

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF
THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2018 AND 2017



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**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
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YEARS ENDED DECEMBER 31, 2018 AND 2017**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Young Men's Christian Association of the Inland Northwest
Spokane, Washington

We have audited the accompanying combined financial statements of Young Men's Christian Association of the Inland Northwest (YMCA) and Young Men's Christian Association of the Inland Northwest Endowment Fund (Endowment Fund) (nonprofit organizations), which comprise the combined statements of financial position as of December 31, 2018 and 2017, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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, based on our audits, the combined financial statements referred to above present fairly, in all material respects, the financial position of Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, on January 1, 2018, the Organization adopted Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, requiring a change in the presentation of net assets and enhanced financial statement disclosures. Our opinion is not modified with respect to this matter.



CliftonLarsonAllen LLP

Spokane, Washington
April 30, 2019

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,173,323	\$ 3,916,100
Accounts Receivable, Net of Allowance for Doubtful Accounts	243,650	275,495
Pledges Receivable, Net of Discount and Allowance for Doubtful Account	114,657	-
Grants Receivable	63,809	88,020
Inventory, at Cost	22,803	34,186
Prepaid Expenses	135,021	163,874
Total Current Assets	3,753,263	4,477,675
LAND, BUILDINGS, AND EQUIPMENT, Net	21,353,023	19,724,130
OTHER ASSETS		
Long-Term Pledges Receivable, Net of Discount and Allowance for Doubtful Accounts	400,000	-
Other Assets	489,522	279,969
Investments	1,612,061	1,724,279
Certificates of Deposit	924,810	914,468
Investment in LLCs	10,549,995	10,819,178
Total Other Assets	13,976,388	13,737,894
Total Assets	\$ 39,082,674	\$ 37,939,699

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2018 AND 2017**

	2018	2017
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,295,993	\$ 1,252,941
Line of Credit	879,094	-
Accrued Bond Interest	175,911	187,260
Charitable Gift Annuity Payable	3,426	3,589
Deferred Revenue	745,475	752,237
Current Portion of Capital Lease	274,123	262,870
Current Maturities of Long-Term Debt	1,450,247	1,352,132
Total Current Liabilities	4,824,269	3,811,029
Capital Lease, Net of Current Maturities	141,432	415,555
Long-Term Debt, Net of Current Maturities	9,077,494	9,481,837
Total Liabilities	14,043,195	13,708,421
NET ASSETS		
Without Donor Restrictions:		
Undesignated	1,053,245	1,437,382
Board Designated for:		
<i>Association Reserve</i>	864,823	944,784
<i>Bond Debt Service</i>	739,559	654,702
<i>Endowment</i>	1,294,478	1,420,428
Invested in Property, Plant, and Equipment	20,659,550	19,399,415
Total Without Donor Restrictions	24,611,655	23,856,711
With Donor Restrictions:		
Restricted by Purpose or Time:		
<i>Camp Scholarships</i>	81,100	82,850
<i>Camp Goodtimes</i>	48,200	7,471
Restricted in Perpetuity - Endowment	298,524	284,246
Total With Donor Restrictions	427,824	374,567
Total Net Assets	25,039,479	24,231,278
Total Liabilities and Net Assets	\$ 39,082,674	\$ 37,939,699

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	Without Donor Restriction	With Donor Restriction	Total
PUBLIC SUPPORT AND REVENUE			
Public Support:			
Contributions	\$ 2,271,019	\$ 251,768	\$ 2,522,787
United Way Allocations	59,800	-	59,800
Government Grants	1,574,929	-	1,574,929
Total Public Support	3,905,748	251,768	4,157,516
Revenue:			
Membership Dues	10,055,639	-	10,055,639
Program Fees	4,864,628	-	4,864,628
Sales to the Public	385,149	-	385,149
Leasing	9,630	-	9,630
Other Rentals	226,793	-	226,793
Realized Gain on Sale of Investments	41,744	-	41,744
Unrealized Loss on Investments	(172,422)	-	(172,422)
Investment and Miscellaneous Income	551,365	-	551,365
Special Events	100,319	-	100,319
Gain on Sale of Assets	2,489	-	2,489
Net Change in Charitable Trust	(522)	-	(522)
Total Revenue	16,064,812	-	16,064,812
Total Public Support and Revenue	19,970,560	251,768	20,222,328
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	198,511	(198,511)	-
EXPENSES			
Program Services	15,751,873	-	15,751,873
Supporting Services:			
Administrative and General	2,161,934	-	2,161,934
Fundraising	227,343	-	227,343
Total Expenses	18,141,150	-	18,141,150
CHANGES IN NET ASSETS BEFORE DEPRECIATION	2,027,921	53,257	2,081,178
DEPRECIATION	1,272,977	-	1,272,977
CHANGES IN NET ASSETS	754,944	53,257	808,201
Net Assets - Beginning of Year	23,856,711	374,567	24,231,278
NET ASSETS - END OF YEAR	\$ 24,611,655	\$ 427,824	\$ 25,039,479

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Public Support:			
Contributions	\$ 799,291	\$ 199,710	\$ 999,001
United Way Allocations	58,000	-	58,000
Government Grants	1,544,901	-	1,544,901
Total Public Support	<u>2,402,192</u>	<u>199,710</u>	<u>2,601,902</u>
Revenue:			
Membership Dues	9,609,135	-	9,609,135
Program Fees	4,653,472	-	4,653,472
Sales to the Public	366,701	-	366,701
Leasing	9,280	-	9,280
Other Rentals	245,313	-	245,313
Realized Gain on Sale of Investments	28,492	-	28,492
Unrealized Loss on Investments	136,352	-	136,352
Investment and Miscellaneous Income	486,872	-	486,872
Special Events	135,949	-	135,949
Gain on Sale of Assets	35,925	-	35,925
Net Change in Charitable Trust	(518)	-	(518)
Total Revenue	<u>15,706,973</u>	<u>-</u>	<u>15,706,973</u>
Total Public Support and Revenue	18,109,165	199,710	18,308,875
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	246,259	(246,259)	-
EXPENSES			
Program Services	15,501,760	-	15,501,760
Supporting Services:			
Administrative and General	2,205,784	-	2,205,784
Fundraising	365,626	-	365,626
Total Expenses	<u>18,073,170</u>	<u>-</u>	<u>18,073,170</u>
CHANGES IN NET ASSETS BEFORE DEPRECIATION	282,254	(46,549)	235,705
DEPRECIATION	<u>1,306,693</u>	<u>-</u>	<u>1,306,693</u>
CHANGES IN NET ASSETS	(1,024,439)	(46,549)	(1,070,988)
Net Assets - Beginning of Year	<u>24,881,150</u>	<u>421,116</u>	<u>25,302,266</u>
NET ASSETS - END OF YEAR	<u>\$ 23,856,711</u>	<u>\$ 374,567</u>	<u>\$ 24,231,278</u>

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	Program Services	Buildings	Supporting Services		Total Expenses
			Administrative and General	Fundraising	
Salaries	\$ 8,013,420	\$ 903,933	\$ 1,120,542	\$ 130,879	\$ 10,168,774
Payroll Taxes and Insurance	1,121,325	160,467	176,762	22,166	1,480,720
Retirement Plan Contributions	275,009	40,341	75,658	5,426	396,434
Total Salaries and Related Expense	9,409,754	1,104,741	1,372,962	158,471	12,045,928
Professional Fees and					
Contract Services	112,946	132,963	430,204	22,857	698,970
Supplies	529,851	604,037	11,656	8,575	1,154,119
Food and Beverages	368,238	1,247	11,927	2,843	384,255
Telephone and Postage	101,914	14,769	29,457	4,606	150,746
Off-Premises Rental	209,712	-	2,515	800	213,027
Equipment, Repair and Rental	102,103	109,820	27,816	-	239,739
Printing and Promotion	49,663	1,302	53,657	8,731	113,353
Conferences and Training	43,003	3,833	43,291	50	90,177
Travel	77,437	14,324	12,285	2,103	106,149
Agency Dues	228,933	598	136	-	229,667
Miscellaneous	292,958	97,041	41,159	7,148	438,306
Occupancy (Rent, Utilities, Maintenance, and Repairs)	407,876	1,202,378	1,644	336	1,612,234
Insurance	92,512	63,894	21,279	-	177,685
Other Taxes	29,392	53	43	-	29,488
Interest	23,466	433,841	-	-	457,307
Total	12,079,758	3,784,841	2,060,031	216,520	18,141,150
Allocated Building Costs	3,672,115	(3,784,841)	101,903	10,823	-
Total	15,751,873	-	2,161,934	227,343	18,141,150
Depreciation	1,253,956	-	19,021	-	1,272,977
Total Expenses	<u>\$ 17,005,829</u>	<u>\$ -</u>	<u>\$ 2,180,955</u>	<u>\$ 227,343</u>	<u>\$ 19,414,127</u>

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017**

	Program Services	Buildings	Supporting Services		Total Expenses
			Administrative and General	Fundraising	
Salaries	\$ 7,841,627	\$ 891,278	\$ 1,110,332	\$ 205,173	\$ 10,048,410
Payroll Taxes and Insurance	1,126,110	159,406	184,387	30,788	1,500,691
Retirement Plan Contributions	260,873	35,788	72,142	16,472	385,275
Total Salaries and Related Expense	9,228,610	1,086,472	1,366,861	252,433	11,934,376
Professional Fees and					
Contract Services	125,935	149,177	320,202	35,032	630,346
Supplies	517,142	408,683	16,603	9,283	951,711
Food and Beverages	356,954	856	15,383	5,607	378,800
Telephone and Postage	98,812	12,818	41,596	3,796	157,022
Off-Premises Rental	208,131	-	2,541	684	211,356
Equipment, Repair and Rental	42,579	88,418	144,828	150	275,975
Printing and Promotion	88,008	1,695	56,132	14,745	160,580
Conferences and Training	59,886	4,840	65,479	28	130,233
Travel	80,926	17,385	2,965	615	101,891
Agency Dues	223,011	466	17	-	223,494
Miscellaneous	446,412	64,786	46,398	31,818	589,414
Occupancy (Rent, Utilities, Maintenance, and Repairs)	467,317	1,219,450	1,651	403	1,688,821
Insurance	78,489	63,963	21,129	-	163,581
Other Taxes	18,786	103	149	-	19,038
Interest	13,029	443,503	-	-	456,532
Total	12,054,027	3,562,615	2,101,934	354,594	18,073,170
Allocated Building Costs	3,447,733	(3,562,615)	103,850	11,032	-
Total	15,501,760	-	2,205,784	365,626	18,073,170
Depreciation	1,285,661	-	21,032	-	1,306,693
Total Expenses	<u>\$ 16,787,421</u>	<u>\$ -</u>	<u>\$ 2,226,816</u>	<u>\$ 365,626</u>	<u>\$ 19,379,863</u>

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Public Support and Revenue	\$ 18,878,904	\$ 17,915,299
Cash Paid to Suppliers and Employees	(17,541,088)	(16,536,881)
Interest Received	91,972	58,231
Interest Paid	(468,656)	(467,698)
Net Cash Provided by Operating Activities	961,132	968,951
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Land, Buildings, and Equipment	(955,963)	(171,047)
Proceeds from Sale of Land, Buildings, and Equipment	2,489	35,925
Purchases of Certificate of Deposit	(924,914)	(914,431)
Proceeds from Maturity of Certificate of Deposit	914,572	906,889
Purchase of Investments	(456,753)	(420,910)
Proceeds from Sale of Investments	438,293	403,384
Notes Receivable Payments from YWCA	-	303,812
Net Cash Provided (Used) by Investing Activities	(982,276)	143,622
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease	(262,870)	(144,470)
Proceeds from Line of Credit	939,094	-
Payments on Line of Credit	(60,000)	-
Payments on Long-Term Debt	(1,352,135)	(1,332,031)
Proceeds from Contributions Restricted for Permanent Endowment	14,278	18,458
Net Cash Used by Financing Activities	(721,633)	(1,458,043)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(742,777)	(345,470)
Cash and Cash Equivalents - Beginning of Year	3,916,100	4,261,570
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,173,323	\$ 3,916,100
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Equipment Acquired through Capital Lease	\$ -	\$ 808,605
Land, Building, and Equipment Acquired through Note Payable	\$ 1,045,907	\$ -
In-Kind Contribution of Land, Building, and Equipment	\$ 900,000	\$ -

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in Net Assets	\$ 808,201	\$ (1,070,988)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,272,977	1,306,693
Unrealized (Gain) Loss on Investments	172,422	(136,352)
Gain on Sale of Land, Buildings, and Equipment	(2,489)	(35,925)
Realized (Gain) Loss on Sale of Investments	(41,744)	(28,492)
Occupancy Expense from Investment in LLC	269,183	304,293
In-Kind Contributions of Land, Building, and Equipment	(900,000)	-
Contributions Restricted for Long-Term Purposes	(14,278)	(18,458)
(Increase) Decrease in Assets:		
Accounts Receivable	31,845	(105,469)
Pledges Receivable	(514,657)	-
Grants Receivable	24,211	(10,649)
Inventory	11,383	(5,737)
Prepaid Expenses	28,853	10,390
Other Assets	(209,553)	189,031
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	43,052	187,081
Accrued Bond Interest	(11,349)	(11,166)
Charitable Gift Annuity Payable	(163)	(167)
Deferred Revenue	(6,762)	394,866
Net Cash Provided by Operating Activities	\$ 961,132	\$ 968,951

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 1 NATURE OF OPERATIONS

Nature of Operations

Young Men's Christian Association of the Inland Northwest (YMCA) is a provider of youth and family programs and services in eastern Washington and northern Idaho. Young Men's Christian Association of the Inland Northwest Endowment Fund (Endowment Fund) supports YMCA and its youth and family programs based on donor designations. These entities are collectively referred to as YMCA.

YMCA's mission is to put Christian principles into practice that build healthy spirit, mind, and body for all. 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.

We advance our cause of strengthening community through program activities impacting youth development, healthy living, and social responsibility.

Youth Development – Our 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. Our YMCA programs 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.

Social Responsibility – Our 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 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.

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.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The combined financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The YMCA records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, bond debt service, and board-designated endowment.

Net Assets With 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.

YMCA reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Use of Estimates

The preparation of combined 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 combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Combined Financial Statements

The combined financial statements include the financial statements of YMCA and Endowment Fund. These are separately incorporated entities, each with its own board of directors that are combined for reporting purposes. Amounts due between these organizations were eliminated during preparation of the combined financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months at the date of acquisition and money market funds.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certificates of Deposit

Certificates of deposit are stated as cost plus accrued interest which approximates fair value.

Impairment of Long-Lived Assets

YMCA, using its best estimates based on reasonable and supportable assumptions and projections, reviews assets for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable. Impaired assets are recorded at the lower of cost or fair value.

Revenue Recognition

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.

Concentration of Credit Risk

Financial instruments, which potentially subject YMCA to concentrations of credit risk, consist of cash and cash equivalents.

YMCA maintains its cash in bank deposit accounts at financial institutions. The bank accounts, at times, may be in excess of the Federal Deposit Insurance Corporation insurance limit.

Receivables

Accounts and grants are recorded net of an allowance for doubtful accounts. Accounts are written off in the period they are determined to be uncollectible. Contributions are shown net of uncollectible pledges in the combined statements of activities.

Inventory

Inventory is recorded using the lower of FIFO cost (first-in, first-out) or market.

Investments

YMCA accounts for investments in accordance with the provisions of *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the combined statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land, Buildings, and Equipment

Purchases of land, buildings, and equipment are recorded at cost. A threshold of \$1,500 is used as the basis for asset capitalization. Maintenance, repairs, and minor additions are expensed as incurred. Depreciation is computed primarily using the straight-line method. The useful lives for depreciation purposes range from 3 to 15 years for vehicles and equipment and 10 to 40 years for buildings.

Contributions and Pledges

The YMCA records unconditional promises to give (pledges) as receivables and contributions within the appropriate net asset category based on the existence or absence of donor-imposed restrictions. The YMCA recognizes conditional promises to give when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

YMCA reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restriction. Absent explicit donor stipulations about how long those long-lived assets must be maintained, YMCA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

As of December 31, 2018 and 2017 the YMCA has uncollected unconditional pledges totaling \$514,657 and \$0-, respectively. Expected receipts as of December 31, 2018 are as follows:

	Pledges Receivable	Allowance for Uncollectible Pledges	Net
Less Than One Year	\$ 125,885	\$ 11,228	\$ 114,657
One to Four Years	400,000	-	400,000
Total	<u>\$ 525,885</u>	<u>\$ 11,228</u>	<u>\$ 514,657</u>

Contributed Assets and Services

Materials, land, buildings, equipment, and other assets received as donations are recorded and reflected in the accompanying combined financial statements at their estimated fair market values at the date they are received.

Unemployment Reserve

YMCA is self-insured for unemployment claims. YMCA accrued approximately .4% of total wages as a liability at December 31, 2018 and 2017. The balance of the liability was \$342,885 and \$351,997 at December 31, 2018 and 2017, respectively.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited.

Sales Taxes

YMCA excludes from revenue any sales taxes collected from customers and remitted to governmental authorities.

Income Taxes

YMCA and Endowment Fund are nonprofit corporations exempt under Internal Revenue Code Section 501(c)(3) from taxes on all income except that generated from its debt-financed leased facilities. There was no income tax liability in 2018 or 2017. Management evaluated YMCA's tax positions and concluded that YMCA had taken no uncertain tax positions that require adjustment to the combined financial statements to comply with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10.

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 with the exception of the liquidity disclosure, this has been presented for 2018 only as permitted by the standard.

New Accounting Pronouncement Effective in Future Accounting Periods

Revenue from Contracts with Customers

In May 2014, FASB issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the entity for annual periods beginning after December 15, 2018. Management is evaluating the impact of the amended revenue recognition guidance on the entity's combined financial statements.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement Effective in Future Accounting Periods (Continued)

Accounting for Contributions Received and Contributions Made

In June 2018, FASB issued ASU 2018-08 related to the accounting for contributions received and contributions made. This update applies to both resource recipients and resource providers and assists in evaluating whether a transfer of assets is an exchange transaction or a contribution and also assists with distinguishing between conditional and unconditional contributions. Distinguishing between contributions and exchange transactions determines which guidance should be applied. For contributions, the guidance in Subtopic 958-605 should be followed and for exchange transactions, Topic 606 should be followed. The ASU is effective for the YMCA for the year ended December 31, 2019. Management is currently evaluating the impact this guidance will have on its financial statements.

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which is a comprehensive lease accounting standard that requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. The guidance is required to be applied by YMCA for the year ended December 31, 2020; however, early application is permitted. Management is currently evaluating the impact this guidance will have on its combined financial statements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying combined financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Subsequent events have been evaluated through April 30, 2019, which is the date the combined financial statements were available to be issued.

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NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure that is without donor or other restrictions limiting their use within one year of the balance sheet date comprise the following:

	<u>2018</u>
Cash and Cash Equivalents	\$ 1,338,224
Certificates of Deposit	924,810
Accounts Receivable	243,650
Pledges Receivable	114,657
Endowment Appropriations	50,000
Total	<u>\$ 2,671,340</u>

YMCA Endowment Fund consists of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

YMCA Endowment Fund is subject to an annual spending rate of 4.0% as described in Note 13. Although the YMCA Endowment Fund does not intend to spend from the board-designated portion of the endowment (other than amounts appropriated for general expenditure as part of the Endowment Board's annual budget approval and appropriation), these amounts could be made available if necessary. As of December 31, 2018, the board-designated portion of the Endowment was \$1,294,478.

As part of YMCA's liquidity management plan, management invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. The YMCA Board may also designate a portion of any operating surplus to its Association Reserve. As of December 31, 2018 the board-designated portion of the Reserve was \$864,823.

The YMCA also maintains a line of credit in the amount of \$500,000, which could be drawn upon in the event of an anticipated liquidity need.

NOTE 4 LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment consisted of the following as of December 31:

	<u>2018</u>	<u>2017</u>
Land	\$ 2,658,027	\$ 2,228,027
Buildings and Improvements	26,796,248	24,486,829
Tenant Improvements	705,059	705,059
Equipment and Furnishings	5,162,150	5,070,496
Vehicles	239,533	239,533
Total	<u>35,561,017</u>	<u>32,729,944</u>
Less: Accumulated Depreciation	14,207,994	13,005,814
Total	<u>\$ 21,353,023</u>	<u>\$ 19,724,130</u>

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NOTE 5 INVESTMENTS

Investments, stated at fair value, consisted of the following as of December 31:

	2018	2017
Cash Funds	\$ 36,660	\$ 54,892
U.S. Government Bonds	184,258	168,506
Equity Securities	536,312	620,129
Mutual Funds	758,433	781,842
Corporate Bonds	96,398	98,910
Total	\$ 1,612,061	\$ 1,724,279

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy defined by FASB ASC 820 are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 measurements include those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.

Level 3 – Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to YMCA's needs.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. YMCA's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

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NOTE 5 INVESTMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

Cash Funds

Valued at quoted market prices and are considered a Level 1 input item.

U.S. Government and Corporate Bonds

Valued based on yields currently available on comparable securities of issuers with similar credit ratings and are considered a Level 2 input item. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Mutual Funds

Valued at quoted market prices which represent the net asset value of shares held by YMCA at year-end and are considered a Level 1 input item.

Equity Securities

Valued at the closing price reported in the active market in which the individual security is traded and are considered a Level 1 input item.

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

The following tables disclose by level, within the fair value hierarchy, YMCA's assets measured and reported on the combined statements of financial position at fair value on a recurring basis as of December 31:

	2018			Total
	Level 1	Level 2	Level 3	
Cash Funds	\$ 36,660	\$ -	\$ -	\$ 36,660
U.S. Government Bonds:				
AAA Credit Rating	-	184,258	-	184,258
Equity Securities	536,312	-	-	536,312
Mutual Funds	758,433	-	-	758,433
Corporate Bonds	-	96,398	-	96,398
Total	<u>\$ 1,331,405</u>	<u>\$ 280,656</u>	<u>\$ -</u>	<u>\$ 1,612,061</u>

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NOTE 5 INVESTMENTS (CONTINUED)

	2017			
	Level 1	Level 2	Level 3	Total
Cash Funds	\$ 54,892	\$ -	\$ -	\$ 54,892
U.S. Government Bonds:				
AAA Credit Rating	-	168,506	-	168,506
Equity Securities	620,129	-	-	620,129
Mutual Funds	781,842	-	-	781,842
Corporate Bonds	-	98,910	-	98,910
Total	\$ 1,456,863	\$ 267,416	\$ -	\$ 1,724,279

NOTE 6 INVESTMENTS IN LLCs

YMCA is a member in Central Y Owner, LLC along with Young Women's Christian Association of Spokane (YWCA). YMCA and YWCA each own a 50% interest in the LLC. The purpose of the LLC is to hold the Central Y building and real property for program use by YMCA and YWCA.

YMCA is accounting for its investment in the LLC by the equity method of accounting under which YMCA's share of the net income or loss of the LLC is recognized as income or loss in YMCA's combined statements of activities. The income or loss is deducted from or added to occupancy expenses related to use of the Central Y facility (see Note 14, Commitments).

The audited financial statements of the LLC included the following as of December 31:

	2018	2017
Revenue	\$ 463,809	\$ 391,834
Net Loss	(490,703)	(560,914)
Total Assets	18,738,547	19,308,465
Total Liabilities	38,500	117,714
Members' Equity	18,700,047	19,190,751

YMCA and YWCA of Spokane guarantee liabilities of the LLC.

NOTE 7 RELATED PARTY TRANSACTIONS

YMCA had the following related party receivables as of December 31:

	2018	2017
Accounts Receivable, Central Y Owner, LLC	\$ 2,060	\$ 54,340

Related party rent expense paid to Central Y Owner, LLC was \$300,012 and \$247,772 for the years ended December 31, 2018 and 2017, respectively.

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NOTE 8 ASSETS HELD IN CHARITABLE TRUSTS

YMCA administers various charitable gift annuities. A charitable gift annuity provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for Endowment Fund's use. The portion of the trust attributable to the present value of the future benefits to be received by YMCA is recorded in the combined statements of activities as unrestricted contributions in the period the trust is established. There were no contributions for the years ended December 31, 2018 and 2017.

Assets held in charitable trusts consisted of the following types of investments as of December 31:

	2018	2017
Cash	\$ 590	\$ 392
Mutual Funds	6,247	7,801
Assets at Fair Market Value	\$ 6,837	\$ 8,193

The assets held in charitable trusts are included in investments on YMCA's combined statements of financial position.

The state of Washington under RCW 48.38.020 requires charities to obtain a certificate of exemption to issue charitable gift annuities. RCW 48.38.020 requires the charity to maintain a separate reserve fund equal to 110% of the actuarially determined liability balance. The reserve fund amount is calculated every December 31 and must be performed by an independent third party. The current reserve fund requirement as determined by the actuary is \$3,769 and \$3,948 at December 31, 2018 and 2017, respectively; this liability is reflected on YMCA's combined statements of financial position in accounts payable and accrued expenses. The RCW allows the organization to use its existing Gift Annuity Pool as the reserve fund to meet this requirement.

NOTE 9 LONG-TERM DEBT

The terms of the bonds and notes payable are as follows as of December 31:

<u>Description</u>	2018		2017	
	Current	Long-Term	Balance	Balance
Washington State Housing Finance Commission Nonprofit Revenue Bonds, interest rates varying between 4.25% and 5.4%, maturing at varying years ranging from 2003 to 2029; collateralized by the assets of the YMCA. The Commission also requires that the YMCA comply with various reporting covenants.	\$ 230,000	\$ 3,115,000	\$ 3,345,000	\$ 3,565,000

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NOTE 9 LONG-TERM DEBT (CONTINUED)

<u>Description</u>	2018			2017
	<u>Current</u>	<u>Long-Term</u>	<u>Balance</u>	<u>Balance</u>
Lease payable, BANCLEASING, LLC originating March 2017, monthly payments beginning in July 2017 of \$25,961, including interest at 4.075%, maturing in June 2020	\$ 274,123	\$ 141,432	\$ 415,555	\$ 678,426
Note Payable, Paramount Ltd, originating December 14, 2016, monthly payments beginning January 2017 of \$4,453, including interest at 3.5%, maturing December 2021.	48,832	103,003	151,835	198,968
Washington State Housing Finance Commission Nonprofit Revenue Bonds, interest at a variable rate of 2.18% at December 31, 2018, based on the Securities Industry and Financial Markets Association index, maturing at July 1, 2021; collateralized by the assets of the YMCA. The Commission also required that the YMCA comply with various reporting covenants.*	860,000	1,700,000	2,560,000	3,420,000
Washington State Housing Finance Commission Nonprofit Revenue Bonds, interest at 5.005%, maturing July 1, 2033; collateralized by the assets of the YMCA. The Commission also requires that the YMCA comply with various reporting covenants.	225,000	3,200,000	3,425,000	3,650,000
Note Payable, Helander LTD, originating December 2018, monthly payments beginning January 2019 of \$10,595, including interest at 4%, maturing December 2029.	86,415	959,491	1,045,906	-
Total	<u>\$ 1,724,370</u>	<u>\$ 9,218,926</u>	<u>\$ 10,943,296</u>	<u>\$ 11,512,394</u>

* These bonds were restructured during 2011 to mature July 1, 2021; previously the maturity date was July 1, 2018.

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NOTE 9 LONG-TERM DEBT (CONTINUED)

Future maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Notes Payable</u>	<u>Capital Leases</u>	<u>Totals</u>
2019	\$ 1,450,247	\$ 274,123	\$ 1,724,370
2020	1,465,889	141,432	1,607,321
2021	1,466,510	-	1,466,510
2022	592,925	-	592,925
2023	611,914	-	611,914
Thereafter	4,940,256	-	4,940,256
Total	<u>\$ 10,527,741</u>	<u>\$ 415,555</u>	<u>\$ 10,943,296</u>

Minimum payments under capital lease obligations are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 286,338
2020	143,168
Less: Interest	<u>(13,951)</u>
Total Principal	415,555
Less: Current Portion	<u>(274,123)</u>
Total	<u>\$ 141,432</u>

Cost and accumulated depreciation as of December 31, 2018 of equipment under capital lease obligations were \$841,330 and \$420,665, respectively. Cost and accumulated depreciation as of December 31, 2017 of equipment under capital lease obligations were \$841,330 and \$140,222, respectively.

YMCA has a \$500,000 line of credit available, secured by cash, investments, and receivables. The line of credit bears interest at the prime rate, but not less than 4% and expires July 5, 2019. Interest at December 31, 2018 was 5.5%. As of December 31, 2018 and 2017, there was no outstanding balance.

YMCA entered into an uncollateralized line of credit agreement with Washington Trust Bank on November 26, 2018 in the amount of \$960,000. The line of credit expires on November 26, 2019. The YMCA had outstanding borrowings of \$879,094 at December 31, 2018. Interest on such borrowings is equal to 4.625%.

The bonds payable and line of credit agreements contain certain loan covenants which include those pertaining to debt service coverage, debt to net worth and capital expenditures restrictions. The YMCA was not in compliance with certain covenants and obtained a waiver.

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NOTE 10 EMPLOYEE BENEFIT PLAN

YMCA participates in a defined contribution, individual account, money purchase retirement plan which is administered by Young Men's Christian Association Retirement Fund (Retirement Fund) (a separate corporation). The Plan is for the benefit of all professional and support staff of YMCA.

On July 1, 2002, YMCA adopted a Special Agreement noncontributory participation plan whereby YMCA contributes a percentage of participating employees' salaries to the Retirement Fund monthly. For 2018 and 2017 the rate was 8%. Total YMCA contributions charged to retirement costs were \$396,438 and \$385,275 for 2018 and 2017, respectively.

The Retirement Fund is operated as a church pension plan and is a nonprofit, tax-exempt New York State corporation (1922). Participation is available to all duly organized or reorganized YMCAs in the United States of America. As a defined contribution plan, the Retirement Fund has no unfunded benefit obligations.

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NOTE 11 PROGRAM EXPENSES – YEAR ENDED DECEMBER 31, 2018

	Operating Units				Retired and Senior Volunteer Program	Total
	Membership Development	Youth Development	YMCA Camp Reed	Managed Facilities		
Salaries	\$ 4,203,218	\$ 2,316,976	\$ 365,305	\$ 1,066,369	\$ 61,552	\$ 8,013,420
Payroll Taxes and Insurance	533,721	354,332	61,370	156,823	15,079	1,121,325
Retirement Plan Contributions	147,972	74,637	11,169	36,586	4,645	275,009
Total Salaries and Related Expenses	<u>4,884,911</u>	<u>2,745,945</u>	<u>437,844</u>	<u>1,259,778</u>	<u>81,276</u>	<u>9,409,754</u>
Professional Fees and Contract Services	62,048	21,409	23,509	5,138	841	112,945
Supplies	181,029	126,855	67,609	154,191	167	529,851
Food and Beverages	10,345	192,536	106,556	58,709	92	368,238
Telephone and Postage	76,983	19,094	3,251	1,248	1,338	101,914
Off-Premises Rental	180,107	11,035	-	18,570	-	209,712
Equipment, Repair and Rental	39,548	4,978	7,366	46,566	3,647	102,105
Printing and Promotion	32,184	3,535	7,544	4,526	1,875	49,664
Conference and Training	20,544	5,943	7,241	3,767	5,509	43,004
Travel	8,892	57,882	3,070	5,754	1,838	77,436
Agency Dues	147,379	47,622	13,669	18,501	1,761	228,932
Miscellaneous	204,643	52,185	18,272	9,914	7,943	292,957
Occupancy (Rent, Utilities, Maintenance, and Repairs)	274,458	106,756	212	26,449	-	407,875
Insurance	40,128	15,636	26,784	8,986	978	92,512
Other Taxes	26,358	383	-	2,651	-	29,392
Interest	23,466	-	-	-	-	23,466
Program Totals Before Allocated Expenses	<u>6,213,023</u>	<u>3,411,794</u>	<u>722,927</u>	<u>1,624,748</u>	<u>107,265</u>	<u>12,079,757</u>
Expenses Allocated from Other Functions:						
Administration/Fundraising	1,612,813	591,801	159,020	-	16,902	2,380,536
Community Involvement Center/Buildings	4,404,886	161,676	346,580	-	12,929	4,926,071
Total Allocated Expenses	<u>6,017,699</u>	<u>753,477</u>	<u>505,600</u>	<u>-</u>	<u>29,831</u>	<u>7,306,607</u>
Total Functional Expenses	<u>\$ 12,230,722</u>	<u>\$ 4,165,271</u>	<u>\$ 1,228,527</u>	<u>\$ 1,624,748</u>	<u>\$ 137,096</u>	<u>\$ 19,386,364</u>

Program expenses and administration/fundraising allocation exclude the Endowment Fund expenses of \$27,763. Total entity expenses were \$19,414,127.

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NOTE 11 PROGRAM EXPENSES (CONTINUED) – YEAR ENDED DECEMBER 31, 2017

	Operating Units				Retired and Senior Volunteer Program	Total
	Membership Development	Youth Development	Camp Reed	Managed Facilities		
Salaries	\$ 4,080,537	\$ 2,284,359	\$ 401,257	\$ 1,013,074	\$ 62,400	\$ 7,841,627
Payroll Taxes and Insurance	531,829	354,167	62,095	161,569	16,450	1,126,110
Retirement Plan Contributions	133,175	81,457	13,393	27,824	5,024	260,873
Total Salaries and Related Expenses	<u>4,745,541</u>	<u>2,719,983</u>	<u>476,745</u>	<u>1,202,467</u>	<u>83,874</u>	<u>9,228,610</u>
Professional Fees and Contract Services	72,237	23,799	19,712	7,221	2,966	125,935
Supplies	207,305	127,085	88,681	91,201	2,870	517,142
Food and Beverages	10,308	168,770	121,628	56,248	-	356,954
Telephone and Postage	74,952	17,865	4,283	134	1,578	98,812
Off-Premises Rental	179,383	10,689	-	18,059	-	208,131
Equipment, Repair and Rental	26,567	4,309	10,395	510	798	42,579
Printing and Promotion	64,318	4,185	13,378	759	5,368	88,008
Conferences and Training	25,757	13,549	7,749	5,557	7,274	59,886
Travel	11,675	57,989	2,435	6,655	2,172	80,926
Agency Dues	153,375	48,187	14,218	5,253	1,978	223,011
Miscellaneous	375,143	47,745	18,740	3,912	872	446,412
Occupancy (Rent, Utilities, Maintenance, and Repairs)	310,585	104,098	342	52,292	-	467,317
Insurance	32,158	15,606	26,208	3,521	996	78,489
Other Taxes	15,685	397	-	2,704	-	18,786
Interest	13,029	-	-	-	-	13,029
Program Totals Before Allocated Expenses	<u>6,318,018</u>	<u>3,364,256</u>	<u>804,514</u>	<u>1,456,493</u>	<u>110,746</u>	<u>12,054,027</u>
Expenses Allocated from Other Functions:						
Administration/Fundraising	1,686,674	722,202	139,725	-	15,126	2,563,727
Community Involvement Center/Buildings	4,190,561	158,248	371,485	-	13,100	4,733,394
Total Allocated Expenses	<u>5,877,235</u>	<u>880,450</u>	<u>511,210</u>	<u>-</u>	<u>28,226</u>	<u>7,297,121</u>
Total Functional Expenses	<u>\$ 12,195,253</u>	<u>\$ 4,244,706</u>	<u>\$ 1,315,724</u>	<u>\$ 1,456,493</u>	<u>\$ 138,972</u>	<u>\$ 19,351,148</u>

Program expenses and administration/fundraising allocation exclude the Endowment Fund expenses of \$28,715. Total entity expenses were \$19,379,863.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 12 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors in the years ended December 31.

	2018	2017
Purpose Restrictions Accomplished:		
Camp Reed	\$ 104,400	\$ 111,849
Camp Goodtimes	94,111	134,410
Total	\$ 198,511	\$ 246,259

NOTE 13 FUNDS HELD FOR ENDOWMENT

YMCA follows Uniform Prudent Management of Institutional Funds Act (UPMIFA) and its own governing documents. The board of directors of YMCA and Endowment Fund has interpreted UPMIFA 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, YMCA classifies as net assets with donor restriction (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. In accordance with UPMIFA, YMCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 YMCA, and (7) YMCA's investment policies.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or UPMIFA required YMCA to retain as a fund of perpetual duration. YMCA had no deficiencies of this nature at December 31, 2018 and 2017.

Endowment Investment and Spending Policies

Endowment Fund has adopted investment and spending policies, approved by its board of directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its funds while seeking to maintain the purchasing power of the endowment assets over the long-term. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor specified period as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that equal inflation plus 5% while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount. To satisfy its long-term rate of return objective, the endowment relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and from current yield (interest and dividends). Asset allocation guidelines and the investment manager structure should ensure adequate diversification in order to reduce the volatility of investment returns.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 13 FUNDS HELD FOR ENDOWMENT (CONTINUED)

Endowment Investment and Spending Policies (Continued)

The spending policy calculates the amount of money annually distributed from Endowment Fund's assets. The current spending policy is to distribute an amount not to exceed 4% of the average value of the total endowment portfolio over the preceding three-year period.

Endowment Fund net asset composition by type of fund is as follows at December 31:

	2018		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 298,524	\$ 298,524
Board-Designated Funds	1,294,478	-	1,294,478
Total	<u>\$ 1,294,478</u>	<u>\$ 298,524</u>	<u>\$ 1,593,002</u>
	2017		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 284,246	\$ 284,246
Board-Designated Funds	1,420,428	-	1,420,428
Total	<u>\$ 1,420,428</u>	<u>\$ 284,246</u>	<u>\$ 1,704,674</u>

Change in Endowment Net Assets

	Board- Designated Unrestricted	With Donor Restriction	Total
Endowment Net Assets - January 1, 2017	\$ 1,267,290	\$ 265,788	\$ 1,533,078
Contributions	-	18,458	18,458
Amount Due to YMCA Forgiven	-	-	-
Investment Return:			
Investment Income	57,664	-	57,664
Net Gain on Investments:			
Realized/Unrealized Loss	164,189	-	164,189
Appropriations for Expenditure	(68,715)	-	(68,715)
Endowment Net Assets - December 31, 2017	1,420,428	284,246	1,704,674
Contributions	15,297	14,278	29,575
Investment Return:			
Investment Income	66,327	-	66,327
Net Gain on Investments:			
Realized/Unrealized Gain	(129,811)	-	(129,811)
Appropriations for Expenditure	(77,763)	-	(77,763)
Net Proceeds from Charitable Trust	-	-	-
Endowment Net Assets - December 31, 2018	<u>\$ 1,294,478</u>	<u>\$ 298,524</u>	<u>\$ 1,593,002</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 14 COMMITMENTS

YMCA leases approximately 47,000 square feet of space within the Central Y facility from Central Y Owner, LLC, a related party (see Note 4). The lease began in May 2009 and will continue until December 2037. In addition, YMCA leases space within the Central Y facility from the YWCA under a separate lease agreement. YMCA also leases corporate office space and south facility space from unrelated parties. YMCA agreed to extend the lease for corporate office space for an additional 5 years (existing lease expires in December 2019), terms have not yet been determined. Total minimum lease payments for the five years following December 31, 2018 and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 371,234
2020	252,958
2021	174,764
2022	102,565
2023	105,127
Thereafter	35,492
Total	<u>\$ 1,042,140</u>

The Central Y Owner, LLC lease agreement was amended in 2015 to reduce base rent payments to \$1 per month. YMCA's portion of the operating costs of Central Y Owner, LLC has been reported as occupancy expense on the statement of functional expenses.

YMCA entered into agreements for software licenses, minimum payments for the five years following December 31, 2018 and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 139,393
2020	139,393
2021	176,000
2022	181,100
2023	196,800
Thereafter	213,100
Total	<u>\$ 1,045,786</u>



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Young Men's Christian Association of the Inland Northwest
Spokane, Washington

We have audited the combined financial statements of Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund (nonprofit organizations) as of and for the years ended December 31, 2018 and 2017, and have issued our report thereon dated April 30, 2019, which contained an unmodified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information, included on pages 31 through 39, is presented for the purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Spokane, Washington
April 30, 2019

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Current Fund	Land, Buildings, and Equipment Acquisitions	Capital Campaign Fund	Bond Fund	Endowment Fund	Interagency Eliminations	Total All Funds
ASSETS							
Cash and Cash Equivalents	\$ 1,561,140	\$ 85,729	\$ 25,274	\$ 1,498,755	\$ 2,425	\$ -	\$ 3,173,323
Accounts Receivable, Net of Allowance for Doubtful Accounts	243,650	-	-	-	-	-	243,650
Pledges Receivable, Net of Discount and Allowance for Doubtful Accounts	14,657	-	500,000	-	-	-	514,657
Grants Receivable	63,809	-	-	-	-	-	63,809
Due from Other Funds	598,960	-	-	-	-	(598,960)	-
Inventory, at Cost	19,132	3,671	-	-	-	-	22,803
Investments	6,836	-	-	-	1,605,225	-	1,612,061
Certificates of Deposit	-	-	-	924,810	-	-	924,810
Investment in LLCs	-	10,549,995	-	-	-	-	10,549,995
Prepaid Expenses	56,600	-	-	78,421	-	-	135,021
Other Assets	-	489,522	-	-	-	-	489,522
Land, Building, and Equipment, Less Accumulated Depreciation	-	21,353,023	-	-	-	-	21,353,023
Total Assets	\$ 2,564,784	\$ 32,481,940	\$ 525,274	\$ 2,501,986	\$ 1,607,650	\$ (598,960)	\$ 39,082,674
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 1,295,920	\$ -	\$ 73	\$ -	\$ -	\$ -	\$ 1,295,993
Line of Credit	-	-	879,094	-	-	-	879,094
Accrued Bond Interest	-	-	-	175,911	-	-	175,911
Charitable Gift Annuity Payable	3,426	-	-	-	-	-	3,426
Deferred Revenue	745,475	-	-	-	-	-	745,475
Capital Lease	-	415,555	-	-	-	-	415,555
Notes Payable and Long-Term Debt	1,197,741	-	-	9,330,000	-	-	10,527,741
Due to Other Funds	584,312	-	-	-	14,648	(598,960)	-
Total Liabilities	3,826,874	415,555	879,167	9,505,911	14,648	(598,960)	14,043,195
NET ASSETS (DEFICIT)	(1,262,090)	32,066,385	(353,893)	(7,003,925)	1,593,002	-	25,039,479
Total Liabilities and Net Assets	\$ 2,564,784	\$ 32,481,940	\$ 525,274	\$ 2,501,986	\$ 1,607,650	\$ (598,960)	\$ 39,082,674

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Current Fund	Land, Buildings, and Equipment Acquisitions	Capital Campaign Fund	Bond Fund	Endowment Fund	Interagency Eliminations	Total All Funds
ASSETS							
Cash and Cash Equivalents	\$ 1,869,155	\$ 84,860	\$ 32,274	\$ 1,927,253	\$ 2,558	\$ -	\$ 3,916,100
Accounts Receivable	275,495	-	-	-	-	-	275,495
Grants Receivable	88,020	-	-	-	-	-	88,020
Due from Other Funds	347,018	-	-	-	-	(347,018)	-
Inventory, at Cost	30,514	3,672	-	-	-	-	34,186
Investments	8,193	-	-	-	1,716,086	-	1,724,279
Certificates of Deposit	-	-	-	914,468	-	-	914,468
Investment in LLCs	-	10,819,178	-	-	-	-	10,819,178
Prepaid Expenses	71,804	-	-	92,070	-	-	163,874
Other Assets	-	279,969	-	-	-	-	279,969
Land, Buildings, and Equipment (Net)	-	19,724,130	-	-	-	-	19,724,130
Total Assets	\$ 2,690,199	\$ 30,911,809	\$ 32,274	\$ 2,933,791	\$ 1,718,644	\$ (347,018)	\$ 37,939,699
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 1,243,190	\$ -	\$ 9,751	\$ -	\$ -	\$ -	\$ 1,252,941
Accrued Bond Interest	-	-	-	187,260	-	-	187,260
Charitable Gift Annuity Payable	3,589	-	-	-	-	-	3,589
Deferred Revenue	752,237	-	-	-	-	-	752,237
Capital Lease	-	678,427	-	-	-	-	678,427
Notes Payable and Long-Term Debt	198,967	-	-	10,635,000	-	-	10,833,967
Due to Other Funds	333,048	-	-	-	13,970	(347,018)	-
Total Liabilities	2,531,031	678,427	9,751	10,822,260	13,970	(347,018)	13,708,421
NET ASSETS (DEFICIT)	159,168	30,233,382	22,523	(7,888,469)	1,704,674	-	24,231,278
Total Liabilities and Net Assets	\$ 2,690,199	\$ 30,911,809	\$ 32,274	\$ 2,933,791	\$ 1,718,644	\$ (347,018)	\$ 37,939,699

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Membership Development	Youth Development	Managed Facilities	Corporate Programs	Capital Campaign	Bond Fund	Endowment Fund	Total
PUBLIC SUPPORT AND REVENUE								
Public Support:								
Contributions	\$ 420,402	\$ 260,550	\$ -	\$ 352,260	\$ 1,460,000	\$ -	\$ 29,575	\$ 2,522,787
United Way Allocations	-	59,800	-	-	-	-	-	59,800
Government Grants	4,210	924,745	522,009	123,965	-	-	-	1,574,929
Total Public Support	<u>424,612</u>	<u>1,245,095</u>	<u>522,009</u>	<u>476,225</u>	<u>1,460,000</u>	<u>-</u>	<u>29,575</u>	<u>4,157,516</u>
Revenue:								
Membership Dues	10,055,639	-	-	-	-	-	-	10,055,639
Program Fees	1,070,858	2,536,047	547,912	709,811	-	-	-	4,864,628
Sales to the Public	73,286	34,484	188,080	89,299	-	-	-	385,149
Leasing	9,630	-	-	-	-	-	-	9,630
Other Rentals	109,967	160	-	116,666	-	-	-	226,793
Realized Gain on Sale of Investments	-	-	-	88	-	-	41,656	41,744
Unrealized Loss on Investments	-	-	-	(956)	-	-	(171,466)	(172,422)
Investment and Miscellaneous Income	29,544	15,347	384,995	19,107	12,500	23,545	66,327	551,365
Special Events, Net	-	44,534	-	55,785	-	-	-	100,319
Gain on Sale of Assets	2,489	-	-	-	-	-	-	2,489
Net Change in Charitable Trust	-	-	-	(522)	-	-	-	(522)
Total Revenue	<u>11,351,413</u>	<u>2,630,572</u>	<u>1,120,987</u>	<u>989,278</u>	<u>12,500</u>	<u>23,545</u>	<u>(63,483)</u>	<u>16,064,812</u>
Total Public Support and Revenue	11,776,025	3,875,667	1,642,996	1,465,503	1,472,500	23,545	(33,908)	20,222,328
EXPENSES								
Program Services	6,213,025	3,411,794	1,624,748	830,192	-	-	-	12,079,759
Community Involvement Center/Buildings	4,390,501	161,677	-	359,508	-	14,385	-	4,926,071
Supporting Services:								
Administrative and General	1,458,788	535,284	-	159,119	-	-	27,763	2,180,954
Fundraising	147,369	54,075	-	16,073	9,826	-	-	227,343
Total Expenses	<u>12,209,683</u>	<u>4,162,830</u>	<u>1,624,748</u>	<u>1,364,892</u>	<u>9,826</u>	<u>14,385</u>	<u>27,763</u>	<u>19,414,127</u>
CHANGES IN NET ASSETS	<u>\$ (433,658)</u>	<u>\$ (287,163)</u>	<u>\$ 18,248</u>	<u>\$ 100,611</u>	<u>\$ 1,462,674</u>	<u>\$ 9,160</u>	<u>\$ (61,671)</u>	<u>\$ 808,201</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Membership Development	Youth Development	Managed Facilities	Corporate Programs	Capital Campaign	Bond Fund	Endowment Fund	Total
PUBLIC SUPPORT AND REVENUE								
Public Support:								
Contributions	\$ 405,273	\$ 255,760	\$ 136	\$ 319,374	\$ -	\$ -	\$ 18,458	\$ 999,001
United Way Allocations	-	58,000	-	-	-	-	-	58,000
Government Grants	9,822	897,704	506,229	131,146	-	-	-	1,544,901
Total Public Support	<u>415,095</u>	<u>1,211,464</u>	<u>506,365</u>	<u>450,520</u>	<u>-</u>	<u>-</u>	<u>18,458</u>	<u>2,601,902</u>
Revenue:								
Membership Dues	9,609,135	-	-	-	-	-	-	9,609,135
Program Fees	1,119,927	2,384,050	480,783	668,712	-	-	-	4,653,472
Sales to the Public	81,626	30,747	187,004	67,324	-	-	-	366,701
Leasing	9,280	-	-	-	-	-	-	9,280
Other Rentals	106,988	3,450	-	134,875	-	-	-	245,313
Realized Gain on Sale of Investments	-	-	-	92	-	-	28,400	28,492
Unrealized Gain on Investments	-	-	-	563	-	-	135,789	136,352
Investment and Miscellaneous Income	32,994	5,719	369,854	7,907	-	12,734	57,664	486,872
Special Events, Net	600	44,964	-	90,385	-	-	-	135,949
Gain on Sale of Assets	35,925	-	-	-	-	-	-	35,925
Net Change in Charitable Trust	-	-	-	(518)	-	-	-	(518)
Total Revenue	<u>10,996,475</u>	<u>2,468,930</u>	<u>1,037,641</u>	<u>969,340</u>	<u>-</u>	<u>12,734</u>	<u>221,853</u>	<u>15,706,973</u>
Total Public Support and Revenue	11,411,570	3,680,394	1,544,006	1,419,860	-	12,734	240,311	18,308,875
EXPENSES								
Program Services	6,318,018	3,364,261	1,456,479	915,261	-	-	-	12,054,019
Community Involvement Center/Buildings	4,176,785	158,248	-	384,587	-	13,777	-	4,733,397
Supporting Services:								
Administrative and General	1,446,131	619,205	-	132,770	-	-	28,715	2,226,821
Fundraising	200,168	85,708	-	18,377	61,373	-	-	365,626
Total Expenses	<u>12,141,102</u>	<u>4,227,422</u>	<u>1,456,479</u>	<u>1,450,995</u>	<u>61,373</u>	<u>13,777</u>	<u>28,715</u>	<u>19,379,863</u>
CHANGES IN NET ASSETS	<u>\$ (729,532)</u>	<u>\$ (547,028)</u>	<u>\$ 87,527</u>	<u>\$ (31,135)</u>	<u>\$ (61,373)</u>	<u>\$ (1,043)</u>	<u>\$ 211,596</u>	<u>\$ (1,070,988)</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	<u>Membership Development</u>	<u>Youth Development</u>	<u>Corporate Programs</u>	<u>Corporate Support</u>	<u>Managed Facilities</u>	<u>Endowment Fund</u>	<u>Total Expenses</u>
Salaries	\$ 5,035,980	\$ 2,316,976	\$ 492,966	\$ 1,256,483	\$ 1,066,369	\$ -	\$ 10,168,774
Payroll Taxes and Insurance	681,659	354,332	88,445	199,461	156,823	-	1,480,720
Retirement Plan Contributions	184,097	74,637	20,028	81,086	36,586	-	396,434
Total Salaries and Related Expenses	5,901,736	2,745,945	601,439	1,537,030	1,259,778	-	12,045,928
Professional Fees and							
Contract Services	179,058	21,409	34,935	455,026	5,138	3,404	698,970
Supplies	759,699	126,855	85,163	28,211	154,191	-	1,154,119
Food and Beverages	10,838	192,536	107,402	14,433	58,709	337	384,255
Telephone and Postage	89,811	19,094	4,590	35,978	1,248	25	150,746
Off-Premises Rental	180,107	11,035	-	3,315	18,570	-	213,027
Equipment, Repair and Rental	122,023	4,978	26,208	39,964	46,566	-	239,739
Printing and Promotion	33,486	3,535	9,418	62,165	4,526	223	113,353
Conferences and Training	23,381	5,943	13,745	43,341	3,767	-	90,177
Travel	12,669	57,882	15,089	14,755	5,754	-	106,149
Agency Dues	147,978	47,622	15,430	136	18,501	-	229,667
Miscellaneous	301,169	52,185	26,733	26,222	9,914	22,083	438,306
Occupancy	1,275,802	106,756	64,368	138,764	26,449	95	1,612,234
Insurance	102,096	15,636	27,762	21,609	8,986	1,596	177,685
Other Taxes	26,411	383	-	43	2,651	-	29,488
Interest	451,727	-	5,580	-	-	-	457,307
Interbranch Administrative							
Support, Corporate	1,690,326	620,243	184,376	(2,494,945)	-	-	-
Interbranch Administrative Support, Membership Development	(161,677)	161,677	-	-	-	-	-
Total	11,146,640	4,193,714	1,222,238	(73,953)	1,624,748	27,763	18,141,150
Depreciation	1,068,808	1,873	128,343	73,953	-	-	1,272,977
Total Functional Expenses	<u>\$ 12,215,448</u>	<u>\$ 4,195,587</u>	<u>\$ 1,350,581</u>	<u>\$ -</u>	<u>\$ 1,624,748</u>	<u>\$ 27,763</u>	<u>\$ 19,414,127</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	<u>Membership Development</u>	<u>Youth Development</u>	<u>Corporate Programs</u>	<u>Corporate Support</u>	<u>Managed Facilities</u>	<u>Endowment Fund</u>	<u>Total Expenses</u>
Salaries	\$ 4,900,609	\$ 2,284,359	\$ 532,797	\$ 1,317,572	\$ 1,013,073	\$ -	\$ 10,048,410
Payroll Taxes and Insurance	678,487	354,167	91,066	215,401	161,570	-	1,500,691
Retirement Plan Contributions	164,848	81,457	22,506	88,639	27,825	-	385,275
Total Salaries and Related Expenses	5,743,944	2,719,983	646,369	1,621,612	1,202,468	-	11,934,376
Professional Fees and							
Contract Services	195,435	23,799	35,344	365,353	7,222	3,193	630,346
Supplies	587,963	127,085	113,583	31,880	91,200	-	951,711
Food and Beverages	10,721	168,770	122,071	18,616	56,247	2,375	378,800
Telephone and Postage	85,714	17,865	5,861	47,449	133	-	157,022
Off-Premises Rental	179,383	10,687	-	3,226	18,060	-	211,356
Equipment, Repair and Rental	83,398	4,309	29,364	158,394	510	-	275,975
Printing and Promotion	65,933	4,185	18,746	70,655	759	302	160,580
Conferences and Training	29,686	13,549	15,934	65,507	5,557	-	130,233
Travel	16,373	57,989	17,046	3,829	6,654	-	101,891
Agency Dues	153,841	48,187	16,196	17	5,253	-	223,494
Miscellaneous	439,867	47,749	19,682	56,832	3,900	21,384	589,414
Occupancy	1,326,303	104,098	67,907	138,127	52,291	95	1,688,821
Insurance	94,219	15,606	27,203	21,665	3,522	1,366	163,581
Other Taxes	15,788	397	-	149	2,704	-	19,038
Interest	450,607	-	5,925	-	-	-	456,532
Interbranch Administrative							
Support, Corporate	1,762,511	754,673	161,811	(2,678,995)	-	-	-
Interbranch Administrative Support, Membership Development	(158,248)	158,248	-	-	-	-	-
Total	11,083,438	4,277,179	1,303,042	(75,684)	1,456,480	28,715	18,073,170
Depreciation	1,094,011	2,181	134,817	75,684	-	-	1,306,693
Total Functional Expenses	<u>\$ 12,177,449</u>	<u>\$ 4,279,360</u>	<u>\$ 1,437,859</u>	<u>\$ -</u>	<u>\$ 1,456,480</u>	<u>\$ 28,715</u>	<u>\$ 19,379,863</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION DETAIL — LAND, BUILDINGS, AND EQUIPMENT
DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Fixed Assets				
	Balance December 31, 2017	Acquisitions	Dispositions	Balance December 31, 2018	
Land	\$ 2,228,027	\$ 430,000	\$ -	\$ 2,658,027	
Buildings and Building Improvements	24,486,829	2,309,419	-	26,796,248	
Tenant Improvements	705,059	-	-	705,059	
Furniture, Fixtures, and Equipment	5,070,496	162,452	(70,798)	5,162,150	
Vehicles	239,533	-	-	239,533	
Total Fixed Assets	<u>\$ 32,729,944</u>	<u>\$ 2,901,871</u>	<u>\$ (70,798)</u>	<u>\$ 35,561,017</u>	
	Accumulated Depreciation				
	Balance December 31, 2017	Depreciation for Year	Dispositions	Balance December 31, 2018	Depreciated Value December 31, 2018
Land	\$ -	\$ -	\$ -	\$ -	\$ 2,658,027
Buildings and Building Improvements	8,356,745	688,878	-	9,045,623	17,750,625
Tenant Improvements	479,835	78,660	-	558,495	146,564
Furniture, Fixtures, and Equipment	3,968,925	487,593	(70,797)	4,385,721	776,429
Vehicles	200,309	17,846	-	218,155	21,378
Total Accumulated Depreciation	<u>\$ 13,005,814</u>	<u>\$ 1,272,977</u>	<u>\$ (70,797)</u>	<u>\$ 14,207,994</u>	<u>\$ 21,353,023</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION DETAIL — ACCOUNTS PAYABLE
AND ACCRUED EXPENSES
DECEMBER 31, 2018 AND 2017
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	2018	2017
ACCOUNTS PAYABLE AND ACCRUED EXPENSES		
Current Funds without Restriction:		
Accounts Payable, Trade	\$ 673,361	\$ 600,943
Payroll and Withholding Taxes	420,684	430,442
Accrued Vacation	182,127	217,734
Other Payables	19,821	3,822
Total Accounts Payable and Accrued Expenses	\$ 1,295,993	\$ 1,252,941

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
CHARITABLE GIFT ANNUITY STATEMENT
DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

The Washington State Office of the Insurance Commissioner requires that YMCA and its charitable gift annuities be reported separately from the affiliated Endowment in accordance with RCW 48.28.020(2)(a) and that YMCA provide report detail reflecting the separate entities. To comply with this requirement, a modified report is offered as follows:

	YMCA with CGA Included and Endowment Excluded	Endowment	Total
Income:			
Without Donor Restriction	\$ 20,217,258	\$ (48,186)	\$ 20,169,072
With Donor Restriction	38,979	14,278	53,257
Total Income	<u>20,256,237</u>	<u>(33,908)</u>	<u>20,222,329</u>
Expenses:			
Without Donor Restriction	19,336,364	77,764	19,414,128
With Donor Restriction	-	-	-
Total Expenses	<u>19,336,364</u>	<u>77,764</u>	<u>19,414,128</u>
Net Change in Assets 2018	919,873	(111,672)	808,201
Net Assets 2017	<u>22,526,604</u>	<u>1,704,674</u>	<u>24,231,278</u>
Net Assets 2018	<u>\$ 23,446,477</u>	<u>\$ 1,593,002</u>	<u>\$ 25,039,479</u>
Net Assets 2018:			
Without Donor Restriction	\$ 23,317,177	\$ 1,294,478	\$ 24,611,655
With Donor Restriction	129,300	298,524	427,824
Net Assets 2018	<u>\$ 23,446,477</u>	<u>\$ 1,593,002</u>	<u>\$ 25,039,479</u>

