

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Financial Statements

December 31, 2012 and 2011

Independent Auditors' Report

**Board of Directors
Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

We have audited the accompanying financial statements of the Young Men's Christian Association of Central and Northern Westchester, N.Y., Inc. (the "YMCA") which comprise the statement of financial position 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Young Men's Christian Association of Central and Northern Westchester, N.Y., Inc as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 18 and 19 is presented for purposes of additional analysis and is 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 audit 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.

O'Connor Davies, LLP

Harrison, New York
September 18, 2013

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Statements of Financial Position

December 31,

	2012	2011
ASSETS		
Cash and cash equivalents	\$ 293,461	\$ 343,525
Accounts receivable	160,757	288,508
Investments	299,957	267,781
Other current assets	7,078	10,729
Security deposit	12,800	12,800
Property and equipment, net	5,641,912	6,081,293
Debt financing costs, net	63,924	74,112
	\$ 6,479,889	\$ 7,078,748
LIABILITIES AND NET ASSETS		
Liabilities		
Borrowings under lines of credit	\$ 555,000	\$ 685,000
Accounts payable and accrued expenses	615,535	592,844
Deferred revenue	631,690	602,381
Notes payable	37,955	94,239
Capital lease obligations	119,073	89,110
Bonds payable	3,508,501	3,662,340
Unfunded postretirement benefit obligation	584,494	563,253
	6,052,248	6,289,167
Net Assets		
Unrestricted	420,641	630,081
Temporarily restricted	7,000	159,500
Total Net Assets	427,641	789,581
	\$ 6,479,889	\$ 7,078,748

See notes to financial statements

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Statements of Activities
Year Ended December 31,

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Revenue						
Membership dues	\$ 1,057,852	\$ -	\$ 1,057,852	\$ 1,066,525	\$ -	\$ 1,066,525
Residence rentals	1,078,892	-	1,078,892	1,175,865	-	1,175,865
Program fees	3,021,605	-	3,021,605	3,084,423	-	3,084,423
Camp revenue	2,049,757	-	2,049,757	1,886,222	-	1,886,222
Facility rental	97,486	-	97,486	82,182	-	82,182
Investment return	44,838	-	44,838	(5,871)	-	(5,871)
Other	64,506	-	64,506	54,285	-	54,285
Total Revenue	<u>7,414,936</u>	<u>-</u>	<u>7,414,936</u>	<u>7,343,631</u>	<u>-</u>	<u>7,343,631</u>
Support						
Contributions	739,203	-	739,203	743,483	127,500	870,983
Grants	-	-	-	-	25,000	25,000
Special events	91,565	-	91,565	75,966	-	75,966
Net assets released from restriction	152,500	(152,500)	-	809,833	(809,833)	-
Total Support	<u>983,268</u>	<u>(152,500)</u>	<u>830,768</u>	<u>1,629,282</u>	<u>(657,333)</u>	<u>971,949</u>
Total Revenue and Support	<u>8,398,204</u>	<u>(152,500)</u>	<u>8,245,704</u>	<u>8,972,913</u>	<u>(657,333)</u>	<u>8,315,580</u>
EXPENSES						
Program services	7,716,544	-	7,716,544	8,149,079	-	8,149,079
Management and general	685,747	-	685,747	804,671	-	804,671
Fundraising	175,465	-	175,465	73,729	-	73,729
Total Expenses	<u>8,577,756</u>	<u>-</u>	<u>8,577,756</u>	<u>9,027,479</u>	<u>-</u>	<u>9,027,479</u>
Change in Net Assets from Operations before						
Other Changes	(179,552)	(152,500)	(332,052)	(54,566)	(657,333)	(711,899)
OTHER CHANGES						
Postretirement benefit liability adjustment	(29,888)	-	(29,888)	(15,163)	-	(15,163)
Change in Net Assets	(209,440)	(152,500)	(361,940)	(69,729)	(657,333)	(727,062)
NET ASSETS						
Beginning of year	630,081	159,500	789,581	699,810	816,833	1,516,643
End of year	<u>\$ 420,641</u>	<u>\$ 7,000</u>	<u>\$ 427,641</u>	<u>\$ 630,081</u>	<u>\$ 159,500</u>	<u>\$ 789,581</u>

See notes to financial statements

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Statements of Cash Flows

	Year Ended December 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (361,940)	\$ (727,062)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	646,783	718,506
Bad debt expense	14,038	48,313
Gifts of in-kind property and equipment additions	(42,500)	(323,704)
Unrealized (gains) loss on investments	(32,176)	11,959
Loss on disposal of property and equipment	1,557	-
Postretirement benefit liability adjustment	21,241	12,366
Change in operating assets and liabilities		
Accounts receivable	113,713	86,308
Other current assets	3,651	3,079
Accounts payable and accrued expenses	22,691	(296,340)
Deferred revenue	29,309	165,343
Net Cash from Operating Activities	416,367	(301,232)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(82,171)	(267,193)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligations	(44,137)	(38,426)
Proceeds from lines of credit	675,000	785,000
Repayment of borrowings under lines of credit	(805,000)	(550,000)
Repayment of notes payable	(56,284)	(67,854)
Repayment of bonds payable	(153,839)	(123,176)
Net Cash from Financing Activities	(384,260)	5,544
Net Change in Cash and Cash Equivalents	(50,064)	(562,881)
CASH AND CASH EQUIVALENTS		
Beginning of year	343,525	906,406
End of year	\$ 293,461	\$ 343,525
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 208,302	\$ 243,946
Non cash investing activity		
Capital lease obligations incurred for new equipment	74,100	68,220

See notes to financial statements

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Notes to Financial Statements
December 31, 2012 and 2011

1. Organization

The Young Men's Christian Association of Central and Northern Westchester, N.Y., Inc. (the "YMCA") is a not-for-profit organization which provides health enhancement and child development programs along with dormitory residence services within Westchester and Putnam Counties, New York. The YMCA's programs include physical education and recreation, child development, social welfare and summer camp. The YMCA also provides affordable housing to low-income males.

Tax Status

The YMCA has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements. The YMCA has been classified as an organization that is not a private foundation under Section 509(a) and has been designated as a publicly supported organization under Section 170(b)(1)(A)(vi). Contributions to the YMCA are tax-deductible within the limitations prescribed by the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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 revenue and expenses during the reporting period. Accordingly actual results could differ from those estimates.

The financial statements report amounts separately by class of net assets. Unrestricted net assets are those currently available at the discretion of the Board of Directors for use in the YMCA's operations. Temporarily restricted amounts are those which are stipulated by donors for specific operating purposes. Permanently restricted net assets are established by donor restricted gifts and bequests to provide a permanent endowment. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with maturities of three months or less at the time of purchase.

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Notes to Financial Statements
December 31, 2012 and 2011

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable is stated at the amount that management expects to collect from outstanding balances. Management provides an allowance for doubtful accounts based on prior experience and its assessment of the collectability of individual accounts. Balances outstanding after management has used reasonable collection efforts are written off through a reduction of the allowance account and a reduction in accounts receivable. At December 31, 2012 and 2011, management has concluded that an allowance is not required.

Fair Value Measurements

The YMCA follows U.S. GAAP on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments and Income Recognition

Investments are valued at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Property and equipment

The YMCA follows the practice of capitalizing all equipment expenditures exceeding \$1,000 which have a useful life greater than one year. Property and equipment is depreciated using the straight-line method over their estimated useful lives as follows:

Building and improvements	45 years
Furniture and Fixtures	10-15 years
Computer equipment	3-10 years
Vehicles	5 years

Debt Financing

Costs related to mortgages and bond issues have been capitalized and are being amortized over the corresponding mortgage or bond repayment terms.

Deferred Revenue

Deferred revenue represent membership fees received by the YMCA which pertain to programs and services of the following fiscal year.

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Notes to Financial Statements
December 31, 2012 and 2011

2. Summary of Significant Accounting Policies *(continued)*

Advertising

The YMCA expenses advertising costs as incurred. Advertising costs for 2012 and 2011 were \$30,353 and \$44,226.

In-kind Contributions

Contributions of donated goods and services that require specialized skills that would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. During 2012 and 2011, the YMCA received in-kind contributions of equipment and camp building improvements of \$42,500 and \$323,704.

Contributions

Contributions are recorded as temporarily restricted net assets and revenue and support if they are received with donor imposed restrictions that limit their use. Donor restrictions expire by either the passage of time or the accomplishment of the stated purpose. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from program restrictions.

Permanently restricted contributions are limited by donor imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Board of Directors. The YMCA has no permanently restricted net assets.

Functional Allocation of Expenses

The costs of providing the YMCA's programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's assessment of the benefit derived.

Operating Measure

The YMCA has elected to present an operating measure in its statements of activities. Accordingly, items affecting operations are segregated from those not affecting operations. The item not affecting operations is the postretirement benefit liability adjustment.

Accounting for Uncertainty in Income Taxes

Management has determined that the YMCA had no uncertain tax positions that would require financial statement recognition. The YMCA recognizes the effects of tax positions only when they are more likely than not to be sustained. The YMCA is no longer subject to examinations by applicable taxing jurisdictions for periods prior to December 31, 2009.

**Young Men's Christian Association of
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Notes to Financial Statements
December 31, 2012 and 2011

2. Summary of Significant Accounting Policies (continued)

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date the financial statements were available to be issued, which date is September 18, 2013.

Reclassifications

Certain amounts in the 2011 financial statements have been reclassified to conform with the 2012 presentation. These reclassifications have had no effect on net assets.

3. Management's Plan to Improve Financial Condition and Results of Operations (Unaudited)

In 2012, the YMCA sustained a deficiency of revenue over expenses of \$361,940 and had a working capital deficiency of approximately \$1.3 million at the end of the year. The YMCA's management has developed and is currently implementing a plan to improve its financial performance, to reduce its liabilities and to arrange for adequate operating liquidity. The plan to improve the financial results from operations includes several initiatives both on the revenue and expense side of its operations.

In January 2013, the YMCA sold the building in which the Mount Vernon branch operated. The Mount Vernon branch has consistently sustained losses approximating \$350,000 annually due to the overhead in maintaining its building. The YMCA realized a net cash gain of approximately \$620,000 on this sale.

In 2013, Management has focused its efforts on increasing membership revenue through marketing and student housing initiatives. The third floor of the White Plains YMCA facility was converted during 2013 to student housing for 20-26 EduOne exchange students who will be attending local high schools in the White Plains, NY area. These students are expected to become residents in September 2013 and the program is expected to increase annual revenue by approximately \$75,000. In addition, fundraising efforts have been enhanced leading to significant additional contributions in 2013 of \$105,000 through July 31, 2013. Management is also working to expand its successful Camp Combe program.

The YMCA has also taken initiatives to reduce expenses at all of its branches. The YMCA has reduced its overhead by integrating administrative functions resulting in \$150,000 in additional savings for 2013. The YMCA continues to explore other opportunities for additional cost savings.

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Notes to Financial Statements
December 31, 2012 and 2011

4. Concentration of Credit Risk

Financial instruments which potentially subject the YMCA to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. At times cash balances held at financial institutions may be in excess of federally insured limits. The YMCA has not experienced any losses on its cash deposits. The YMCA's receivables are primarily from contractual obligations with various state and local agencies, and are collected on a reimbursement basis for actual expenditures. The YMCA believes no significant concentration of credit risk exists with respect to its cash and cash equivalents and receivables.

5. Investments

The following table sets forth by level within the fair value hierarchy, the YMCA's investments at fair value as of December 31:

	<u>2012</u>	<u>2011</u>
<u>Quoted in Active Markets for</u>		
<u>Identical Assets (Level 1):</u>		
Equities by Industry:		
Financial	\$ 18,624	\$ 12,979
Consumer goods	25,800	19,624
Services	1,042	1,230
Healthcare	12,699	11,735
Equity Mutual Funds		
Domestic	47,442	43,647
Stock Mutual Funds		
Domestic	165,939	151,620
<u>Significant Observable Inputs</u>		
<u>(Level 2):</u>		
Corporate Bonds	22,630	20,996
U.S. Government securities	<u>5,781</u>	<u>5,950</u>
 Total Investments	 <u>\$ 299,957</u>	 <u>\$ 267,781</u>

During 2012, there were no transfers in or out of Levels 1 or 2 of the fair value hierarchy.

The following schedule summarizes the investment return and its classification in the statements of activities for the year ended December 31:

	<u>2012</u>	<u>2011</u>
Interest and dividends	\$ 12,662	\$ 6,088
Unrealized gains (loss)	<u>32,176</u>	<u>(11,959)</u>
	<u>\$ 44,838</u>	<u>\$ (5,871)</u>

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Notes to Financial Statements
December 31, 2012 and 2011

6. Property and Equipment, Net

Property and equipment, net consisted of the following at December 31:

	<u>2012</u>	<u>2011</u>
Land	\$ 596,893	\$ 596,893
Building and improvements	12,168,115	11,976,226
Furniture and fixtures	1,270,876	1,139,349
Computer system	141,788	141,788
Vehicles	193,721	193,721
Construction in progress	-	127,500
	<u>14,371,393</u>	<u>14,175,477</u>
Less accumulated depreciation	<u>8,729,481</u>	<u>8,094,184</u>
	<u>\$ 5,641,912</u>	<u>\$ 6,081,293</u>

During the year ended December 31, 2012, the YMCA received an appraisal of all of its facilities for insurance purposes. The appraised value approximated \$41.1 million (unaudited), excluding land.

7. Debt Financing Costs, Net

Capitalized debt financing costs, net are as follows at December 31:

	<u>2012</u>	<u>2011</u>
Capitalized closing costs	\$ 43,455	\$ 43,455
Capitalized bond closing costs	137,411	137,411
Accumulated amortization	<u>(116,942)</u>	<u>(106,754)</u>
	<u>\$ 63,924</u>	<u>\$ 74,112</u>

8. Borrowings under Lines of Credit

The YMCA has a revolving line of credit with a bank in the amount of \$450,000 which was extended on July 27, 2013 to October 31, 2013. Interest is payable at the bank's prime rate plus one percent (4.25% at December 31, 2012). The outstanding balances of the line of credit were \$450,000 and \$350,000 at December 31, 2012 and 2011. Advances under the line of credit are collateralized by all business assets owned by the YMCA. During 2011, the YMCA obtained a second line of credit with a bank in the amount of \$450,000 which expired on January 2, 2013. Interest was payable at LIBOR plus 4 percentage points (3.29% at December 31, 2012). The outstanding balance of the line of credit was \$105,000 and \$335,000 at December 31, 2012 and 2011. Borrowings under this line of credit were collateralized by all business assets owned by the YMCA.

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Notes to Financial Statements
December 31, 2012 and 2011

9. Notes Payable

Notes payable consist of the following at December 31:

	2012	2011
Unsecured note payable for roof improvements, with monthly installments of \$1,786, at zero interest through March 2014.	\$ 25,000	\$ 46,429
Notes payable for three vehicles, with aggregate monthly installments of \$1,894, including interest at rates ranging from 6.25% to 7.68% through November 2012; the notes are secured by the vehicles.	-	10,459
Note payable for equipment, with monthly installments of \$1,650, including interest at 5.00% through August 2013; the note is secured by the equipment.	12,955	31,583
Note payable for equipment, with monthly installments of \$496, including interest at 5.75% through December 2012; the note is secured by the equipment.	-	5,768
	\$ 37,955	\$ 94,239

Future principal payments of notes payable at December 31 are as follows:

2013	\$	34,384
2014		3,571
	\$	37,955

10. Bonds Payable

In 2007, the County of Westchester Industrial Development Agency issued Civic Facility Revenue non-taxable Series 2007A bonds in the amount of \$3,555,336 and taxable Series 2007B bonds in the amount of \$529,210 for the purpose of (i) repayment of an existing mortgage on property located at 250 Mamaroneck Ave., White Plains, New York, and (ii) renovation and equipping of the same property including substantial upgrades to the HVAC and electrical systems.

Interest on the Series 2007A bond is payable monthly commencing June 4, 2007 until December 4, 2027 at 5.44% per annum. During 2011, the lender reduced the interest rate on their Series 2007A bonds from to 5.44% to 4.84%. Principal payments on the Series 2007A bond commence January 4, 2013 through December 4, 2027. The principal balance outstanding on the Series 2007A bonds at December 31, 2012 and 2011 was \$3,508,501 and \$3,540,081.

**Young Men's Christian Association of
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Notes to Financial Statements
December 31, 2012 and 2011

10. Bonds Payable (continued)

Commencing June 4, 2007, principal and interest on the Series 2007B bonds is payable monthly through December 4, 2012 at 6.25% per annum. The principal balance was fully paid off during 2012 for the Series 2007B. At December 31, 2011, the balance was \$122,259. The YMCA did not meet the debt service ratio covenant under the bond agreement as of December 31, 2011 and obtained a waiver from the lender. The YMCA met the debt service ratio covenant under the bond agreement as of December 31, 2012.

Principal payments on the bonds at December 31, 2012 are payable as follows:

2013	\$ 130,991
2014	144,980
2015	159,920
2016	175,865
2017	192,874
Thereafter	<u>2,703,871</u>
	<u>\$ 3,508,501</u>

Interest expense for 2012 and 2011 was \$166,008 and \$189,482.

11. Capital Lease Obligation

The YMCA entered into several capital lease agreements to finance the purchase of equipment. Leased equipment in the amount of \$208,942 and the related accumulated depreciation of \$87,176 are included in property and equipment on the statements of financial position. The capital leases are all non-interest bearing.

Future lease payments at December 31 are due as follows:

2013	\$ 38,633
2014	29,072
2015	28,464
2016	<u>22,904</u>
	<u>\$ 119,073</u>

12. Postretirement Benefit Plan

The YMCA provides medical and health benefits to eligible terminated and retired employees and their dependents on an employer subsidized basis. In July 2010, the YMCA's Board of Directors amended the postretirement benefit plan (the "Plan") limiting employee eligibility to the four retirees who are currently receiving benefits.

**Young Men's Christian Association of
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Notes to Financial Statements
December 31, 2012 and 2011

12. Postretirement Benefit Plan (continued)

Information as of and for the years ended December 31, regarding the YMCA's postretirement benefits is as follows:

	<u>2012</u>	<u>2011</u>
Projected benefit obligation	\$ 584,494	\$ 563,253
Fair value of Plan assets	<u>-</u>	<u>-</u>
Funded Status	<u>\$ (584,494)</u>	<u>\$ (563,253)</u>
Accrued cost recognized in statement of financial position	\$ 584,494	\$ 563,253
Net postretirement benefit cost recognized in the statements of activities	35,955	39,925
Amortization of amounts previously not recognized as a component of net periodic cost	12,041	12,041
Benefits paid during the year	32,561	30,681

Employer contributions expected to be paid during 2013 approximate \$39,000.

The table below reflects the amounts recognized within unrestricted net assets arising from the Plan at December 31, 2012 and 2011 that have not yet been recognized in the net periodic benefit cost and the portion of such amounts that are expected to be recognized in net periodic benefit cost during 2012.

	<u>2012</u>	<u>2011</u>	<u>2013</u>
Unrecognized prior service cost gain (loss)	\$ 12,000	\$ (82,003)	\$ 13,000
Actuarial loss	<u>(85,568)</u>	<u>(55,680)</u>	<u>-</u>
	<u>\$ (73,568)</u>	<u>\$ (137,683)</u>	<u>\$ 13,000</u>

The following are weighted average assumptions used to determine benefit obligations and net periodic benefit cost as of and for the year ended December 31:

	<u>Benefit Obligation</u>		<u>Periodic Benefit Cost</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Discount rate	4.05%	4.40%	4.05%	4.40%
Rate of health care cost increase	10.00%	10.00%	10.00%	10.00%

**Young Men's Christian Association of
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Notes to Financial Statements
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12. Postretirement Benefit Plan (continued)

The following table shows estimated future benefit payments expected to be paid from the Plan for each of the following periods ended December 31:

2013	\$ 34,000
2014	37,000
2015	39,000
2016	41,000
2017	28,000
2018 to 2022	150,000

The following are health care cost trend rate assumptions the year ended December 31:

	<u>2012</u>	<u>2011</u>
Health care cost trend rate assumed for next year	10%	10%
Rate to which the costs trend rate is assumed to decline (the ultimate trend rate)	5%	5%
Year that the rate reaches the ultimate trend rate	2019	2018

Assumed health care cost trend rates have a significant effect on the amounts reported for the Plan. A 1% point change in assumed health care cost trend rates would have the following effects in 2012:

	<u>1% Point Increase</u>	<u>1% Point Decrease</u>
Total of service and interest cost components increase (decrease)	\$ 2,889	\$ (2,442)
Postretirement benefit obligation increase (decrease)	\$ 69,045	\$ (83,481)

**Young Men's Christian Association of
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Notes to Financial Statements
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13. Temporarily Restricted Net Assets

Temporarily restricted net assets activity for 2012 and 2011 is as follows:

2012 Program/Purpose	Balance December 31, 2011	Additions	Expended and Released	Balance December 31, 2012
Camp Combe capital assets and improvements	\$ 127,500	\$ -	\$ (127,500)	\$ -
Support services	<u>32,000</u>	<u>-</u>	<u>(25,000)</u>	<u>7,000</u>
	<u>\$ 159,500</u>	<u>\$ -</u>	<u>\$ (152,500)</u>	<u>\$ 7,000</u>
2011 Program/Purpose	Balance December 31, 2010	Additions	Expended and Released	Balance December 31, 2011
Camp Combe capital assets and improvements	\$ 590,135	\$ 127,500	\$ (590,135)	\$ 127,500
White Plains and Mount Vernon facility improvement grants	175,382	-	(175,382)	-
Support services	46,401	25,000	(39,401)	32,000
Swim team funds	<u>4,915</u>	<u>-</u>	<u>(4,915)</u>	<u>-</u>
	<u>\$ 816,833</u>	<u>\$ 152,500</u>	<u>\$ (809,833)</u>	<u>\$ 159,500</u>

14. Retirement Plan

The YMCA maintains a defined contribution retirement plan (the "Retirement Plan") that is administered by the Young Men's Christian Association Retirement Fund, a separate entity. The Retirement Plan is for the benefit of all eligible employees of the YMCA who qualify under the Retirement Plan's participation requirements. YMCA contributions included in the statements of activities were \$211,151 and \$240,009 for the years ended December 31, 2012 and 2011.

15. Commitments and Contingencies

At December 31, 2012, minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as follows:

2013	\$ 106,140
2014	<u>20,712</u>
	<u>\$ 126,852</u>

Rent expense for space and equipment approximated \$184,000 and \$157,000 for 2012 and 2011.

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Notes to Financial Statements
December 31, 2012 and 2011

16. Related Party Transactions

The YMCA is affiliated with the National Organization, the YMCA of the USA, but is governed by its own Board of Directors. The YMCA pays monthly fees to the National YMCA based on a percentage of their revenue. These fees amounted to \$98,730 and \$91,209 in 2012 and 2011.

17. Subsequent Event

Subsequent to year end, there was a fire at the YMCA that damaged the third floor of the White Plains branch. After insurance proceeds, expenses and renovations related to the fire are not expected to have a material impact on the financial condition.

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**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Supplemental Information

December 31, 2012 and 2011

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Schedule of Functional Expenses

Year Ended December 31, 2012

(With Summarized Amounts for 2011)

	Program Services				Total	Management and General	Fundraising	2012 Total	2011 Total
	Program Activities	Resident Services	Member Services	Camp Activities					
PERSONNEL									
Salaries	\$ 2,060,361	\$ 322,060	\$ 520,251	\$ 796,893	\$ 3,699,565	\$ 342,705	\$ 86,709	\$ 4,128,979	\$ 4,484,600
Employee benefits	<u>499,982</u>	<u>78,153</u>	<u>126,248</u>	<u>193,380</u>	<u>897,763</u>	<u>83,163</u>	<u>21,041</u>	<u>1,001,967</u>	<u>1,063,547</u>
Total Personnel Costs	2,560,343	400,213	646,499	990,273	4,597,328	425,868	107,750	5,130,946	5,548,147
OTHER THAN PERSONNEL COSTS									
Professional fees	130,782	37,283	36,701	56,216	260,982	24,176	6,116	291,274	277,057
Supplies	217,658	62,049	61,080	93,559	434,346	40,235	10,180	484,761	490,965
Telephone	17,913	5,107	5,027	7,700	35,747	3,311	838	39,896	50,451
Postage	6,284	1,791	1,763	2,701	12,539	1,162	294	13,995	11,130
Building and grounds	278,468	60,238	78,203	111,493	528,402	-	-	528,402	435,696
Equipment	56,512	16,110	15,859	24,291	112,772	10,446	2,644	125,862	95,193
Occupancy	265,109	75,577	74,396	113,956	529,038	49,007	12,399	590,444	606,822
Printing	29,633	8,448	8,316	12,737	59,134	5,478	1,385	65,997	82,594
Travel and related costs	57,251	16,321	16,066	24,609	114,247	10,583	2,677	127,507	120,399
Conferences and training	12,879	3,671	3,614	5,536	25,700	2,381	602	28,683	42,271
National fees	44,330	12,637	12,440	19,055	88,462	8,195	2,073	98,730	91,209
Insurance	68,979	19,665	19,357	29,651	137,652	15,977	-	153,629	138,054
Special events	-	-	-	-	-	-	28,507	28,507	26,726
Bad debt expense	<u>-</u>	<u>14,038</u>	<u>-</u>	<u>-</u>	<u>14,038</u>	<u>-</u>	<u>-</u>	<u>14,038</u>	<u>48,313</u>
Total Expenses Before Depreciation and Amortization and Interest	3,746,141	733,148	979,321	1,491,777	6,950,387	596,819	175,465	7,722,671	8,065,027
Depreciation and amortization	290,406	82,788	81,495	124,829	579,518	67,265	-	646,783	718,506
Interest	<u>93,528</u>	<u>26,663</u>	<u>26,246</u>	<u>40,202</u>	<u>186,639</u>	<u>21,663</u>	<u>-</u>	<u>208,302</u>	<u>243,946</u>
Total Expenses	<u>\$ 4,130,075</u>	<u>\$ 842,599</u>	<u>\$ 1,087,062</u>	<u>\$ 1,656,808</u>	<u>\$ 7,716,544</u>	<u>\$ 685,747</u>	<u>\$ 175,465</u>	<u>\$ 8,577,756</u>	<u>\$ 9,027,479</u>

**Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.**

Schedule of Functional Expenses

Year Ended December 31, 2011

	Program Services				Total	Management and General	Fundraising	Total
	Program Activities	Resident Services	Member Services	Camp Activities				
PERSONNEL								
Salaries	\$ 2,170,546	\$ 376,706	\$ 596,452	\$ 892,435	\$ 4,036,139	\$ 417,068	\$ 31,393	\$ 4,484,600
Employee benefits	514,757	89,338	141,452	211,646	957,193	98,910	7,444	1,063,547
Total Personnel Costs	2,685,303	466,044	737,904	1,104,081	4,993,332	515,978	38,837	5,548,147
OTHER THAN PERSONNEL COSTS								
Professional fees	120,243	37,126	36,849	55,134	249,352	25,766	1,939	277,057
Supplies	213,079	65,789	65,298	97,702	441,868	45,658	3,439	490,965
Telephone	21,896	6,760	6,710	10,040	45,406	4,692	353	50,451
Postage	4,830	1,491	1,480	2,215	10,016	1,035	79	11,130
Building and grounds	234,404	44,877	64,483	91,932	435,696	-	-	435,696
Equipment	41,314	12,756	12,661	18,943	85,674	9,519	-	95,193
Occupancy	263,361	81,314	80,707	120,758	546,140	60,682	-	606,822
Printing	35,846	11,068	10,985	16,436	74,335	7,681	578	82,594
Travel and related costs	52,253	16,133	16,013	23,959	108,358	11,197	844	120,399
Conferences and training	18,346	5,664	5,622	8,412	38,044	3,931	296	42,271
National fees	39,585	12,222	12,131	18,151	82,089	8,482	638	91,209
Insurance	59,915	18,499	18,361	27,473	124,248	13,806	-	138,054
Special events	-	-	-	-	-	-	26,726	26,726
Bad debt expense	-	48,313	-	-	48,313	-	-	48,313
Total Expenses Before Depreciation and Amortization and Interest	3,790,375	828,056	1,069,204	1,595,236	7,282,871	708,427	73,729	8,065,027
Depreciation and amortization	311,832	96,280	95,561	142,983	646,656	71,850	-	718,506
Interest	105,873	32,689	32,445	48,545	219,552	24,394	-	243,946
Total Expenses	<u>\$ 4,208,080</u>	<u>\$ 957,025</u>	<u>\$ 1,197,210</u>	<u>\$ 1,786,764</u>	<u>\$ 8,149,079</u>	<u>\$ 804,671</u>	<u>\$ 73,729</u>	<u>\$ 9,027,479</u>

See independent auditors' report