

**YMCA OF WESTERN STARK COUNTY
MASSILLON, OHIO**

FINANCIAL REPORT

DECEMBER 31, 2018 and 2017

YMCA OF WESTERN STARK COUNTY
MASSILLON, OHIO

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of YMCA of Western Stark County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the YMCA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the YMCA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YMCA of Western Stark County as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Maloney + Novotny LLC".

Canton, Ohio
June 12, 2019

YMCA OF WESTERN STARK COUNTY
STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 235,782	\$ 136,623
Accounts receivable - net of allowance for doubtful accounts of \$3,000 for both 2018 and 2017	16,052	36,677
Total current assets	<u>251,834</u>	<u>173,300</u>
PROPERTY AND EQUIPMENT		
Land	94,675	94,675
Building and building improvements	7,706,500	7,620,640
Furniture and fixtures	499,710	486,297
Fitness equipment	305,941	277,467
	<u>8,606,826</u>	<u>8,479,079</u>
Less accumulated depreciation	3,757,797	3,564,761
	<u>4,849,029</u>	<u>4,914,318</u>
Total assets	<u>\$ 5,100,863</u>	<u>\$ 5,087,618</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 21,443	\$ 20,573
Accounts payable	64,350	36,042
Accrued expenses	54,896	46,760
Deferred membership dues	32,000	36,710
Total current liabilities	<u>172,689</u>	<u>140,085</u>
LONG-TERM DEBT	574,670	595,751
NET ASSETS		
Without donor restrictions	4,317,030	4,351,782
With donor restrictions	36,474	-
Total net assets	<u>4,353,504</u>	<u>4,351,782</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,100,863</u>	<u>\$ 5,087,618</u>

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

YMCA OF WESTERN STARK COUNTY

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2018 and 2017

	<u>Year Ended December 31, 2018</u>		
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
OPERATING ACTIVITIES			
Public support			
Contributions	\$ 114,962	\$ 124,450	\$ 239,412
United Way contributions	37,050	-	37,050
Special events - net	20,620	-	20,620
Net assets released from restrictions	<u>87,976</u>	<u>(87,976)</u>	<u>-</u>
Total public support	260,608	36,474	297,082
Revenues			
Membership dues	863,756	-	863,756
Program service revenue	1,117,165	-	1,117,165
Rental income	55,709	-	55,709
Miscellaneous income	29,404	-	29,404
Interest income	544	-	544
(Loss) on disposal of property and equipment	<u>(17,383)</u>	<u>-</u>	<u>(17,383)</u>
Total revenues	<u>2,049,195</u>	<u>-</u>	<u>2,049,195</u>
Total public support and revenues	2,309,803	36,474	2,346,277
EXPENSES			
Program services:			
Youth development	907,396	-	907,396
Healthy living	<u>956,003</u>	<u>-</u>	<u>956,003</u>
Total program services	1,863,399	-	1,863,399
Support services:			
Management and general	474,437	-	474,437
Fundraising	<u>6,719</u>	<u>-</u>	<u>6,719</u>
Total support services	<u>481,156</u>	<u>-</u>	<u>481,156</u>
TOTAL EXPENSES	<u>2,344,555</u>	<u>-</u>	<u>2,344,555</u>
CHANGE IN NET ASSETS	(34,752)	36,474	1,722
NET ASSETS - BEGINNING OF YEAR	<u>4,351,782</u>	<u>-</u>	<u>4,351,782</u>
NET ASSETS - END OF YEAR	<u>\$ 4,317,030</u>	<u>\$ 36,474</u>	<u>\$ 4,353,504</u>

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

YMCA OF WESTERN STARK COUNTY

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2018 and 2017

	Year Ended December 31, 2017		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Public support			
Contributions	\$ 76,176	\$ 154,700	\$ 230,876
United Way contributions	-	30,000	30,000
Special events - net	22,508	-	22,508
Net assets released from restrictions	213,567	(213,567)	-
Total public support	<u>312,251</u>	<u>(28,867)</u>	<u>283,384</u>
Revenues			
Program service revenue	1,016,612	-	1,016,612
Membership dues	877,834	-	877,834
Rental income	59,926	-	59,926
Miscellaneous income	3,612	-	3,612
Interest income	356	-	356
(Loss) on disposal of property and equipment	(1,663)	-	(1,663)
Total revenues	<u>1,956,677</u>	<u>-</u>	<u>1,956,677</u>
Total public support and revenues	<u>2,268,928</u>	<u>(28,867)</u>	<u>2,240,061</u>
EXPENSES			
Program services:			
Youth development	842,286	-	842,286
Healthy living	1,018,304	-	1,018,304
Total program services	<u>1,860,590</u>	<u>-</u>	<u>1,860,590</u>
Support services:			
Management and general	489,829	-	489,829
Fundraising	6,728	-	6,728
Total support services	<u>496,557</u>	<u>-</u>	<u>496,557</u>
TOTAL EXPENSES	<u>2,357,147</u>	<u>-</u>	<u>2,357,147</u>
CHANGE IN NET ASSETS	(88,219)	(28,867)	(117,086)
NET ASSETS - BEGINNING OF YEAR	<u>4,440,001</u>	<u>28,867</u>	<u>4,468,868</u>
NET ASSETS - END OF YEAR	<u>\$ 4,351,782</u>	<u>\$ -</u>	<u>\$ 4,351,782</u>

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

YMCA OF WESTERN STARK COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2018 and 2017

	Year Ended December 31, 2018						Total
	Program Services			Support Services			
	Youth Development	Healthy Living	Total Program	Management & General	Fundraising	Total Support	
PERSONNEL COSTS							
Salaries	\$ 515,956	\$ 497,901	\$ 1,013,857	\$ 179,428	\$ 5,743	\$ 185,171	\$ 1,199,028
Employee benefits	30,633	25,843	56,476	25,987	517	26,504	82,980
Payroll taxes	43,550	46,962	90,512	16,880	459	17,339	107,851
TOTAL PERSONNEL COSTS	590,139	570,706	1,160,845	222,295	6,719	229,014	1,389,859
NON-PERSONNEL COSTS							
Advertising	300	8,377	8,677	175	-	175	8,852
Bad debts expense (recovery)	16	98	114	(4,006)	-	(4,006)	(3,892)
Depreciation	93,178	93,178	186,356	20,706	-	20,706	207,062
Dues and subscriptions	638	1,874	2,512	5,905	-	5,905	8,417
Equipment lease	365	10,196	10,561	168	-	168	10,729
Fair Share - national dues	12,650	17,141	29,791	5,993	-	5,993	35,784
Fees	2,088	32,246	34,334	698	-	698	35,032
Insurance	-	-	-	28,148	-	28,148	28,148
Interest	3,300	-	3,300	22,251	-	22,251	25,551
Licenses and permits	1,050	2,183	3,233	160	-	160	3,393
Meetings expense	196	197	393	-	-	-	393
Miscellaneous	3,128	1,092	4,220	4,194	-	4,194	8,414
Office expense	308	415	723	4,114	-	4,114	4,837
Payroll service	1,685	-	1,685	22,934	-	22,934	24,619
Postage and delivery	416	388	804	2,731	-	2,731	3,535
Printing and reproduction	88	3,991	4,079	72	-	72	4,151
Professional fees	12,978	4,056	17,034	65,859	-	65,859	82,893
Program expense	24,824	18,156	42,980	-	-	-	42,980
Repairs and maintenance	576	25,208	25,784	21,582	-	21,582	47,366
Staff expense	2,371	11,377	13,748	-	-	-	13,748
Supplies	85,016	52,080	137,096	-	-	-	137,096
Telephone	686	870	1,556	5,705	-	5,705	7,261
Training	2,984	2,921	5,905	-	-	-	5,905
Travel and entertainment	10,151	2,145	12,296	5,911	-	5,911	18,207
Utilities	58,265	97,108	155,373	38,842	-	38,842	194,215
TOTAL NON-PERSONNEL COSTS	317,257	385,297	702,554	252,142	-	252,142	954,696
TOTAL EXPENSES	\$ 907,396	\$ 956,003	\$ 1,863,399	\$ 474,437	\$ 6,719	\$ 481,156	\$ 2,344,555

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

YMCA OF WESTERN STARK COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2018 and 2017

	Year Ended December 31, 2017						
	Program Services			Support Services			Total
	Youth Development	Healthy Living	Total Program	Management & General	Fundraising	Total Support	
PERSONNEL COSTS							
Salaries	\$ 473,566	\$ 493,625	\$ 967,191	\$ 171,979	\$ 5,750	\$ 177,729	\$ 1,144,920
Employee benefits	32,043	25,800	57,843	24,324	518	24,842	82,685
Payroll taxes	41,721	42,385	84,106	12,210	460	12,670	96,776
TOTAL PERSONNEL COSTS	<u>547,330</u>	<u>561,810</u>	<u>1,109,140</u>	<u>208,513</u>	<u>6,728</u>	<u>215,241</u>	<u>1,324,381</u>
NON-PERSONNEL COSTS							
Advertising	400	6,712	7,112	-	-	-	7,112
Bad debts expense (recovery)	-	-	-	(2,983)	-	(2,983)	(2,983)
Depreciation	91,415	91,415	182,830	20,314	-	20,314	203,144
Dues and subscriptions	291	1,326	1,617	670	-	670	2,287
Equipment lease	757	10,835	11,592	898	-	898	12,490
Fair Share - national dues	13,006	17,625	30,631	6,164	-	6,164	36,795
Fees	88	25,676	25,764	14,575	-	14,575	40,339
Insurance	-	-	-	27,246	-	27,246	27,246
Interest	3,666	-	3,666	26,407	-	26,407	30,073
Licenses and permits	451	2,039	2,490	185	-	185	2,675
Meetings expense	32	230	262	679	-	679	941
Miscellaneous	2,224	2,168	4,392	3,925	-	3,925	8,317
Office expense	470	760	1,230	4,260	-	4,260	5,490
Payroll service	1,243	209	1,452	22,113	-	22,113	23,565
Postage and delivery	228	143	371	3,317	-	3,317	3,688
Printing and reproduction	98	3,951	4,049	248	-	248	4,297
Professional fees	14,419	25,489	39,908	24,754	-	24,754	64,662
Program expense	73,074	17,728	90,802	-	-	-	90,802
Repairs and maintenance	313	84,017	84,330	60,341	-	60,341	144,671
Staff expense	-	19,172	19,172	2,285	-	2,285	21,457
Supplies	26,977	37,895	64,872	15,511	-	15,511	80,383
Telephone	-	1,215	1,215	5,696	-	5,696	6,911
Training	2,692	7,709	10,401	-	-	-	10,401
Travel and entertainment	6,965	2,467	9,432	4,916	-	4,916	14,348
Utilities	56,147	97,713	153,860	39,795	-	39,795	193,655
TOTAL NON-PERSONNEL COSTS	<u>294,956</u>	<u>456,494</u>	<u>751,450</u>	<u>281,316</u>	<u>-</u>	<u>281,316</u>	<u>1,032,766</u>
TOTAL EXPENSES	<u>\$ 842,286</u>	<u>\$ 1,018,304</u>	<u>\$ 1,860,590</u>	<u>\$ 489,829</u>	<u>\$ 6,728</u>	<u>\$ 496,557</u>	<u>\$ 2,357,147</u>

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

YMCA OF WESTERN STARK COUNTY

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,722	\$ (117,086)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	207,062	203,144
Loss on disposal of assets	17,383	1,663
Decrease (increase) in:		
Accounts receivable	20,625	(13,811)
Increase (decrease) in:		
Accounts payable	28,308	(10,930)
Accrued expenses	8,136	197
Deferred membership dues	(4,710)	4,635
Net cash provided by operating activities	<u>278,526</u>	<u>67,812</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(159,156)	(50,835)
Net cash (used) by investing activities	<u>(159,156)</u>	<u>(50,835)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in line-of-credit	-	(102,591)
Proceeds from issuance of long-term debt	-	607,655
Repayment of long-term debt	(20,211)	(532,229)
Net cash (used) by financing activities	<u>(20,211)</u>	<u>(27,165)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	99,159	(10,188)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>136,623</u>	<u>146,811</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 235,782</u>	<u>\$ 136,623</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 25,551	\$ 30,073

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

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations

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

Program Activities:

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

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

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

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

Note 2. Summary of Significant Accounting Policies

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

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of Significant Accounting Policies (Continued)

- B. Basis of Presentation – The YMCA records resources for accounting and reporting purposes into two net asset categories: without restriction and with restriction, based on the existence or absence of donor-imposed restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

- C. Operating Activities – Operating activities reflect all transactions increasing or decreasing net assets except those items associated with long-term investment.
- D. Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- E. Membership Dues – Membership dues and program fees are recognized as revenue ratably over the period of membership or the duration of the program. Membership dues and program fees that are designated for or related to future years' activities are deferred and recognized as revenue in the period in which they apply. The YMCA's policy is to record membership dues prorated over a twelve-month billing period. Dues received but unearned are recorded as deferred membership dues.
- F. Donated Services – A substantial number of volunteers have donated significant amounts of time to the YMCA's program services. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort as required by the "Accounting for Contributions Received and Contributions Made" topic of the FASB ASC, has not been satisfied, but is estimated as follows:

	<u>2018</u>	<u>2017</u>
Number of volunteers	80	80

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

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of Significant Accounting Policies (Continued)

- H. Advertising – The YMCA participates in various advertising and marketing programs. All costs related to marketing and advertising the YMCA's services are expensed in the period incurred.
- I. Federal Income Taxes – The YMCA has received a favorable determination letter from the Internal Revenue Service stating that it is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986 (IRC), as an organization described in Section 501(c)(3), except for income taxes pertaining to unrelated business income.
- J. Uncertain Tax Positions – The Financial Accounting Standards Board (FASB) guidance requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined that there are no material uncertain positions that require recognition in the financial statements. Additionally, no provision for income taxes is reflected in these financial statements. Interest and penalties would be recognized as tax expense, however, there is no interest or penalties recognized in the statements of activities.
- K. Cash and Cash Equivalents – Cash and cash equivalents include highly liquid equity instruments with original maturities of three months or less.
- L. Concentration of Credit Risk – The YMCA maintains cash balances at certain financial institutions in excess of the insurance limits provided by the Federal Deposit Insurance Corporation. The YMCA has not experienced any losses in such accounts. The YMCA monitors the financial stability of financial institutions regularly and management does not believe there is significant credit risk associated with deposits in excess of federally insured amounts.
- M. Accounts Receivable – Accounts receivable consists primarily of receivables from program registrants. An allowance is determined by management based on historical collections, specific participants' circumstances, and economic conditions. Member receivables are written off when management has exhausted collections efforts and deems the accounts uncollectible. The YMCA does not accrue interest on unpaid accounts receivable.
- N. Property and Equipment – Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed for financial statement purposes principally on the straight-line method over the estimated useful lives of the related assets.

Expenditures for major renewals and betterments which extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.
- O. Deferred Revenue - Membership dues and program fees that are designated for or related to future years' activities are deferred and recognized as revenue in the period in which they apply.

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2. Summary of Significant Accounting Policies (Continued)

- P. Change in Accounting Principle – On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.
- Q. In February 2016, the FASB issued (ASU) 2016-02, *Leases*. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018. The YMCA has not yet implemented this ASU and is in the process of assessing the effect on the organization's financial statements.
- R. Reclassification – Certain amounts in the prior year financial statements have been reclassified to conform to the current presentation.
- S. Subsequent Events – Management has evaluated subsequent events through June 12, 2019 which is the date the financial statements were available to be issued.

Note 3. Liquidity and Availability

The YMCA strives to maintain liquid financial assets sufficient to cover general expenditures for the next fiscal year. The YMCA sets a realistic goal at the beginning of each year through adoption of a budget and strives to follow the budget in order to ensure sufficient cash is present. In addition to the available financial assets, the YMCA will rely upon contributions, service revenue, membership dues, and special event revenue to cover general expenditures for the next year.

The following table reflects the YMCA's financial assets as of December 31, 2018 and 2017. Amounts not available to meet general expenditures within one year include net assets with donor restrictions.

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 199,308	\$ 136,623
Accounts receivable	<u>16,052</u>	<u>36,677</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>215,360</u>	\$ <u>173,300</u>

Note 4. Line of Credit

As of December 31, 2018, the YMCA had a line-of-credit with a bank, with \$0 outstanding under the available line-of-credit of \$15,000. All borrowings are secured by the YMCA's property and bear interest at the prime rate.

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4. Line of Credit (Continued)

As of December 31, 2018, the YMCA had a line-of-credit with a bank, with \$0 outstanding under the available line-of-credit of \$100,000. All borrowings are secured by the YMCA's property and bear interest at the prime rate plus .5%.

Note 5. Long-Term Debt

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

	<u>2018</u>	<u>2017</u>
Note payable to a bank, due in monthly installments of \$3,813, including interest at 4.15% through June 2022, variable afterwards, secured by the assets of the YMCA, due November 2037	\$ 596,113	\$ 616,324
Less current portion	<u>21,443</u>	<u>20,573</u>
	<u>\$ 574,670</u>	<u>\$ 595,751</u>

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

2019	\$ 21,443
2020	22,350
2021	23,295
2022	24,281
2023	25,308
Thereafter	<u>479,436</u>
	<u>\$ 596,113</u>

Note 6. Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2018 and 2017, consisted of the following:

	<u>2018</u>	<u>2017</u>
Net assets with donor restrictions:		
Restricted for		
Programs		
Youth Development	\$ 15,205	\$ -
Healthy Living	<u>21,269</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 36,474</u>	<u>\$ -</u>

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6. Net Assets with Donor Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, by the occurrence of events specified by the donors, or by a change in the restrictions specified by the donor. Those amounts released from restrictions during the years ended December 31, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Programs		
Youth Development	\$ 12,045	\$ 192,353
Healthy Living	<u>75,931</u>	<u>21,214</u>
Total donor restricted net assets released from restrictions	<u>\$ 87,976</u>	<u>\$ 213,567</u>

Note 7. Special Events

As part of its fundraising efforts, the YMCA holds periodic special events. Revenue for special events is recognized in the period in which the event is held. Direct expenses associated with special events are netted against such revenue as follows:

	<u>2018</u>	<u>2017</u>
Special event revenue	\$ 36,179	\$ 30,914
Special event direct expenses	<u>15,559</u>	<u>8,406</u>
Special event revenue, net	<u>\$ 20,620</u>	<u>\$ 22,508</u>

Note 8. Employee Benefit Plan

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

In accordance with our agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salary. These amounts are paid by the YMCA. Total contributions charged to retirement costs aggregated \$55,181 and \$49,103 for the years ended December 31, 2018 and 2017, respectively.

YMCA OF WESTERN STARK COUNTY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 8. Employee Benefit Plan (Continued)

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

Note 9. Related Parties

The YMCA pays dues to YMCA of the USA. Dues paid to YMCA of the USA for the years ended December 31, 2018 and 2017, were \$35,784 and \$36,795, respectively.