<u>-</u>	<u>(4,592)</u>
Net assets, end of year	<u>\$ 879,852</u>	<u>\$ 52,681</u>	<u>\$ 411,909</u>	<u>\$ 1,344,442</u>

Interpretation of UPMIFA: The Board of Directors of the YMCA has interpreted the Uniform Prudent Management of Institutional Funds Act (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 YMCA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the YMCA in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the YMCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the organization;
- (7) The investment policies of the organization.

YMCA OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011

NOTE 12 - ENDOWMENT COMPOSITION (Continued)

Return Objectives and Risk Parameters: The YMCA has adopted investment and spending policies for endowment assets (EFF) that attempt to provide resources for the YMCA in future years. The EFF's purpose is to grow the EFF over the long term. The EFF's objective is to enhance the YMCA's goal of strengthening youth development, healthy living, and social responsibility by supplementing the YMCA's projects, programs, and services.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The EFF is managed with the following policies reviewed annually by the Endowment Committee (Committee):

Criteria for disbursement from the Endowment for the Future Fund (EFF) and named funds:

- The EFF's overall goal will be to support health and wellness, specifically acute and chronic disease prevention, at this time.
- As a general rule, the amount to be distributed in a fiscal year from the EFF shall be no more than 4% of the three-year trailing average of the EFF market value on December 31 of the prior year as long as the EFF market value does not drop below \$1,000,000.
- As a general rule, the amount to be distributed in a fiscal year from the EFF to cover administrative costs shall be no more than 1% of the three-year trailing average of the EFF market value on December 31 of the prior year.
- EFF assets cannot be used for the YMCA's annual operating budget purposes unless, in the opinion of the Committee, circumstances are so dire and present such an emergency that the YMCA's future is at stake and the only recourse seems to be the use of the EFF assets. The Board of Directors may, upon majority vote, request the use of the EFF assets.

Strategies Employed for Achieving Objectives: To satisfy its long-term-rate-of-return objectives, the YMCA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The YMCA targets a broadly diversified portfolio to achieve its long-return objectives within prudent risk parameters.

NOTE 13 - RELATED PARTY TRANSACTIONS

The YMCA periodically enters into transactions with outside vendors that employ members and relatives of the Board of Directors. For the years ended December 31, 2012 and 2011, the primary activities of this nature included professional services totaling approximately \$421,400 and \$78,000, respectively.

During 2012 and 2011, the YMCA paid \$63,276 to the YMCA of the USA.

NOTE 14 - SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to December 31, 2012, to determine the need for any adjustments or disclosures to the audited financial statements for the year ended December 31, 2012. Management has performed their analysis through April 5, 2013, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

YMCA OF MONROE COUNTY, INC.
 SCHEDULE OF TEMPORARILY RESTRICTED CARDIAC REHAB
 PROGRAM NET ASSETS
 Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Support and revenues		
Contributions	\$ 250	\$ 512
Golf tournament income, net	29,141	20,279
Investment income	34	158
Net assets released from restrictions for:		
Scholarships	(27,454)	(27,273)
Other	<u>(1,303)</u>	<u>(1,072)</u>
Net change in assets	668	(7,396)
Program net assets at beginning of year	39,644	49,259
Interfund transfer	<u>(377)</u>	<u>(2,219)</u>
Program net assets at end of year	<u>\$ 39,935</u>	<u>\$ 39,644</u>

YMCA OF MONROE COUNTY, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year ended December 31, 2012

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2012 Totals</u>
Personnel costs				
Professional salaries	\$ 376,612	\$ 128,967	\$ 105,444	\$ 611,023
Administrative salaries	142,852	76,411	27,881	247,144
Direct program wages	656,788	-	-	656,788
Indirect program wages	479,161	-	-	479,161
Maintenance wages	144,243	2,100	685	147,028
Payroll taxes	145,249	16,745	10,816	172,810
Benefits	<u>180,082</u>	<u>20,761</u>	<u>13,410</u>	<u>214,253</u>
	2,124,987	244,984	158,236	2,528,207
Other costs				
Utilities	175,252	2,551	832	178,635
Building maintenance	110,437	1,608	525	112,570
Program supplies	132,021	-	-	132,021
Maintenance supplies	65,624	955	312	66,891
Office supplies and expenses	16,450	30,233	4,381	51,064
Insurance	68,045	6,078	1,463	75,586
Fundraising expenses	-	-	69,296	69,296
Professional fees	36,296	42,748	1,613	80,657
Bank charges	58,065	-	2,419	60,484
Service contracts	27,565	1,451	-	29,016
Printing and promotion	70,969	21,837	16,377	109,183
Postage	13,119	1,789	4,969	19,877
Data processing charges	11,447	1,320	852	13,619
Dues and subscriptions	2,099	1,889	210	4,198
Telephone	6,377	93	30	6,500
Conferences and training	4,160	618	1,249	6,027
Instructional contracts	22,232	-	-	22,232
Staff training	11,226	738	-	11,964
Board related expenses	337	1,012	337	1,686
Auto expenses	2,081	30	10	2,121
Community service	458	-	-	458
Miscellaneous	20,153	5,190	-	25,343
Cost of goods sold	2,754	-	-	2,754
Depreciation	257,004	3,742	1,221	261,967
In-kind administrative services	-	-	22,622	22,622
	<u>1,114,171</u>	<u>123,882</u>	<u>128,718</u>	<u>1,366,771</u>
	<u>\$ 3,239,158</u>	<u>\$ 368,866</u>	<u>\$ 286,954</u>	3,894,978
Amount paid to affiliates				<u>63,276</u>
Total expenses				<u>\$ 3,958,254</u>

YMCA OF MONROE COUNTY, INC.
 SCHEDULE OF FUNCTIONAL EXPENSES
 Year ended December 31, 2011

	Program Services	Management and General	Fund Raising	2011 Total
Personnel costs				
Professional salaries	\$ 373,732	\$ 129,148	\$ 99,973	\$ 602,853
Administrative salaries	138,651	53,865	31,293	223,809
Direct program wages	577,078	-	-	577,078
Indirect program wages	512,972	-	-	512,972
Maintenance wages	146,332	2,115	695	149,142
Payroll taxes	102,499	35,779	27,697	165,975
Benefits	<u>128,400</u>	<u>44,821</u>	<u>34,694</u>	<u>207,915</u>
	1,979,664	265,728	194,352	2,439,744
Other costs				
Utilities	168,011	2,429	798	171,238
Building maintenance	113,445	1,640	539	115,624
Program supplies	106,479	-	-	106,479
Maintenance supplies	72,370	1,046	344	73,760
Office supplies and expenses	14,172	38,216	3,713	56,101
Insurance	60,191	7,886	3,282	71,359
Fundraising expenses	-	-	67,107	67,107
Professional fees	28,330	33,367	1,259	62,956
Bank charges	49,684	-	2,070	51,754
Service contracts	27,017	1,422	-	28,439
Printing and promotion	63,560	19,557	14,668	97,785
Postage	11,874	3,901	1,187	16,962
Data processing charges	5,676	1,981	1,534	9,191
Dues and subscriptions	4,581	4,122	458	9,161
Telephone	5,160	75	25	5,260
Conferences and training	5,524	2,134	1,794	9,452
Instructional contracts	29,596	-	-	29,596
Staff training	8,935	494	-	9,429
Board related expenses	1,492	1,492	746	3,730
Auto expenses	2,668	39	13	2,720
Community service	875	433	-	1,308
Miscellaneous	26,519	2,506	5,012	34,037
Cost of goods sold	3,136	-	-	3,136
Depreciation	252,516	3,650	1,199	257,365
In-kind administrative services	-	-	34,422	34,422
	<u>1,061,811</u>	<u>126,390</u>	<u>140,170</u>	<u>1,328,371</u>
	<u>\$ 3,041,475</u>	<u>\$ 392,118</u>	<u>\$ 334,522</u>	3,768,115
Amounts paid to affiliates				<u>63,276</u>
Total expenses				<u>\$ 3,831,391</u>