



YMCA OF MIDDLETOWN
YMCA OF SULLIVAN COUNTY
SOUTH ORANGE FAMILY YMCA
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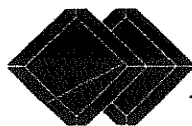
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FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

**2011 Sullivan County
Environmental Site Grant**

**YMCA of Middletown
Audit
2010**

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Berard & Donahue
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
YMCA of Middletown, NY

We have audited the accompanying statement of financial position of the YMCA of Middletown, NY as of December 31, 2010, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's 2009 financial statements and, in our report dated April 7, 2010; we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 audit provides 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 YMCA of Middletown, NY as of December 31, 2010 and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Berard & Donahue CPAs
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April 7, 2011

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Meryl Sumner
"Joanne"

YMCA OF MIDDLETOWN, NY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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**YMCA OF MIDDLETOWN, NY
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

YMCA OF MIDDLETOWN, NY
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Assets	<u>12/31/10</u>	<u>12/31/09</u>
Current Assets		
Cash and Cash Equivalents:		
Unrestricted	\$ 225,922	\$ 353,108
Restricted	29,183	25,018
Prepaid Insurance	59,813	44,815
Accounts Receivable	108,049	29,661
Total Current Assets	<u>422,967</u>	<u>452,603</u>
Non-current Assets		
Property and Equipment	5,767,845	5,915,253
Accumulated Depreciation	(1,998,295)	(2,016,948)
Construction in Progress	1,385,653	173,006
Bond Cost	155,221	155,221
Accumulated Amortization	(93,395)	(85,371)
Debt Service Reserve Funds	181,552	181,552
Investments Account	990,752	1,567,448
Total Non-current Assets	<u>6,389,333</u>	<u>5,890,161</u>
Total Assets	<u>\$ 6,812,300</u>	<u>\$ 6,342,764</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable & Accrued Expenses	\$ 36,015	\$ 22,661
Deferred Revenue	14,702	-
Payroll Liabilities	86,248	66,564
Current Portion-Long Term Debt	152,125	90,000
Total Current Liabilities	<u>289,090</u>	<u>179,225</u>
Non-current Liabilities		
Long Term Debt	<u>1,426,355</u>	<u>1,165,000</u>
Total Liabilities	1,715,445	1,344,225
Net Assets		
Unrestricted	347,828	581,216
Board Designated-Property & Equipment	3,576,723	2,643,305
Board Designated- Investment Fund	990,752	1,567,448
Total Unrestricted	<u>4,915,303</u>	<u>4,791,969</u>
Temporarily Restricted	181,552	206,570
Permanently Restricted	-	-
Total Net Assets	<u>5,096,855</u>	<u>4,998,539</u>
Total Liabilities and Net Assets	<u>\$ 6,812,300</u>	<u>\$ 6,342,764</u>

See accompanying notes to financial statements.

YMCA OF MIDDLETOWN, NY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Unrestricted	Temporarily Restricted	2010 Total	2009 Total
Revenues and Gains				
Contributions-Strong Kids	\$ 103,840	\$ -	\$ 103,840	\$ 173,832
Contributions-Corporate & Foundation	30,928	-	30,928	68,810
Contributions-In Kind	-	-	-	884,937
Grants	35,489	-	35,489	78,750
Program Revenue	3,025,821	-	3,025,821	2,481,601
Memberships	1,428,254	-	1,428,254	1,323,572
Investment Income	35,695	-	35,695	49,782
United Way Contributions	-	-	-	13,492
Unrealized Gain (Loss) on Securities	109,068	-	109,068	143,378
Realized Loss on Securities	(36,709)	-	(36,709)	(468)
Loss on Disposal of asset	(31,071)	-	(31,071)	-
Special event	23,326	-	23,326	49,961
Less: Special Event Expenses	(19,909)	-	(19,909)	(43,298)
Miscellaneous Revenue	32,587	-	32,587	21,270
Financial Assistance	157,974	-	157,974	464,038
Net assets released from restrictions	25,018	(25,018)	-	-
Total Unrestricted Revenue and Gain	4,920,311	(25,018)	4,895,293	5,709,657
Expenses and Losses				
Program Expenses	4,204,588	-	4,204,588	3,735,844
Management and General	479,612	-	479,612	490,490
Fund Raising Expenses	112,777	-	112,777	112,764
Total Expenses and Losses	4,796,977	-	4,796,977	4,339,098
Increase (Decrease) in Unrestricted Net Assets:	123,334	(25,018)	98,316	1,370,559
Net Assets, January 1, 2010 and 2009	4,791,969	206,570	4,998,539	3,627,980
Net Assets, December 31, 2010 and 2009	\$ 4,915,303	\$ 181,552	\$ 5,096,855	\$ 4,998,539

See accompanying notes to financial statements

YMCA OF MIDDLETOWN, NY
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Cash Flows From Operating Activities	<u>12/31/2010</u>	<u>12/31/2009</u>
Increase (decrease) in Net Assets	\$ 98,316	\$ 1,370,559
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	186,958	181,356
Amortization	8,024	7,761
Loss on disposal of assets	31,071	-
In-Kind Land Donation	-	(860,000)
(Increase) decrease in Prepaid Insurance	(14,998)	(15,485)
(Increase) decrease in Accounts Receivable	(78,388)	(695)
Increase (decrease) in Accounts Payable	13,354	(36,627)
Increase (decrease) in Deferred Revenue	14,702	-
Increase (decrease) in Payroll Liabilities Payable	19,684	14,302
 Net Cash Provided by Operating Activities	 278,723	 661,171
 Cash Flows From Investing Activities		
Purchase of Property and Equipment	(1,301,921)	(218,604)
Assets Restricted for Debt Service Reserve Funds	-	2,391
Net (Purchase) Withdrawal of Investments	576,696	(324,041)
 Net Cash (Used) Provided by Investing Activities	 (725,225)	 (540,254)
 Cash Flows From Financial Activities		
Proceeds of loan	413,480	-
Decrease in Bond Principal	(90,000)	(85,000)
Net Cash (Used) by Financing Activities	323,480	(85,000)
 Net Increase (Decrease) in Unrestricted Cash	 (123,022)	 35,917
 Unrestricted Cash and Cash Equivalents Beginning of year	 <u>378,127</u>	 <u>342,210</u>
 Unrestricted Cash and Cash Equivalents End of year	 <u>\$ 255,105</u>	 <u>\$ 378,127</u>
 Supplemental Information		
Interest Paid	<u>\$ 87,850</u>	<u>\$ 90,763</u>
Taxes Paid	<u>N/A</u>	<u>N/A</u>
 Supplemental Information of Non-Cash Items:		
Donated Revenue/Expenses	<u>\$ -</u>	<u>\$ 884,937</u>

See accompanying notes to financial statements.

YMCA OF MIDDLETOWN, NY
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Program Services	Management & General	Fundraising	Total 2010	Total 2009
Wages	\$ 2,447,166	\$ 149,988	\$ 97,467	\$ 2,694,621	\$ 2,172,252
Payroll taxes & Benefits	497,393	24,973	15,113	537,479	391,719
Total Compensation	2,944,559	174,961	112,580	3,232,100	2,563,971
Administration	-	53,922	-	53,922	38,696
Bank & Credit Card Charges	-	95,865	-	95,865	81,033
Amortization	-	8,024	-	8,024	7,761
Depreciation	181,349	5,609	-	186,958	181,356
Dues	75,000	-	-	75,000	72,577
Equipment Lease & Maintenance	152,461	-	-	152,461	75,055
Insurance	73,991	2,288	-	76,279	64,766
Program Food & Supplies	232,630	-	-	232,630	247,358
Office & Postage	13,625	5,924	197	19,746	18,379
Professional fees	68,226	22,867	-	91,093	85,706
Promotion	30,319	-	-	30,319	61,376
Rent	1,800	-	-	1,800	3,150
Services-In Kind	-	-	-	-	24,937
Telephone	24,129	10,341	-	34,470	23,872
Training	18,319	-	-	18,319	23,319
Travel & Auto	12,176	5,218	-	17,394	14,049
Utilities	218,030	6,743	-	224,773	193,193
Interest & Admin Fees	-	87,850	-	87,850	94,506
Program Financial Assistance	157,974	-	-	157,974	464,038
Total Expenses	\$ 4,204,588	\$ 479,612	\$ 112,777	\$ 4,796,977	\$ 4,339,098

See accompanying notes to financial statements.

**YMCA OF MIDDLETOWN, NY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 1- Nature of Activities

The YMCA of Middletown, NY is a charitable, community service organization that includes men, women and children of all ages, abilities, incomes, races and religions. We are dedicated to building strong kids, strong families, and strong communities that promote healthy lifestyles, strong values, leadership development, community interaction, and international understanding. All persons are welcome at our YMCA, regardless of their ability to pay. Our YMCA is founded and led by volunteers from our community; volunteers also serve as mentors, coaches, program leaders, instructors and more. The organization is a New York State Not-for-Profit Corporation formed in May 1883. The Organization is supported primarily through program fees and membership fees.

Note 2 – Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

(b) Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

In addition, the results of operations include the Middletown branch as well as the Monticello and Monroe branches of the YMCA, and Nana's House, a private day care center.

(c) Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose to be available for unrestricted use unless specifically restricted by the donor.

(d) Use of Estimates

Management uses estimates as assumptions in preparing financial statement. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

YMCA OF MIDDLETOWN, NY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 2 – Summary of Significant Accounting Policies (Cont'd)

(e) Investments

The YMCA carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

(f) Property and Equipment

Acquisitions of property and equipment in excess of \$1,500 are capitalized. Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the underlying asset.

(g) Income Taxes

The YMCA is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

(h) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the YMCA considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(i) Donated Services, Materials and Assets

For the years ended December 31, 2010 and 2009 donated services in the amount of \$0 and \$884,937 were included as contributions in the financial statements. The 2009 amount consists of \$5,000 donated for painting a refurbished school bus, a land donation from a donor valued at \$860,000 and \$19,937 of legal services provided in connection with various matters. In addition, many individuals volunteer their time and perform a variety of tasks that assist the organization.

(j) Comparative Financial Information

The financial information shown for 2009 in the accompanying financial statements is included to provide a basis for comparison with 2010 and presents summarized totals only.

(k) Allocation of Expenses

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

**YMCA OF MIDDLETOWN, NY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 2 – Summary of Significant Accounting Policies (Cont'd)

(I) Uncertainty in Income Taxes

YMCA of Middletown, NY has adopted FASB Interpretation NO. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48). Under FIN 48, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained upon examination by a taxing authority. YMCA of Middletown, NY, Inc. does not believe they have taken any material uncertain tax positions and, accordingly they have not recorded any liability for unrecognized tax benefits. YMCA of Middletown, NY, Inc. have filed for and received income tax exemptions in the jurisdictions where required to do so.

YMCA of Middletown, NY's Federal Return of Organization Exempt from Income Tax Returns 2010, 2009, and 2008 are subject to examination by the IRS, generally three years after they were filed.

Additionally, it has filed Internal Revenue Service Form 990 informational returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended December 31, 2010, there were no interest or penalties recorded or included in the statement of activities.

Note 3- Summary of Programs

Youth Development:

The YMCA is committed to nurturing the potential of every child and teen, by cultivating the values, skills and relationships that lead to positive behaviors, better health and educational achievement.

Nana's House-a fully licensed early childhood program for infants thru Pre-K, serving southern Sullivan County with(75-85) seventy five-eighty five children a day. At any given time, 25% of the families we serve are subsidized through our Strong Kids Campaign. One hundred ten unduplicated children were served in 2010.

Club Kid-(18) eighteen before and after school programs which are school based provide quality, affordable care to an average of (925) nine hundred twenty five children ages 5-12 throughout Orange County. Additionally, we provide services during the school vacation periods to an average of (100) one hundred children in two locations. Programs offer tutorial assistance, healthy snacks, physical activity and social competency skills, all led by trained, caring, positive adult role models. Approximately 15% of the participants are subsidized. Hundreds of families can remain gainfully employed while their children are engaged in quality care.

**YMCA OF MIDDLETOWN, NY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

Note 3- Summary of Programs (Cont'd)

Nursery School and Universal Pre Kindergarten- We provide two (half day) enrichment programs (morning and afternoon) for (34) thirty four three-four year olds, as well as a school readiness program for an additional (14) fourteen children. While cognitive development and school readiness are a primary focus of these programs, we reach out to the families to engage them in other services provided by the YMCA.

Day camps- The YMCA conducts three different day camp programs. Middletown serves an average of (100) one hundred children, our camp for the Town of Thompson serves over (200) two hundred children and our program in the state park in Harriman serves an average of (135) one hundred thirty five children. Each program serves a distinctly different population in very unique settings, with the common thread of developing life skills and social competency skills. Out of the (435) four hundred thirty five children enrolled each week, 15% are receiving financial assistance. A total of (520) five hundred twenty unduplicated children were served in 2010.

Aquatics- an average of (450) four hundred fifty children from ages six months to twelve, participate in a series of weekly instructional swim programs. Eight hundred thirty five unduplicated children were served in 2010.

Youth Sports- we provide a series of sports/recreation programs for ages 3-18, including basketball, gymnastics, martial arts and music to an average of (250) two hundred fifty children each 8 week program session. All programs focus on social competency skills, instilling the four core values of the YMCA and developing a lifelong interest in recreation/fitness. Six hundred seventy five unduplicated children were served in 2010.

Teen Programs-Our Beat the Streets (Saturday evening program for ages 10-17) program averages (180) one hundred eighty participants each evening. This program receives subsidization by both the Dyson Foundation and the YMCA. Each evening presents an array of activities from working out to Zumba, from art to swimming, from dance to a GIRLS (Girls in real life situations) program. The summer focuses on outdoor experiences, which places young people in non-urban outdoor settings, ie; rafting on the Delaware river, hiking , etc. (1,150) one thousand one hundred fifty unduplicated youth were served in 2010.

Leaders Club- this program focuses on building leadership skills, engaging in community events (within and outside of the Y), understanding group work and planning skills. Of the (12) twelve participants, all but 2 receive financial assistance for their membership. The club conducts an annual coat drive (collected 175 jackets in 2010), participates in community clean up days and a variety of community events.

Healthy Living:

This YMCA is the premier provider of fitness/lifestyle change for families in Orange County. We are now sought out by the key departmental commissioners of Orange County as partners in the war on youth obesity, family inactivity and poor nutrition.

YMCA OF MIDDLETOWN, NY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 3- Summary of Programs (Cont'd)

Our ability to reach diverse populations regardless of faiths, backgrounds, abilities and incomes put us in a unique position to positively impact the quality of life for a broad spectrum of families in both Orange County and southern Sullivan County.

Group Exercise programs- We offer over (90) ninety classes a week at three locations, serving from young teens to those over 80. Cumulatively, we reach well over (1,200) one thousand two hundred people a week.

Diabetes Prevention- We are one of six pilot sites in NYS conducting a Diabetes Prevention program, successfully serving over (20) twenty people in 2010. The program is expanding with a morning class and additional evening programs. Our retention rate had over (80%) of the participants completing the program and changing behaviors/losing weight.

Family Nights-We began Family nights (every first Saturday of the month) in early Fall and never looked back. All evenings have the common thread of strengthening family bonds through healthy interactive recreation, arts and theme based activities. We served over (300) three hundred people in only three months in 2010.

Youth and Family Fun Center-This independent fitness area is expressly for ages 7-12. Equipment appropriately sized for this age group is supplemented by gym games (outdoor games when weather permits). The center is staffed and continuity in a workout/play regimen is always encouraged. The center is a supportive environment for those young people who may be over-weight, lacking athletic skills. Here they are welcome and appropriately encouraged to get active.

Adult basketball/volleyball-The YMCA offers a series of volleyball leagues and basketball leagues. In many instances, the children of those who participate are engaging in the Youth and Family Fun Center, or simply doing homework and playing ping pong outside of the gymnasium. These programs reach an average of (100-120) one hundred to one hundred twenty per 8 week session.

Water Exercise and Senior Fitness-Weekly classes in water exercise are offered to over (50) fifty participants. While not all of the participants are seniors, an average of 80-85% are over the age of 65. The ability to remain independent and to continue living at home is critical to those who participate in these programs.

Adults with Disabilities- The YMCA provides swimming and land exercise programs to many adults with a variety of disabilities.

YMCA OF MIDDLETOWN, NY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 3- Summary of Programs (Cont'd)

Lifeguard training-At least three times a year, the YMCA conducts Lifeguard certification/training programs, continuing its long history of training young people in this vital service to the community.

For Social Responsibility:

This YMCA has a long standing tradition of supporting other community initiatives and peer not for profits in the region. We actively seek partnerships to work with others, provide them space, training, and technical and marketing support that empowers our neighbors to effect change. We also take an active role in developing future community leaders through a variety of volunteer opportunities.

Military Outreach-We provide dozens of family memberships to those families who have a parent in active military-free of charge.

Partnerships with area not for profits- We partner with Jewish Family Services, Big Brother/Big Sister, a number of Group Homes, twenty schools, Red Cross, Girl Scouts, YWCA, ARC of Sullivan County, Temple Sinai and a number of area churches.

Annual Support Campaigns-We conduct an annual fundraising drive which generates over \$135,000 to fund our Membership Assistance Program (MAP)-provides membership and program financial assistance to hundreds of families who may have an inability to pay for services.

ESL and GED classes-In collaboration with BOCES, the YMCA house both ESL and GED programs at our Middletown location.

Community Events- The YMCA conducts a Fall Family Festival (Halloween time) at both the Middletown and Monticello locations, providing hours of family fun/interaction for over 2,000 people at little to no cost. Over 75 volunteers are involved in these events. In Monticello, over 20 students volunteer in this amazing event. In Middletown, police officers and community volunteers supplement the efforts of Y staff.

Ruthie Run- This annual 5K race and fun run, raises funds for the Middletown School district and involves (750) seven hundred fifty runners and an additional (80) eighty volunteers in this wonderful event that brings together the entire community. A substance abuse recovery program (Day Top Village) provides dozens of volunteers, who work side by side with area Firemen, the local Elks Club and volunteers from numerous area businesses.

YMCA OF MIDDLETOWN, NY
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 3- Summary of Programs (Cont'd)

Community Service- The YMCA annually serves between (70-85) seventy –eighty five young people who need a positive environment to complete their community restitution obligations or educationally required community service.

Court Appointed Visitation- The YMCA partners with the County and the YWCA to provide locations/services to court appointed parental visitations at 2 locations.

Membership Assistance Program-The YMCA donates a large number of memberships to area not for profits, who in turn use them to raise funds for their organization. In 2010, we provided over 76 memberships to organizations with a value of over \$12,000. Free guest passes are provided to Big Brother/Big Sister and numerous group homes in the Middletown area. Hundreds of individuals and families receive financial assistance allowing them to actively participate in all the Y has to offer.

People with Disabilities- through a variety of collaborations with local not for profits, we offer these groups unique opportunities to swim, exercise and enjoy our warm social environment.

Note 4- Property and Equipment

Property and equipment consisted of the following at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Donated Land	\$ 860,000	\$ 860,000
Land	188,284	188,284
Building and Improvements	4,113,965	4,200,098
Furniture, Fixtures & Equipment	600,796	641,011
Vehicles	4,800	25,860
Total	<u>5,767,845</u>	<u>5,915,253</u>
Accumulated Depreciation	<u>(1,998,295)</u>	<u>(2,016,948)</u>
Net Book Value	<u>\$3,769,550</u>	<u>\$3,898,305</u>

YMCA OF MIDDLETOWN, NY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 4- Property and Equipment (Cont'd)

Depreciation expense for 2010 and 2009 was \$186,958 and \$181,356, respectively. Amortization of bond costs expense for 2010 and 2009 was \$8,024 and \$7,761 for the years ending December 31, 2010 and 2009, respectively. Assets of \$236,682 which are no longer in use by the Organization have been written off during the year ended December 31, 2010. However, these assets were not fully depreciated and therefore a loss on disposal of \$31,071 has been reflected in the financial statements. A fully depreciated vehicle was disposed of in 2010 for \$21,060. Construction in Progress of \$1,385,653 for the Monroe, NY branch has been shown separately on the Statement of Financial Position. Depreciation will not be calculated on the Construction in Progress until completed.

155 acres of land in Rock Hill, NY which has been appraised in the amount of \$860,000 was donated during 2009.

Note 5 -- Bond Cost

The cost incurred to issue the bonds that were sold to fund the City of Middletown Industrial Development Agency (I.D.A.) debt was capitalized and will be amortized, using the straight-line method, over the life of the bonds which is 20 years.

Note 6 -- Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2010 consists of the Debt Service Reserve Fund which represents monies held in escrow by The Bank of New York Mellon. This is a result of the restricted cash account funded with proceeds from the civic facility revenue bonds issued by the City of Middletown Industrial Development Agency and held at the Bank of New York Mellon as a condition of the Bond Agreement until the extinguishment of the bond debt. The balance as of December 31, 2010 and 2009 was \$181,552 and \$181,552, respectively. During 2009 \$25,000 was contributed by an individual to be used for the impending Monroe, NY branch. This amount is held in a bank account at M & T Bank in Monroe, NY. This money was spent in 2010.

YMCA OF MIDDLETOWN, NY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 7 – Fair Value Measurement:

Investments as of December 31, 2010 include funds held in Orange County Trust Company under the name "Y.M.C.A. Middletown." Investments consist of the following:

	Fair Value	Quoted Prices in Active Markets for Identical Other Assets (Level 1)		Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Stock	\$ 147,316	\$ 147,316	\$ -	\$ -	
Corporate Bonds	180,080	180,080	-	-	
Mutual Funds	359,599	359,599	-	-	
Government Obligations	152	152	-	-	
Certificates of Deposit	174,666	174,666	-	-	
Cash Equivalents	310,491	310,491	-	-	
Total	<u>\$ 1,172,304</u>	<u>\$ 1,172,304</u>	<u>\$ -</u>	<u>\$ -</u>	

FASB ASC Reference No. 820, *Fair Value Measurements and Disclosures*, establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value of investments. This hierarchy consists of three broad levels with Level 1 being the highest. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are other than quoted prices that are observable for the asset. Level 3 inputs are unobservable inputs for the assets.

Note 8 – Investments

Investments as of December 31, 2010 and 2009 include funds held in Orange County Trust Company under the name "Y.M.C.A. Middletown." investments consist of the following:

	2010		2009	
	Cost	Fair Value at 12/31/10	Cost	Fair Value at 12/31/09
Corporate Stock	\$ 143,630	\$ 147,316	\$ 143,630	\$ 141,073
Corporate Bonds	175,171	180,080	225,046	227,755
Mutual Funds	344,559	359,599	547,747	462,263
Government Obligations	139	152	192	214
Certificates of Deposit	175,001	174,666	473,000	472,555
Cash Equivalents	310,491	310,491	445,140	445,140
Total	<u>\$ 1,148,991</u>	<u>1,172,304</u>	<u>\$ 1,834,755</u>	<u>\$ 1,749,000</u>

YMCA OF MIDDLETOWN, NY
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 8 – Investments (Cont'd)

For fiscal 2010 and 2009, investment income was \$35,695 and \$49,782, realized losses were (\$36,709) and (\$468) and unrealized gains (losses) were \$109,068 and \$143,378, respectively. For the year ended December 31, 2010 investment fees paid were \$11,045.

For 12/31/10 investments held within the Directors Fund include corporate stock with a cost of \$94,625 and a fair value of \$103,436.

Note 9 – Long Term Debt

On December 22, 1998 the City of Middletown Industrial Development Agency issued \$1,915,000 in 1998 Civic Facility Revenue Bonds. The proceeds were utilized primarily for the purpose of financing the construction and equipping of an addition to the existing YMCA facility. Interest accrues at 7.00% on the Term Bonds due November 1, 2019.

In addition the Organization received a construction loan for the Monroe facility from Walden Savings Bank for a maximum of \$1,250,000. An initial wire transfer of \$413,480 was received on December 20, 2010. Interest only payments are being made until June 1, 2011 at which point this will become a 10 year term note. The minimum interest rate is 6.75% until the final interest rate will be decided 72 hours prior to June 1, 2011, which is the closing date for the loan.

The principal requirements are as follows:

Fiscal Year Ending December 31:

2011	\$ 117,242
2012	136,180
2013	143,351
2014	155,673
2015	168,157
Thereafter	857,877
Total	<u>\$ 1,578,480</u>

The bond is mortgaged with the property should the YMCA default on the loan; the building will revert to the City of Middletown.

Note 10- Concentration of Credit Risk

The Organization maintains cash balances in four banks located in Orange and Sullivan County. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000, through December 31, 2013. For the years ended December 31, 2010 and 2009 the balances at one institution exceeded the insured limits by \$0 and \$64,956, respectively.

YMCA OF MIDDLETOWN, NY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

Note 11- Retirement Plans

The Organization has a defined contribution plan (the Plan) covering all employees with at least one year of service and minimum of 1,000 hours within the year. The Organization makes a contribution to the Plan each year equal to 12% for 2010 and 12% for 2009 of all participants' compensation. Total expense for the year ended December 31, 2010 and 2009 was \$90,327 and \$67,649, respectively.

Note 12- Membership Obligation

The Organization is a member of the YMCA of the U.S.A. They pay annual support at the rate of 1.67% of operating revenue.

Note 13- Subsequent Events

Management evaluated subsequent events through April 7, 2011, the date the financial statements are available to be issued.

The opening of the Monroe SOFY YMCA facility occurred in February of 2011. They began pre-selling memberships before they opened and recognized \$14,701 of deferred revenue for the year ended December 31, 2010.

Note 14- Commitments and Contingencies

There are three cases which were pending in which the YMCA of Middletown and/or their insurer, the Travelers Insurance Company, may be forced to pay damages for the year ended December 31, 2009. The YMCA of Middletown has a \$15,000 per incident deductible for each incident.

Case one has been settled from the Organization's insurance carrier.

Case two was dismissed by the State Division of Human Rights on March 3, 2010 and the plaintiff had 90 days to file a claim under Title VII. The statute of limitation to file an appeal expired.

Case three has been settled from the Organization's insurance carrier.

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2010

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2010 calendar year, or tax year beginning, 2010, and ending

B Check if applicable: Address change, Name change, Initial return, Terminated, Amended return, Application pending

MIDDLETOWN YOUNG MEN'S CHRISTIAN ASSOCIATION, INC. 81 HIGHLAND AVENUE MIDDLETOWN, NY 10940 CLIENT'S COPY

D Employer Identification Number 14-1340134 E Telephone number 845-343-1158 G Gross receipts \$ 5,140,320.

I Tax-exempt status [X] 501(c)(3) [] 501(c) () (insert no.) [] 4947(a)(1) or [] 527 J Website: WWW.MIDDLETOWNYMCA.ORG

H(a) Is this a group return for affiliates? [] Yes [X] No H(b) Are all affiliates included? [] Yes [] No H(c) Group exemption number

K Form of organization: [X] Corporation [] Trust [] Association [] Other L Year of Formation: 1886 M State of legal domicile: NY

Part I Summary

1 Briefly describe the organization's mission or most significant activities: THE YMCA OF MIDDLETOWN IS A CHARITABLE, COMMUNITY SERVICE ORGANIZATION THAT INCLUDES MEN, WOMEN AND CHILDREN OF ALL AGES, ABILITIES, INCOMES, RACES AND RELIGIONS. WE ARE DEDICATED TO BUILDING STRONG KIDS, STRONG FAMILIES, AND STRONG COMMUNITIES THAT PROMOTE HEALTHY... 2 Check this box [] if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) 3 25 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 25 5 Total number of individuals employed in calendar year 2010 (Part V, line 2a) 5 214 6 Total number of volunteers (estimate if necessary) 6 80 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0. 7b Net unrelated business taxable income from Form 990-T, line 34 7b 0.

Table with 3 columns: Revenue, Prior Year, Current Year. Rows 8-12: Contributions and grants, Program service revenue, Investment income, Other revenue, Total revenue.

Table with 3 columns: Expenses, Prior Year, Current Year. Rows 13-19: Grants and similar amounts paid, Benefits paid, Salaries, Professional fundraising fees, Total fundraising expenses, Other expenses, Total expenses, Revenue less expenses.

Table with 3 columns: Net Assets or Fund Balances, Beginning of Current Year, End of Year. Rows 20-22: Total assets, Total liabilities, Net assets or fund balances.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer, Date, Type or print name and title.

Paid Preparer Use Only: Print/Type preparer's name, Preparer's signature, Date, Check self-employed, PTIN N/A, Firm's name BERARD & DONAHUE CPA'S PC, Firm's address 44 PARK AVE SUFFERN, NY 10901, Firm's EIN N/A, Phone no. (845) 357-5668

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [] No

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box. **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only.

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization	Employer identification number
	MIDDLETOWN YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.	14-1340134
File by the due date for filing your return. See instructions.	Number, street, and room or suite number. If a P.O. box, see instructions.	
	81 HIGHLAND AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	MIDDLETOWN, NY 10940	

Enter the Return code for the return that this application is for (file a separate application for each return).....

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of. ► CORPORATION

Telephone No. ► 845-343-1158 FAX No. ► 845-343-1484

- If the organization does not have an office or place of business in the United States, check this box.
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box. . If it is for part of the group, check this box. and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15, 20 11, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year 20 10 or
- tax year beginning _____, 20 _____, and ending _____, 20 _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a \$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b \$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Paperwork Reduction Act Notice, see Instructions.

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior

Form 990 or 990-EZ? [] Yes [X] No
If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ... [] Yes [X] No

If 'Yes,' describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: [redacted]) (Expenses \$ 4,204,588 including grants of \$ [redacted]) (Revenue \$ [redacted])

SEE SCHEDULE O

4b (Code: [redacted]) (Expenses \$ [redacted] including grants of \$ [redacted]) (Revenue \$ [redacted])

SEE SCHEDULE O

4c (Code: [redacted]) (Expenses \$ [redacted] including grants of \$ [redacted]) (Revenue \$ [redacted])

SEE SCHEDULE O

4d Other program services. (Describe in Schedule O.) SEE SCHEDULE O

(Expenses \$ [redacted] including grants of \$ [redacted]) (Revenue \$ [redacted])

4e Total program service expenses ▶ 4,204,588.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A.	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions).	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I.		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II.		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III.		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I.		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II.		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III.		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV.		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V.		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI.	X	
b Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII.	X	
c Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII.		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX.		X
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X.	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X.	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII.	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E.		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If 'Yes,' complete Schedule F, Parts I and IV.		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Parts II and IV.		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Parts III and IV.		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions).		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II.	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III.		X
20a Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H.		X
b If 'Yes' to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).		

Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II.		X
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III.		X
23	Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If 'Yes,' complete Schedule J.		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25.		X
24b			
24c			
24d			
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I.		X
25b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I.		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If 'Yes,' complete Schedule L, Part II.		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If 'Yes,' complete Schedule L, Part III.		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
28a	a A current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV.		X
28b	b A family member of a current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV.		X
28c	c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If 'Yes,' complete Schedule L, Part IV.		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M.		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M.		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I.		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II.		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Schedule R, Part I.		X
34	Was the organization related to any tax-exempt or taxable entity? If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1.		X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?		X
	a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Schedule R, Part V, line 2. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If 'Yes,' complete Schedule R, Part V, line 2.		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If 'Yes,' complete Schedule R, Part VI.		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

BAA

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V.

		Yes	No
1 a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 1 a 1		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 1 b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? 1 c		X
2 a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 2 a 214		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? 2 b X	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)			
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year? 3 a		X
b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O. 3 b		
4 a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 4 a		X
b	If 'Yes,' enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? 5 a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? 5 b		X
c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T? 5 c		
6 a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? 6 a		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? 6 b		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? 7 a		X
b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided? 7 b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? 7 c		X
d	If 'Yes,' indicate the number of Forms 8282 filed during the year. 7 d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? 7 e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 7 f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? 7 g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? 7 h		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? 8		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966? 9 a		
b	Did the organization make a distribution to a donor, donor advisor, or related person? 9 b		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 10 a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 10 b		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders. 11 a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11 b		
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? 12 a		
b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. 12 b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? 13 a		
Note. See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. 13 b		
c	Enter the amount of reserves on hand. 13 c		
14 a	Did the organization receive any payments for indoor tanning services during the tax year? 14 a		X
b	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O. 14 b		

Part VI Governance, Management and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year.....	1a	25	
b Enter the number of voting members included in line 1a, above, who are independent.....	1b	25	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?.....	2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?.....	3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?.....	4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?.....	5		X
6 Does the organization have members or stockholders?.....	6		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?.....	7a		X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?.....	7b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a The governing body?.....	8a	X	
b Each committee with authority to act on behalf of the governing body?.....	8b	X	
9 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.....	9		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?.....		X
b If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?.....		
11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?.....	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O.....		
12a Does the organization have a written conflict of interest policy? If 'No,' go to line 13.....	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?.....	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done. SEE SCHEDULE O.....	X	
13 Does the organization have a written whistleblower policy?.....	X	
14 Does the organization have a written document retention and destruction policy?.....	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official.....	X	
b Other officers of key employees of the organization... SEE SCHEDULE O.....	X	
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?.....		X
b If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?.....		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► NY
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. SEE SCHEDULE O
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
 ► CORPORATION 81 HIGHLAND AVENUE MIDDLETOWN NY 10940 845-343-1158

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII.

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1 a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MICHAEL CHAIKEN DIRECTOR	1	X					0.	0.	0.	
(2) PRADEEP ASOKARATHINAM DIRECTOR	1	X					0.	0.	0.	
(3) KENNETH FLOOD DIRECTOR	1	X					0.	0.	0.	
(4) JUDGE LORI CURRIER-WOOD DIRECTOR	1	X					0.	0.	0.	
(5) JOSEPH P LOUGHLIN MEMBER AT LARGE	1	X					0.	0.	0.	
(6) TERRI HALL DIRECTOR	1	X					0.	0.	0.	
(7) RIC SCHWARTZ DIRECTOR	1	X					0.	0.	0.	
(8) EARL MILLER, JR. MEMBER AT LARGE	1	X					0.	0.	0.	
(9) JODI APPEL-KAPLAN DIRECTOR	1	X					0.	0.	0.	
(10) RANDOLPH KATZ DIRECTOR	1	X					0.	0.	0.	
(11) TOM KENNEDY DIRECTOR	1	X					0.	0.	0.	
(12) KEVIN PRESTON DIRECTOR	1	X					0.	0.	0.	
(13) JEFF PIEFER DIRECTOR	1	X					0.	0.	0.	
(14) BARBARA WEINSTEIN DIRECTOR	1	X					0.	0.	0.	
(15) DAVID WEINTRAUB DIRECTOR	1	X					0.	0.	0.	
(16) MARGARET SMITH PRESIDENT	5			X			0.	0.	0.	
(17) GREG HOGAN SECOND VP	5			X			0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Sch O)	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(18) DR. PATRICK MICHEL FIRST VP	5			X			0.	0.	0.
(19) IRIS BORRERO SECRETARY	5			X			0.	0.	0.
(20) DAMIANE DOYLE TREASURER	5			X			0.	0.	0.
(21) WILLIAM FIORAVANTE ASSOC EXEC DIR	40			X			67,750.	0.	4,324.
(22) IRA BESDANSKY EXECUTIVE DIREC	40			X			68,558.	0.	11,184.
(23) PAT WEISS ASSOC EXEC DIR	40			X			78,527.	0.	20,277.
(24) LINDA CELLINI DEVELOPMENT DIR	40			X			66,625.	0.	7,995.
(25) WILLIAM R. GRANT EXECUTIVE DIREC	40					X	45,600.	0.	16,948.
(26)									
(27)									
(28)									
(29)									
1 b Sub-total							327,060.	0.	60,728.
c Total from continuation sheets to Part VII, Section A							0.	0.	0.
d Total (add lines 1b and 1c)							327,060.	0.	60,728.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ▶ 0

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If 'Yes,' complete Schedule J for such individual	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If 'Yes' complete Schedule J for such individual	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If 'Yes,' complete Schedule J for such person	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶ 0

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	35,489.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	30,929.				
	g Noncash contributions included in lns 1a-1f: \$						
	h Total. Add lines 1a-1f			66,418.			
PROGRAM SERVICE REVENUE	Business Code						
	2a <u>KIDS CLUB</u>		1,514,178.	1,514,178.			
	b <u>MEMBERSHIP FEES</u>		1,428,255.	1,428,255.			
	c <u>NANA'S HOUSE</u>		543,725.	543,725.			
	d <u>CAMP</u>		432,291.	432,291.			
	e <u>AQUATICS</u>		178,811.	178,811.			
	f All other program service revenue		460,656.	460,656.			
	g Total. Add lines 2a-2f			4,557,916.			
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		35,696.			35,696.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6a Gross Rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
		d Net gain or (loss)			-67,780.	-67,780.	
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a		23,326.			
		b Less: direct expenses	b	19,910.			
		c Net income or (loss) from fundraising events			3,416.		3,416.
	9a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities							
10a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11a <u>FINANCIAL ASSISTANCE</u>			157,974.	157,974.			
b <u>ADMINISTRATION</u>			19,986.	19,986.			
c <u>MISCELLANEOUS</u>			12,599.	12,599.			
d All other revenue							
e Total. Add lines 11a-11d			190,559.				
12 Total revenue. See instructions			4,786,225.	4,680,695.	0.	39,112.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21.....				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22.....				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16.....				
4 Benefits paid to or for members.....				
5 Compensation of current officers, directors, trustees, and key employees.....	387,788.	352,499.	21,328.	13,961.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).....	0.	0.	0.	0.
7 Other salaries and wages.....	2,306,833.	2,094,667.	128,660.	83,506.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions).....	90,327.	83,643.	4,155.	2,529.
9 Other employee benefits.....	447,152.	413,750.	20,818.	12,584.
10 Payroll taxes.....				
11 Fees for services (non-employees):				
a Management.....				
b Legal.....	12,416.		12,416.	
c Accounting.....	10,450.		10,450.	
d Lobbying.....				
e Professional fundraising services. See Part IV, line 17.....				
f Investment management fees.....				
g Other.....	68,226.	68,226.		
12 Advertising and promotion.....	30,319.	30,319.		
13 Office expenses.....	9,874.	6,813.	2,962.	99.
14 Information technology.....				
15 Royalties.....				
16 Occupancy.....	226,573.	219,830.	6,743.	
17 Travel.....	17,394.	12,176.	5,218.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.....				
19 Conferences, conventions, and meetings.....				
20 Interest.....	87,850.		87,850.	
21 Payments to affiliates.....				
22 Depreciation, depletion, and amortization.....	194,982.	181,349.	13,633.	
23 Insurance.....	76,279.	73,991.	2,288.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.).....				
a PROGRAM EXPENSES.....	232,630.	232,630.		
b PROGRAM FINANCIAL ASSISTANCE.....	157,974.	157,974.		
c EQUIPMENT RENTAL.....	152,461.	152,461.		
d BANK FEES.....	95,864.		95,864.	
e DUES.....	75,000.	75,000.		
f All other expenses.....	116,585.	49,260.	67,227.	98.
25 Total functional expenses. Add lines 1 through 24f.....	4,796,977.	4,204,588.	479,612.	112,777.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.....				