

**HAMILTON AREA YOUNG MEN'S  
CHRISTIAN ASSOCIATION**

**FINANCIAL STATEMENTS**

December 31, 2018

**HAMILTON AREA YOUNG MEN'S CHRISTIAN ASSOCIATION**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Hamilton Area Young Men's Christian Association

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Hamilton Area Young Men's Christian Association (the "YMCA") which comprise the statements 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 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.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### 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, 2018 and 2017, 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.

*Mercadion, P.C.*

*Certified Public Accountants*

March 21, 2019

**HAMILTON AREA YOUNG MEN'S CHRISTIAN ASSOCIATION**

**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 687,896	\$ 957,371
Accounts receivable	26,083	28,429
Promises to give, net of allowance for doubtful accounts of \$8,679 and \$0 for 2018 and 2017, respectively	47,905	19,234
Prepaid expenses	21,546	26,395
Certificate of deposit	<u>171,785</u>	<u>154,225</u>
Total Current Assets	955,215	1,185,654
Restricted cash	251,382	251,382
Property and equipment, including assets acquired under capital leases of \$90,108 and \$102,123 for 2018 and 2017, respectively	<u>9,183,993</u>	<u>9,535,722</u>
Total Assets	<u>\$10,390,590</u>	<u>\$10,972,758</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 296,112	\$ 279,624
Program deposits	104,919	92,714
Deferred revenue	243,246	270,986
Current portion of capital leases payable	22,027	23,573
Current portion of long-term debt	<u>293,765</u>	<u>282,138</u>
Total Current Liabilities	960,069	949,035
Noncurrent liabilities		
Long-term capital leases payable	38,460	60,782
Long-term debt, net of deferred financing costs of \$84,717 for 2018 and \$89,424 for 2017	<u>7,286,010</u>	<u>7,575,048</u>
Total Liabilities	<u>8,284,539</u>	<u>8,584,865</u>
Net Assets		
Without donor restrictions		
Board designated reserves	750,000	750,000
Board designated endowment	17,610	17,593
Undesignated	<u>1,338,441</u>	<u>1,620,300</u>
Total Net Assets	<u>2,106,051</u>	<u>2,387,893</u>
Total Liabilities and Net Assets	<u>\$10,390,590</u>	<u>\$10,972,758</u>

See notes to financial statements.

# HAMILTON AREA YOUNG MEN'S CHRISTIAN ASSOCIATION

## STATEMENTS OF ACTIVITIES

Years Ended December 31, 2018 and 2017

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	<u>2018</u>	<u>2017</u>
Support and revenues		
Program revenues	\$ 3,241,931	\$ 3,323,256
Membership dues	2,355,992	2,306,982
Contributions	278,675	225,577
Rental income	203,613	203,613
Special events, net	39,461	26,145
Investment income	5,268	3,773
Net loss on disposal of property and equipment	-	(17,240)
Miscellaneous income	<u>20,212</u>	<u>68,951</u>
Total support and revenues	<u>6,145,152</u>	<u>6,141,057</u>
 Expenses		
Program and membership services	5,483,601	5,414,630
Management and general	826,280	882,175
Development	117,113	64,648
Fundraising	<u>-</u>	<u>11,718</u>
Total expenses	<u>6,426,994</u>	<u>6,373,171</u>
 Change in net assets	(281,842)	(232,114)
 Net assets, beginning of year	<u>2,387,893</u>	<u>2,620,007</u>
 Net assets, end of year	<u>\$ 2,106,051</u>	<u>\$ 2,387,893</u>



## HAMILTON AREA YOUNG MEN'S CHRISTIAN ASSOCIATION

### STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

	Program and Membership Services	Management and General	Development	Fundraising	Total
Salaries	\$ 2,679,364	\$ 307,018	\$ 85,126	\$ -	\$ 3,071,508
Fringe benefits	179,177	71,343	3,707	-	254,227
Payroll taxes	238,004	39,075	7,266	-	284,345
Contractual services	74,993	59,228	-	-	134,221
Supplies	126,984	-	-	-	126,984
Food and beverage	71,441	2,397	503	-	74,341
Professional fees	-	19,500	-	-	19,500
Computer consulting fees	-	26,116	-	-	26,116
Custodial services and maintenance	263,575	-	-	-	263,575
Publications, printing and promotion	75,409	84,427	17,156	-	176,992
Transportation and vehicle expense	6,936	6,206	-	-	13,142
Conferences, conventions and meetings	21,117	11,880	-	-	32,997
Telephone	33,134	8,338	-	-	41,472
Postage and shipping	4,350	20,612	-	-	24,962
Rent	193,023	42,438	-	-	235,461
Utilities	263,865	4,150	-	-	268,015
Property taxes and permits	15,663	455	-	-	16,118
Equipment rental	85,976	3,960	-	-	89,936
Equipment repairs and maintenance	64,116	-	-	-	64,116
Buildings and grounds maintenance	57,326	-	-	-	57,326
Insurance	112,317	17,073	-	-	129,390
National organization dues	95,151	8,288	2,950	-	106,389
Bank charges and trustee fees	-	58,821	-	-	58,821
Special events and other fundraising	4,493	-	-	-	4,493
Bad debts	-	20,130	-	-	20,130
Interest	321,527	-	-	-	321,527
Miscellaneous	35,290	3,402	-	-	38,692
Depreciation and amortization	452,103	-	-	-	452,103
Office supplies and expenses	8,267	11,423	405	-	20,095
<b>Total functional expenses</b>	<b>\$ 5,483,601</b>	<b>\$ 826,280</b>	<b>\$ 117,113</b>	<b>\$ -</b>	<b>\$ 6,426,994</b>

# HAMILTON AREA YOUNG MEN'S CHRISTIAN ASSOCIATION

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

	Program and Membership	Management and General	Development	Fundraising	Total
	Services				
Salaries	\$ 2,629,419	\$ 369,581	\$ 47,513	\$ -	\$ 3,046,513
Fringe benefits	160,744	72,954	1,853	-	235,551
Payroll taxes	234,124	31,544	3,849	-	269,517
Contractual services	103,463	60,024	-	-	163,487
Supplies	156,484	-	-	-	156,484
Food and beverage	71,725	3,243	249	-	75,217
Professional fees	-	20,156	-	-	20,156
Computer consulting fees	-	23,433	-	-	23,433
Custodial services and maintenance	254,667	-	-	-	254,667
Publications, printing and promotion	84,735	74,653	6,353	-	165,741
Transportation and vehicle expense	6,887	1,863	-	-	8,750
Conferences, conventions and meetings	13,754	7,015	-	-	20,769
Telephone	34,811	7,204	-	-	42,015
Postage and shipping	3,819	17,107	1,796	-	22,722
Rent	185,907	44,821	-	-	230,728
Utilities	258,948	3,597	-	-	262,545
Property taxes and permits	16,493	1,144	-	-	17,637
Equipment rental	82,839	4,392	-	-	87,231
Equipment repairs and maintenance	43,475	-	-	-	43,475
Buildings and grounds maintenance	44,791	-	-	-	44,791
Insurance	114,641	21,020	-	-	135,661
National organization dues	90,819	8,026	2,829	-	101,674
Bank charges and trustee fees	-	62,248	-	-	62,248
Special events and other fundraising	797	-	-	11,718	12,515
Bad debts	-	31,492	-	-	31,492
Interest	333,393	-	-	-	333,393
Miscellaneous	19,505	997	-	-	20,502
Depreciation and amortization	455,803	-	-	-	455,803
Office supplies and expenses	12,587	15,661	206	-	28,454
<b>Total functional expenses</b>	<b>\$ 5,414,630</b>	<b>\$ 882,175</b>	<b>\$ 64,648</b>	<b>\$ 11,718</b>	<b>\$ 6,373,171</b>



## HAMILTON AREA YOUNG MEN'S CHRISTIAN ASSOCIATION

### STATEMENTS OF CASH FLOWS Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Change in net assets	\$ (281,842)	\$ (232,114)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	452,103	455,803
Unrealized gain on certificate of deposit	(1,424)	(893)
Net loss on disposal of property and equipment	-	17,240
Provision for bad debts	8,679	-
Increase (decrease) in cash from		
Accounts receivable	2,346	(3,584)
Promises to give	(37,350)	67,542
Prepaid expenses	4,849	7,549
Restricted cash	-	2,508
Accounts payable and accrued expenses	16,490	(60,245)
Program deposits	12,205	(10,543)
Deferred revenue	(27,740)	811
Net cash from operating activities	148,316	244,074
Cash Flows from Investing Activities		
Purchase of property and equipment, net	(95,667)	(17,270)
Purchase of investments	(16,136)	-
Net cash from investing activities	(111,803)	(17,270)
Cash Flows from Financing Activities		
Repayment of long-term debt	(282,118)	(270,935)
Principal payments on capital leases payable	(23,869)	(22,256)
Net cash from financing activities	(305,987)	(293,191)
Net change in cash	(269,474)	(66,387)
Cash, beginning of year	957,371	1,023,758
Cash, end of year	\$ 687,897	\$ 957,371
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 321,527	\$ 334,324
Donated materials and services	\$ 18,636	\$ -

See notes to financial statements.