

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY

Financial Statements

Years ended December 31, 2012 and 2011
(With Independent Auditors' Report Thereon)

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YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Financial Statements

Years ended December 31, 2012 and 2011

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Board of Directors
Young Men's Christian Association of Orange County
Tustin, California

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the Young Men's Christian Association of Orange County (a nonprofit organization), which comprise the statements 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 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 Orange County as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of revenue and expenses 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2013 on our consideration of the Young Men's Christian Association of Orange County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Young Men's Christian Association of Orange County's internal control over financial reporting and compliance.

Mayer Hoffman McCann P.C.

Irvine, California
May 17, 2013

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Statements of Financial Position

December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 6,970,980	6,825,200
Receivables:		
Accounts, net of allowance of \$33,700 and \$18,138 (note 3)	431,598	567,074
Pledges, net of allowance of \$47,611 and \$21,187 (note 8)	13,515	2,429
Deposits	57,059	56,659
Prepaid insurance	104,046	77,668
Other prepaid expenses	324,774	245,850
Total current assets	<u>7,901,972</u>	<u>7,774,880</u>
Loan receivable, net of allowance of \$150,197 and \$0 (note 7)	150,197	-
Other land	149,863	149,863
Property and equipment, net (note 4)	<u>13,699,906</u>	<u>14,383,934</u>
Total assets	<u>\$ 21,901,938</u>	<u>22,308,677</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 595,640	524,914
Accrued payroll and employee benefits	1,306,064	1,368,714
Deposits payable (note 16)	730,688	746,675
Membership dues received in advance	3,755	51,666
Program fees received in advance	627,844	1,504,914
Deferred Santa Ana Project funding, current portion (note 4)	250,000	250,000
Note payable, current portion (note 5)	122,675	118,261
Custodial funds payable (note 17)	6,378	58,081
Total current liabilities	<u>3,643,044</u>	<u>4,623,225</u>
Long-term liabilities:		
Self insurance liability (note 14)	54,000	172,622
Interest rate swap liability (note 6)	65,920	37,515
Note payable, less current portion (note 5)	2,030,137	2,152,447
Deferred Santa Ana Project funding, less current portion (note 4)	<u>1,750,000</u>	<u>2,000,000</u>
Total long-term liabilities	<u>3,900,057</u>	<u>4,362,584</u>
Total liabilities	<u>7,543,101</u>	<u>8,985,809</u>
Net assets (note 10):		
Unrestricted net assets	14,113,307	13,023,899
Temporarily restricted	155,530	208,969
Permanently restricted	<u>90,000</u>	<u>90,000</u>
Total net assets	<u>14,358,837</u>	<u>13,322,868</u>
Total liabilities and net assets	<u>\$ 21,901,938</u>	<u>22,308,677</u>

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Statement of Activities

Year ended December 31, 2012

	Total	Unrestricted	Temporarily Restricted	Permanently Restricted
<u>Operations</u>				
Support, revenue and gains:				
Fundraising support:				
Contributions (cash)	\$ 835,840	765,000	70,840	-
Contributions (in-kind)	18,933	18,933	-	-
Special events - net of direct costs	219,666	178,516	41,150	-
Total fundraising support	1,074,439	962,449	111,990	-
Program revenue:				
Child care fees	15,094,831	15,094,831	-	-
Membership fees	5,087,345	5,087,345	-	-
Health and fitness fees	2,110,480	2,110,480	-	-
Adventure Guides fees	1,679,994	1,679,994	-	-
Government assistance	1,159,457	1,159,457	-	-
Use of facilities/land	1,013,000	1,013,000	-	-
Camp fees	607,200	607,200	-	-
Community programs fees	985,236	985,236	-	-
Facility fees	302,815	302,815	-	-
Total program revenue	28,040,358	28,040,358	-	-
Other income	84,651	84,651	-	-
Net assets released from restrictions	-	165,429	(165,429)	-
Total support, revenue and gains	29,199,448	29,252,887	(53,439)	-
Operating expense:				
Program expenses:				
Child care	11,710,897	11,710,897	-	-
Health & fitness	8,394,794	8,394,794	-	-
Adventure Guides	1,701,245	1,701,245	-	-
Camping	286,735	286,735	-	-
Other community services	1,902,127	1,902,127	-	-
Total program expenses	23,995,798	23,995,798	-	-
Supporting services:				
Administration and general costs	3,805,493	3,805,493	-	-
Fundraising	350,491	350,491	-	-
Total supporting services	4,155,984	4,155,984	-	-
Total expenses	28,151,782	28,151,782	-	-
Operating margin	1,047,666	1,101,105	(53,439)	-
<u>Capital campaign, endowment & other</u>				
Capital campaign - net	10,600	10,600	-	-
Investment income	3,654	3,654	-	-
Increase (decrease) in fair value of interest rate swap	(28,405)	(28,405)	-	-
Disposal of capital assets	2,454	2,454	-	-
Capital campaign, endowment & other - net	(11,697)	(11,697)	-	-
Increase (decrease) in net assets	1,035,969	1,089,408	(53,439)	-
Net assets at beginning of year	13,322,868	13,023,899	208,969	90,000
Net assets at end of year	\$ 14,358,837	14,113,307	155,530	90,000

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Statement of Activities

Year ended December 31, 2011

	Total	Unrestricted	Temporarily Restricted	Permanently Restricted
<u>Operations</u>				
Support, revenue and gains:				
Fundraising support:				
Contributions (cash)	\$ 1,587,649	1,473,662	113,987	-
Contributions (in-kind)	54,726	54,726	-	-
Special events - net of direct costs	203,730	152,230	51,500	-
Total fundraising support	1,846,105	1,680,618	165,487	-
Program revenue:				
Child care fees	13,964,889	13,964,889	-	-
Membership fees	4,958,387	4,958,387	-	-
Health and fitness fees	1,645,181	1,645,181	-	-
Adventure Guides fees	1,765,592	1,765,592	-	-
Government assistance	1,522,159	1,522,159	-	-
Use of facilities/land	907,100	907,100	-	-
Camp fees	600,155	600,155	-	-
Community programs fees	1,006,445	1,006,445	-	-
Facility fees	274,629	274,629	-	-
Total program revenue	26,644,537	26,644,537	-	-
Other income	165,626	165,626	-	-
Net assets released from restrictions	-	25,227	(25,227)	-
Total support, revenue and gains	28,656,268	28,516,008	140,260	-
Operating expense:				
Program expenses:				
Child care	11,466,978	11,466,978	-	-
Health & fitness	7,779,248	7,779,248	-	-
Adventure Guides	1,734,145	1,734,145	-	-
Camping	330,133	330,133	-	-
Other community services	2,222,145	2,222,145	-	-
Total program expenses	23,532,649	23,532,649	-	-
Supporting services:				
Administration and general costs	3,238,168	3,238,168	-	-
Fundraising	330,622	330,622	-	-
Total supporting services	3,568,790	3,568,790	-	-
Total expenses	27,101,439	27,101,439	-	-
Operating margin	1,554,829	1,414,569	140,260	-
<u>Capital campaign, endowment & other</u>				
Capital campaign - net	(36,507)	(36,507)	-	-
Investment income	4,929	4,929	-	-
Increase (decrease) in fair value of interest rate swap	(37,515)	(37,515)	-	-
Disposal of capital assets	(117,011)	(117,011)	-	-
Capital campaign, endowment & other - net	(186,104)	(186,104)	-	-
Increase (decrease) in net assets	1,368,725	1,228,465	140,260	-
Net assets at beginning of year	11,954,143	11,795,434	68,709	90,000
Net assets at end of year	\$ 13,322,868	13,023,899	208,969	90,000

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Statement of Functional Expenses

Year ended December 31, 2012

	Program Services					Subtotal
	Child Care	Health and Fitness	Adventure Guides Activities	Camping	Other Community Services	
Salaries and wages	\$ 6,759,146	3,901,694	196,525	56,805	1,207,395	12,121,565
Employee benefits	1,027,293	313,397	32,700	5,971	103,689	1,483,050
Payroll taxes	619,760	357,455	17,807	5,188	110,895	1,111,105
Professional fees	5,848	2,679	22	7	17	8,573
Supplies	112,362	104,244	2,744	970	8,126	228,446
Telephone	175,933	63,423	13,551	1,854	23,331	278,092
Postage	9,558	5,871	1,031	173	1,176	17,809
Occupancy	795,189	1,700,784	87,029	13,834	54,946	2,651,782
Depreciation	255,832	947,090	144	24	9,771	1,212,861
Equipment	51,533	131,014	3,759	624	4,223	191,153
Printing and promotion	206,108	89,522	7,109	3,645	7,673	314,057
Fundraising campaign	-	-	-	-	-	-
Employee and travel expense	32,107	7,871	6,477	938	10,698	58,091
Meetings, training, and conferences	83,872	45,107	10,007	1,849	15,874	156,709
Program costs	1,037,176	434,447	1,251,544	176,628	274,298	3,174,093
Vehicle expense	179,609	1	8,820	10,585	36,849	235,864
Administrative expenses	149,844	148,914	33,736	2,257	-	334,751
Fair share	158,530	78,427	6,057	2,753	16,593	262,360
Recruitment and relocation	23,713	13,309	140	1,649	13,633	52,444
Bad debt expense	27,484	49,545	22,043	981	2,940	102,993
Interest	-	-	-	-	-	-
Total expenses	<u>\$ 11,710,897</u>	<u>8,394,794</u>	<u>1,701,245</u>	<u>286,735</u>	<u>1,902,127</u>	23,995,798
Fundraising expenses netted with capital campaign						-
Fundraising expenses for the Statement of Activities						<u>\$ 23,995,798</u>

See accompanying notes to financial statements.

Supporting Services

<u>Administrative and General</u>	<u>Fundraising</u>	<u>Subtotal</u>	<u>Total</u>
1,751,630	185,130	1,936,760	14,058,325
204,867	27,462	232,329	1,715,379
140,646	15,449	156,095	1,267,200
687,254	10,296	697,550	706,123
33,749	5,820	39,569	268,015
19,402	1,710	21,112	299,204
10,328	180	10,508	28,317
220,586	236	220,822	2,872,604
253,892	8	253,900	1,466,761
24,814	220	25,034	216,187
3,098	3,971	7,069	321,126
-	66,355	66,355	66,355
7,620	493	8,113	66,204
92,986	17,109	110,095	266,804
56,147	1,935	58,082	3,232,175
14,126	-	14,126	249,990
26,611	1,802	28,413	363,164
-	12,261	12,261	274,621
25,527	-	25,527	77,971
150,197	-	150,197	253,190
82,013	-	82,013	82,013
3,805,493	350,437	4,155,930	28,151,728
-	54	54	54
3,805,493	350,491	4,155,984	28,151,782

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Statement of Functional Expenses

Year ended December 31, 2011

	Program Services					Subtotal
	Child Care	Health and Fitness	Adventure Guides Activities	Camping	Other Community Services	
Salaries and wages	\$ 6,700,072	3,650,172	205,716	81,949	1,344,722	11,982,631
Employee benefits	954,586	305,980	33,904	6,938	114,050	1,415,458
Payroll taxes	561,816	310,368	17,513	6,836	122,093	1,018,626
Professional fees	59,100	5,189	836	247	4,285	69,657
Supplies	118,545	114,014	3,980	700	9,927	247,166
Telephone	158,582	53,417	11,149	1,804	29,385	254,337
Postage	12,103	6,204	1,213	233	2,044	21,797
Occupancy	792,808	1,687,344	93,759	16,118	81,740	2,671,769
Depreciation	244,202	840,768	518	95	19,516	1,105,099
Equipment	53,274	43,306	5,202	972	8,058	110,812
Printing and promotion	206,459	84,071	10,131	8,278	9,488	318,427
Fundraising campaign	-	-	-	-	-	-
Employee and travel expense	42,009	7,486	6,141	775	7,604	64,015
Meetings, training, and conferences	102,828	48,652	10,861	1,914	32,069	196,324
Program costs	990,001	357,329	1,264,101	173,818	368,347	3,153,596
Vehicle expense	139,518	84	20,525	22,725	37,730	220,582
Administrative expenses	165,232	133,348	40,155	2,096	3,591	344,422
Fair share	147,767	68,537	5,616	2,764	13,938	238,622
Recruitment and relocation	28,383	11,357	139	1,742	13,287	54,908
Bad debt expense	(10,307)	51,622	2,686	129	271	44,401
Interest	-	-	-	-	-	-
Total expenses	<u>\$ 11,466,978</u>	<u>7,779,248</u>	<u>1,734,145</u>	<u>330,133</u>	<u>2,222,145</u>	23,532,649
Fundraising expenses netted with capital campaign						-
Fundraising expenses for the Statement of Activities						<u>\$ 23,532,649</u>

See accompanying notes to financial statements.

Supporting Services

<u>Administrative and General</u>	<u>Fundraising</u>	<u>Subtotal</u>	<u>Total</u>
1,625,191	197,990	1,823,181	13,805,812
244,761	24,942	269,703	1,685,161
121,171	16,679	137,850	1,156,476
329,543	449	329,992	399,649
49,117	1,032	50,149	297,315
25,255	1,979	27,234	281,571
8,797	423	9,220	31,017
223,340	409	223,749	2,895,518
235,415	38	235,453	1,340,552
27,964	381	28,345	139,157
5,310	2,256	7,566	325,993
-	47,370	47,370	47,370
2,267	864	3,131	67,146
55,063	40,893	95,956	292,280
80,559	77	80,636	3,234,232
16,840	-	16,840	237,422
27,236	2,293	29,529	373,951
-	5,305	5,305	243,927
18,939	71	19,010	73,918
-	26,424	26,424	70,825
<u>141,400</u>	<u>-</u>	<u>141,400</u>	<u>141,400</u>
3,238,168	369,875	3,608,043	27,140,692
<u>-</u>	<u>(39,253)</u>	<u>(39,253)</u>	<u>(39,253)</u>
<u>3,238,168</u>	<u>330,622</u>	<u>3,568,790</u>	<u>27,101,439</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Statements of Cash Flows

Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from services	\$ 25,009,004	24,310,915
Contributions received	1,055,020	1,795,246
Grants received	897,316	2,209,570
Interest received	3,654	4,929
Cash paid to employees for services	(15,836,354)	(15,354,872)
Cash paid to suppliers of goods and services	<u>(10,084,685)</u>	<u>(10,028,762)</u>
Net cash provided by operating activities	<u>1,043,955</u>	<u>2,937,026</u>
Cash flows from investing activities:		
Cash paid to acquire fixed assets	(796,780)	(1,516,250)
Proceeds from disposal of fixed assets	<u>16,501</u>	<u>81,698</u>
Net cash used for investing activities	<u>(780,279)</u>	<u>(1,434,552)</u>
Cash flows from financing activities:		
Principal payment on notes	(117,896)	(2,644,732)
Proceeds from long term notes	<u>-</u>	<u>2,300,000</u>
Net cash provided used for financing activities	<u>(117,896)</u>	<u>(344,732)</u>
Cu: Net increase in cash	145,780	1,157,742
Cash and cash equivalents at beginning of year	<u>6,825,200</u>	<u>5,667,458</u>
Cash and cash equivalents at end of year	<u>\$ 6,970,980</u>	<u>6,825,200</u>
Reconciliation of operating income to net cash provided by operating activities:		
Increase in net assets	\$ 1,035,969	1,368,725
Depreciation	1,466,761	1,340,552
Loss on sale of property and equipment	(2,454)	117,011
Decrease on fair value of interest rate swap	28,405	37,515
Changes in working capital:		
Accounts receivable	135,476	151,266
Pledges receivable	(11,086)	40,374
Loan receivable	(150,197)	-
Santa Ana Project funding receivable	-	925,455
Deposits	(400)	11,638
Prepaid insurance	(26,378)	(12,120)
Other prepaid expenses	(78,924)	(47,025)
Accounts payable	70,726	(717,186)
Accrued payroll and employee benefits	(62,650)	136,101
Deposits payable	(15,987)	(28,689)
Membership dues received in advance	(47,911)	(75,810)
Program fees received in advance	(877,070)	(104,800)
Deferred Santa Ana project funding	(250,000)	(250,000)
Custodial funds payable	(51,703)	34,373
Self insurance liability	<u>(118,622)</u>	<u>9,646</u>
Net cash provided by operating activities	<u>\$ 1,043,955</u>	<u>2,937,026</u>
Supplemental Disclosures:		
Interest paid	<u>\$ 82,013</u>	<u>141,400</u>
Non-cash investing and financing activities for the years ended December 31, 2012 and 2011:		
Decrease in fair value of interest rate swap	<u>\$ 28,405</u>	<u>37,515</u>

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

Years ended December 31, 2012 and 2011

(1) Summary of Significant Accounting Policies

(a) Organization

The Young Men's Christian Association of Orange County (the YMCA or Y) is a charitable organization which puts Christian principles into practice through programs that build spirit, mind, and body for all. The Y has been active in Orange County since 1922 and consists of nine operating branches located throughout Orange County. The Y provides programs that incorporate our core values of honesty, caring, respect and responsibility. At the Y, strengthening community is our cause. Every day we work side-by-side with our neighbors to make sure that everyone, regardless of age, income or background, has the opportunity to learn, grow and thrive. Our vision is to improve lives and strengthen character by fostering youth and family development, healthy living and social responsibility driven by passionate staff and volunteers.

The Y provides service for the following program areas:

- Child Care: With so many demands on today's families, parents need all the support they can get. That's why child care at the Y is about more than looking after kids. It's about nurturing their development by providing a safe place to learn foundational skills, develop healthy, trusting relationships and build self-reliance through the Y values of caring, honesty, respect and responsibility. We believe the values and skills learned early on are vital building blocks for quality of life. Because of the Y community, kids in neighborhoods around the nation are taking more interest in learning and making smarter life choices. At the Y, kids learn character which shapes responsible decisions, the value of social responsibility and the gift of giving back, good sportsmanship and, most importantly, they learn to be themselves. We believe that all kids deserve the opportunity to discover who they are and what they can achieve. That's why, through the Y, millions of youth today are cultivating the values, skills and relationships that lead to positive behaviors, better health and educational achievement.
- Health and Fitness: The Y provides health and wellness programming to youth and adults to increase the positive impact on the health of children and families in Orange County through programs and partnerships which promote healthier decisions and provide opportunities to get involved, give back and get connected. Being healthy means more than simply being physically active. It's about maintaining a balanced spirit, mind and body. The Y is a place where everyone can work toward that balance by challenging themselves to learn a new skill or hobby, fostering connections with friends through our lifelong learning programs, or bringing your loved ones closer together through our many family-centered activities. At the Y, it's not about the activity as much as it is about the benefits of living healthier.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(a) Organization, (Continued)

- Adventure Guides Activities: The Y provides Adventure Guides participants with a family oriented program providing an opportunity for parents and children to spend quality one-on-one time together to help strengthen the family relationships and create memories that will last a lifetime. The Y's core values provide direction as parents guide children on their journey. Along the way adults model, teach and demonstrate these values as well as give children many opportunities to practice and celebrate with them. Initially, these four values provide guidance in helping children select activities, make decisions, and choose appropriate courses of action both in the program and in their lives.
- Camping: Y camps have a rich tradition dating back to as early as 1909. The Y offers both residential and day camps that are designed to have kids learn to appreciate and respect nature and each other. We nurture character development through the Ys core values of caring, honesty, respect and responsibility. Y camping programs are educational and experiential; they promote cognitive development, physical well-being, social growth, character development, leadership skills, and a respect for the environment. Through a variety of engaging activities and the use of natural surroundings, YMCA camping programs encourage participants to explore and develop their interests and abilities in a safe and nurturing environment.
- Other Community Services: Y youth and teen programs give kids good role models to help them develop self-esteem and good values, including cooperation, respect for the body, good citizenship, and a strong work ethic. Teen activities are among the most rapidly growing Y programs, reflecting the growing awareness that adolescents need structure and activities, especially in the after-school hours.

The Y provides a variety of programs including individual family counseling, mentoring, tutoring, programs targeted towards high-risk youth, developmentally disabled adults, fragile families in crisis, and other programs targeted to at-risk populations. We also provide unique styles of programming to impact the growing epidemic of youth obesity through school based fitness and nutrition programs.

- Other Community Services: The Y provides a multitude of community service programs providing safe and structured activities within a variety of programs targeted towards high risk youth, fragile families in crisis, and other programs targeted to at-risk populations. The Y provides essential support for the most overlooked members of our community, delivering unique programs and services to youth and adults with developmental disabilities and foster care youth and families. We enhance the lives of youth, their families and provide enrichment to the community.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Basis of Accounting

The financial statements of the YMCA have been prepared on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

(c) Financial Statement Presentation

The YMCA's accounting and reporting policies comply with the accounting and reporting provisions of the American Institute of Certified Public Accountants *Audit and Accounting Guide for Not for Profit Organizations*.

(d) Income Taxes

The YMCA is a tax-exempt organization ("other than a private foundation") under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

(e) Cash and Cash Equivalents

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

(f) Donated Materials, Services and Facilities

Donated materials and other noncash contributions, if received, would be reflected in the accompanying statements at their estimated market values at date of receipt. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements as there is no objective basis of deriving their value. A large number of volunteers donate their time as officers and directors of the YMCA and as volunteers in programs and at fundraising events. These volunteer services received by the YMCA did not meet the above criteria and therefore are not reflected in the accompanying financial statements.

Donated services in the amounts of \$5,280 and \$30,000 were recorded during the years ended December 31, 2012 and 2011, respectively. Donated computer equipment and software in the amounts of \$0 and \$24,726 were recorded during the years ended December 31, 2012 and 2011, respectively. Other donated items in the amount of \$18,933 was recorded for the year ended December 31, 2012.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(f) Donated Materials, Services and Facilities, (Continued)

Use of facilities/land received during the years ended December 31, 2012 and December 31, 2011 included: 3.57 acres of land from the United States of America – Department of the Army, 20,455 square feet of building and 23,655 square feet of land from the City of Laguna Niguel. In addition, the YMCA occupies 4 acres of land, as well as 27,327 square feet of building donated by the City of Mission Viejo. Use of facilities/land is considered an exchange transaction and recorded as revenue and “occupancy” expenses in the accompanying financial statements at their estimated fair market value. The YMCA recognized \$1,013,000 and \$907,100 for the use of these facilities for the years ended December 31, 2012 and December 31, 2011, respectively. For 2012 and 2011, the YMCA determined the value of the facilities by focusing on zoning restrictions for these specific properties, using a specific property appraisal, and breaking down the various cost components of the buildings.

(g) Accrued Vacation

As of December 31, 2012 and 2011, the accrued vacation liability was \$436,104 and \$388,746, respectively, and is included as a component of accrued payroll and employee benefits in the accompanying financial statements.

(h) Property and Equipment

Items costing a nominal amount and repairs and maintenance are charged to expense as incurred, except expenses that materially extend asset lives, which are capitalized. Purchased fixed assets are capitalized at historical cost. Management has reviewed the depreciable lives of property and equipment and has no noted indications of impairment.

Donated property and equipment are recorded as support at their estimated fair value at the date of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the YMCA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The YMCA reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment other than land are depreciated over their estimated useful lives using the straight-line method.

The YMCA owns certain land in Huntington Beach that was originally purchased in order to build a facility for YMCA programs on the land. Due to zoning restrictions, it became difficult to build the facilities originally intended, so the YMCA may sell the land. The land has been presented as Other Land on the Statement of Financial Position.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(i) Restricted and Unrestricted Revenue and Support

The YMCA records contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

(j) Expense Allocation

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

(k) Estimates

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(l) Fair Value Measurements

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

(m) Subsequent Events

Subsequent events have been evaluated by management through May 17, 2013, which is the date the financial statements were available to be issued.

(n) Operations

For purposes of the accompanying statement of activities, the terms *operations* and *operating margin* are used to report the on-going activities of the YMCA exclusive of certain other items such as capital campaign activities, endowment activities, investment activities, and changes in donor conditions.

(2) Cash and Cash Equivalents

Cash and cash equivalents consist of the following as of December 31:

	<u>2012</u>	<u>2011</u>
Petty cash	\$ 3,550	3,950
Demand deposits	3,188,130	3,036,782
Money market accounts	<u>3,779,300</u>	<u>3,784,468</u>
Total cash and cash equivalents	<u>\$6,970,980</u>	<u>6,825,200</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(2) Cash and Cash Equivalents, (Continued)

The YMCA has deposits with banks in excess of federally insured limits of \$3,067,333 and \$3,073,200 at December 31, 2012 and 2011, respectively. Deposits at federally insured institutions are insured up to at least \$250,000 per depositor through December 31, 2013, while all noninterest-bearing transaction accounts are fully insured through December 31, 2012.

Included in cash are certain funds that are restricted for long-term purposes, including the endowment fund balance, the CalOptima deposits, and funds for capital projects. Restricted balances were \$873,494 and \$881,592 at December 31, 2012 and 2011, respectively.

The YMCA's money market accounts are considered Level 1 fair value measurements for the years ended December 31, 2012 and 2011.

(3) Accounts Receivable, Net

Net accounts receivable is comprised of the following at December 31:

	<u>2012</u>	<u>2011</u>
Grants (Government/Foundation) Program	\$ 235,313	373,369
Other	182,120	176,929
	<u>14,165</u>	<u>16,776</u>
Total	<u>\$ 431,598</u>	<u>567,074</u>

(4) Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2012</u>	<u>2011</u>
Land	\$ 3,377,403	3,377,403
Buildings and improvements	15,869,507	15,731,452
Furniture and equipment	5,632,403	5,550,419
Vehicles	<u>183,327</u>	<u>184,220</u>
	25,062,640	24,843,494
Less accumulated depreciation	<u>(11,362,734)</u>	<u>(10,459,560)</u>
Property and equipment, net	<u>\$13,699,906</u>	<u>14,383,934</u>

Depreciation expense for the years ended December 31, 2012 and 2011 was \$1,466,761 and \$1,340,552, respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(4) Property and Equipment, (Continued)

The YMCA completed the Santa Ana project in November 2010. The project included two recreational pools, a soccer arena, sports field, a health and nutrition modular facility and an office modular on the YMCA site along with an Olympic size pool with lockers and shower facilities on the Segerstrom High School campus that is adjacent to the YMCA site. The majority of the project was funded by the Children and Families Commission of Orange County. The grant is considered to be an exchange transaction pursuant to the YMCA contract with the Commission to provide certain community services at the site over a specified ten year period. Accordingly, the Children and Families Commission of Orange County funding is not recognized as revenue upon incurrence of the related construction costs. Funding from the Commission is recorded as deferred revenue to be recognized ratably over the ten year service period stipulated in the contract with the Commission. Revenue recognition commenced January 2011 and continues through December 2020 at a rate of \$250,000 per year. Deferred Santa Ana Project Funding for the years ended December 31, 2012 and 2011 was \$2,000,000 and \$2,250,000, respectively. As of December 31, 2011 the YMCA had collected the entire grant funds.

(5) Note Payable

Note payable consists of the following as of December 31:

	<u>Outstanding Balance</u>	
	<u>2012</u>	<u>2011</u>
The YMCA entered into a \$2,300,000 note with a variable interest rate, payable to Bank of America in monthly principal and interest installments. Refer to Note 6 for interest rate terms. The variable interest rate at December 31, 2011 was 2.545%. Final payment is due September 1, 2016. The purpose of the note was to refinance the previous note with Fullerton Community Bank at a lower interest rate. This note is secured by the North Orange County facility.	\$ 2,152,812	2,270,708
Less current portion	<u>(122,675)</u>	<u>(118,261)</u>
Note payable - long term	<u>\$ 2,030,137</u>	<u>\$2,152,447</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(5) Notes Payable, (Continued)

Future requirements to amortize outstanding notes are as follows:

Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	Hedging <u>Derivatives, Net</u>	<u>Total</u>
2013	\$ 122,675	51,326	24,182	198,183
2014	127,253	48,247	22,732	198,232
2015	132,003	45,054	21,228	198,285
2016	<u>1,770,881</u>	<u>28,202</u>	<u>13,286</u>	<u>1,812,369</u>
	<u>\$ 2,152,812</u>	<u>172,829</u>	<u>81,428</u>	<u>2,407,069</u>

The above table incorporates the net receipts/payments of the hedging derivative instrument that is associated with this debt issue. These amounts assume that current interest rates on variable-rate notes and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate notes and net receipts/payments on the hedging derivative instruments will vary. Refer to Note 6 for additional information regarding the derivative instrument associated with the debt of the YMCA.

(6) Interest Rate Swap Liability

The following table displays the objectives and terms of the YMCA's hedging derivative instrument outstanding at December 31, 2012, along with the credit rating of the associated counterparty.

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty (Bank of America) Credit Rating
Cash flow hedges:						
Pay-fixed interest rate swap	Hedge of changes in cash flows on the outstanding notes payable	\$2,152,447	9/1/2011	9/1/2016	Pay 3.619%; Receive USLIBOR rate plus 2.25%	A

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(6) Interest Rate Swap Liability, (Continued)

The fair value balance and notional amount of derivative instruments outstanding at December 31, classified by type, and the changes in fair value of such derivative instruments for the year then ended December 31, are as follows:

	Changes in Fair Value		Fair Value		Notional
	Classification	Amount	Classification	Amount	
Cash flow hedges:					
Pay-fixed interest rate swaps	Decrease in fair value of interest rate swap for the year ended December 31:		Liability at December 31:		
	2012	\$ (28,405)	2012	\$ (65,920)	\$ 2,152,447
	2011	(37,515)	2011	(37,515)	2,270,708

The YMCA's interest rate swap is considered a Level 2 fair value measurement for the years ended December 31, 2012 and 2011.

(7) Loan receivable

In 2012 the YMCA entered into a loan agreement for \$300,394 with the YMCA of Riverside. The loan is secured by property. Under the terms of the loan the repayment would be through monthly installments of \$5,661 a month for 59 months starting November 2012. The loan includes an interest rate per annum equal to 5%. Subsequent to the date of the loan, the YMCA of Riverside entered into Chapter 7 Bankruptcy proceedings. Management believes they will receive some payment on the loan through the Bankruptcy process. At December 31, 2012 the loan receivable net of the allowance is \$150,197.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(8) Pledges receivable

The pledges receivable listed below are a combination of capital campaign pledges and annual support pledges. Long-term pledges receivable are recorded as contributions based upon the net present value of the expected amounts to be collected. The prime rate in effect at the time the pledges were made was used to determine the present value of such pledges receivable. The following is a schedule of pledges receivable at December 31:

	<u>2012</u>	<u>2011</u>
Annual support pledges:		
Gross pledges due in one year	\$ 15,088	5,040
Less allowance for uncollectibles	<u>(1,573)</u>	<u>(2,611)</u>
Subtotal annual support pledges	<u>13,515</u>	<u>2,249</u>
Capital campaign pledges:		
Gross pledges due in one year	-	45,000
Less allowance for uncollectibles	<u>-</u>	<u>(45,000)</u>
Subtotal capital campaign pledges	<u>-</u>	<u>-</u>
Total pledges receivable	<u>\$ 13,515</u>	<u>2,249</u>

(9) Net Assets Released from Restrictions

	<u>2012</u>	<u>2011</u>
Satisfaction of program restrictions	\$ 124,500	-
Satisfaction of time restrictions	<u>40,929</u>	<u>25,227</u>
Total net assets released from restrictions	<u>\$ 165,429</u>	<u>25,227</u>

(10) Net Assets

Net assets consist of the following at December 31:

	<u>2012</u>	<u>2011</u>
Unrestricted net assets:		
Invested in property and equipment, net of related debt	\$11,696,957	12,263,089
Available for operations	<u>2,416,350</u>	<u>760,810</u>
Total unrestricted net assets	<u>14,113,307</u>	<u>13,023,899</u>
Temporarily restricted net assets:		
Restricted for:		
Subsequent years programs	80,478	168,040
Annual Partners campaign	<u>75,052</u>	<u>40,929</u>
Total temporarily restricted net assets	<u>155,530</u>	<u>208,969</u>
Permanently restricted net assets:		
Restricted for:		
Chick Hearn Foundation Endowment	<u>90,000</u>	<u>90,000</u>
Total permanently restricted net assets	<u>90,000</u>	<u>90,000</u>
Total net assets	<u>\$14,358,837</u>	<u>13,322,868</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(11) Operating Leases

The YMCA leases various facilities and equipment pursuant to lease agreements which expire between 2013 and 2017. The YMCA's facility leases provide for annual escalations, common area maintenance charges and renewal options. The YMCA is liable for insurance for both the facilities and equipment leases. Future minimum payments under noncancelable operating leases with an initial term of one year or more were as follows for the years ending December 31:

	<u>Facility</u>	<u>Equipment</u>	<u>Total</u>
2013	\$ 511,382	190,211	701,593
2014	462,346	189,636	651,982
2015	469,003	97,747	566,750
2016	369,632	65,739	435,371
2017	<u>270,467</u>	<u>20,687</u>	<u>291,154</u>
	<u>\$2,082,830</u>	<u>564,020</u>	<u>2,646,850</u>

Total rental expense for operating leases described above were \$646,303 and \$547,026 for the years ended December 31, 2012 and 2011, respectively.

(12) Related Party Transactions

The YMCA of Orange County is a member association of the National Council of Young Men's Christian Association of the United States of America. The YMCA of Orange County is an independent autonomous organization, recognized as a member, but separate from the National Council. The YMCA of Orange County must meet annual certification requirements to remain a member. Support related to the YMCA of the USA totaled \$274,621 and \$243,927 for the years ended December 2012 and 2011, respectively.

The YMCA participates in a defined contribution, individual account, money purchase, retirement plan which is administered by the Young Men's Christian Association 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 the agreement with the Retirement Fund, contributions are a percentage of the participating employee's qualified compensation, are paid for by the YMCA and are to be remitted to the YMCA Retirement Fund monthly. Total YMCA contributions charged to retirement costs for the years ended December 31, 2012 and 2011 aggregated \$516,878 and \$554,945, respectively. Unpaid contributions were \$60,267 and \$52,787 at December 31, 2012 and 2011, respectively, representing December contributions.

The Young Men's Christian Association Retirement Fund is operated as a church pension plan and is a non-profit, 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 obligation.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(13) Special Events

The YMCA has nine operating branches, each of which organizes its own special event activities, none of which are considered to be major events in relation to the organization as a whole. Special events held by the various branches are classified as follows:

	2012		
	Gross Revenue	Direct Expenses	Net Revenue
Dinners	\$ 227,215	(105,037)	122,178
Golf tournaments	153,741	(72,669)	81,072
5/10K runs	<u>49,844</u>	<u>(33,428)</u>	<u>16,416</u>
Totals	<u>\$ 430,800</u>	<u>(211,134)</u>	<u>219,666</u>
	2011		
	Gross Revenue	Direct Expenses	Net Revenue
Dinners	\$ 144,998	(32,334)	112,664
Golf tournaments	124,446	(48,463)	75,983
5/10K runs	<u>41,400</u>	<u>(26,317)</u>	<u>15,083</u>
Totals	<u>\$ 310,844</u>	<u>(107,114)</u>	<u>203,730</u>

(14) Self Insurance Liability

The general liability and directors, officers, and trustees liability insurance policies obtained by the YMCA each include a self-insured retention component. The self-insured limit for the general liability insurance has been established at \$25,000 for each claim with no annual aggregate limit. The self-insured limit for the directors, officers and trustees liability insurance has been established at \$100,000 for each claim with no annual aggregate limit.

The YMCA has established a claims liability under the self-insured retention. The balance of this liability at December 31, 2012 and 2011 was \$54,000 and \$172,622, respectively.

(15) Concentration of Risk

The YMCA receives approximately 49% of its total support and revenues (excluding capital campaign, endowment and other) from child care fees associated with child care services performed on the premises of facilities owned by the Capistrano Unified School District (CUSD). The YMCA relies heavily on these child care fees to continue the related child care programs. If the YMCA's relationship with CUSD were to be terminated, it would likely cause a significant reduction in the YMCA's operations.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY

Notes to Financial Statements

(Continued)

(16) Deposits Payable

In an effort to decrease the obesity rate, CalOptima has teamed up with the YMCA's of Orange County, Anaheim and Orange to provide healthy programs to selected CalOptima clients. CalOptima selects from their database who will get a voucher that can be redeemed at one of the three Y's. Once the voucher has been redeemed, then that YMCA has a right to the funds and revenue. Until then, the funds are only on deposit with the YMCA of Orange County in a segregated account. As of December 31, 2012 only 8% of the total funds had been earned, the remaining funds are treated as a deposit liability. The balance of deposits payable at December 31, 2012 and 2011 was \$730,688 and \$746,675, respectively.

The program ended on December 31, 2012, the remaining balances were paid back to CalOptima in February 2013.

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SUPPLEMENTAL SCHEDULE

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY
Child Care and Development Block Grant Reconciliation - Revenue and Expenses
Year ended December 31, 2012

	Child Care & Development Block Grant Activity				Other Organization Activity	Total Organization
	CDE Program Audit For FYE June 30, 2012	(Less) to Dec, 31 2011	to Dec, 31 2012	Fiscal Year Ended Dec, 31 2012		
<u>Operations</u>						
Support, revenue and gains:						
Fundraising support:						
Contributions (cash)	\$ -	-	-	-	835,840	835,840
Contributions (in-kind)	-	-	-	-	24,213	24,213
Special events - net of direct costs	-	-	-	-	215,527	215,527
Total fundraising support	-	-	-	-	1,075,580	1,075,580
Program revenue:						
Child care fees	324,237	(159,008)	186,188	351,417	14,743,414	15,094,831
Membership fees	-	-	-	-	5,087,345	5,087,345
Health and fitness fees	-	-	-	-	2,110,480	2,110,480
Adventure Guides fees	-	-	-	-	1,679,994	1,679,994
Government assistance	183,197	(92,517)	88,235	178,915	980,542	1,159,457
Use of facilities/land	-	-	-	-	1,013,000	1,013,000
Camp fees	-	-	-	-	607,200	607,200
Community programs fees	-	-	-	-	985,236	985,236
Facility fees	-	-	-	-	302,815	302,815
Total program revenue	507,434	(251,525)	274,423	530,332	27,510,026	28,040,358
Other income	-	-	-	-	84,781	84,781
Total support, revenue & gains	507,434	(251,525)	274,423	530,332	28,670,387	29,200,719
Operating expenses:						
Program expenses:						
Child care	471,609	(246,196)	250,469	475,882	11,235,015	11,710,897
Health & fitness	-	-	-	-	8,394,794	8,394,794
Adventure Guides	-	-	-	-	1,701,245	1,701,245
Camping	-	-	-	-	286,735	286,735
Other community services	-	-	-	-	1,902,127	1,902,127
Total program expenses	471,609	(246,196)	250,469	475,882	23,519,916	23,995,798
Supporting services:						
Administration and general costs	-	-	-	-	3,805,493	3,805,493
Fundraising	-	-	-	-	351,762	351,762
Total supporting services	-	-	-	-	4,157,255	4,157,255
Total expenses	471,609	(246,196)	250,469	475,882	27,677,171	28,153,053
Operating margin	35,825	(5,329)	23,954	54,450	993,216	1,047,666
<u>Capital campaign, endowment & other</u>						
Capital campaign - net	-	-	-	-	10,600	10,600
Investment income	-	-	-	-	3,654	3,654
Increase (decrease) in fair value of interest rate swap	-	-	-	-	(28,405)	(28,405)
Disposal of capital assets	-	-	-	-	2,454	2,454
Capital campaign, endowment & other - net	-	-	-	-	(11,697)	(11,697)
Increase (decrease) in net assets	35,825	(5,329)	23,954	54,450	981,519	1,035,969

See accompanying notes to financial statements.