

CARLISLE FAMILY YMCA

FINANCIAL REPORT

MAY 31, 2009

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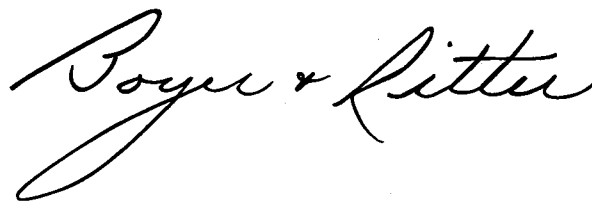
INDEPENDENT AUDITOR'S REPORT

Board of Directors and Trustees
Carlisle Family YMCA
Carlisle, Pennsylvania

We have audited the accompanying statements of financial position of the Carlisle Family YMCA as of May 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association'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. 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 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 Carlisle Family YMCA as of May 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Carlisle, Pennsylvania
September 4, 2009

CARLISLE FAMILY YMCA

STATEMENTS OF FINANCIAL POSITION

May 31, 2009 and 2008

ASSETS	2009	2008
Cash		
Operating	\$ 172,570	\$ 155,868
Accounts Receivable		
Grant receivable - United Way	52,430	56,592
Child Care Step grant receivable	-	7,920
Program fees	57,247	15,971
Pledges receivable - net	29,145	29,109
	<u>138,822</u>	<u>109,592</u>
Prepaid Insurance	10,099	10,935
Property, Plant and Equipment		
Land	50,250	50,250
Building	3,576,423	3,536,519
Equipment	556,198	567,705
Land improvements	391,474	78,513
Camp Thompson improvements	934,836	928,544
Assets not in service	30,445	250,011
	<u>5,539,626</u>	<u>5,411,542</u>
Less accumulated depreciation	<u>(3,309,434)</u>	<u>(3,155,302)</u>
	<u>2,230,192</u>	<u>2,256,240</u>
Investments	640,266	865,882
Beneficial Interests in Perpetual and Remainder Trusts	<u>1,666,291</u>	<u>2,381,446</u>
Total assets	<u>\$ 4,858,240</u>	<u>\$ 5,779,963</u>

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS

	2009	2008
Liabilities		
Accounts payable	\$ 78,180	\$ 88,617
Deferred fees	187,128	184,765
Payroll withholdings	3,826	5,653
Sales tax payable	77	60
Accrued expenses		
Wages	56,038	55,012
Payroll taxes	1,354	1,554
Total liabilities	<u>326,603</u>	<u>335,661</u>
Net Assets		
Unrestricted		
Undesignated	1,969,497	1,957,682
Board designated PK Miller subaccount	170,561	215,803
Board designated cash reserve	183,887	149,667
Board designated Memorial Endowment	398,475	578,848
	<u>2,722,420</u>	<u>2,902,000</u>
Temporarily restricted net assets	71,696	89,626
Permanently restricted net assets	1,737,521	2,452,676
Total net assets	<u>4,531,637</u>	<u>5,444,302</u>
Total liabilities and net assets	<u>\$ 4,858,240</u>	<u>\$ 5,779,963</u>

STATEMENTS OF ACTIVITIES
Years Ended May 31, 2009 and 2008

	2009			
	Total	Unrestricted	Temporarily Restricted	Permanently Restricted
Revenue, Gains and Other Support				
Contributions	\$ 524,813	\$ 400,088	\$ 124,725	\$ -
Fundraising events - gross contribution	41,123	41,123	-	-
Less cost of direct donor benefit	-	-	-	-
	<u>565,936</u>	<u>441,211</u>	<u>124,725</u>	<u>-</u>
Membership fees	1,370,876	1,370,876	-	-
Free and reduced memberships	(169,440)	(169,440)	-	-
Program fees	933,952	933,952	-	-
Free and reduced program fees	(81,861)	(81,861)	-	-
Miscellaneous income	7,025	7,025	-	-
Room and equipment rentals	49,249	49,249	-	-
Net investment income	(831,957)	(116,802)	-	(715,155)
Net assets released from restrictions	-	142,655	(142,655)	-
Total revenue, gains and other support	<u>1,843,780</u>	<u>2,576,865</u>	<u>(17,930)</u>	<u>(715,155)</u>
Expenses and Losses				
Functional Expenses				
General administration	447,322	447,322	-	-
Fundraising	63,655	63,655	-	-
Program services	2,244,041	2,244,041	-	-
Total functional expenses	<u>2,755,018</u>	<u>2,755,018</u>	<u>-</u>	<u>-</u>
Loss on disposal of fixed assets	<u>(1,427)</u>	<u>(1,427)</u>	<u>-</u>	<u>-</u>
Changes in net assets	<u>(912,665)</u>	<u>(179,580)</u>	<u>(17,930)</u>	<u>(715,155)</u>
Net Assets:				
Beginning	5,444,302	2,902,000	89,626	2,452,676
Ending	<u>\$ 4,531,637</u>	<u>\$ 2,722,420</u>	<u>\$ 71,696</u>	<u>\$ 1,737,521</u>

See Notes to Financial Statements.

2008

Total	Unrestricted	Temporarily Restricted	Permanently Restricted
\$ 593,560	\$ 462,388	\$ 131,172	\$ -
198,403	198,403	-	-
(158,318)	(158,318)	-	-
633,645	502,473	131,172	-
1,333,446	1,333,446	-	-
(188,794)	(188,794)	-	-
848,062	848,062	-	-
(63,680)	(63,680)	-	-
5,019	5,019	-	-
56,883	56,883	-	-
(106,428)	117,440	-	(223,868)
-	126,061	(126,061)	-
2,518,153	2,736,910	5,111	(223,868)
476,075	476,075	-	-
69,189	69,189	-	-
2,201,904	2,201,904	-	-
2,747,168	2,747,168	-	-
(650)	(650)	-	-
(229,665)	(10,908)	5,111	(223,868)
5,673,967	2,912,908	84,515	2,676,544
<u>\$ 5,444,302</u>	<u>\$ 2,902,000</u>	<u>\$ 89,626</u>	<u>\$ 2,452,676</u>

STATEMENTS OF CASH FLOWS
Years Ended May 31, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities		
Changes in net assets	\$ (912,665)	\$ (229,665)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	209,212	196,174
Loss on disposal of fixed assets	1,427	650
Net unrealized and realized gain on long-term investments	246,050	46,147
Net unrealized and realized (gain) loss on beneficial interests in perpetual and remainder trusts	715,155	223,868
Changes in assets and liabilities:		
(Increase) decrease in:		
Grant receivable	12,082	(1,797)
Program fees receivable	(41,276)	(5,833)
Pledges receivable	(36)	(19,799)
Prepaid insurance	836	3,999
(Decrease) increase in:		
Accounts payable	(10,437)	44,297
Deferred revenue	2,363	(7,988)
Other liabilities	(984)	7,739
Net cash provided by operating activities	221,727	257,792
Cash Flows From Investing Activities		
Purchase of investments	(828,955)	(442,244)
Sale and maturities of investments	808,521	402,050
Purchase of equipment and improvements	(184,591)	(280,803)
Net cash used in investing activities	(205,025)	(320,997)
Net increase (decrease) in cash	16,702	(63,205)
Cash:		
Beginning	155,868	219,073
Ending	\$ 172,570	\$ 155,868
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest expense	\$ 614	\$ 155

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies

Nature of Activity: The Carlisle Family YMCA provides services and programs to members of the community regardless of age, race, sex, religion, or financial situation.

Membership in the YMCA is about the whole person and the whole community. Y members build spirit, mind, and body by becoming active in a wide choice of programs and activities. The YMCA also helps members grow by encouraging them to become involved as volunteers, donors, and advocates for the YMCA's mission and vision. The YMCA is one of the few places anymore that is for everyone. The Y welcomes and embraces people of all abilities, incomes, ethnicities, and religions. It offers financial assistance to people who cannot pay full fees. This inclusiveness is important in a society where more people are yearning for a sense of community and connection. During the past year, \$251,301 was provided to 1,060 youth and adults for full or partial membership and program fee assistance.

Basis of Accounting: The financial statements of the Association have been prepared on the accrual basis.

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

Depreciation: Property and equipment are stated at acquisition cost or, if donated, the estimated fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

Income Taxes: The Internal Revenue Service has determined that the Association is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Cash Equivalents: For purposes of the Statements of Cash Flows, the Association considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Donated Materials and Services: The Association records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of donation. If donors stipulate how long the asset must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Donated services that create or enhance no financial assets or require specialized skills, provided by individuals possessing those skills, and that would typically be purchased if not provided by donation, are recorded as contributions in the accompanying statements on the basis of the difference between the amount paid to an individual and the comparable remuneration which would be paid to an individual if they were to occupy these paid positions.

Advertising Costs: Advertising costs are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activity and Significant Accounting Policies (Continued)

Membership Fees: Membership fees which are collected in advance are recognized as liabilities and amortized over the membership period. Unamortized membership fees are recorded as deferred fees in the accompanying statements.

Restricted and Unrestricted Revenue and Support: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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

Functional Expenses: Expenses not directly related to a function are allocated by management to the various functions on a reasonable basis. Expenses directly related to a function are charged to that function.

Accounting Pronouncements: The Organization evaluates any tax positions using the provisions of Financial Accounting Standards Board (FASB) Statement 5, *Accounting for Contingencies* and Statement 109, *Accounting for Income Taxes*. Management has deferred implementation of a new accounting standard involving disclosure and specific recognition of uncertain tax positions as permitted by the FASB.

Management has deferred implementation of Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS No. 157) with regard to nonfinancial assets and liabilities that are not recognized or disclosed at fair value in the financial statements on a recurring basis. The Organization is currently assessing the potential effect of the adoption of the remaining provisions of SFAS No. 157 on its financial position, results of operations and cash flows.

NOTES TO FINANCIAL STATEMENTS

Note 2. Program Services Descriptions

The expenses reported in the Statements of Activities are costs related to the following major programs:

Child Care Services: A fully licensed childcare center serving approximately 37 children weekly from the ages of six weeks through kindergarten provides a curriculum of active and educational experiences. The YMCA uses a developmentally appropriate approach, with attention to the children's social, emotional, cognitive, and physical growth. Costs include wages for 11 full and part-time employees as mandated by state licensing requirements, program supplies, food, insurance, administrative, and maintenance support. The YMCA works cooperatively with state financial assistance programs and the United Way to subsidize childcare services to low income families.

Membership Services: Costs related to membership services include promotion, management of records, and retention. Also, costs are related to facility use for the members (pool, gymnasium, racquetball courts, youth lobby, locker rooms, Prescott and AMP rooms, and general use areas) and support staff services (member services desk staff, fitness instructors, lifeguards, youth monitors, custodial staff, etc.).

Camping Activities: Day and resident camps provide area youth with programs designed to educate, build character, develop leadership, stimulate creativity, and encourage self discovery during the months when school is not in session.

Last summer, our day camp program had an enrollment capacity of 1,060. 170 campers attended day camp through full or partial financial assistance. Our program serves the needs of school age children many of whom attended multiple weeks throughout the summer. A staff of 25 is required for this program. Other associated costs include program supplies, traveling expenses, insurance, promotional materials, and administrative support.

Camp Thompson, our resident camp program, had an enrollment capacity of 392. 105 campers attended resident camp through full or part-time financial assistance. Campers live at camp for one or two week sessions at our camping facility offsite. Food service, program supplies, significant maintenance support, administrative support, as well as a team of 25 staff, are required to deliver a quality experience.

Youth Activities: Youth sports served approximately 1,580 children over the past year with the help of 208 volunteer coaches and program aids. Our program is designed to develop teamwork, communication skills, and self-confidence, as well as physical fitness. We stress cooperation over competition, fair play over winning at any cost, and each child plays, regardless of ability.

Youth Social/Recreational activities are designed to give young people a safe place to go to where they will meet caring adults during their non-school hours. The programs are fun so that young people stay involved and build relationships. Program fees help to cover staffing costs, supplies, and other administrative costs. 1035 youth were served through social/recreation programs last year.

Aquatics: The YMCA provides an indoor pool that is open to kids, adults, those with disabilities, and to people of all ages, incomes, races, and religions. Many aquatic programs are therapeutic including water aerobics and arthritis classes. 5,426 individual swim lessons units were provided to children and adults.

CARLISLE FAMILY YMCA

NOTES TO FINANCIAL STATEMENTS

Note 2. Program Services Descriptions (Continued)

Health and Fitness: The opportunity to be with other people while exercising is a draw for many folks who come to the YMCA. The emphasis is on caring for others, not on how you look or what you are wearing. This is especially important for inactive people who want to become fit. The YMCA offers a choice of activities so that people of all fitness levels and ages can have fun while increasing their activity. Our financial assistance program for membership makes fitness available to anyone in our community. Physical activity provides the obvious benefits of increased health and a sense of well-being. Costs associated with this program area include staff salaries and equipment for the 3,600 square foot fitness center and equipment reserved for an extensive variety of fitness programs, as well as climate control and administrative support.

Note 3. Pledges Receivable

The Association sponsors an annual Strong Kids Campaign. The campaign funds are used to support youth programs and provide scholarships for youth programs and memberships.

The following is a summary of Campaign contributions to be collected as of May 31, 2009 and 2008:

	2009	2008
Within one year	\$ 30,037	\$ 30,004
In one to five years	-	-
Total Pledges Receivable	<u>30,037</u>	<u>30,004</u>
Less - allowances for uncollectible contributions	(892)	(895)
	<u>\$ 29,145</u>	<u>\$ 29,109</u>

CARLISLE FAMILY YMCA

NOTES TO FINANCIAL STATEMENTS

Note 4. Investments

Investments are carried at market value. Realized and unrealized gains and losses are reported in the Statements of Activities. The Board of Directors has created the Memorial Endowment Fund which requires that investment principal remain intact while income is used for current operations. The investment designation requires a vote at two board meetings at least one year apart to utilize principal for current operations.

During the year ended May 31, 2002, a bequest of \$70,730 was received which established a perpetual endowment fund to be known as the Ralph E. Hackman Fund. Income is to be used as designated by the Board of Directors.

During the year ended May 31, 2007, the Board of Directors established the P. K. Miller subaccount. Quarterly investment income payments distributed from the Pierson K. Miller perpetual trust are deposited into this board designated investment fund. Fund assets are to be used as designated by the Board of Directors.

The activities of the board designated Memorial Endowment Fund, Ralph E. Hackman Fund, and P. K. Miller subaccount for the years ended May 31, 2009 and 2008, are summarized in the table below:

	Unrestricted	Permanently Restricted
Investments at beginning of year	\$ 794,652	\$ 71,230
Contributions/transfers	27,293	-
Distributions	(24,378)	-
Investment Returns		
Interest and dividends	23,642	-
Unrealized and realized gains (losses)	(246,061)	-
	<u>(222,419)</u>	<u>-</u>
Investment expenses	<u>(6,112)</u>	<u>-</u>
Investments at end of year	<u>\$ 569,036</u>	<u>\$ 71,230</u>

CARLISLE FAMILY YMCA

NOTES TO FINANCIAL STATEMENTS

Note 4. Investments (Continued)

The following schedule summarizes the noncurrent portfolio of investments at May 31, 2009 and 2008:

	2009		2008	
	Cost	Market	Cost	Market
Endowment Funds				
Ralph E Hackman Fund				
Money Market	\$ 2,102	\$ 2,102	\$ 5,519	\$ 5,519
Fixed Income Funds	20,460	20,356	17,564	17,666
Equity Funds	52,411	48,772	44,260	48,045
Total	<u>74,973</u>	<u>71,230</u>	<u>67,343</u>	<u>71,230</u>
Non-Endowment Funds				
Memorial Endowment Fund				
Money Market	11,756	11,756	44,847	44,847
Fixed Income Funds	114,460	113,878	142,738	143,562
Equity Funds	293,199	272,841	359,681	390,440
Total	<u>419,415</u>	<u>398,475</u>	<u>547,266</u>	<u>578,849</u>
P.K. Miller Subaccount				
Money Market	4,785	4,785	17,252	17,252
Fixed Income Funds	48,272	47,687	52,876	53,043
Equity Funds	102,979	118,089	141,564	145,508
Total	<u>156,036</u>	<u>170,561</u>	<u>211,692</u>	<u>215,803</u>
Total Non-Endowment Funds	<u>575,451</u>	<u>569,036</u>	<u>758,958</u>	<u>794,652</u>
Total investments	<u>\$ 650,424</u>	<u>\$ 640,266</u>	<u>\$ 826,301</u>	<u>\$ 865,882</u>

NOTES TO FINANCIAL STATEMENTS

Note 5. Beneficial Interests in Perpetual and Remainder Trusts

During the year ended May 31, 2007, the YMCA became a beneficiary of the Pierson K. Miller perpetual trust and is entitled to a 20% interest in the income of the trust. The trust is held by M&T Investment Group with quarterly investment income payments distributed to the Association. Annual income from the trust is to be used for purposes determined by the Board of Directors.

In addition, the YMCA is a 20% beneficiary of the Pierson K. Miller charitable remainder unitrust (CRUT). The trust is held by M&T Investment Group. The trust is valued as the present value of the remainder interest. The trust has five income beneficiaries. After the death of the fifth beneficiary, the principal will be added to the Pierson K. Miller perpetual trust.

The YMCA is a beneficiary of the Samuel C. Hertzler perpetual trust and is entitled to a 1/8 interest in the income of the trust to be used for work among or for underprivileged boys. The Trust is held by M&T Bank with quarterly investment income payments distributed to the YMCA. The trust is accounted for at fair market value.

The following schedule reflects the value of split-interest agreements and perpetual trusts at May 31, 2009 and 2008:

	2009	2008
Pierson K. Miller Trust	\$ 1,544,317	\$ 2,223,105
Pierson K. Miller CRUT	30,460	38,472
Samuel C. Hertzler Trust	91,514	119,869
	<u>\$ 1,666,291</u>	<u>\$ 2,381,446</u>

The following schedule reflects the net increase for the split-interest agreements and perpetual trusts at May 31, 2009 and 2008:

	2009	2008
Pierson K. Miller Trust	\$ (678,788)	\$ (197,945)
Pierson K. Miller CRUT	(8,012)	(13,665)
Samuel C. Hertzler Trust	(28,355)	(12,258)
	<u>\$ (715,155)</u>	<u>\$ (223,868)</u>

The following schedule reflects the investment income received from the split-interest agreements and perpetual trusts at May 31, 2009 and 2008:

	2009	2008
Pierson K. Miller Trust	\$ 100,964	\$ 114,675
Samuel C. Hertzler Trust	4,039	4,657
	<u>\$ 105,003</u>	<u>\$ 119,332</u>

CARLISLE FAMILY YMCA

NOTES TO FINANCIAL STATEMENTS

Note 5. Beneficial Interests in Perpetual and Remainder Trusts (Continued)

In August 2008, FASB issued Staff Position No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act [UPMIFA] and Enhanced Disclosures for all Endowment Funds (FSP)*. The guidance included in this staff position is effective for fiscal years ending after December 15, 2008.

Much of the guidance in the FSP relates to revisions to the rules governing the accounting for donor restricted endowment funds subject to UPMIFA. The state of Pennsylvania has not adopted UPMIFA. Nonprofit corporations in Pennsylvania follow Act 141. Under Act 141, a nonprofit corporation can elect to adopt and follow a "total return" investment policy, i.e., a policy to seek the best total return on the principal whether from capital appreciation, earnings or both.

Consistent with Donor expectations and the Board's view that the Endowment Fund's purpose is to provide ongoing funding to defray the administrative costs associated with the operations of the YMCA and ultimately to provide funds for distribution to Member Agencies in addition to those raised by the YMCA's Annual Campaign, the Endowment Investment Committee expects that distributions from the Endowment Fund will be based on "Total Return" approach. This approach will take into account both income in the form of earnings on the fund and capital appreciation, both realized and unrealized. The spending policy for the Endowment in lieu of paying income (interest and dividends) only would be an election to pay between 2% and 7% of the fair market value of the entire trust, averaged over the prior fiscal years ending May 31st. The amount distributed to the Organization is recorded as an increase in Unrestricted Net Assets since the monies are to be used to pay for the operations of the Organization. For the year ended June 30, 2009 the Board approved 5% as the income percentage.

The overall objectives for the Endowment Fund are to invest the Endowment Fund in accordance with any legally applicable donor or statutory restrictions, with an emphasis on growth of principal and to ensure stability. The investment guidelines are based upon an investment horizon of greater than ten years, so that interim fluctuations should be viewed with appropriate perspective. Similarly, the Endowment Fund's strategic allocation is based on this long term perspective. Long Term growth is the primary objective and investment therefore should be directed toward overall appreciation by maximizing the total investment return over this extended horizon. The board requires that the assets of the endowment fund be invested in a prudent manner, in a broadly diversified portfolio spread over multiple asset classes.

NOTES TO FINANCIAL STATEMENTS

Note 5. Beneficial Interests in Perpetual and Remainder Trusts (Continued)Changes in Endowment Net Assets
for the Fiscal Year Ended May 31, 2009

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 794,652	\$ 71,230	\$ 865,882
Investment Returns			
Interest and dividends	23,642	-	23,642
Net depreciation (realized and unrealized)	(246,061)	-	(246,061)
Total investment return	(222,419)	-	(222,419)
Contributions/transfers	27,293	-	27,293
Distributions	(24,378)	-	(24,378)
Appropriation of endowment assets for expenditure	(6,112)	-	(6,112)
Endowment net assets, end of year	\$ 569,036	\$ 71,230	\$ 640,266

NOTES TO FINANCIAL STATEMENTS

Note 6. Fair Value Measurements (FAS 157)

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB Statement No. 157), establishes a 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 under FASB Statement No. 157 are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The assets that are recorded at fair value on a recurring basis are investments including the Endowment Fund and split-interest trusts. The Organization has no financial liabilities or non-financial items that are recorded at fair value on a recurring basis. Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, foreign stocks, U.S. government securities, and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds and notes: Valued using a multi-dimensional relational model based on standard inputs which may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications.

Cash Equivalents: Valued using a pricing model or series of matrices based on standard inputs which may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications.

Other: Valued using pricing models and or/discounted cash flow methodologies which require significant management judgment or estimation.

NOTES TO FINANCIAL STATEMENTS

Note 6. Fair Value Measurements (FAS 157) (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of May 31, 2009:

	Level 1	Level 2	Level 3	TOTAL
Cash Equivalents				
Endowment	\$ -	\$ 13,858	\$ -	\$ 13,858
Sub Account	-	4,785	-	4,785
Pierson K Miller TUA	-	120,095	-	120,095
Pierson K Miller CRUT	-	2,713	-	2,713
Hertzler Trust	-	8,813	-	8,813
US Government Securities				
Pierson K Miller TUA	59,912	-	-	59,912
Corporate Bonds and Notes				
Endowment	134,234	-	-	134,234
Sub Account	47,687	-	-	47,687
Pierson K Miller TUA	117,060	137,697	-	254,757
Pierson K Miller CRUT	12,215	-	-	12,215
Hertzler Trust	25,633	-	-	25,633
US Common Stocks				
Pierson K Miller TUA	743,541	-	-	743,541
Mutual Funds				
Endowment	321,613	-	-	321,613
Sub Account	118,089	-	-	118,089
Pierson K Miller TUA	366,012	-	-	366,012
Pierson K Miller CRUT	15,532	-	-	15,532
Hertzler Trust	57,068	-	-	57,068
	<u>\$ 2,018,596</u>	<u>\$ 287,961</u>	<u>\$ -</u>	<u>\$ 2,306,557</u>

CARLISLE FAMILY YMCA

NOTES TO FINANCIAL STATEMENTS

Note 7. Notes Payable

The Association has a \$100,000 unsecured line-of-credit agreement with M&T Bank. The interest rate is variable and is .5 percentage points below M&T Bank's prime rate. There were no borrowings against this line at May 31, 2009 or 2008.

Note 8. Deferred Fees

The Association recognizes membership and program income ratably over the terms of membership or programs. Accordingly, the Association has deferred membership and program income as follows at May 31, 2009 and 2008:

	2009	2008
Membership income	\$ 75,322	\$ 73,058
Program income	107,249	111,707
Child care income	4,557	-
	<u>\$ 187,128</u>	<u>\$ 184,765</u>

CARLISLE FAMILY YMCA

NOTES TO FINANCIAL STATEMENTS

Note 9. Restrictions on Net Assets

	2009	2008
Temporarily Restricted		
Purpose restrictions		
Soccer Trainer Grant	\$ 11,200	\$ 11,451
Child Care Step Grant	580	7,920
Wellness Grant	6,143	5,663
Camp Thompson Basketball Court renovations	-	5,000
Youth Program - Health Tour Sponsorships	-	3,000
Pace Clock	1,343	-
Time restrictions		
United Way 2008-2009 allocation	52,430	-
United Way 2007-2008 allocation	-	56,592
	<u>\$ 71,696</u>	<u>\$ 89,626</u>
Permanently Restricted		
Beneficial interest in P K Miller perpetual trust	\$ 1,544,317	\$ 2,223,105
Beneficial interest in P K Miller CRUT	30,460	38,472
Beneficial interest in Hertzler perpetual trust	91,514	119,869
Hackman fund	71,230	71,230
	<u>\$ 1,737,521</u>	<u>\$ 2,452,676</u>

Note 10. Net Assets Released From Restrictions

Net assets during the years ended May 31, 2009 and 2008, were released from donor restrictions by satisfying the restricted purposes:

	2009	2008
Purpose restrictions accomplished		
Stuart Foundation Grant	\$ -	\$ 20,000
United Way allocation	56,592	56,405
Camp Thompson Basketball Court renovations	5,000	-
Youth Program - Health Tour Sponsorships	3,000	-
Wellness Grant	36,892	21,797
Soccer Trainer Grant	33,251	21,549
Child Care Step Grant	7,920	6,310
	<u>\$ 142,655</u>	<u>\$ 126,061</u>

NOTES TO FINANCIAL STATEMENTS

Note 11. Free and Reduced Memberships and Program Fees

To ensure all members of the community may participate in activities of the Association, free and reduced memberships and program fees are granted to individuals who are not able to pay regular rates. For the year ended May 31, 2009, 1,060 members were granted full or reduced memberships. The value of these scholarships is \$251,301. The United Way and other contributions provided the funding for free or reduced membership and program fees. The table below summarizes the people served during the year ended May 31, 2009:

	Number of People Served	Amount
Membership	702	\$ 169,440
Child Care	22	41,128
Camp Thompson	105	18,602
Day Camp	170	18,398
Other programs	61	3,733
	<u>1,060</u>	<u>\$ 251,301</u>

Note 12. Program Fees

Net program fees consisted of the following for the years ended May 31, 2009 and 2008, respectively:

	2009	2008
Camps	\$ 179,115	\$ 166,325
Aquatics	99,009	75,094
Physical fitness	239,887	210,183
Child care services	222,776	224,153
Youth activities	76,666	80,119
YBR revenue	34,638	28,508
	<u>\$ 852,091</u>	<u>\$ 784,382</u>

NOTES TO FINANCIAL STATEMENTS

Note 13. Net Investment Income

Net investment income consisted of the following for the years ended May 31, 2009 and 2008, respectively:

	2009	2008
Split-interest and perpetual trust income	\$ 105,003	\$ 119,332
Long-term investment income	23,642	41,531
Other investment income	614	2,724
Net unrealized and realized gains (losses) on long-term investments	(961,216)	(270,015)
	<u>\$ (831,957)</u>	<u>\$ (106,428)</u>

CARLISLE FAMILY YMCA

NOTES TO FINANCIAL STATEMENTS

Note 14. Functional Expenses

	2009									
	Total	General Administration	Fundraising	Child Care Services	Camps	Youth Activities	Aquatics	Physical Fitness	Program Services	
Salaries and wages	\$ 1,268,228	\$ 221,167	\$ 30,347	\$ 211,467	\$ 220,377	\$ 88,525	\$ 145,369	\$ 350,976		
Employee benefits	89,926	23,286	3,546	18,080	11,188	4,548	8,889	20,389		
Payroll taxes	98,954	15,737	3,256	16,878	17,516	7,519	12,039	26,009		
Contract services	171,652	65,053	139	6,796	21,070	7,669	14,858	56,067		
Supplies	270,990	7,782	622	50,926	72,533	53,086	25,173	60,868		
Special event expenses	24,619	-	24,619	-	-	-	-	-		
Other campaigns	-	-	-	-	-	-	-	-		
Bank service charges	26,156	26,156	-	-	-	-	-	-		
Postage	9,017	1,572	253	1,616	1,522	609	978	2,467		
Telephone	15,497	1,146	21	1,006	6,013	1,064	2,238	4,009		
Utilities	156,366	13,822	253	13,036	40,698	12,833	26,990	48,734		
Repairs and maintenance	110,200	6,716	123	5,897	34,253	6,235	13,115	43,861		
Insurance	99,806	9,297	170	8,164	22,864	8,632	18,155	32,524		
Other occupancy costs	1,484	115	2	101	535	106	224	401		
Printing and advertising	66,720	9,520	-	10,640	16,657	5,515	5,431	18,957		
Travel	39,353	10,445	-	547	23,461	2,897	205	1,798		
Training	14,207	4,202	-	115	5,713	409	376	3,392		
National YMCA dues	51,188	5,236	-	10,913	10,434	4,687	5,148	14,770		
Miscellaneous	24,717	3,328	-	1	3,018	6,465	3	11,902		
Investment fees	6,112	6,112	-	-	-	-	-	-		
Interest	614	59	1	52	128	54	115	205		
Depreciation	209,212	16,571	303	14,551	72,069	15,386	32,360	57,972		
	\$ 2,755,018	\$ 447,322	\$ 63,655	\$ 370,786	\$ 580,049	\$ 226,239	\$ 311,666	\$ 755,301		

CARLISLE FAMILY YMCA

NOTES TO FINANCIAL STATEMENTS

Note 14. Functional Expenses (Continued)

2008

	Total	Program Services										
		General Administration	Fundraising	Child Care Services	Camps	Youth Activities	Aquatics	Physical Fitness				
Salaries and wages	\$ 1,305,345	\$ 256,836	\$ 37,310	\$ 210,015	\$ 224,061	\$ 100,557	\$ 140,746	\$ 335,820				
Employee benefits	86,547	26,852	4,124	18,521	10,017	5,111	8,207	13,715				
Payroll taxes	97,924	18,547	3,704	16,219	16,572	7,537	10,884	24,461				
Contract services	170,087	59,061	132	6,343	20,769	7,268	14,295	62,219				
Supplies	271,916	8,819	886	42,696	63,617	44,058	24,334	87,506				
Special event expenses	19,787	-	19,787	-	-	-	-	-				
Other campaigns	2,166	-	2,166	-	-	-	-	-				
Bank service charges	22,193	22,193	-	-	-	-	-	-				
Postage	6,478	1,317	211	1,108	1,076	492	652	1,622				
Telephone	13,150	996	19	874	4,927	906	1,944	3,484				
Utilities	155,978	14,565	248	11,999	42,220	12,441	26,684	47,821				
Repairs and maintenance	136,221	8,642	159	7,589	39,598	7,868	16,876	55,489				
Insurance	95,542	8,848	161	7,769	22,222	8,300	17,278	30,964				
Other occupancy costs	7,334	115	1	101	537	5,954	224	402				
Printing and advertising	62,589	10,117	-	11,674	14,709	6,399	4,895	14,795				
Travel	36,380	6,072	-	13	23,949	4,144	188	2,014				
Training	5,110	429	-	484	1,535	324	297	2,041				
National YMCA dues	41,381	4,810	-	9,099	8,453	3,914	4,072	11,033				
Miscellaneous	7,762	5,559	-	100	629	-	137	1,337				
Investment fees	6,949	6,949	-	-	-	-	-	-				
Interest	155	15	-	13	34	13	29	51				
Depreciation	196,174	15,333	281	13,463	69,541	13,959	29,940	53,657				
	\$ 2,747,168	\$ 476,075	\$ 69,189	\$ 358,080	\$ 564,466	\$ 229,245	\$ 301,682	\$ 748,431				

CARLISLE FAMILY YMCA

NOTES TO FINANCIAL STATEMENTS

Note 15. Pension Plan

The Association participates in the National Young Men's Christian Defined-Contribution Retirement Plan. This contributory plan covers employees who meet the minimum age and service requirements. The Association contributes 7% of the employees' gross wages. Participants are 100% vested after two years of service. Pension expense for 2009 and 2008, was \$30,364 and \$23,568, respectively.

Note 16. Donated Materials and Services

The value of donated materials and services included in the financial statements and corresponding expenditures for the years ended May 31, 2009 and 2008, are as follows:

	2009	2008
Contributions		
Donated services	\$ 40,018	\$ 72,085
Donated supplies	31,123	42,177
Donated equipment	51,100	22,567
Donated facilities	-	15,850
	<u>\$ 122,241</u>	<u>\$ 152,679</u>
Expenses		
Capitalized assets	\$ 83,839	\$ 22,567
Programs	115,336	46,512
Direct donor benefit	6,905	83,350
Fundraising	-	250
	<u>\$ 122,241</u>	<u>\$ 152,679</u>

NOTES TO FINANCIAL STATEMENTS

Note 16. Donated Materials and Services (Continued)

Below is a list of volunteer service provided to the Carlisle Family YMCA during the fiscal year 2008-2009. 540 volunteers served a total of 14,730 hours, and if valued at minimum wage, the cost savings/contributed service value to our YMCA would equal \$107,539.

Contributed Service	Number of Volunteers	Hours	Amount
Volunteers assist with office tasks	5	200	\$ 1,426
Labor at YMCA, Camp's & Soccer Fields	1	780	7,800
Volunteers for stuffing race packets	8	32	229
Volunteers for bike races	5	15	107
Volunteers for Pumpkin Patch race	8	16	114
Volunteers for Resolution race	3	6	43
Volunteers for Turkey Trot race	52	156	1,115
Volunteer coaches for fall soccer	50	2,100	15,015
Volunteer coaches for spring soccer	52	2,130	15,230
Volunteer coaches for youth basketball	32	960	6,864
Volunteer for membership office	1	275	1,966
Volunteers on Soccer Executive Committee	10	250	1,788
Volunteer coaches for girls lacrosse	2	80	572
Volunteer for youth basketball camp	1	5	36
Volunteers to line soccer and lacrosse fields	2	19	136
Volunteer coach for summer soccer camp	1	28	200
Volunteers for swim team season	54	627	4,483
Volunteers for Yellow Breeches Racing	9	1,305	9,331
Volunteer for Child Care	1	87	618
Volunteers for the Strong Kids Campaign	93	460	3,289
Volunteers at Camp Thompson	51	1,305	9,331
Volunteers for 150th Birthday Bash	2	40	286
Volunteers at New Frontiers Camp	90	2,965	21,200
Volunteers at YADC	6	666	4,758
Volunteer for Physical Department	1	224	1,602
	540	14,730	\$ 107,539

NOTES TO FINANCIAL STATEMENTS

Note 17. Non-Cash Contributions

Below is a list of non-cash contributions provided to the Carlisle Family YMCA during the fiscal year 2008-2009. The cost savings/contributed value to our YMCA would equal \$122,241.

Contributed Service	Department or Event	Amount
Panera Bread from July-Dec. 2008	Child Care	\$ 15,958
Panera Day from Jan.-May 2009	Child Care	9,098
Little Tikes Young Explorer Computer	Child Care	2,600
3 TV's	Child Care	200
Baseball Pitching machine	Youth Dept.	750
Live Broadcast on WQLV-FM	Youth Dept.	1,500
Inflatable Jumble Jump	Youth Dept.	250
2 flat screen 32" element LCD screens	Youth Lobby	900
No charge for cable service	Youth Lobby/Fitness Center	900
4 \$25 gift cards for 10k race	Physical Department	100
Ad for the CRMC 5k race	Physical Department	2,103
Climbing game for kids	Physical Department	500
Inflatable obstacle course	Physical Department	1,000
T-shirts for Pumpkin Patch race	Physical Department	250
Discount on Turkey Trot t-shirts	Physical Department	1,000
Turkey Trot flyers printed	Physical Department	250
Food for 3-on-3 basketball tournament	Sports Department	300
Items donated for soccer program	Sports Department	884
Annual dinner invitations printed	Administration	150
Strong Kids Captains' Pick event	Administration	552
Volunteers on Capital Campaign tasks	Administration	30,445
Metal Pavilion 50'x100'	New Frontiers Camp	45,000
Moving of Pavilion	New Frontiers Camp	2,294
Electrical work	New Frontiers Camp	720
AED/defibulator	Camp Thompson	3,500
2 new rescue tubes	Aquatics Department	70
Items to hand out to children	Membership Department	410
25% off roof repair	Property Department	307
Floor scrubber	Property Department	250
		<u>\$ 122,241</u>

NOTES TO FINANCIAL STATEMENTS

Note 18. Related Party Transactions

The Association is affiliated with the National Council of Young Men's Christian Associations of the USA (YMCA of the USA). The Association is required to pay a percentage of revenue to the National Association as membership dues. The Association paid national memberships dues of \$51,188 and \$41,381 for the years ended May 31, 2009 and 2008, respectively.

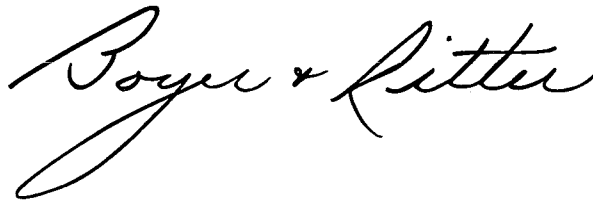
Note 19. Concentrations of Credit Risk

The Association maintains its cash balances at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of May 31, 2009 and 2008, the Association had uninsured cash balances of \$0 and \$65,933, respectively.

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

Board of Directors and Trustees
Carlisle Family YMCA
Carlisle, Pennsylvania

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Carlisle, Pennsylvania
September 4, 2009

SCHEDULES OF FUNDRAISING ACTIVITIES
Years Ended May 31, 2009 and 2008

	<u>2009</u>		
	<u>Fundraising Events</u>		
	Holiday of Lights	Other	Total
Revenue	\$ 12,500	\$ 28,622	\$ 41,122
Cost of direct benefit to donors	-	-	-
Fundraising expenses	-	22,589	22,589
Excess of revenue over expenses	\$ 12,500	\$ 6,033	\$ 18,533

	<u>2008</u>		
	<u>Fundraising Events</u>		
	Holiday of Lights	Other	Total
Revenue	\$ 179,921	\$ 18,482	\$ 198,403
Cost of direct benefit to donors	158,318	-	158,318
Fundraising expenses	3,843	15,944	19,787
Excess of revenue over expenses	\$ 17,760	\$ 2,538	\$ 20,298

Other Campaigns			
Tree of Lights	Strong Kids Campaign	Unsolicited Contributions	Total
\$ 11,685	\$ 91,451	\$ 184,083	\$ 287,219
-	-	-	-
1,096	934	-	2,030
\$ 10,589	\$ 90,517	\$ 184,083	\$ 285,189

Other Campaigns			
Tree of Lights	Strong Kids Campaign	Unsolicited Contributions	Total
\$ 12,311	\$ 98,236	\$ 223,962	\$ 334,509
-	-	-	-
1,352	814	-	2,166
\$ 10,959	\$ 97,422	\$ 223,962	\$ 332,343

