

FINANCIAL REPORT
**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL
AND NORTHERN WESTCHESTER, N.Y., INC.**
DECEMBER 31, 2015

Audited for:

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

Audited by:
Vanacore, DeBenedictus, DiGiovanni & Weddell, CPAs LLP
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**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND
NORTHERN WESTCHESTER, N.Y., INC.**

TABLE OF CONTENTS

FINANCIAL SECTION		Page
Independent Auditor's Report on the Financial Statements		1 - 2
Financial Statements		
Statements of Financial Position		3
Statements of Activities		4 - 5
Statements of Cash Flows		6 - 7
Notes to Financial Statements		8 - 16
Supplementary Information		
Schedule 1 - Functional Expenses		17



INDEPENDENT AUDITOR'S REPORT

To the Board of Governors
Young Men's Christian Association of
Central and Northern Westchester, N.Y., Inc.
250 Mamaroneck Avenue
White Plains, NY 10605

Report on the Financial Statements

We have audited the accompanying financial statements of Young Men's Christian Association of Central and Northern Westchester, N.Y., Inc., (a non-profit Organization) which comprise the statements of financial position as of December 31, 2015 and 2014 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 controls 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 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YMCA as of December 31, 2015 and 2014, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic 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 basic 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.

Vanacore, DeBenedictus, DiGiovanni & Weddell, CPAs
Limited Liability Partnership

Newburgh, NY
May 19, 2016

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN
WESTCHESTER, N.Y., INC.**

STATEMENTS OF FINANCIAL POSITION

As of December 31	2015	2014
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 3)	\$ 512,769	\$ 578,848
Accounts Receivable	151,913	96,897
Investments (Note 4)	753,011	839,681
Prepaid Expenses	56,833	27,737
Total Current Assets	1,474,526	1,543,163
Property and Equipment, Net (Note 6)	4,609,284	5,018,335
Other Assets:		
Security Deposit	1,981	4,167
Debt Financing Costs, Net (Note 7)	75,458	49,673
Total Other Assets	77,439	53,840
Total Assets	\$ 6,161,249	\$ 6,615,338
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Borrowings Under Lines of Credit (Note 8)	\$ 300,000	\$ 450,000
Current Portion of Note Payable (Note 9)	7,919	7,919
Current Portion of Bonds Payable (Note 10)	175,865	159,920
Current Portion of Capital Lease (Note 11)	22,035	28,464
Accounts Payable	769,487	516,419
Accrued Expenses (Note 12)	104,935	76,002
Deferred Revenue	385,394	439,742
Total Current Liabilities	1,765,635	1,678,466
Long-Term Liabilities:		
Long-Term Debt - Net of Current Portion (Note 9)	56,522	64,441
Bonds Payable - Net of Current Portion (Note 10)	2,896,745	3,072,610
Capital Lease Obligations - Net of Current Portion (Note 11)	-	23,294
Unfunded Postretirement Benefit Obligation (Note 13)	536,404	597,668
Total Long-Term Liabilities	3,489,671	3,758,013
Net Assets:		
Unrestricted	824,517	1,077,052
Temporarily Restricted (Note 14)	81,426	101,807
Total Net Assets	905,943	1,178,859
Total Liabilities and Net Assets	\$ 6,161,249	\$ 6,615,338

See Independent Auditor's Report and Notes to Financial Statements

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN
WESTCHESTER, N.Y., INC.**

STATEMENT OF ACTIVITIES

For Year Ended December 31, 2015	Unrestricted	Temporarily Restricted	Total
<u>Revenue and Support</u>			
Revenue			
Membership Dues	\$ 893,153	\$ -	\$ 893,153
Residence Rentals	1,172,659	-	1,172,659
Program Fees	383,119	-	383,119
Daycare	2,490,134	-	2,490,134
Camp Revenue	1,817,150	-	1,817,150
Facility Rental	98,528	-	98,528
Other	45,742	-	45,742
Total Revenue	6,900,485	-	6,900,485
Support			
Contributions	248,331	230,087	478,418
Grants	71,061	-	71,061
Special Events - Net	58,489	-	58,489
Net Assets Released from Restriction	250,468	(250,468)	-
Total Support	628,349	(20,381)	607,968
Total Revenue and Support	7,528,834	(20,381)	7,508,453
<u>Expenses</u>			
Program Services	6,943,090	-	6,943,090
Management and General	675,697	-	675,697
Fundraising	161,417	-	161,417
Total Expenses	7,780,204	-	7,780,204
Change in Net Assets from Operations	(251,370)	(20,381)	(271,751)
<u>Non Operating Income/(Expenses)</u>			
Investment Return	(21,591)	-	(21,591)
Postretirement Benefit Liability Adjustment	20,426	-	20,426
Change in Net Assets	(252,535)	(20,381)	(272,916)
Net Assets - Beginning	1,077,052	101,807	1,178,859
Net Assets - Ending	\$ 824,517	\$ 81,426	\$ 905,943

See Independent Auditor's Report and Notes to Financial Statements

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN
WESTCHESTER, N.Y., INC.**

STATEMENT OF ACTIVITIES

For Year Ended December 31, 2014	Unrestricted	Temporarily Restricted	Total
<u>Revenue and Support</u>			
Revenue			
Membership Dues	\$ 964,029	\$ -	\$ 964,029
Residence Rentals	1,070,957	-	1,070,957
Program Fees	344,925	-	344,925
Daycare	2,445,622	-	2,445,622
Camp Revenue	1,880,872	-	1,880,872
Facility Rental	83,961	-	83,961
Other	48,936	-	48,936
Total Revenue	6,839,302	-	6,839,302
Support			
Contributions	305,136	230,862	535,998
Grants	20,400	-	20,400
Special Events - Net	62,344	-	62,344
Net Assets Released from Restriction	129,055	(129,055)	-
Total Support	516,935	101,807	618,742
Total Revenue and Support	7,356,237	101,807	7,458,044
<u>Expenses</u>			
Program Services	7,049,970	-	7,049,970
Management and General	593,451	-	593,451
Fundraising	217,637	-	217,637
Total Expenses	7,861,058	-	7,861,058
Change in Net Assets from Operations	(504,821)	101,807	(403,014)
<u>Non Operating Income/(Expenses)</u>			
Insurance Proceeds (Note 15)	8,507	-	8,507
Investment Return	72,237	-	72,237
Postretirement Benefit Liability Adjustment	(99,025)	-	(99,025)
Change in Net Assets	(523,102)	101,807	(421,295)
Net Assets - Beginning	1,600,154	-	1,600,154
Net Assets - Ending	\$ 1,077,052	\$ 101,807	\$ 1,178,859

See Independent Auditor's Report and Notes to Financial Statements

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND
NORTHERN WESTCHESTER, N.Y., INC.**

STATEMENTS OF CASH FLOWS

As of December 31	2015	2014
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (272,916)	\$ (421,295)
Adjustments to Reconcile Change in Net Assets to To Net Cash Provided by/(Used in) Operating Activities:		
Depreciation	586,841	573,951
Amortization	4,187	4,188
Unrealized (Gain)/Loss on Investments	49,333	(42,507)
Gain on Sale of Investments	(7,738)	(8,797)
(Increase)/Decrease in Accounts Receivable	(55,016)	64,973
(Increase)/Decrease in Insurance Proceeds Receivable	-	212,342
(Increase)/Decrease in Prepaid Expenses	(29,096)	(11,332)
(Increase)/Decrease in Security Deposits	2,186	-
Increase/(Decrease) in Accounts Payable	253,068	(222,436)
Increase/(Decrease) in Accrued Expenses	28,933	(12,424)
Increase/(Decrease) in Deferred Revenue	(54,348)	(91,986)
Increase/(Decrease) in Postretirement Benefit Obligation	(61,264)	60,222
Total Adjustments	717,086	526,194
Net Cash Provided by Operating Activities	444,170	104,899
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(177,790)	(278,398)
Purchase of Investments	(180,839)	(263,067)
Sale of Investments	225,914	279,488
Net Cash Used in Investing Activities	(132,715)	(261,977)

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND
NORTHERN WESTCHESTER, N.Y., INC.**

	2015	2014
Cash Flows from Financing Activities:		
Proceeds from Line of Credit	300,000	450,000
Payments on Line of Credit	(450,000)	(440,000)
Proceeds from Financing	-	75,000
Payments on Notes Payable	(7,919)	(6,211)
Payments on Bonds Payable	(159,920)	(144,980)
Payments on Capital Lease Obligations	(29,723)	(28,480)
Payment of Debt Financing Costs	(29,972)	-
Net Cash Used in Financing Activities	(377,534)	(94,671)
Net Increase/(Decrease) in Cash and Cash Equivalents	(66,079)	(251,749)
Cash and Cash Equivalents - Beginning	578,848	830,597
Cash and Cash Equivalents - Ending	<u>\$ 512,769</u>	<u>\$ 578,848</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 161,054	\$ 186,940

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.

NOTES TO FINANCIAL STATEMENTS

1. Nature of Business

The Young Men's Christian Association of Central and Northern Westchester, N.Y., Inc. ("YMCA") is a 501(c)(3) 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.

2. Summary of Significant Accounting Policies:

Basis of Accounting

The YMCA uses the accrual method of accounting which recognizes income when it is earned and expenses as they are incurred.

Pervasiveness of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 estimated fair values of the YMCA short-term financial instruments, including cash equivalents, receivables, payables, and short-term borrowings arising in the ordinary course of business, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization. The carrying amount of long-term debt approximates fair value because the interest rates fluctuate with market interest rates or the fixed rates are based on current rates offered to the YMCA for debt with similar terms and maturities.

The fair value of the YMCA's investments in available for sale securities represents the estimated amount the YMCA would receive if it were to sell the investments. See Note 5 for additional disclosure on fair value of investments.

Subsequent Events

The date to which events occurring after December 31, 2015, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is May 19, 2016, which is the date on which the financial statements were available to be issued.

Concentration of Credit Risk

The YMCA maintains its cash in accounts whose balances may exceed the insurance limits of the Federal Deposit Insurance Corporation at various times throughout the year. The YMCA has experienced no losses related to cash balances in excess of federally insured limits.

Cash and Cash Equivalents

The YMCA considers all cash accounts, which are not subject to significant withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

Receivables

YMCA provides for bad debts using the reserve method; however, accounts receivable are already shown at their net realizable value after any necessary write-offs. The allowance for doubtful accounts is based on specifically identified amounts that management believes to be uncollectible. Direct write-offs totaled \$0 and \$19,565 for the years ended December 31, 2015 and 2014, respectively. Management has determined that no additional allowance for doubtful accounts is necessary as of December 31, 2015 and 2014.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.

2. Summary of Significant Accounting Policies (Continued):

Investments

Investments are stated at fair market value. Realized gains and losses are recorded at the time a security is sold. Unrealized holding gains and losses represent changes in the fair market value of the investments and are reported in the statement of activities.

Fixed Assets

Fixed assets are stated at cost. Depreciation is computed principally by the straight-line method over the estimated useful lives of the assets ranging from 3 to 45 years. Depreciation expense for assets acquired under capital leases is included with depreciation expense on owned assets.

Debt Financing Costs

Costs related to mortgages and bond issues have been capitalized and are being amortized over the corresponding mortgage or bond repayment terms ranging from 6 to 30 years.

Deferred Revenue

Deferred revenue represents membership amounts received from YMCA pertaining to programs and services of the following fiscal year.

Restricted Net Assets

YMCA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restrictions satisfied in the same period as received are reported as unrestricted support.

YMCA reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

In-kind Contributions

Contributions of donated goods and services that require specialized skills and would typically need to be purchased if not provided by donation are recorded at fair value in the period received. The YMCA did not receive in-kind contributions that required specialized skills for the years ended December 31, 2015 and 2014.

Functional Allocation of Expenses

The cost of providing the various programs and the supporting services has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and the supporting services in reasonable ratios determined by management.

Advertising

Advertising expenses are expensed as incurred and totaled \$17,869 and \$56,191 for the years ended December 31, 2015 and 2014, respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.

2. Summary of Significant Accounting Policies (Continued):

Accounting for Uncertainty in Income Taxes

The YMCA is a 501(c)(3) organization whose revenue is derived from contributions and other fund-raising activities and is not subject to federal or state income taxes.

The Financial Accounting Standards Board issued guidance on accounting for uncertainty in income taxes which the YMCA has adopted. Management evaluated the YMCA's tax positions and concluded that the YMCA had taken no uncertain tax positions that would require adjustment to the financial statements in order to comply with the provisions of the guidance. The YMCA is subject to income tax examinations by the U.S. federal, state, or local tax authorities for years 2012 and after.

3. Cash and Cash Equivalents:

Cash and cash equivalents consisted of the following:

As of December 31	2015		2014	
Cash in Bank	\$	401,407	\$	525,198
Money Market Funds		111,362		53,650
	\$	512,769	\$	578,848

4. Investments:

The following is a summary of the YMCA's investments:

	Cost	Unrealized Gain	Unrealized (Loss)	Fair Market Value
As of December 31	2015			
US Government	\$ 5,029	\$ 56	\$ -	\$ 5,085
Corporate Bonds	189,636	-	(2,234)	187,402
Equities	511,900	50,296	(1,672)	560,524
Total	\$ 706,565	\$ 50,352	\$ (3,906)	\$ 753,011
As of December 31	2014			
US Government	\$ 5,029	\$ 289	\$ -	\$ 5,318
Corporate Bonds	234,563	644	(1,506)	233,701
Equities	504,310	108,773	(12,421)	600,662
Total	\$ 743,902	\$ 109,706	\$ (13,927)	\$ 839,681

5. Fair Value Measurements:

The estimated carrying and fair values of the YMCA's financial instruments are as follows:

	Estimated Fair		Estimated Fair	
	Carrying Value	Value	Carrying Value	Value
As of December 31	2015		2014	
US Government	\$ 5,029	\$ 5,085	\$ 5,029	\$ 5,318
Corporate Bonds	189,636	187,402	234,563	233,701
Equities	511,900	560,524	504,310	600,662
Total	\$ 706,565	\$ 753,011	\$ 743,902	\$ 839,681

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.

5. Fair Value Measurements (Continued):

The fair value of equities is based on quoted market rates. The U.S Government and the corporate bonds are valued at the closing price reported on the active market in which the individual securities are traded.

Accounting principles generally accepted in the United States of America establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the hierarchy are described below:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of the future fair values. Furthermore, while the YMCA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy:

As of December 31	2015			
	Total	Level 1	Level 2	Level 3
US Government	\$ 5,085	\$ 5,085	\$ -	\$ -
Corporate Bonds	187,402	187,402	-	-
Equities	560,524	560,524	-	-
Total	\$ 753,011	\$ 753,011	\$ -	\$ -

As of December 31	2014			
	Total	Level 1	Level 2	Level 3
US Government	\$ 5,318	\$ 5,318	\$ -	\$ -
Corporate Bonds	233,701	233,701	-	-
Equities	600,662	600,662	-	-
Total	\$ 839,681	\$ 839,681	\$ -	\$ -

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND
NORTHERN WESTCHESTER, N.Y., INC.**

6. Property and Equipment:

Property and equipment consisted of the following:

As of December 31	2015	2014
Land	\$ 544,996	\$ 544,996
Buildings and Improvements	12,135,823	11,946,636
Furniture and Fixtures	1,435,071	1,317,164
Computer System	141,788	141,788
Vehicles	193,721	193,721
Construction in Process	17,109	150,033
	14,468,508	14,294,338
Less Accumulated Depreciation	9,859,224	9,276,003
	\$ 4,609,284	\$ 5,018,335

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

7. Debt Financing Costs:

Capitalized debt financing costs consisted of the following:

	Cost Basis	Accumulated Amortization	Net Intangible Amount
As of December 31		2015	
Capitalized Closing Costs	\$ 73,427	\$ 39,422	\$ 34,005
Capitalized Bond Closing Costs	137,411	95,958	41,453
	\$ 210,838	\$ 135,380	\$ 75,458
As of December 31		2014	
Capitalized Closing Costs	\$ 43,455	\$ 38,689	\$ 4,766
Capitalized Bond Closing Costs	137,411	92,504	44,907
	\$ 180,866	\$ 131,193	\$ 49,673

Total amortization expense was \$4,187 and \$4,188 for the years ended December 31, 2015 and 2014 respectively.

Estimated aggregate amortization will be expensed in future budgets as follows:

2016	\$ 5,187
2017	5,387
2018	5,387
2019	5,387
2020	5,387
Thereafter	48,723
	<u>\$ 75,458</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.

8. Short –Term Borrowing:

Short term borrowings consisted of the following:

	Authorized	Outstanding
As of December 31	2015	
Line of Credit with JP Morgan Chase Bank with interest at adjusted libor rate (5.74%)	\$ 300,000	\$ 300,000
As of December 31	2014	
Line of Credit with JP Morgan Chase Bank with interest at prime rate plus one percent (4.25%)	\$ 450,000	\$ 450,000

9. Note Payable:

Notes payable consisted of the following as of December 31:

As of December 31	2015	2014
Unsecured note payable with monthly installments of \$659.89 at zero interest through February 2024.	\$ 64,441	\$ 72,360
	64,441	72,360
Less: Current Maturities	7,919	7,919
Long-Term Portion	\$ 56,522	\$ 64,441

Aggregate maturities required on long-term debt at December 31, 2015 are due in future years as follows:

2016	\$ 7,919
2017	7,919
2018	7,919
2019	7,919
2020	7,919
Thereafter	24,846
	<u>\$ 64,441</u>

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, requiring monthly payments which increase annually, 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 5.44% to 4.84%. Principal payments on the Series 2007A bond commenced January 4, 2013 and end on October 31, 2026. The principal balance outstanding on the Series 2007A bonds at December 31, 2015 was \$3,072,610. The 2007B bond was paid in full in December 2012.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND
NORTHERN WESTCHESTER, N.Y., INC.**

10. Bonds Payable (Continued):

The bond agreement contains a debt service ratio covenant. The YMCA was in compliance with the covenant as of December 31, 2015.

Principal payments on the bonds at December 31, 2015 are payable as follows:

2016	\$	175,865
2017		192,874
2018		211,009
2019		230,336
2020		272,838
Thereafter		1,989,688
		\$ 3,072,610

11. Capital Lease Obligation:

The YMCA entered into several capital lease agreements to finance the purchase of equipment. Leased equipment in the amount of \$132,381 is included in property and equipment on the statement of financial position. Depreciation of the leased assets is included in depreciation expense. The capital leases are all non-interest bearing.

Future lease payments at December 31, 2015 are due as follows:

2016	\$	22,035
		\$ 22,035

12. Accrued Expenses:

Accrued expenses consisted of the following:

As of December 31	2015	2014
Accrued Payroll	\$ 66,973	\$ 54,287
Accrued Expenses - Other	37,962	21,715
	\$ 104,935	\$ 76,002

13. 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. This plan is unfunded.

	2015	2014
Projected Benefit Obligation	\$ 536,404	\$ 597,668
Fair Value of Plan Assets	-	-
Funded Status	\$ (536,404)	\$ (597,668)
Accrued Cost Recognized in Statement of Financial Position	\$ 536,404	\$ 597,668
Net Postretirement Benefit Cost Recognized in the Statement of Activities	\$ 38,319	\$ 37,780
Amortization of Amounts Previously Not Recognized as a Component of Net Periodic Cost	\$ 12,041	\$ 12,041
Benefits Paid During the Year	\$ 40,838	\$ 38,803

Employer contributions expected to be paid during 2016 approximate \$44,000.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND
NORTHERN WESTCHESTER, N.Y., INC.**

13. Postretirement Benefit Plan (Continued):

The table below reflects the amounts recognized within unrestricted net assets arising from the Plan at December 31, 2015 and 2014 that have not yet been recognized in the net periodic benefit cost. \$13,200 is expected to be recognized in net periodic benefit cost during 2016.

As of December 31	2015	2014
Unrecognized Prior Service Cost Gain (Loss)	\$ 13,200	\$ 16,000
Actuarial Loss	(75,209)	(121,913)
	\$ (62,009)	\$ (105,913)

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

	Benefit Obligation		Periodic Benefit Cost	
	2015	2014	2015	2014
Discount Rate	3.95%	3.95%	3.95%	3.95%
Rate of Health Care Cost Increase	10.00%	10.00%	10.00%	10.00%

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

2016	\$ 44,000
2017	29,000
2018	31,000
2019	32,000
2020	33,000
2021 to 2025	170,000

The following are health care cost trend rate assumptions:

As of December 31	2015	2014
Health Care Cost Trend Rate Assumed for the following year	10%	10%
Rate to which the Cost Trend Rate is Assumed To Decline (the Ultimate Trend Rate)	5%	5%
Year that the Rate Reaches the Ultimate Trend Rate	2022	2021

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 2015:

	1% Point Increase	1% Point Decrease
Total of Service and Interest Cost Components Increase/(Decrease)	\$ 2,664	\$ (2,275)
Postretirement Benefit Obligation Increase/(Decrease)	\$ 67,444	\$ (57,589)

**YOUNG MEN’S CHRISTIAN ASSOCIATION OF CENTRAL AND
NORTHERN WESTCHESTER, N.Y., INC.**

14. Temporarily Restricted Net Assets:

Temporarily restricted net assets were available for the following purposes as of December 31:

2015 Program/Purpose	Balance December 31, 2014	Additions	Expended and Released	Balance December 31, 2015
Support Services	\$ 101,807	\$ 230,087	\$ (250,468)	\$ 81,426

2014 Program/Purpose	Balance December 31, 2013	Additions	Expended and Released	Balance December 31, 2014
Support Services	\$ -	\$ 230,862	\$ (129,055)	\$ 101,807

15. Insurance Proceeds:

The YMCA received insurance proceeds of \$8,507 during the year ended December 31, 2014. During 2013, there was a fire at the YMCA that damaged the third floor of the White Plains Branch. Expenses incurred as a result of the fire totaled \$483,601. Improvements that were capitalized as a result of the fire totaled \$414,959.

16. Retirement Plan:

The YMCA National maintains a defined benefit 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 available to all eligible employees of the YMCA who qualify under the Retirement Plan’s participation requirements. YMCA contributions recorded in the statement of activities were \$104,701 and \$147,268 for the years ended December 31, 2015 and 2014, respectively.

17. Lease Commitments:

The YMCA leases equipment and space under operating lease agreements. Future commitments under these operating leases are due as follows:

2016	\$ 96,650
2017	52,285
2018	28,771
2019	13,039
Total	\$ 190,745

For the leases mentioned above, the total rental expense for the years ended December 31, 2015 and 2014 was approximately \$163,595 and \$117,552, respectively.

18. Related Party Transaction:

The YMCA is affiliated with the National Organization, the YMCA of the USA, but is governed by its own Board of Governors. The YMCA pays monthly fees to the National YMCA based on a percentage of their revenue. In 2015 and 2014, these fees totaled \$109,532 and \$96,912, respectively.

19. Subsequent Event:

In January 2016, the YMCA closed on a 10 year, interest rate swap, \$4,500,000 mortgage loan and \$500,000 line of credit with a financial institution. The mortgage loan requires monthly payments of principal and interest at a variable rate of interest of LIBOR plus 1.50%. The proceeds from this mortgage were used to pay off the YMCA’s bond payable.

20. Reclassification of Amounts:

Certain amounts for the year ended December 31, 2014 have been reclassified to conform with the presentation of amounts for the year ended December 31, 2015. There is no effect on the 2014 results from operations.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND
NORTHERN WESTCHESTER, N.Y., INC.**

SCHEDULE 1 - FUNCTIONAL EXPENSES

Years Ended December	Program Services							2015 Total	2014 Total
	Program Activities	Resident Services	Health Enhancement	Camp Activities	Total	Management and General	Fundraising		
Salaries	\$ 1,669,149	\$ 168,672	\$ 569,267	\$ 688,744	\$ 3,095,832	\$ 326,802	\$ 91,364	\$ 3,513,998	\$ 3,719,519
Employee Benefits	263,756	26,653	89,955	108,833	489,197	51,641	14,437	555,275	636,352
Payroll Taxes	119,365	12,062	40,710	49,253	221,390	23,370	6,534	251,294	263,345
Total Salaries and Related Expenses	2,052,270	207,387	699,932	846,830	3,806,419	401,813	112,335	4,320,567	4,619,216
Professional Fees	183,904	18,584	62,721	75,885	341,094	36,007	10,066	387,167	224,165
Supplies	174,567	17,640	59,537	72,033	323,777	34,178	9,555	367,510	319,572
Telephone	15,485	1,565	5,281	6,388	28,719	3,032	848	32,599	36,437
Postage	8,899	899	3,035	3,672	16,505	1,747	487	18,739	13,767
Buildings and Grounds	301,280	56,641	110,871	133,767	602,559	-	-	602,559	494,913
Equipment Expenses	78,063	7,889	26,624	32,211	144,787	15,284	4,273	164,344	179,708
Occupancy	260,777	26,352	88,939	107,605	483,673	51,057	14,274	549,004	600,023
Printing and Advertising	27,427	2,772	9,354	11,318	50,871	5,370	1,501	57,742	103,332
Travel & Related Costs	83,380	8,426	28,437	34,404	154,647	16,325	4,564	175,536	187,986
Conferences & Training	12,167	1,229	4,149	5,021	22,566	2,382	666	25,614	23,291
National Dues	52,028	5,258	17,744	21,468	96,498	10,186	2,848	109,532	96,912
Insurance	114,151	11,092	37,434	45,290	207,967	23,108	-	231,075	177,092
Bad Debt Expense	(13,866)	-	-	-	(13,866)	-	-	(13,866)	19,565
Total Expenses Before Depreciation/ Amortization and Interest	3,350,532	365,734	1,154,058	1,395,892	6,266,216	600,489	161,417	7,028,122	7,095,979
Depreciation and Amortization	291,968	28,369	95,747	115,841	531,925	59,103	-	591,028	578,139
Interest	79,561	7,731	26,091	31,566	144,949	16,105	-	161,054	186,940
Total Expenses	\$ 3,722,061	\$ 401,834	\$ 1,275,896	\$ 1,543,299	\$ 6,943,090	\$ 675,697	\$ 161,417	\$ 7,780,204	\$ 7,861,058

See Independent Auditor's Report