

YMCA OF WESTERN STARK COUNTY

MASSILLON, OHIO

FINANCIAL REPORT

December 31, 2017 and 2016

C O N T E N T S

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Independent Auditor's Report

To the Board of Trustees
YMCA of Western Stark County
Massillon, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of YMCA of Western Stark County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 YMCA of Western Stark County as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of YMCA of Western Stark County, as of and for the year ended December 31, 2016, were audited by other accountants who have ceased operations and whose report dated June 22, 2017, expressed an unmodified opinion on those financial statements.

Maloney + Novotny LLC

June 15, 2018

Canton, Ohio

YMCA OF WESTERN STARK COUNTY
STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

ASSETS

	2017	2016
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 136,623	\$ 146,811
Accounts receivable - membership (net of allowance for doubtful accounts of \$3,000 for both 2017 and 2016)	36,677	22,866
TOTAL CURRENT ASSETS	173,300	169,677
<u>PROPERTY AND EQUIPMENT</u>		
Land	94,675	94,675
Building and building improvements	7,620,640	7,581,137
Furniture and fixtures	486,297	481,266
Fitness equipment	277,467	275,850
	8,479,079	8,432,928
Less accumulated depreciation	3,564,761	3,364,638
	4,914,318	5,068,290
TOTAL ASSETS	\$ 5,087,618	\$ 5,237,967

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Line-of-credit - NOTE C	\$ -	\$ 102,591
Current portion of long-term debt - NOTE D	20,573	21,098
Accounts payable	36,042	46,972
Accrued expenses	46,760	46,563
Deferred membership dues	36,710	32,075
TOTAL CURRENT LIABILITIES	140,085	249,299

LONG-TERM DEBT - NOTE D

	595,751	519,800
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NET ASSETS

Unrestricted	4,351,782	\$ 4,440,001
Temporarily restricted - NOTE E	-	28,867
TOTAL NET ASSETS	4,351,782	4,468,868
TOTAL LIABILITIES AND NET ASSETS	\$ 5,087,618	\$ 5,237,967

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

YMCA OF WESTERN STARK COUNTY

STATEMENT OF ACTIVITIES

Year Ended December 31, 2017

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<u>REVENUES, GAINS, AND OTHER SUPPORT</u>			
Program service revenue	\$ 1,016,612	\$ -	\$ 1,016,612
Membership dues	877,834	-	877,834
Contributions	76,176	154,700	230,876
United Way contributions	-	30,000	30,000
Fundraising (net of direct expenses of \$8,406)	22,508	-	22,508
Rental income	59,926	-	59,926
Loss on disposal of assets	(1,663)	-	(1,663)
Interest income	356	-	356
Miscellaneous income	3,612	-	3,612
Net assets released from restrictions	<u>213,567</u>	<u>(213,567)</u>	<u>-</u>
 TOTAL REVENUE, GAINS, AND OTHER SUPPORT	 2,268,928	 (28,867)	 2,240,061
 <u>EXPENSES</u>			
Program services			
Youth development	842,286	-	842,286
Healthy living	1,018,304	-	1,018,304
Total program services	<u>1,860,590</u>	<u>-</u>	<u>1,860,590</u>
Support services			
Management and general	<u>496,557</u>	<u>-</u>	<u>496,557</u>
 TOTAL EXPENSES	 <u>2,357,147</u>	 <u>-</u>	 <u>2,357,147</u>
 DECREASE IN NET ASSETS	 (88,219)	 (28,867)	 (117,086)
 NET ASSETS AT BEGINNING OF YEAR	 <u>4,440,001</u>	 <u>28,867</u>	 <u>4,468,868</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 4,351,782</u>	 <u>\$ -</u>	 <u>\$ 4,351,782</u>

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

YMCA OF WESTERN STARK COUNTY

STATEMENT OF ACTIVITIES

Year Ended December 31, 2016

	<u>UNRESTRICTED</u>	<u>BOARD DESIGNATED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<u>REVENUES, GAINS, AND OTHER SUPPORT</u>				
Program service revenue	\$ 953,631	\$ -	\$ -	\$ 953,631
Membership dues	855,595	-	-	855,595
Contributions	46,044	-	98,931	144,975
United Way contributions	-	-	54,922	54,922
Fundraising (net of direct expenses of \$7,184)	12,108	-	-	12,108
Rental income	67,555	-	-	67,555
Loss on disposal of assets	(23,003)	-	-	(23,003)
Interest income	263	391	-	654
Net assets released from restrictions	141,155	(7,230)	(133,925)	-
	<u>2,053,348</u>	<u>(6,839)</u>	<u>19,928</u>	<u>2,066,437</u>
TOTAL REVENUE, GAINS, AND OTHER SUPPORT				
<u>EXPENSES</u>				
Program services				
Youth development	897,229	-	-	897,229
Healthy living	966,781	-	-	966,781
Total program services	<u>1,864,010</u>	<u>-</u>	<u>-</u>	<u>1,864,010</u>
Support services				
Management and general	<u>371,614</u>	<u>-</u>	<u>-</u>	<u>371,614</u>
	<u>2,235,624</u>	<u>-</u>	<u>-</u>	<u>2,235,624</u>
TOTAL EXPENSES				
(DECREASE) INCREASE IN NET ASSETS	(182,276)	(6,839)	19,928	(169,187)
NET ASSETS AT BEGINNING OF YEAR	<u>4,622,277</u>	<u>6,839</u>	<u>8,939</u>	<u>4,638,055</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,440,001</u>	<u>\$ -</u>	<u>\$ 28,867</u>	<u>\$ 4,468,868</u>

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

YMCA OF WESTERN STARK COUNTY
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

	PROGRAM SERVICES		
	YOUTH DEVELOPMENT	HEALTHY LIVING	TOTAL PROGRAM
<u>PERSONNEL COSTS</u>			
Salaries and wages	\$ 473,566	\$ 493,625	\$ 967,191
Employee benefits	32,043	25,800	57,843
Payroll taxes	41,721	42,385	84,106
	547,330	561,810	1,109,140
<u>NON-PERSONNEL COSTS</u>			
Advertising	400	6,712	7,112
Bad debts expense (recovery)	-	-	-
Depreciation	91,415	91,415	182,830
Dues and subscriptions	291	1,326	1,617
Equipment lease	757	10,835	11,592
Fair Share - national dues	13,006	17,625	30,631
Fees	88	25,676	25,764
Insurance	-	-	-
Interest	3,666	-	3,666
Licenses and permits	451	2,039	2,490
Meetings expense	32	230	262
Miscellaneous	2,224	2,168	4,392
Office expense	470	760	1,230
Payroll service	1,243	209	1,452
Postage and delivery	228	143	371
Printing and reproduction	98	3,951	4,049
Professional fees	14,419	25,489	39,908
Program expense	73,074	17,728	90,802
Repairs and maintenance	313	84,017	84,330
Staff expense	-	19,172	19,172
Supplies	26,977	37,895	64,872
Telephone	-	1,215	1,215
Training	2,692	7,709	10,401
Travel and entertainment	6,965	2,467	9,432
Utilities	56,147	97,713	153,860
	294,956	456,494	751,450
TOTAL EXPENSES	\$ 842,286	\$ 1,018,304	\$ 1,860,590

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

<u>SUPPORT SERVICES</u>		
<u>MANAGEMENT & GENERAL</u>		<u>TOTAL</u>
\$ 177,729		\$ 1,144,920
24,842		82,685
<u>12,670</u>		<u>96,776</u>
215,241		1,324,381
-	7,112	
(2,983)	(2,983)	
20,314	203,144	
670	2,287	
898	12,490	
6,164	36,795	
14,575	40,339	
27,246	27,246	
26,407	30,073	
185	2,675	
679	941	
3,925	8,317	
4,260	5,490	
22,113	23,565	
3,317	3,688	
248	4,297	
24,754	64,662	
-	90,802	
60,341	144,671	
2,285	21,457	
15,511	80,383	
5,696	6,911	
-	10,401	
4,916	14,348	
<u>39,795</u>	<u>193,655</u>	
281,316	1,032,766	
<u>\$ 496,557</u>	<u>\$ 2,357,147</u>	

YMCA OF WESTERN STARK COUNTY
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2016

	PROGRAM SERVICES		
	YOUTH DEVELOPMENT	HEALTHY LIVING	TOTAL PROGRAM
<u>PERSONNEL COSTS</u>			
Salaries and wages	\$ 483,915	\$ 447,210	\$ 931,125
Employee benefits	28,283	19,525	47,808
Payroll taxes	42,841	39,163	82,004
	555,039	505,898	1,060,937
<u>NON-PERSONNEL COSTS</u>			
Advertising	1,098	5,634	6,732
Bad debts expense (recovery)	(594)	82	(512)
Depreciation	94,385	94,385	188,770
Dues and subscriptions	422	627	1,049
Equipment lease	1,716	11,178	12,894
Fair Share - national dues	15,425	24,170	39,595
Fees	35	18,772	18,807
Insurance	-	12,326	12,326
Interest	3,532	-	3,532
Licenses and permits	417	2,241	2,658
Meetings expense	104	567	671
Miscellaneous	1,237	586	1,823
Office expense	385	1,081	1,466
Payroll service	495	1,251	1,746
Postage and delivery	77	846	923
Printing and reproduction	-	5,572	5,572
Professional fees	12,737	3,699	16,436
Program expense	82,188	10,064	92,252
Repairs and maintenance	596	93,585	94,181
Staff expense	13,228	1,384	14,612
Supplies	21,595	42,232	63,827
Telephone	81	4,791	4,872
Training	2,711	6,191	8,902
Travel and entertainment	12,946	1,946	14,892
Utilities	77,374	117,673	195,047
	342,190	460,883	803,073
TOTAL EXPENSES	\$ 897,229	\$ 966,781	\$ 1,864,010

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

<u>SUPPORT SERVICES</u>		
<u>MANAGEMENT & GENERAL</u>		<u>TOTAL</u>
\$	179,513	\$ 1,110,638
	24,294	72,102
	27,282	109,286
	<u>231,089</u>	<u>1,292,026</u>
	1,020	7,752
	(4,749)	(5,261)
	20,975	209,745
	715	1,764
	-	12,894
	-	39,595
	1,943	20,750
	17,109	29,435
	29,268	32,800
	25	2,683
	332	1,003
	5,745	7,568
	3,447	4,913
	15,768	17,514
	2,536	3,459
	133	5,705
	23,665	40,101
	133	92,385
	603	94,784
	-	14,612
	13,472	77,299
	898	5,770
	-	8,902
	7,769	22,661
	(282)	194,765
	<u>140,525</u>	<u>943,598</u>
\$	<u>371,614</u>	\$ <u>2,235,624</u>

YMCA OF WESTERN STARK COUNTY

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Decrease in net assets	\$ (117,086)	\$ (169,187)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	203,144	209,745
Loss on disposal of assets	1,663	23,003
(Increase) decrease:		
Accounts receivable	(13,811)	(9,964)
Increase (decrease):		
Accounts payable	(10,930)	(10,953)
Accrued expenses	197	10,485
Deferred membership dues	4,635	3,593
	<u>67,812</u>	<u>56,722</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	<u>(50,835)</u>	<u>(87,417)</u>
	(50,835)	(87,417)
<u>NET CASH USED BY INVESTING ACTIVITIES</u>		
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Decrease in line-of-credit	(102,591)	(1,969)
Proceeds from issuance of long-term debt	607,655	-
Repayment of long-term debt	<u>(532,229)</u>	<u>(19,997)</u>
	<u>(27,165)</u>	<u>(21,966)</u>
<u>NET CASH USED BY FINANCING ACTIVITIES</u>		
<u>NET DECREASE IN CASH AND CASH EQUIVALENTS</u>		
	(10,188)	(52,661)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>146,811</u>	<u>199,472</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 136,623</u>	<u>\$ 146,811</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the years for:		
Interest	\$ 30,073	\$ 32,800

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

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF OPERATIONS

DESCRIPTION OF ORGANIZATION

YMCA of Western Stark County's (YMCA) mission is to advance our cause of strengthening community through youth development, healthy living and social responsibility. The YMCA is a powerful association of men, women, and children committed to bringing about lasting personal and social change. With a focus on nurturing the potential of every child and teen, improving the nation's health and well-being and providing opportunities to give back and support neighbors, the YMCA enables youth, adults, families and communities to be healthy, confident, connected and secure.

Program Activities:

Youth Development: The YMCA is committed to nurturing the potential of every child and teen. We believe that all kids deserve the opportunity to discover who they are and what they can achieve. That is why we help young people cultivate the values, skills and relationships that lead to positive behaviors, better health and educational achievement. The YMCA programs, such as child care, youth sports, and other youth programming, offer a range of experiences that enrich cognitive, social, physical and emotional growth.

Healthy Living: The YMCA is a leading voice on health and well-being. We bring families closer together, encourage good health and foster connections through fitness, sports, fun and shared interests. As a result, people in our community are receiving the support, guidance and resources they need to achieve greater health in spirit, mind and body. This is particularly important as our nation struggles with an obesity crisis, families struggle with work/life balance and individuals search for personal fulfillment. The YMCA provides health and wellness classes as well as promotes personal training.

Social Responsibility: The YMCA believes in giving back and supporting our neighbors. We have been listening and responding to our community's most critical social needs. YMCA programs are examples of how we deliver training, resources and support that empower our neighbors to effect change, bridge gaps and overcome obstacles. We engage YMCA members, participants and volunteers in activities that strengthen our community and pave the way for future generations to thrive. Much of our social responsibility takes place in conjunction with programs we offer at the YMCA.

As part of our mission our programs are accessible, affordable and open to all faiths, backgrounds, abilities and income levels. We provide financial assistance to people who otherwise may not have been able to afford to participate.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the YMCA have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

BASIS OF PRESENTATION

The YMCA records resources for accounting and reporting purposes into three net asset categories: unrestricted, temporarily restricted, and permanently restricted, based on the existence or absence of donor-imposed restrictions.

Unrestricted: Net assets not subject to donor-imposed restrictions. Such net assets are available for any purpose consistent with the YMCA's mission.

Temporarily Restricted: Net assets subject to specific, donor-imposed restrictions that must be met by actions of the YMCA and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as releases from restriction. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase to unrestricted support. The YMCA does not have any temporarily restricted net assets as of December 31, 2017.

Permanently Restricted: Net assets subject to donor-imposed restriction requiring they be maintained permanently by the YMCA. Such net assets are normally restricted to long-term investment, with income earned and appreciation available for specific or general YMCA purposes. The YMCA does not have any permanently restricted net assets as of December 31, 2017 or 2016.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate fair value due to the short maturity of these instruments.

MEMBERSHIP DUES

Membership dues and program fees are recognized as revenue ratably over the period of membership or the duration of the program. Membership dues and program fees that are designated for or related to future years' activities are deferred and recognized as revenue in the period in which they apply. The YMCA's policy is to record membership dues prorated over a twelve-month billing period. Dues received but unearned are recorded as deferred membership dues.

DONATED SERVICES

A substantial number of volunteers have donated significant amounts of time to the YMCA's program services. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort as required by the "Accounting for Contributions Received and Contributions Made" topic of the FASB ASC, has not been satisfied, but is estimated as follows:

	<u>2017</u>	<u>2016</u>
Number of volunteers	80	80

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

FUNCTIONAL EXPENSES

Expenses are charged directly to programs or management based on specific identification. Indirect supporting costs are primarily comprised of bookkeeping, payroll and administrative services provided to the individual programs within the YMCA. Management has allocated indirect costs among the programs benefited.

ADVERTISING

The YMCA participates in various advertising and marketing programs. All costs related to marketing and advertising the YMCA's services are expensed in the period incurred. Advertising costs charged to operations were \$7,112 and \$7,752 in 2017 and 2016, respectively.

FEDERAL INCOME TAXES

The YMCA has received a favorable determination letter from the Internal Revenue Service stating that it is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986 (IRC), as an organization described in Section 501(c)(3), except for income taxes pertaining to unrelated business income.

UNCERTAIN TAX POSITIONS

The Financial Accounting Standards Board (FASB) guidance requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as tax expense, however, there is no interest or penalties recognized in the statements of activities. The tax years after 2013 are still open to audit for both federal and state purposes.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid equity instruments with original maturities of three months or less.

CONCENTRATION OF CREDIT RISK

The YMCA maintains cash balances at certain financial institutions in excess of the insurance limits provided by the Federal Deposit Insurance Corporation. The YMCA has not experienced any losses in such accounts. The YMCA monitors the financial stability of financial institutions regularly and management does not believe there is significant credit risk associated with deposits in excess of federally insured amounts.

ACCOUNTS RECEIVABLE

Accounts receivable consists primarily of receivables from program registrants. An allowance is determined by management based on historical collections, specific participants' circumstances, and economic conditions. Member receivables are written off when management has exhausted collections efforts and deems the accounts uncollectible. The YMCA does not accrue interest on unpaid accounts receivable.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed for financial statement purposes principally on the straight-line method over the estimated useful lives of the related assets.

Expenditures for major renewals and betterments which extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

DATE OF MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 15, 2018, which is the date the financial statements were available to be issued.

NOTE C - LINE-OF-CREDIT

As of December 31, 2017, the YMCA had a line-of-credit with a bank, with \$0 outstanding under the available line-of-credit of \$15,000. All borrowings are secured by the YMCA's property and bear interest at the prime rate.

As of December 31, 2017, the YMCA had a line-of-credit with a bank, with \$0 outstanding under the available line-of-credit of \$100,000. All borrowings are secured by the YMCA's property and bear interest at 4.25%.

NOTE D - LONG-TERM DEBT

Long-term debt payable at December 31, consisted of the following:

	<u>2017</u>	<u>2016</u>
Note payable to a bank, interest only until August 2014, then monthly payments of \$4,084, including interest at 5.26%, secured by the assets of the YMCA, due July, 2024	\$ -	\$ 540,898
Note payable to a bank, due in monthly installments of \$3,813, including interest at 4.15% for the first 60 months, variable afterwards, secured by the assets of the YMCA, due November, 2037	616,324	-
Less current portion	20,573	21,098
	<u>\$ 595,751</u>	<u>\$ 519,800</u>

The aggregate maturities for the five years ending December 31, are as follows:

2018	\$ 20,573
2019	21,443
2020	22,350
2021	23,295
2022	24,281
Thereafter	504,382
	<u>\$ 616,324</u>

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE E - RESTRICTIONS ON ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Capital expenditures	\$ -	\$ 2,306
Youth development	-	16,814
Healthy living	-	9,747
	<u>\$ -</u>	<u>\$ 28,867</u>

NOTE F - EMPLOYEE BENEFIT PLAN

The YMCA participates in a defined contribution, individual account, money purchase retirement plan (Plan) which is administered by the Young Men's Christian Association Retirement Fund (Retirement Fund), a separate corporation. This Plan is for the benefit of all eligible employees of the YMCA who qualify under the participation requirements.

In accordance with a special noncontributory agreement with the Retirement Fund, the YMCA contributes at a rate of 8% of participating employees' compensation. Contributions are remitted to the Retirement Fund bi-weekly. Total contributions made to the Plan for 2017 and 2016 were \$49,103 and \$35,043, respectively. Participating employees may elect to contribute additional amounts (either tax-deferred or after-tax) up to certain limits as described in the Plan.

The Retirement Fund is operated as a church pension plan and is a nonprofit, tax-exempt New York State corporation (1922). Participation is available to all duly organized and reorganized YMCAs in the United States. As a defined contribution plan, the Retirement Fund has no unfunded benefit obligations.

NOTE G - RELATED PARTIES

The YMCA pays dues to YMCA of the USA. Dues paid to YMCA of the USA for the years ended December 31, 2017 and 2016, were \$36,795 and \$39,595, respectively.