The Young Men's Christian Association of Greater Toledo

(a nonprofit corporation)

Financial Report

December 31, 2008

The Young Men's Christian Association of Greater Toledo

Contents

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Independent Auditor's Report

To the Board of Directors
The Young Men's Christian Association
of Greater Toledo

We have audited the accompanying statement of financial position of The Young Men's Christian Association of Greater Toledo (YMCA) (a nonprofit corporation) as of December 31, 2008 and 2007 and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the YMCA's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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 Greater Toledo at December 31, 2008 and 2007 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 10, 2009 on our consideration of The Young Men's Christian Association of Greater Toledo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 opinions on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Plante & Moran, PLLC

September 10, 2009

The Young Men's Christian Association of Greater Toledo

Statement of Financial Position

	December 31, 2008	December 31, 2007
Assets		
Cash and cash equivalents (Note 2)	$ 343,732	$ 371,667
Investments (Note 4)	247,619	3,236,322
Accounts receivable	1,087,805	1,023,277
Promises to give - Net (Note 3)	1,160,935	1,210,922
Interest in Foundation (Note 5)	2,009,366	-
Inventories of supplies and resale items	83,502	119,400
Prepaid expenses and other current assets (Note 9)	309,741	231,648
Land, buildings, and equipment (Note 8)	30,573,171	29,060,321
Beneficial interest in perpetual trusts (Note 6)	1,081,021	1,589,083
Total assets	**$ 36,896,892**	**$ 36,842,640**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 1,329,069	$ 785,161
Accrued payroll and related amounts due and withheld	184,634	113,028
Deferred revenues	752,501	909,299
Deferred gain on sale of fixed assets (Note 16)	-	284,809
Customer deposits and other liabilities (Note 2)	405,823	565,842
Notes payable (Note 9)	6,620,683	4,541,388
Bonds payable (Note 9)	8,079,078	8,763,201
Pledge of facility use (Note 11)	340,000	360,000
Total liabilities	17,711,788	16,322,728
Net Assets		
Unrestricted:		
Undesignated	15,576,585	14,680,288
Board designated	1,954,007	2,928,094
Total unrestricted	17,530,592	17,608,382
Temporarily restricted (Note 12)	116,249	1,014,272
Permanently restricted (Note 12)	1,538,263	1,897,258
Total net assets	19,185,104	20,519,912
Total liabilities and net assets	**$ 36,896,892**	**$ 36,842,640**

Statement of Activities and Changes in Net Assets

	Year Ended December 31							
	2008				2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue								
Support:								
Contributions	$ 4,169,105	$ 471,873	$ 154,265	$ 4,795,243	$ 4,328,799	$ 924,948	$ -	$ 5,253,747
Allocation from United Way of Greater Toledo	-	409,715	-	409,715	-	350,523	-	350,523
Governmental grants	1,042,254	-	-	1,042,254	1,170,233	-	-	1,170,233
Other contracts and grants	3,918,605	-	-	3,918,605	3,494,913	-	-	3,494,913
Revenue:								
Membership dues	9,007,419	-	-	9,007,419	8,724,871	-	-	8,724,871
Service fees	11,932,037	-	-	11,932,037	11,036,568	-	-	11,036,568
Sales	617,886	-	-	617,886	620,127	-	-	620,127
Lease income	1,173,386	-	-	1,173,386	1,107,492	-	-	1,107,492
Perpetual trust income (loss)	135,253	-	-	135,253	94,356	-	-	94,356
Increase (decrease) in beneficial interest in perpetual trusts	-	-	(508,062)	(508,062)	-	-	107,560	107,560
Net realized and unrealized gains (losses) on investments	(898,139)	-	(5,198)	(903,337)	189,428	-	616	190,044
Interest and dividends	97,462	-	-	97,462	109,495	-	-	109,495
Gain on fixed assets	174,813	-	-	174,813	-	-	-	-
Gain on sale of property and equipment under sale-leaseback	284,809	-	-	284,809	284,808	-	-	284,808
Sundry income	39,449	-	-	39,449	43,411	-	-	43,411
Net assets released from restrictions	1,779,611	(1,779,611)	-	-	488,761	(488,761)	-	-
Total support and revenue	33,473,950	(898,023)	(358,995)	32,216,932	31,693,262	786,710	108,176	32,588,148
Expenses								
Program services:								
Camping	5,356,614	-	-	5,356,614	5,147,356	-	-	5,147,356
Child care	6,501,886	-	-	6,501,886	5,310,044	-	-	5,310,044
Membership and program services	15,157,852	-	-	15,157,852	15,374,499	-	-	15,374,499
At Risk Youth and Disadvantaged Families	2,222,200	-	-	2,222,200	2,288,734	-	-	2,288,734
Support services:								
General and administrative	3,942,137	-	-	3,942,137	3,871,118	-	-	3,871,118
Fund-raising	371,051	-	-	371,051	359,224	-	-	359,224
Total expenses	33,551,740	-	-	33,551,740	32,350,975	-	-	32,350,975
(Decrease) Increase in Net Assets	(77,790)	(898,023)	(358,995)	(1,334,808)	(657,713)	786,710	108,176	237,173
Net Assets - Beginning of year	17,608,382	1,014,272	1,897,258	20,519,912	18,266,095	227,562	1,789,082	20,282,739
Net Assets - End of year	**$ 17,530,592**	**$ 116,249**	**$ 1,538,263**	**$ 19,185,104**	**$ 17,608,382**	**$ 1,014,272**	**$ 1,897,258**	**$ 20,519,912**

See Notes to Financial Statements.

The Young Men's Christian Association of Greater Toledo

Statement of Cash Flows

	Year Ended December 31, 2008	Year Ended December 31, 2007
Cash Flows from Operating Activities		
(Decrease) increase in net assets	$ (1,334,808)	$ 237,173
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:		
Depreciation	2,145,008	2,055,197
Amortization	7,649	7,649
(Increase) decrease in allowance for uncollectible promises	(292,432)	158,689
(Increase) decrease in discount on promises to give	(19,684)	117,065
Decrease (increase) in beneficial interests in perpetual trusts	508,062	(107,560)
Net realized and unrealized loss (gain) on investments	903,337	(190,044)
Gain on sale of property and equipment under sale-leaseback	(284,809)	(284,808)
Contributions restricted for capital improvements	(471,873)	(924,948)
Gain on sale of fixed assets	(174,813)	-
Changes in operating assets and liabilities which (used) provided cash:		
Accounts receivable	(64,528)	(274,633)
Inventory	35,898	(5,117)
Promises to give	362,103	(427,939)
Deposits and prepaid expenses	(85,742)	(5,178)
Accounts payable	543,908	(11,922)
Accrued payroll and related amounts due and withheld	71,606	34,567
Customer deposits and other liabilities	(316,817)	367,500
Pledge of facility use	(20,000)	(20,000)
Net cash provided by operating activities	1,512,065	725,691
Cash Flows from Investing Activities		
Purchase of property and equipment	(2,978,001)	(1,094,408)
Proceeds from disposition of property and equipment	202,110	-
Purchases of investments	(1,985,294)	(1,248,398)
Proceeds from sales and maturities of investments	2,061,294	1,334,515
Net cash used in investing activities	(2,699,891)	(1,008,291)
Cash Flows from Financing Activities		
Proceeds from debt	2,001,736	355,000
Payments on debt	(1,313,718)	(1,436,701)
Contributions restricted for capital improvements	471,873	924,948
Net cash provided by (used in) financing activities	1,159,891	(156,753)
Net Decrease in Cash and Cash Equivalents	(27,935)	(439,353)
Cash and Cash Equivalents - Beginning of year	371,667	811,020
Cash and Cash Equivalents - End of year	**$ 343,732**	**$ 371,667**
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 613,077	$ 708,293
Noncash transaction - Equipment and vehicles purchased under capital leases	707,154	288,778

Statement of Functional Expenses

Year Ended December 31, 2008

	Program Services					Support Services			
	Camping	Child Care	At Risk Youth and Disadvantaged Families	Membership and Program Services	Total Program Services	Fund-raising	General and Administrative	Total Support Services	Total
Salaries and wages	$ 1,586,983	$ 3,469,657	$ 687,216	$ 5,141,194	$ 10,885,050	$ 218,702	$ 1,524,850	$ 1,743,552	$ 12,628,602
Employee benefits	225,012	452,421	142,638	510,617	1,330,688	28,517	287,484	316,001	1,646,689
Payroll taxes	168,751	342,818	81,063	510,389	1,103,021	21,609	123,133	144,742	1,247,763
Contract services	1,190,505	115,953	206,567	1,152,500	2,665,525	-	325,954	325,954	2,991,479
Supplies	216,299	564,229	114,702	575,112	1,470,342	-	67,782	67,782	1,538,124
Telephone	43,869	37,626	21,493	114,678	217,666	-	44,742	44,742	262,408
Printing and artwork	62,809	52,201	19,551	118,529	253,090	102,223	287,919	390,142	643,232
Building occupancy	390,569	587,243	586,237	3,145,807	4,709,856	-	161,944	161,944	4,871,800
Equipment cost and maintenance	80,272	48,375	25,694	188,992	343,333	-	135,583	135,583	478,916
Postage	27,132	93	2,685	47,787	77,697	-	20,254	20,254	97,951
Transportation	120,921	143,228	48,025	32,289	344,463	-	39,097	39,097	383,560
Conferences, meetings, and trainings	18,782	36,496	39,206	44,260	138,744	-	155,983	155,983	294,727
Specific assistance to individuals	547,185	414,659	132,519	599,156	1,693,519	-	488,660	488,660	2,182,179
Organization dues and national dues	23,386	-	1,704	159,288	184,378	-	33,530	33,530	217,908
Depreciation expense	450,279	175,835	70,663	1,390,956	2,087,733	-	57,275	57,275	2,145,008
Interest expense	-	-	-	548,865	548,865	-	63,889	63,889	612,754
Bank service charges	14,770	43	156	169,157	184,126	-	82,464	82,464	266,590
Insurance	55,770	60,460	37,893	178,502	332,625	-	12,860	12,860	345,485
Other expenses	133,320	549	4,188	529,774	667,831	-	28,734	28,734	696,565
Total expenses	**$ 5,356,614**	**$ 6,501,886**	**$ 2,222,200**	**$ 15,157,852**	**$ 29,238,552**	**$ 371,051**	**$ 3,942,137**	**$ 4,313,188**	**$ 33,551,740**

The Young Men's Christian Association of Greater Toledo

Statement of Functional Expenses

Year Ended December 31, 2007

	Program Services					Support Services			
	Camping	Child Care	At Risk Youth and Disadvantaged Families	Membership and Program Services	Total Program Services	Fund-raising	General and Administrative	Total Support Services	Total
Salaries and wages	$ 1,470,041	$ 2,794,564	$ 668,876	$ 5,340,131	$ 10,273,612	$ 213,858	$ 1,412,091	$ 1,625,949	$ 11,899,561
Employee benefits	223,092	324,321	134,751	507,388	1,189,552	24,819	166,624	191,443	1,380,995
Payroll taxes	147,105	267,255	77,616	535,210	1,027,186	20,452	90,363	110,815	1,138,001
Contract services	1,200,915	63,213	297,197	1,147,366	2,708,691	-	284,432	284,432	2,993,123
Supplies	176,000	444,631	83,545	650,338	1,354,514	-	74,235	74,235	1,428,749
Telephone	46,923	42,567	22,614	118,320	230,424	-	26,520	26,520	256,944
Printing and artwork	82,673	46,198	27,816	248,145	404,832	81,141	213,982	295,123	699,955
Building occupancy	351,886	411,883	596,683	2,918,910	4,279,362	-	117,082	117,082	4,396,444
Equipment cost and maintenance	115,301	61,810	13,964	252,141	443,216	-	142,951	142,951	586,167
Postage	28,614	2,357	1,536	41,961	74,468	-	43,950	43,950	118,418
Transportation	139,476	186,836	23,681	42,025	392,018	-	45,197	45,197	437,215
Conferences, meetings, and trainings	14,205	19,667	67,186	63,910	164,968	-	180,173	180,173	345,141
Specific assistance to individuals	409,184	418,468	143,665	559,447	1,530,764	-	607,686	607,686	2,138,450
Organization dues and national dues	20,349	-	1,724	152,424	174,497	-	22,476	22,476	196,973
Depreciation expense	441,547	156,407	103,692	1,162,141	1,863,787	-	191,410	191,410	2,055,197
Interest expense	-	-	-	609,023	609,023	-	93,479	93,479	702,502
Bank service charges	15,494	-	1,660	171,118	188,272	-	83,586	83,586	271,858
Insurance	80,292	69,124	20,050	195,562	365,028	-	29,964	29,964	394,992
Other expenses	184,259	743	2,478	658,939	846,419	18,954	44,917	63,871	910,290
Total expenses	**$ 5,147,356**	**$ 5,310,044**	**$ 2,288,734**	**$ 15,374,499**	**$ 28,120,633**	**$ 359,224**	**$ 3,871,118**	**$ 4,230,342**	**$ 32,350,975**

Note 1 - Nature of Business and Significant Accounting Policies

Organization - The Young Men's Christian Association of Greater Toledo (YMCA) is a nonprofit organization established to enhance the general welfare of individuals residing in Toledo and surrounding communities through a variety of spiritual, social, mental, and physical activities.

Basis of Presentation - The financial statements of the YMCA have been prepared on the basis of accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents - The YMCA considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivable are stated at net invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. As of December 31, 2008 and 2007, the YMCA has deemed all receivables to be collectible. No allowance for doubtful accounts has been established.

Contributions - Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. An allowance for uncollectible promises has been made to reduce the promises to an amount deemed by management to be collectible in the future. The discounts on these future cash flows have been computed at 3 percent or 4 percent. Amortization of the discount is included in contribution revenue.

Investments - Investments are recorded at fair market value. Note 4 provides detail of the investments held by the YMCA at December 31, 2008 and 2007.

Inventory - Inventory is stated at the lower of cost or market, determined by the first-in, first-out method.

Land, Buildings, and Equipment - Land, buildings, and equipment are recorded at cost, except for donated assets, which are stated at fair value at date of gift. Expenditures that add materially to the life of an asset are capitalized and expenditures for repairs and maintenance are charged to operations as incurred. The YMCA provides for depreciation of buildings and equipment computed on the straight-line basis over their estimated useful lives.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Classification of Net Assets - Net assets of the YMCA are classified as unrestricted, temporarily restricted, or permanently restricted depending on the presence and characteristics of donor-imposed restrictions limiting the YMCA's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Unrestricted activities consist of the general operations of the YMCA.

Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Membership Dues - The YMCA records sales tax collected on membership dues as revenue. It is recorded as sales tax expense when it is remitted to the State of Ohio. Sales tax collected in 2008 and 2007 and included in gross member dues was approximately $466,000 and $459,000, respectively.

Deferred Revenues - Deferred revenues consist of membership and program payments received prior to the applicable membership period.

Donated Services - A number of people have contributed time to the activities of the YMCA without compensation. The YMCA generally pays for most services requiring specific expertise; however, approximately $0 and $5,000 was recorded for volunteer services at Storer Camp that would require specific expertise in 2008 and 2007, respectively.

Functional Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Although considered appropriate, other methods of allocation could be used that would produce different results.

Tax Status - The YMCA has received tax-exempt status from the Internal Revenue Service under Section 501(c)(3); therefore, a provision for income taxes has not been included in the financial statements.

Reclassifications - Certain amounts in the 2007 financial statements have been reclassified to conform to the presentation of the 2008 financial statements.

Note 2 - Restricted Cash

The YMCA maintains control of the monies for several organizations affiliated with the YMCA. The balances of these funds are $57,898 and $35,523 at December 31, 2008 and 2007, respectively, and are included with cash and cash equivalents and customer deposits and other liabilities in the statement of financial position.

Note 3 - Promises to Give

During 1994, the YMCA launched its Building Futures capital campaign to improve and expand its existing branch and develop new facilities. As of December 31, 2008, the campaign was completed and the YMCA had received promises to give totaling $9,530,940, all of which had been collected. The contributions outstanding as of December 31, 2007 were as follows:

Promises to give - Gross	$ 473,807
Allowance for uncollectible contributions	(323,807)
Unamortized discount	(5,700)
Promises to give - Net	$ 144,300

During 2002, the YMCA launched a second campaign, The Bedford Community YMCA Capital Campaign, to build a new YMCA branch in Bedford Township, Michigan. As of December 31, 2008, the YMCA had received promises to give totaling $4,029,300, of which $3,529,201 had been collected. The contributions outstanding as of December 31, 2008 are to be received over a six-year period and, as such, have been discounted to their net present value as of December 31, 2008. In addition, management has estimated that some of the promises to give will ultimately become uncollectible. The promises to give and related discount and estimated allowance for uncollectible promises to be received over the next six years are as follows:

	2009	2010-2014	2008 Total	2007 Total
Promises to give - Gross	$ 294,498	$ 205,601	$ 500,099	$ 525,963
Allowance for uncollectible contributions	(172,752)	(5,568)	(178,320)	(159,446)
Unamortized discount	(3,531)	(18,609)	(22,140)	(27,841)
Promises to give - Net	$ 118,215	$ 181,424	$ 299,639	$ 338,676

Note 3 - Promises to Give (Continued)

During 2003, the YMCA began a third campaign, The Fort Meigs YMCA Capital Campaign, to expand a YMCA branch in Perrysburg, Ohio. As of December 31, 2008, the YMCA had received promises to give totaling $122,934, of which $92,352 had been collected. The contributions outstanding as of December 31, 2008 are to be received in 2009 and, as such, have been discounted to their net present value as of December 31, 2008. In addition, management has estimated that some of the promises to give will ultimately become uncollectible. The promises to give and related discount and estimated allowance for uncollectible promises to be received over the next year are as follows:

	2009	2008 Total	2007 Total
Promises to give - Gross	$ 30,582	$ 30,582	$ 40,947
Allowance for uncollectible contributions	(9,743)	(9,743)	(1,679)
Unamortized discount	(604)	(604)	(1,309)
Promises to give - Net	$ 20,235	$ 20,235	$ 37,959

During 2007, the YMCA launched a fourth campaign, The West Toledo YMCA Capital Campaign, to replace the YMCA branch in West Toledo with a new facility. As of December 31, 2008, the YMCA had received promises to give totaling $1,458,833, of which $456,235 had been collected. The contributions outstanding as of December 31, 2008 are to be received over a 10-year period and, as such, have been discounted to their net present value as of December 31, 2008. In addition, management has estimated that some of the promises to give will ultimately become uncollectible. The promises to give and related discount and estimated allowance for uncollectible promises to be received over the next 10 years are as follows:

	2009	2010-2014	2015-2018	2008 Total	2007 Total
Promises to give - Gross	$ 172,977	$ 639,021	$ 190,600	$ 1,002,598	$ 853,865
Allowance for uncollectible contributions	(5,189)	(19,171)	(5,718)	(30,078)	(25,616)
Unamortized discount	(6,453)	(80,743)	(48,836)	(136,032)	(143,460)
Promises to give - Net	$ 161,335	$ 539,107	$ 136,046	$ 836,488	$ 684,789

Note 3 - Promises to Give (Continued)

During 2007, the YMCA launched a fifth campaign, The Bob Seeger Endowment Fund, to raise $50,000 and trigger a matching gift to create an endowment for the purpose of maintenance and improvement of the YMCA property at 7 East Bancroft Street in Toledo, Ohio. As of December 31, 2008, the YMCA had received promises to give totaling $46,691, all of which had been collected. The contributions outstanding as of December 31, 2008 are to be received over a three-year period and, as such, have been discounted to their net present value as of December 31, 2008. In addition, management has estimated that some of the promises to give will ultimately become uncollectible. The promises to give and related discount and estimated allowance for uncollectible promises to be received over the next three years are as follows:

	2009	2010-2011	2008 Total	2007 Total
Promises to give - Gross	$ 3,000	$ 2,000	$ 5,000	$ 5,800
Allowance for uncollectible contributions	(90)	(60)	(150)	(174)
Unamortized discount	(112)	(164)	(276)	(428)
Promises to give - Net	$ 2,798	$ 1,776	$ 4,574	$ 5,198

Note 4 - Investments

Investments consisted of the following at December 31, 2008 and 2007:

	Market Value	
	2008	2007
Equity securities	$ -	$ 141,826
Equity mutual funds	10,075	1,957,407
Fixed income mutual funds	48,617	1,006,951
Money market funds	188,927	130,138
Total	$ 247,619	$ 3,236,322

	Cost Basis	
	2008	2007
Equity securities	$ -	$ 135,992
Equity mutual funds	9,863	1,825,489
Fixed income mutual funds	48,638	991,091
Money market funds	188,925	130,082
Total	$ 247,426	$ 3,082,654

Note 4 - Investments (Continued)

During 2008 and 2007, the YMCA incurred approximately $16,000 and $15,100, respectively, of investment fees which have been netted with investment income in the statement of activities and changes in net assets.

The YMCA board-designated investment fund totaled approximately $1,954,000 and $2,928,000 at December 31, 2008 and 2007, respectively. However, as described in Note 5, certain investments were transferred to the Toledo Community Foundation and are held for the benefit of the YMCA. Transfers from this fund to the undesignated fund for bond debt payments totaled approximately $78,000 for each of the years ended December 31, 2008 and 2007. The YMCA also transferred an additional $66,000 and $73,133 during 2008 and 2007, respectively. These transfers represent approximately 5 percent of the fair market value of the YMCA board-designated investment fund for general obligations of the YMCA.

Note 5 - Interest in Foundation

On December 16, 2008, the YMCA entered into a fund agreement with the Toledo Community Foundation (the "Foundation") to transfer the YMCA Board-Designated Investment Fund to the Foundation. These investments are designated by the board of trustees for the benefit and future use of the YMCA. All investments and funds generated through this agreement are held and managed in commingled funds by the Toledo Community Foundation. Income from the fund is paid annually to the YMCA at a rate of 4 percent of the market value of the fund. An asset, interest in foundation, has been recorded for the present value of future cash flows related to this transfer in the amount of $2,009,366 at December 31, 2008. Changes in this interest are reported on the statement of activities and changes in net assets as a change in the interest in the Foundation.

Note 6 - Beneficial Interest in Perpetual Trusts

The YMCA is named as a beneficiary of several perpetual trusts. The trusts are held by third parties that manage the assets and distribute the earnings to parties as defined in the trusts. Under a perpetual term arrangement, the YMCA receives the income (a portion as defined by the trust) earned by the assets, but never gains use of the trust corpus. The income received from these trusts does not have any donor-imposed restrictions and, accordingly, has been reported on the statement of activities and changes in net assets as unrestricted income.

The beneficial interest has been recognized at the present value of a perpetual stream of income from the assets. Assuming a perfect market for investments, the fair market value will equal the present value of a perpetual stream of income from the assets. Therefore, the trusts have been recognized at fair market value.

Note 7 - Fair Value

As of January 1, 2008, the YMCA adopted Statement of Financial Accounting Standards No. 157 (SFAS 157), *Fair Value Measurements*. SFAS 157 clarifies the definition of fair value, establishes a framework for measuring fair value, and expands the disclosures for fair value measurements. The standard applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS 157 are effective prospectively for periods beginning January 1, 2008 for financial assets and liabilities and for periods beginning January 1, 2009 for nonfinancial assets and liabilities as a result of the deferral of the effective date of SFAS 157 provided by FSP FAS 157-2. The implementation of the provisions of SFAS 157 for financial assets and liabilities as of January 1, 2008 did not have a material impact on the YMCA's financial statements.

The following tables present information about the YMCA's assets measured at fair value on a recurring basis at December 31, 2008 and the valuation techniques used by the YMCA to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the YMCA has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in the entirety are categorized based on the lowest level input that is significant to the valuation. The YMCA's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Note 7 - Fair Value (Continued)

Disclosures concerning assets and liabilities measured at fair value on a recurring basis are as follows:

Fair Value Measurements at December 31, 2008

	Balance at December 31, 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Equity mutual funds	$ 10,075	$ 10,075	$ -	$ -
Fixed income mutual funds	48,617	48,617	-	-
Money market funds	188,927	188,927	-	-
Interest in Foundation	2,009,366	-	-	2,009,366
Beneficial interest in perpetual trusts	1,081,021	-	-	1,081,021

Changes in Level 3 Assets Measured at Fair Value on a Recurring Basis

	Interest in Foundation	Beneficial Interest in Perpetual Trusts	Total
Balance at December 31, 2007	$ -	$ 1,589,083	$ 1,589,083
Total unrealized losses included in change in net assets	-	(509,890)	(509,890)
Net additions, purchases, sales, and maturities	-	1,828	1,828
Net transfers in to Level 3	2,009,366	-	2,009,366
Balance at December 31, 2008	$ 2,009,366	$ 1,081,021	$ 3,090,387

The YMCA estimates the fair value of the level 3 assets based upon the fair value of the assets in the Foundation or trust unless the facts and circumstances indicate that the fair value would be different from the present value of estimated future distributions.

Of the Level 3 assets that were held in the beneficial interest in perpetual trusts at December 31, 2008, the unrealized loss for the year ended December 31, 2008 was $509,890, which is recognized as a decrease in restricted net assets in the statement of activities and changes in net assets.

Note 7 - Fair Value (Continued)

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

Other assets, including property and equipment, goodwill, intangible assets, and other assets acquired in business combinations, are also subject to periodic impairment assessments under other accounting principles generally accepted in the United States of America. These assets are not considered financial instruments. Effective February 12, 2008, the FASB issued a staff position, FSP FAS 157-2, which delayed the applicability of FAS 157 to nonfinancial instruments. Accordingly, these assets have been omitted from the above disclosures.

Note 8 - Land, Buildings, and Equipment

The cost of land, buildings, and equipment is summarized as follows:

	2008	2007
Land	$ 2,361,294	$ 2,361,294
Buildings	34,582,263	33,696,823
Machinery and equipment	8,096,718	8,382,796
Vehicles	802,516	802,516
Leasehold improvements - Cost	973,737	944,986
Construction in progress	2,408,992	598,229
Total cost	49,225,520	46,786,644
Less accumulated depreciation	(18,652,349)	(17,726,323)
Net carrying amount	$ 30,573,171	$ 29,060,321

The amounts included in construction in progress of $2,408,992 and $598,229 as of December 31, 2008 and 2007, respectively, relate to construction of a new YMCA branch and miscellaneous other improvements at various YMCA locations. The YMCA had outstanding purchase commitments as of December 31, 2008 relating to the construction of the new West Toledo YMCA building. The total commitment was $5,275,116, of which $2,150,638 is included in construction in progress at December 31, 2008.

Depreciation expense was $2,145,008 for 2008 and $2,055,197 for 2007.

Note 9 - Bonds, Notes Payable, and Capital Leases

As of December 31, notes payable consisted of the following:

	2008	2007
Charter One Bank - Due May 2010, payable in monthly installments of $666, including interest at 7.79 percent, collateralized by real estate	$ 55,230	$ 58,700
Fifth Third Bank - Due January 2011, payable in monthly installments of $6,205, including interest at 7 percent. This note is unsecured and subject to certain financial covenants	416,143	459,327
Fifth Third Bank - Due March 2009, payable in monthly installments of $481, including interest at 6.14 percent, collateralized by vehicle	1,362	6,865
Fifth Third Bank - Due July 2008, payable in monthly installments of $286, including interest at 8.33 percent, collateralized by vehicle	-	1,724
Comerica Bank - Due October 2011, payable in monthly installments of $1,938, including interest at 7.00 percent, unsecured	236,903	243,154
National City Bank - Originally due March 2016, monthly principal payments of $7,944, plus interest at the one-month LIBOR plus 1.25 percent. Refinanced effective January 2, 2007 with monthly installments of $12,266, including interest at 6.53 percent, due January 2012, collateralized by real estate and subject to certain financial covenants	1,232,667	1,296,179
Bank of Maumee - Due June 2016, payable in monthly installments of $486, including interest at 7.76 percent, unsecured	32,929	36,027
Equipment loan - Due February 2010, payable in monthly installments of $549, including interest at 5.9 percent, collateralized by equipment	6,767	12,739

Note 9 - Bonds, Notes Payable, and Capital Leases (Continued)

	2008	2007
Fifth Third Bank - Line of credit that provides for maximum borrowings of $2,000,000 that is payable on demand, interest due monthly at the prime rate, collateralized by equipment	$ 1,820,000	$ 1,380,000
Fifth Third Bank - Cognovit Draw Note that provides for maximum borrowings of $4,200,000 due November 2009, interest due monthly at prime rate less 50 basis points, with the proceeds used to finance construction of the new West Toledo YMCA. The debt is collateralized by substantially all of the assets related to the West Toledo YMCA in addition to the assignments of all leases and subleases	1,561,736	-
Various capital leases related to equipment and vehicles, payable in monthly installments, including interest between 0 and 23 percent (see Note 10)	1,256,946	1,046,673
Total notes payable	$ 6,620,683	$ 4,541,388

On November 26, 2008, Fifth Third Bank issued a Cognovit Draw Note that provides for maximum borrowings of $2,800,000 due November 2009, with proceeds used to finance construction of the new West Toledo YMCA. Interest is due monthly at the prime rate and the debt is collateralized by substantially all of the assets related to the West Toledo YMCA in addition to the assignments of all leases and subleases. The balance outstanding as of December 31, 2008 was $0.

On December 1, 1996, the Toledo-Lucas County Port Authority issued $1,600,000 of Series 1996 Revenue Bonds for the purpose of acquiring, constructing, and equipping improvements at certain YMCA branches. The bonds are collateralized by certain real estate. Approximately $782,000 of the proceeds was used to pay off an existing mortgage with Fifth Third Bank. The balance outstanding on the bonds at December 31, 2008 and 2007 was $1,170,000 and $1,225,000, respectively.

In connection with the issuance of the Series 1996 bonds, a bank has issued an irrevocable letter of credit to support the bonds. The letter of credit, which was issued in an aggregate amount of up to $1,600,000 (the balance of which is reduced annually by the bond principal payments), expires December 21, 2011.

Note 9 - Bonds, Notes Payable, and Capital Leases (Continued)

The Series 1996 Revenue Bonds mature from the first business day of December 1996 to the first business day of December 2021. Variable principal payments plus interest are payable quarterly at a variable interest rate which averaged approximately 2.77 percent during 2008. The YMCA also incurred $42,000 of expenses related to the issuance of the revenue bonds, which is included with prepaid expenses in the statement of financial position. These bond financing costs are being amortized over the life of the bonds. Accumulated amortization is $19,803 and $18,099 at December 31, 2008 and 2007, respectively.

On July 1, 1998, the County of Wood, Ohio issued $4,600,000 of Series 1998 Revenue Bonds for the purpose of constructing a new YMCA facility in Perrysburg, Ohio. The bonds are collateralized by certain real estate. The balance outstanding on the bonds at December 31, 2008 and 2007 was $2,675,000 and $2,895,000, respectively.

In connection with the issuance of the Series 1998 bonds, a bank has issued an irrevocable letter of credit to support the bonds. The letter of credit, which was issued in an aggregate amount of up to $4,600,000 (the balance of which is reduced annually by the bond principal payments), expires July 21, 2013.

The Series 1998 Revenue Bonds mature from the first business day of July 1998 to the first business day of July 2018. Payments are made at variable amounts each year and interest is payable monthly at a variable interest rate which averaged approximately 3.90 percent during 2008. The YMCA also incurred $55,415 of expenses related to the issuance of the revenue bonds, which is included with prepaid expenses in the statement of financial position. These bond financing costs are being amortized over the life of the bonds. Accumulated amortization is $28,905 and $26,085 at December 31, 2008 and 2007, respectively.

On December 29, 2004, the Economic Development Corporation of the Township of Bedford issued $6,500,000 of Series 2004 Limited Obligation Revenue Bonds for the purpose of constructing a new YMCA facility in Bedford, Michigan. The bonds are collateralized by certain real estate. The balance outstanding on the bonds at December 31, 2008 and 2007 was $4,234,078 and $4,643,201, respectively. These bonds are subject to certain financial covenants.

Note 9 - Bonds, Notes Payable, and Capital Leases (Continued)

The Series 2004 Limited Obligation Revenue Bonds mature from the first business day of December 2004 to the first business day of December 2024. Payments are made at variable amounts each year plus interest at 4.107 percent through 2009. Thereafter, the interest rate varies every five years based on a formula. The YMCA also incurred $62,500 of expenses related to the issuance of the revenue bonds, which is included with prepaid expenses in the statement of financial position. These bond financing costs are being amortized over the life of the bonds. Accumulated amortization was $12,500 and $9,375 at December 31, 2008 and 2007, respectively.

On October 7, 2008, the Series 1998 Revenue Bonds suffered a failed remarketing due to the resignation of the remarketing agent. This failed remarketing was cured February 2, 2009. During the intervening period, the letter of credit held by Huntington National Bank was drawn upon with interest payable at the prime rate plus 1 percent.

The YMCA was in violation of certain required financial ratios as of December 31, 2008. The lenders waived these violations and the YMCA will not be subject to additional convenant testing until after December 31, 2009. However, pursuant to the waiver associated with the Series 2004 Limited Obligation Revenue Bonds related to the YMCA branch in Bedford, Michigan, the lender states the waiver of default is contingent upon a change in interest rate to either a fixed rate or floating rate based on a yet to be determined spread. The rate adjustment is effective after receipt of the $368,350 debt payment due December 1, 2009 and will be applicable to the outstanding principal balance of $4,042,932 for a term of up to five years. If the YMCA declines these new terms relative to this debt, the entire principal balance will become due at December 1, 2009. The YMCA is considering the potential terms of the above contingency related to this debt balance as of the issue date of the financial statements. As a result of this contingency, the entire principal balance associated with the Series 2004 Limited Obligation Revenue Bonds has been consider due at December 31, 2009 in the following table.

Note 9 - Bonds, Notes Payable, and Capital Leases (Continued)

Future minimum payments on the bonds and notes payable consisted of the following at December 31, 2008:

Years Ending December 31	Bonds	Notes, Lines of Credit, and Capital Leases	Total
2009	$ 4,524,078	$ 4,029,390	$ 8,553,468
2010	295,000	521,162	816,162
2011	305,000	721,026	1,026,026
2012	325,000	1,105,866	1,430,866
2013	340,000	30,697	370,697
Thereafter	2,290,000	212,542	2,502,542
Total	$ 8,079,078	$ 6,620,683	$ 14,699,761

Note 10 - Capital Leases

At December 31, 2008 and 2007, the YMCA owned equipment valued at approximately $2,046,000 and $1,770,000, respectively, under capital leases. The assets are included with other equipment on the statement of financial position in land, buildings, and equipment. For financial statement purposes, the present values of the net minimum lease payments have been capitalized and are being amortized over the useful lives of the assets. Under these lease agreements, various monthly payments are due through October 2014. These leases have been imputed with interest rates between 0 percent and 23 percent annually. The net future minimum payments on these capital leases consisted of the following at December 31, 2008:

Years Ending December 31		Amount
2009		$ 525,379
2010		424,279
2011		329,604
2012		81,888
2013		18,100
Thereafter		2,760
	Total	1,382,010
	Amount representing interest and service fees	125,064
	Present value of net minimum lease payments	$ 1,256,946

Note 11 - Pledge of Facility Use

The YMCA entered into an agreement with Bedford Public Schools whereby the Bedford Public Schools sold land to the YMCA to allow for construction of a new YMCA facility on the property. In exchange for the property valued at $400,000, the YMCA agreed to make certain pool facilities available to Bedford Public Schools over 20 years. An in-kind donation of $20,000 was recorded for usage in 2008 and 2007.

Note 12 - Net Assets

Temporarily restricted net assets included on the statement of financial position at December 31 are as follows:

	2008	2007
Time restrictions	$ 115,750	$ 115,551
Purpose restrictions	499	898,721
Total	$ 116,249	$ 1,014,272

Temporarily restricted net assets, restricted for purpose, are designated for additions and renovations to certain branches of the YMCA.

Permanently restricted net assets consist of perpetual trusts (see Note 6) whereby the assets are to be held indefinitely by the trustees. Permanently restricted net assets are also comprised of donor-restricted endowment funds (see Note 17) in which the principal is to be invested indefinitely and a portion of the income is to be used for both unrestricted and restricted purposes. The balances at December 31 were as follows:

	2008	2007
Beneficial interest in perpetual trusts	$ 1,081,021	$ 1,589,083
Endowment funds	457,242	308,175
Total	$ 1,538,263	$ 1,897,258

Note 13 - Operating Leases

The YMCA leases various automobiles, certain office equipment, and property under noncancelable agreements accounted for as operating leases through 2011. The YMCA leases three buildings, one from the City of Toledo, one from the Village of Waterville, and one from the Board of Education of the Toledo City School District for $1 per year, expiring April 2015, December 2009, and upon the completion of the new West Toledo facility, respectively. The YMCA also leases the JCC recreation center as described in Note 14 and the Morse Center on the University of Toledo Health Sciences Campus at no charge; however, the YMCA is responsible for all operating costs of the buildings along with routine repair and maintenance. The fair market value of these leases was determined to be approximately $2,141,000 and $1,957,000 at December 31, 2008 and 2007, respectively. The statement of activities and changes in net assets reflects these donations and associated lease expense. A total of $2,695,680 and $2,574,314 of lease expense was charged to operations for the years ended December 31, 2008 and 2007, respectively.

Future minimum payments on the operating leases are as follows:

2009	$	27,786
2010		14,168
2011		2,858
Total	$	44,812

The YMCA leases portions of its Wood County facility to an unrelated not-for-profit organization under a 20-year noncancelable operating lease at $810,000 annually. In January 2002, the unrelated not-for-profit organization subleased a portion of the above lease to the YMCA under a 10-year agreement.

The YMCA also leases portions of its Francis Family facility in Bedford Township, Michigan to an unrelated not-for-profit organization under a 15-year operating lease at $134,250 annually.

Note 13 - Operating Leases (Continued)

For the years ended December 31, 2008 and 2007, lease income for the above lease and all other leases was $1,173,386 and $1,107,492, respectively. The following is a schedule by years of net future minimum rentals under all the leases at December 31, 2008:

2009		$ 1,038,571
2010		997,885
2011		1,000,385
2012		1,000,885
2013		958,385
Thereafter		4,579,098
	Total	$ 9,574,209

Note 14 - Transactions with Affiliates

The YMCA paid dues to the National Council of YMCAs in the amount of $165,742 and $185,556 in 2008 and 2007, respectively.

Throughout the year, the YMCA has purchased goods or services from companies which are related to some YMCA board members through ownership or employment. Amounts are inconsequential to the financial statements except for the annual lease income of $810,000, disclosed in Note 13, and the construction contract disclosed in Note 8, for which two YMCA board members are employed by the lessee organization and contractor, respectively.

As of January 30, 2004, the YMCA entered into an integration agreement with the Jewish Community Center of Toledo, an Ohio not-for-profit corporation (the "JCC"). The purpose of the agreement is to improve the relationship between the Jewish and Christian communities, improve programming activities at each location, broaden the membership of both parties, provide a wellness center for the community, and improve operations at each location. This agreement is for the initial term of five years, with a renewal option thereafter. The integration allows for universal membership among each of the organizations' members. Under this agreement, the YMCA is responsible for all expenses and the operations of the JCC recreation center and, therefore, is entitled to revenue generated from the site. The JCC retains the long-term obligations it had prior to the integration as well as its fixed assets.

Note 15 - Retirement Plan

The YMCA participates in the national 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 (the "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 (the "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 the agreement between the YMCA and the Fund, 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 for the years ended December 31, 2008 and 2007 were $724,310 and $611,923, respectively.

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 in this plan.

Note 16 - Sale-leaseback

In May 2005, the YMCA entered into a sale-leaseback arrangement. Under the agreement, the West Toledo YMCA building and land were sold to Toledo Public Schools (TPS) and leased back to the YMCA for a $1 annual fee until construction is complete on a new facility. The new building will be located on TPS property. The original anticipated completion date was December 2008 and this has been revised to August 2009. At the time of completion, a new lease will commence between YMCA and TPS. The gain of $1,044,298 realized in this transaction was deferred and was amortized to income over the 44-month expected term of the lease. Approximately $285,000 has been recognized in both 2008 and 2007 income, and the deferred gain was zero at December 31, 2008.

Note 17 - Donor and Board Restricted Endowments

The YMCA's endowments include both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of trustees of the YMCA has interpreted the Uniform Management of Institutional Funds Act (UMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the YMCA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UMIFA. In accordance with UMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the organization
(7) The investment policies of the organization

Note 17 - Donor and Board Restricted Endowments (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended Decemer 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	$ 2,928,094	$ -	$ 308,175	$ 3,236,269
Investment return:				
Investment income	64,660	-	-	64,660
Net depreciation (realized and unrealized)	(894,747)	-	(5,198)	(899,945)
Total investment return	(830,087)	-	(5,198)	(835,285)
Contributions	-	-	154,265	154,265
Appropriation of endowment assets for expenditure	(144,000)	-	-	(144,000)
Endowment net assets - End of year	$ 1,954,007	$ -	$ 457,242	$ 2,411,249

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UMIFA requires the YMCA to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2008.

Return Objectives and Risk Parameters

The YMCA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The YMCA expects its endowment funds, over time, to provide an average rate of return of approximately 8 percent annually. Actual returns in any given year may vary from this amount.

Note 17 - Donor and Board Restricted Endowments (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the YMCA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The YMCA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The YMCA has a policy of appropriating for distribution each year between 4 percent and 5 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the YMCA considered the long-term expected return on its endowment. Accordingly, over the long term, the YMCA expects the current spending policy to allow its endowment to grow at an average of 3 percent to 4 percent annually. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 18 - Subsequent Events

Subsequent to year end, the YMCA announced plans to donate its South Branch facility to an unrelated not-for-profit organization and to move the various South Branch programs to other facilities throughout the community. Based on the community's response to this announcement, the YMCA has since revised its plans and has committed to keeping the facility through November 2009 and beginning a membership drive to help fund the deficit incurred related to the costs of the facility upkeep. The YMCA will then review options relative to this property after completion of the membership drive estimated to end November 30, 2009.