TAMPA METROPOLITAN AREA
YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

Financial Statements

December 31, 2013
(With Independent Auditor's Report Thereon)

TAMPA METROPOLITAN AREA
YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

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MHM®

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Independent Auditor's Report

Governance Board
Tampa Metropolitan Area Young Men's Christian Association, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the Tampa Metropolitan Area Young Men's Christian Association, Inc. (the "Association") (a nonprofit organization) which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Tampa Metropolitan Area Young Men's Christian Association, Inc's 2012 financial statements and our report, dated April 25, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2014 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Mayer Hoffman McCann P.C.

April 17, 2014
Clearwater, Florida

TAMPA METROPOLITAN AREA
YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

Statement of Financial Position

December 31, 2013
(With Comparative Financial Information for December 31, 2012)

Assets		2013	2012
Cash and cash equivalents	$	7,539,210	5,739,507
Investments		11,467,408	9,949,420
Grants receivable		245,140	627,543
Contributions receivable, net		571,790	379,567
Other receivables		118,470	100,662
Prepaid expenses and other assets		814,305	504,577
Land, buildings, and equipment, net		35,989,326	36,950,490
	$	56,745,649	54,251,766
Liabilities and Net Assets			
Accounts payable and accrued expenses	$	1,269,001	1,346,165
Unearned membership dues		325,372	317,935
Unearned revenue		1,307,293	518,568
Derivative liability - interest rate swaps		-	3,680,595
Note payable		2,999,996	-
Promissory note		16,400,000	16,400,000
Capital lease obligations		725,103	377,407
Total liabilities		23,026,765	22,640,670
Net assets:			
Unrestricted net assets:			
Operating		12,657,333	9,936,762
Property and equipment		18,864,223	20,173,083
Total unrestricted net assets		31,521,556	30,109,845
Temporarily restricted net assets		2,097,328	1,401,251
Permanently restricted net assets		100,000	100,000
Total net assets		33,718,884	31,611,096
Total liabilities and net assets	$	56,745,649	54,251,766

See accompanying independent auditor's report and notes to financial statements.

TAMPA METROPOLITAN AREA
YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

Statement of Activities

For the Year Ended December 31, 2013
(With Comparative Financial Information for December 31, 2012)

	Unrestricted	Temporarily Restricted	Permanently Restricted	December 31, 2013 Total	December 31, 2012 Total
Public support and revenue:					
Public support:					
Contributions	$ 1,460,406	1,399,043	-	2,859,449	3,267,773
Grant revenue	1,765,327	-	-	1,765,327	3,286,036
Special events, net	333,614	-	-	333,614	383,943
United Way allocations	266,178	-	-	266,178	364,224
Total public support	3,825,525	1,399,043	-	5,224,568	7,301,976
Other revenue:					
Program service fees	10,171,358	-	-	10,171,358	9,626,033
Membership dues	18,053,723	-	-	18,053,723	17,846,177
Investment income	1,479,718	56,976	-	1,536,694	1,068,427
Sales to members	644,115	-	-	644,115	615,710
Miscellaneous revenue	1,691	-	-	1,691	113,415
Total other revenue	30,350,605	56,976	-	30,407,581	29,269,762
Net assets released from restrictions	759,942	(759,942)	-	-	-
Total public support and revenue	34,936,072	696,077	-	35,632,149	36,571,738

(Continued)

TAMPA METROPOLITAN AREA
YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

Statement of Activities - Continued

	Unrestricted	Temporarily Restricted	Permanently Restricted	December 31, 2013 Total	December 31, 2012 Total
Expenses:					
Program services:					
Adult wellness	$ 6,812,085	-	-	6,812,085	6,434,111
Childcare and family	17,428,655	-	-	17,428,655	17,788,804
Comprehensive youth development	4,627,765	-	-	4,627,765	6,511,155
Total program services	28,868,505	-	-	28,868,505	30,734,070
Supporting services:					
Management and general	3,969,010	-	-	3,969,010	3,463,196
Fundraising	686,846	-	-	686,846	598,700
Total supporting services	4,655,856	-	-	4,655,856	4,061,896
Total expenses	33,524,361	-	-	33,524,361	34,795,966
Change in net assets	1,411,711	696,077	-	2,107,788	1,775,772
Net assets at beginning of year	30,109,845	1,401,251	100,000	31,611,096	29,835,324
Net assets at end of year	$ 31,521,556	2,097,328	100,000	33,718,884	31,611,096

TAMPA METROPOLITAN AREA
YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

Statement of Cash Flows

For the Year Ended December 31, 2013
(With Comparative Financial Information for December 31, 2012)

		2013	2012
Cash flows from operating activities:			
Change in net assets:	$	2,107,788	1,775,772
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation and amortization		3,360,265	3,300,953
Loss (gain) on disposal of equipment		105,978	(7,143)
Change in derivative liability - interest rate swaps		(311,241)	(173,691)
Realized and unrealized gains on investments		(1,174,547)	(779,058)
Contributions restricted for investment in long-term assets		(688,505)	-
Changes in operating assets and liabilities:			
Receivables		489,044	(73,385)
Prepaid expenses and other assets		(309,728)	(127,454)
Accounts payable and accrued expenses		(77,164)	149,150
Unearned membership dues		7,437	8,536
Unearned revenue		788,725	(361,824)
Net cash provided by operating activities		4,298,052	3,711,856
Cash flows from investing activities:			
Purchases of equipment and capital improvements		(1,885,618)	(2,094,185)
Proceeds from sale of equipment		-	33,260
Purchases of investments, net		(343,441)	(1,316,851)
Net cash used in investing activities		(2,229,059)	(3,377,776)
Cash flows from financing activities:			
Proceeds from note payable		3,350,000	-
Payments on promissory note		-	(1,300,000)
Repayment of derivative liability - interest rate swap		(3,369,354)	-
Collection of contributions restricted for investment in long-term assets		371,833	-
Payments on note payable		(350,004)	-
Payments on capital lease obligations		(271,765)	(259,081)
Net cash used in financing activities		(269,290)	(1,559,081)
Net increase (decrease) in cash and cash equivalents		1,799,703	(1,225,001)
Cash and cash equivalents at beginning of year		5,739,507	6,964,508
Cash and cash equivalents at end of year	$	7,539,210	5,739,507
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest	$	577,012	781,815
Non-cash investing and financing activities:			
Equipment obtained under capital lease obligations	$	619,461	-

TAMPA METROPOLITAN AREA
YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2013
(With Summarized Financial Information for December 31, 2012)

	Program Services			
	Adult Wellness	Childcare and Family	Comprehensive Youth Development	Total Program
Salaries	$ 3,995,166	7,592,145	2,030,555	13,617,866
Employee benefits	223,498	595,822	173,098	992,418
Payroll taxes	386,941	734,438	199,222	1,320,601
Total salaries and related expenses	4,605,605	8,922,405	2,402,875	15,930,885
Contract services	44,623	1,088,402	1,170,536	2,303,561
Supplies	164,806	773,404	390,011	1,328,221
Telephone	49,412	164,915	11,470	225,797
Postage and shipping	4,341	58,598	1,562	64,501
Occupancy	790,577	2,618,786	265,164	3,674,527
Maintenance	172,402	351,960	48,079	572,441
Printing	19,625	76,649	14,078	110,352
Travel	20,218	276,247	69,671	366,136
Conference and meetings	49,977	91,028	102,487	243,492
Special assistance	-	-	4,737	4,737
National support and other dues	588	276,400	5,325	282,313
Awards and grants	-	26,120	2,975	29,095
Insurance	-	74,112	1,643	75,755
Miscellaneous	4,979	72,764	4,912	82,655
Subtotal	5,927,153	14,871,790	4,495,525	25,294,468
Depreciation and amortization	832,002	2,403,933	124,330	3,360,265
Interest and financing	129,993	375,594	19,426	525,013
Change in derivative liability	(77,063)	(222,662)	(11,516)	(311,241)
Subtotal	884,932	2,556,865	132,240	3,574,037
Total expenses	$ 6,812,085	17,428,655	4,627,765	28,868,505

Supporting Services			Total	Total
Management and General	Fund Raising	Total Support	Year Ended December 31, 2013	Year Ended December 31, 2012
2,003,622	364,867	2,368,489	15,986,355	15,669,770
301,093	55,104	356,197	1,348,615	1,298,241
161,687	35,140	196,827	1,517,428	1,429,177
2,466,402	455,111	2,921,513	18,852,398	18,397,188
579,101	57,581	636,682	2,940,243	4,124,860
62,159	14,184	76,343	1,404,564	1,555,755
50,872	1,141	52,013	277,810	311,647
24,151	1,741	25,892	90,393	100,611
(993)	550	(443)	3,674,084	3,696,458
-	2,465	2,465	574,906	590,817
466,410	22,728	489,138	599,490	648,834
2,597	3,447	6,044	372,180	371,053
162,565	15,931	178,496	421,988	432,341
(8,146)	-	(8,146)	(3,409)	75,494
43,693	1,420	45,113	327,426	337,012
2,520	-	2,520	31,615	16,875
36,301	-	36,301	112,056	109,818
81,378	110,547	191,925	274,580	118,125
3,969,010	686,846	4,655,856	29,950,324	30,886,888
-	-	-	3,360,265	3,300,953
-	-	-	525,013	781,815
-	-	-	(311,241)	(173,690)
-	-	-	3,574,037	3,909,078
3,969,010	686,846	4,655,856	33,524,361	34,795,966

(1) Summary of Significant Accounting Policies

(a) Organization

The Tampa Metropolitan Area Young Men's Christian Association, Inc.'s (the "Association") mission: To put Judeo-Christian principles into practice through programs that build healthy spirit, mind and body for all.

The accompanying financial statements include the Association's administrative office and the accounts of the Association's programs maintained in its following branches:

Bob Gilbertson Central City Family Branch
Bob Sierra Family Branch
Bob Sierra Youth & Family Center
Camp Cristina Branch
Campo Family Branch
Sulphur Springs
Downtown Branch (two sites)
Dade City Family Branch
East Pasco Branch
South Tampa Family Branch
North Brandon Family Branch
New Tampa Family Branch
Northwest Hillsborough Family Branch
Plant City Family Branch
The First Tee of Tampa Bay (two sites)
YMCA Childcare Services Branch
YMCA Express at FishHawk
YMCA Express at West Park Village
Early Headstart

(b) Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts of the Association are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes.

(1) Summary of Significant Accounting Policies - Continued

(b) Fund Accounting - Continued

The Association follows the provisions of FASB Accounting Standards Codification Topic 958 "Not-for-Profit Entities" ("ASC 958"). This requires the Association to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets and unrestricted net assets. It also requires recognition of contributed services meeting certain criteria at fair values.

The Association utilizes restricted and unrestricted groupings to account for its resources. Contributions, grants receivable and pledges receivable are presented in these groupings as applicable, in the accompanying financial statements. ASC 958 requires a statement of financial position, a statement of activities and a statement of cash flows for not-for-profit organizations.

The assets, liabilities and net assets of the Association are reported in self-balancing fund groups as follows:

Unrestricted - accounts for all resources over which the Governance Board has discretionary control in carrying on the Association's operations.

Temporarily Restricted - accounts for all pledges and contributions restricted to specific Association projects most of which consist of specific programs or capital projects at the branches. Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, 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 statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. All contributions are available for unrestricted use unless specifically restricted by the donor.

Permanently Restricted - accounts for all pledges and contributions restricted into perpetuity. During 2008, the Association received a $100,000 donation to establish a permanent endowment fund. Terms of the donation require the funds to be segregated from the Association's operating fund. Earnings will be released to the Association for general operations.

(c) Investments

Investments consist of mutual funds and money market funds and are presented at fair value (see Note 2).

(1) Summary of Significant Accounting Policies - Continued

(d) Grants Receivable and Revenue

Grants receivable relate to support received from federal, state, and local grants. None of the amounts receivable at December 31, 2013 are deemed to be uncollectible. Therefore, no provision for uncollectible accounts has been made in the accompanying financial statements.

Revenue from federal, state, and local grants is recorded based upon terms of the grantor allotment which generally provide that revenue is earned when the allowable costs of the specific grant provisions have been incurred. Revenue is subject to audit by the grantor and if the examination results in a disallowance of any expenditure, repayment could be required. Management does not believe that any disallowances that may occur as a result of these audits would have a material impact on the financial statements. The Schedule of Expenditures of Federal Awards provides information by federal and state grant for the year ended December 31, 2013.

(e) Contributions Receivable

Contributions receivable represent unconditional promises to give by donors and are reflected in the financial statements at their net realizable value. The allowance is based on prior years' experience and management's analysis of specific promises made.

(f) Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at either cost or fair value at the date of receipt of donation. The Association follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of $2,000 and a useful life of three years. The Association's policy is to test land, building and equipment for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. There were no events or changes in circumstances indicating that the carrying amounts may not be recoverable at December 31, 2013.

(g) Depreciation and Amortization

Depreciation and amortization are recorded based on the cost of the underlying assets over the estimated useful lives, principally on a straight-line basis. Furniture and equipment are depreciated over their estimated useful lives (primarily three to fifteen years). Buildings and leasehold improvements are depreciated or amortized over their estimated useful lives (primarily three to thirty years).

(h) Donated Services

No amounts have been recorded for donated services, since no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in the Association's program services and its fund-raising campaign.

(1) Summary of Significant Accounting Policies - Continued

(i) Gifts in Kind

The Association is the recipient of materials and rental facilities of approximately $94,000 for the year ended December 31, 2013, which have been recorded in the accompanying statement of functional expenses as supplies and occupancy expenses as well as in the accompanying statement of activities as contributions.

(j) Cash Equivalents

Cash equivalents consist of highly liquid short-term money market instruments or certificates of deposit with an original maturity of three months or less.

(k) Derivative Financial Instruments

During the year ended December 31, 2013, the Association made limited use of derivative financial instruments for the purpose of managing its interest rate risk. Interest rate swaps are used to convert the Association's variable rate debt to a fixed rate. The differences between amounts paid and amounts received on interest rate swap agreements are recognized as interest expense. Interest rate swaps are measured at fair value and are recorded as a liability in the statement of financial position. Changes in fair value of derivative financial instruments are recognized as changes in net assets in the accompanying financial statements. These instruments were paid in 2013. See Note 7.

(l) Unearned Membership Dues

The Association's members pay membership fees in advance for annual, semi-annual, or quarterly membership. Certain prepaid memberships were received but not earned as of December 31, 2013. Included in the accompanying financial statements are $325,372 of unearned membership fees at December 31, 2013.

(m) Unearned Revenue

Unearned revenue primarily consists of contributions of approximately $800,000 received where matching funds had not been raised and income received upfront of $190,000 in 2013 for a 50 year cell tower lease on the property of one of the Association's branches which has not been earned as of December 31, 2013.

(n) Functional Allocation of Expenses

The cost of providing the Association's various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited as shown in the statement of functional expenses.

(1) Summary of Significant Accounting Policies - Continued

(o) 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 amount of revenues and expenses during the reporting period. The most sensitive estimates affecting the financial statements are the collectability of pledges and the useful lives of capital assets. Actual results could differ from these estimates.

(p) Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2012, from which the summarized information was derived.

(q) Income Taxes

The Association is a non-profit agency under the laws of the State of Florida and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Association believes that it has no liability for taxes with respect to business income. However, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities.

The Association follows Accounting Standards Codification Topic 740, "Income Taxes" ("ASC 740"). A component of this standard prescribes a recognition and measurement threshold of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Association's policy is to recognize interest and penalties associated with tax positions under this standard as a component of tax expense, and none was recognized since there was no material impact of the application of this standard for the year ended December 31, 2013. The Association's information returns are open to IRS examination for the 2010 tax year and all subsequent years.

(1) Summary of Significant Accounting Policies - Continued

(r) Special Events

The Association conducts special events for the purpose of raising money for annual operations. The Association had special events revenue of approximately $468,000 with related expenses of approximately $135,000 during the year ended December 31, 2013.

(2) Investments

Investments include the following as of December 31, 2013:

		Cost	Market
Managed portfolio of mutual funds	$	9,654,445	11,036,181
Money market funds		431,227	431,227
Total	$	10,085,672	11,467,408

Investment income for the year ended December 31, 2013 is summarized as follows:

Interest and dividends	$	398,725
Investment fees paid		(36,578)
Realized and unrealized gains		1,174,547
Total	$	1,536,694

(3) Fair Value of Financial Instruments

The Association has adopted FASB Accounting Standards Codification Topic 820, "Fair Value and Measurement" ("ASC 820") which establishes a framework for using fair value to measure assets and liabilities and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price).

Under ASC 820, a fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance. ASC 820 requires disclosures that stratify balance sheet amounts measured at fair value based on inputs the Association used to derive fair value measurements. These strata include:

Level 1: valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume);

(3) Fair Value of Financial Instruments - Continued

Level 2: valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market; and

Level 3: valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Association-specific data.

The following table presents financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2013:

	Level 1	Level 2	Level 3	Fair Value
Assets:				
Mutual funds:				
International	$ 2,942,907	-	-	2,942,907
Balanced	599,819	-	-	599,819
Domestic - stock	3,360,283	-	-	3,360,283
Domestic - equity	879,937	-	-	879,937
Taxable bond	2,926,367	-	-	2,926,367
Nontraditional bond	326,868	-	-	326,868
Money market funds	431,227	-	-	431,227
	$ 11,467,408	-	-	11,467,408

(4) Contributions Receivable, Net

Contributions receivable, net represents unconditional promises to give by donors from various fundraising campaigns by the Association. During 2013, the Association established several capital campaigns for the purpose of raising contributions for investments in long-term assets. Contributions receivable, less discount and allowances, at December 31, 2013 is summarized as follows:

	Annual Campaign	Capital Campaigns	Total
Total contributions receivable	$ 377,106	497,139	874,245
Less allowance for uncollectible amounts	(177,372)	(3,916)	(181,288)
Less discount for present value (3.5%)	-	(121,167)	(121,167)
Net contributions receivable	$ 199,734	372,056	571,790

(4) Contributions Receivable, Net - Continued

Anticipated collection periods of contributions receivable at December 31, 2013 are summarized as follows:

Due within one year	$	459,493
Due within two to five years		414,752
	$	874,245

(5) Land, Buildings, and Equipment, Net

A summary of land, buildings, and equipment, net at December 31, 2013, is as follows:

Land	$	7,484,455
Buildings and improvements		50,695,816
Furniture and equipment		10,496,801
Capital leased equipment		1,254,722
Construction in progress		836,723
		70,768,517
Less accumulated depreciation		(34,779,191)
Total	$	35,989,326

(6) Commitments

(a) Pension Plan

Substantially all full time Association employees are participants in a retirement plan administered by the Young Men's Christian Association Retirement Fund. The plan is a defined contribution plan and requires a contribution of 12% of participants' salaries. To be eligible to be enrolled in the plan, participants must have completed 1,000 hours of service during each of any two 12-month periods, beginning with date of hire. These two years do not have to be consecutive. Participants must be at least 21 years of age. Once participants are eligible, they will be enrolled in the plan and immediately vested. Total pension expense for 2013 was approximately $905,000.

(6) Commitments - Continued

(b) Operating Leases

A portion of the Association's operations are conducted in facilities under leases classified as operating leases. In addition, certain equipment is also leased under operating leases. The following is a schedule by year of approximate minimum rental payments for such operating leases expiring at various dates through 2022:

Year Ending December 31,		
2014	$	236,000
2015		204,000
2016		54,000
2017		40,000
2018		40,000
2019 and succeeding years		158,000
Total minimum payments required	$	732,000

Rent expense for the year ended December 31, 2013 was approximately $457,000.

(c) Letters of Credit

The Association entered into an agreement with Bank of America, N.A. on June 1, 2000 to issue an irrevocable direct pay letter of credit not to exceed approximately $23,700,000. The Association caused the Bank of America, N.A. to issue a $90,000 standby letter of credit in favor of the Association's insurance carrier, of which there were no drawings for the years ended December 31, 2013. The standby letter of credit expired on June 30, 2013 and was not renewed because the relate promissory note was refinanced (See Note 7).

In June 2013, the Association obtained a $90,000 standby letter of credit from Regions Bank in favor of the Association's insurance carrier. There were no drawings for the years ended December 31, 2013.

(d) National Support

The Association is a member of the YMCA of the USA. The Association pays approximately 1% of earned revenue subject to financial support and not to exceed a maximum threshold established by the YMCA of the USA for national support. The national support expense was approximately $274,000 for the year ended December 31, 2013. The amount is included in national support on the statement of functional expenses.

(7) Promissory Notes

The Association was obligated under a promissory note in the amount of $23,400,000 in favor of the Hillsborough County Industrial Development Authority (the "Authority") in conjunction with the Authority's issuance of $23,400,000 in Hillsborough County Industrial Development Authority Variable Rate Demand Revenue Bonds (Tampa Metropolitan Area YMCA, Inc. Project) Series 2000 (the "Bonds") issued on June 28, 2000, to finance the cost of acquisition, construction, renovation and equipping of certain YMCA facilities to be located in Hillsborough County, Florida.

The bond proceeds were loaned to the Association under a loan agreement between the Authority and the Association. The Authority, through a trust indenture between the Authority and the Bank of New York (the "Trustee"), assigned its rights under the loan agreement and the promissory note to the Trustee as security for the bonds, which was secured by a letter of credit in an amount sufficient to pay the outstanding principal and interest on, or purchase price of the bonds, not to exceed $23,736,575.

On May 15, 2013, the Association entered into a Revenue Refunding Bond ("Financing Agreement") with the Authority and Regions Capital Advantage, Inc. ("Bondholder") to repay and retire the outstanding principal on the Bonds described above with the issuance of an industrial revenue bond in the amount of $16,400,000. At the same time, the Association entered into a loan agreement with Regions Bank for a loan of $16,400,000. The Financing Agreement bears interest at a fixed rate of 2.65% and is secured by contributions receivable and property of the Association. Principal payments are deferred through June 1, 2016 therefore the Association made no made no principal payments during the year ended December 31, 2013. Interest payments are due and payable monthly through maturity on May 1, 2029.

The Financing Agreement contains certain financial and non-financial covenants, including specific semi-annual financial ratios, with which the Association is in compliance at December 31, 2013.

Bond principal maturities are as follows:

Year Ending December 31,	
2014	$ -
2015	-
2016	612,500
2017	1,050,000
2018	1,050,000
Thereafter	13,687,500
	$ 16,400,000

To protect itself from increases in market interest rates in year 2000, the Association executed an interest rate swap agreement with Bank of America, N.A. whereby, through a repurchase agreement arrangement, the Association agreed to pay the Bank interest at fixed rates ranging from 4.8% to 5% on various portions of the net bond proceeds in exchange for receiving interest at variable rates, based on the interest rates determined by Bank of America Securities, L.L.C. (the "Remarketing Agent") on a weekly basis as part of the Remarketing Agent's services under the trust indenture.

(7) Promissory Notes - Continued

The agreement was executed to hedge 70% of the Association's $23,400,000 variable rate bond issue to a fixed rate. Two swaps were executed. The first of these was executed for 75% and the second for 25% of the hedged balance. The 75% swap was priced at 5.00% and the 25% swap was priced at 4.80%. Both swaps were for a period of 25 years. The 4.80% swap has a cancellation provision at the provider bank's option that began in 2010 and extends until maturity.

The interest rate swaps are derivative financial instruments, measured at fair value, and recorded as a liability in the accompanying statement of financial position. The liability represents the estimated amount the Association would be required to pay to terminate the swap agreement. The change in fair value during 2013, an approximate $311,000 decrease in the liability, is recognized in the accompanying statement of activities as an increase in net assets.

The following table presents a rollforward for the derivative liability as of December 31, 2013:

Beginning balance, January 1, 2013	$	3,680,595
Swap payoff amount		(3,369,354)
Total realized gain		(311,241)
Ending balance, December 31, 2013	$	-

(8) Note Payable

On May 15, 2013, the Association entered into a Promissory Note agreement (the "Promissory Note") with Regions Bank in an amount of $3,350,000 to finance the payoff of both Bank of America, N.A. swap agreements described in Note 7. Interest accrues at one month LIBOR plus 1.22 (1.3% at December 31, 2013). Monthly and annual principal payments are also due until maturity in May 2018.

On January 7, 2014, the Association paid the Promissory Note in full at the then outstanding amount of $2,942,343. The note repayment was funded by selling investments.

(9) Capital Leases

The Association leases fitness equipment and buses which are accounted for as capital leases. The following is a schedule of leased equipment under capital leases at December 31, 2013:

Leased equipment	$	1,254,722
Less accumulated depreciation		(411,181)
	$	843,541

(9) Capital Leases - Continued

Minimum lease payments under capital leases at December 31, 2013 and for each of the next five years and in the aggregate are as follows:

Year Ending December 31,		
2014	$	367,816
2015		209,060
2016		148,822
2017		52,882
2018		30,848
Total minimum payments required		809,428
Less amount representing interest		(84,325)
Present value of minimum lease payments	$	725,103

(10) Temporarily Restricted Contributions

Temporarily restricted net assets at December 31, 2013 consist of the following:

2014 Annual Campaign	$	267,588
South Tampa Capital Campaign		384,465
Bob Sierra Capital Campaign		138,560
South County Capital Campaign		288,333
Facility and Programs		1,018,382
Total	$	2,097,328

(11) Lease and Development Agreement

In August 2013, the Association entered into an agreement with Hillsborough County (County) whereby the County would provide $2,000,000 towards the development of a new facility, the Family YMCA at Big Bend Road in south Hillsborough County. These funds are available to the Association on a reimbursement basis, based on the County setting aside $500,000 annually beginning October 1, 2011 through October 1, 2014. No amounts were drawn for the year ended December 31, 2013, however the Association has plans to utilize the majority of the funds in 2014.

(12) Subsequent Events

The Association has evaluated events and transactions for potential recognition or disclosure in the financial statements through April 17, 2014, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

TAMPA METROPOLITAN AREA
YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2013

Federal Grantor / Program Title	Contract Number	Federal CFDA Number	Expenditures	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services				
Early Childhood Development				
Passed-through Hillsborough County				
Board of Commissioners				
Early Headstart	04CH3035/47	93.600	$ 735,096	427,428
Early Childhood Development				
Passed-through Hillsborough County				
Board of Commissioners				
Early Headstart	04CH3035/48	93.600	177,040	143,976
Total U.S. Department of Health and Human Services			912,136	571,404
U.S. Department of Housing and Urban Development				
Corporation for National and Community Services				
Strengthens Communities				
Passed-through AmeriCorps				
Passed-through Florida				
Commission on Community Service				
SSFRA - Bing	NPE01123	14.218	13,325	-
Total Corporation for National and Community Services			13,325	-
Total Expenditures of Federal Awards			$ 925,461	571,404

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2013

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes the federal grant activity of Tampa Metropolitan Area Young Men's Christian Association, Inc. (the "Association") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Association.

(2) Contingencies

These federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Association's continued participation in specific programs. The amounts, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Association expects such amounts, if any, to be immaterial.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Governance Board
Tampa Metropolitan Area Young Men's Christian Association, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Tampa Metropolitan Area Young Men's Christian Association, Inc. (the "Association") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2013-001 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Association's Response to Findings

The Association's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Association's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mayer Hoffman McCann P.C.

April 17, 2014
Clearwater, Florida

MHM®

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Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with OMB Circular A-133

Governance Board
Tampa Metropolitan Area Young Men's Christian Association, Inc.:

Report on Compliance for Each Major Federal Program

We have audited Tampa Metropolitan Area Young Men's Christian Association, Inc.'s (the "Association") (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Association's major federal program for the year ended December 31, 2013. The Association's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Association's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Association's compliance.

Opinion on Each Major Federal Program

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Association's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mayer Hoffman McCann P.C.

April 17, 2014
Clearwater, Florida

TAMPA METROPOLITAN AREA
YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2013

Section l - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	**Unmodified**	
Internal control over financial reporting:		
Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies)	X yes	___ none reported
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies)	___ yes	X none reported
Type of auditor's report issued on compliance for major programs	**Unmodified**	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	___ yes	X no

Identification of major programs:

CFDA Number	Name of Federal Program
93.600	Early Childhood Development Passed-through Hillsborough County Board of Commissioners Early Headstart

Section I - Summary of Auditor's Results - Continued

Dollar threshold used to distinguish between type A and type B programs	$ 300,000
Auditee qualified as low-risk auditee under provisions of OMB Circular A-133?	___ yes _X_ no

Section II - Financial Statement Findings

2013-001 — **Fixed Assets and Capital Leases**

Observation:

We noted during our testing of fixed assets and capital leases that the details maintained by the Association do not reconcile to the general ledger. This was in part due to the fixed asset system not being properly backed up. During 2013 when the system crashed, there was no electronic back up available to restore the data; therefore the data had to be recreated from a hard copy report. Additionally we noted that an existing capital lease and related equipment was not properly removed from the general ledger at the end of the lease term.

Recommendation:

We recommend that management reconcile the details of fixed assets and capital leases to the general ledger at least quarterly to determine if differences exist. We also recommend that management periodically check that back ups of the fixed asset system are being performed as required by the Association's policies.

Response of Management:

The Association agrees with the finding and recommendation. Since the original system crash, the Association has begun a back up of the system weekly. This will alleviate any future issue of mass reconstruction that caused the original reconciliation challenge. Quarterly reconciliations of the fixed assets system and capital leases to the general ledger have also been implemented.

Section III - Federal Award Findings and Questioned Costs

No matters were reported for the year ended December 31, 2013.

Section IV - Summary Schedule of Prior Audit Findings

No matters were reported for the year ended December 31, 2012.