



Battle Creek Family YMCA, Inc.

Financial Statements

Year Ended December 31, 2009
With Comparative Totals for 2008

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Battle Creek Family YMCA, Inc.

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Independent Auditors' Report

Board of Directors
Battle Creek Family YMCA, Inc.
Battle Creek, Michigan

We have audited the accompanying statement of financial position of the Battle Creek Family YMCA, Inc. (the Organization), as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows 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.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that 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 Organization, as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position as of December 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended and we expressed an unqualified opinion on them in our report dated July 27, 2009. The financial statements, as of December 31, 2009, include prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

BDO USA LLP

Certified Public Accountants

July 8, 2010

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Battle Creek Family YMCA, Inc.

Statement of Financial Position December 31, 2009 With Comparative Totals for 2008

<i>December 31,</i>	<i>2009</i>	<i>2008</i>
Assets:		
Cash and cash equivalents (Note 2)	\$ 331,867	\$ 261,758
Investments, at fair value (Note 3)	175,823	114,725
Accounts receivable	62,975	68,292
Prepaid expenses	41,839	22,229
Land, buildings, and equipment (Note 4)	4,616,704	4,918,714
Total Assets	\$ 5,229,208	\$ 5,385,718
 Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 60,361	\$ 48,176
Other accrued liabilities	58,864	50,359
Deferred revenue	153,100	170,497
Total Liabilities	272,325	269,032
 Commitments (Note 7)		
Net Assets -		
Unrestricted:		
Designated for land, buildings, and equipment (Note 4)	4,872,743	5,123,013
Undesignated	84,140	(6,327)
Total Net Assets (Note 6)	4,956,883	5,116,686
Total Liabilities and Net Assets	\$ 5,229,208	\$ 5,385,718

*See accompanying independent auditors' report,
summary of accounting policies, and notes to financial statements.*

Battle Creek Family YMCA, Inc.

Statement of Activities Year Ended December 31, 2009 With Comparative Totals for 2008

<i>Year ended December 31,</i>	<i>2009</i>	<i>2008</i>
Public Support and Revenue:		
Public support:		
Contributions	\$ 140,908	\$ 246,548
Grant	118,451	112,069
United Way support	53,252	65,097
Total public support	312,611	423,714
Revenue:		
Membership dues	1,534,017	1,557,455
Program fees	396,928	391,692
Contract income	130,479	-
Investment income (loss) (Note 3)	30,127	(41,123)
Forgiveness of debt from YMCA USA	-	38,923
Other	72,701	55,179
Total revenue	2,164,252	2,002,126
Total Public Support and Revenue	2,476,863	2,425,840
Costs and Expenses:		
Program services:		
Salaries and related expenses	809,451	743,353
Other expenses	414,528	289,280
Total program services	1,223,979	1,032,633
Support services:		
Salaries and related expenses	583,466	563,910
Other expenses	829,221	998,811
Total support services	1,412,687	1,562,721
Total Costs and Expenses	2,636,666	2,595,354
Decrease in Net Assets	(159,803)	(169,514)
Net Assets, beginning of year	5,116,686	5,286,200
Net Assets, end of year	\$ 4,956,883	\$ 5,116,686

*See accompanying independent auditors' report,
summary of accounting policies, and notes to financial statements.*

Program Services

	<i>ESL/ Literacy</i>	<i>Child Care</i>	<i>Lemon Tree</i>	<i>Corporate Centers</i>	<i>MSC</i>
Salaries and Related Expenses:					
Salaries	\$ 72,365	\$ 121,243	\$ 38,067	\$ 58,731	\$ 30,694
Payroll taxes	6,233	11,882	3,329	4,898	2,644
Employee benefits	3,870	2,692	2,386	3,634	558
Total Salaries and Related Expenses	82,468	135,817	43,782	67,263	33,896
Other Expenses:					
Depreciation	9,868	45,434	2,081	-	62,446
Utilities	-	-	-	-	-
Contract services	3,996	1,237	-	30	-
Supplies	8,478	13,407	3,021	969	60
Maintenance of building	-	-	-	-	-
Insurance premiums	-	-	-	-	-
Membership dues	-	-	-	-	-
Equipment costs	-	-	-	-	-
Printing and promotions	10	-	-	-	-
Travel, training, and transportation	-	216	-	552	-
Telephone	-	-	-	-	-
Postage and shipping	-	-	-	-	-
Assistance to individuals	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Other Expenses	22,352	60,294	5,102	1,551	62,506
Total Salaries, Related Expenses, and Other Expenses	\$ 104,820	\$ 196,111	\$ 48,884	\$ 68,814	\$ 96,402

Battle Creek Family YMCA, Inc.

Statement of Functional Expenses Year Ended December 31, 2009 With Comparative Totals for 2008

<i>Program Services</i>								
	<i>Fitness</i>		<i>Health</i>	<i>Corporate</i>	<i>Summer</i>	<i>21st</i>		
<i>Aquatic</i>	<i>Instructors</i>	<i>Volleyball</i>	<i>Enhance- ment</i>	<i>Cup</i>	<i>Camp</i>	<i>Century</i>		<i>Total</i>
\$ 228,891	\$ 75,492	\$ 2,092	\$ 21,742	\$ 22,988	\$ 11,578	\$ 31,003		\$ 714,886
21,212	7,027	202	2,141	1,883	1,014	2,724		65,189
7,539	3,103	-	2,290	1,525	538	1,241		29,376
257,642	85,622	2,294	26,173	26,396	13,130	34,968		809,451
44,163	-	-	133,040	-	-	-		297,032
-	-	-	-	-	-	-		-
2,899	160	-	10,064	-	-	-		18,386
4,789	16,295	1,571	9,620	5,454	1,080	942		65,686
14,917	-	-	-	-	-	-		14,917
-	-	-	-	-	-	-		-
-	-	-	-	-	-	-		-
1,541	-	-	4,652	-	-	-		6,193
335	-	-	-	6,261	-	-		6,606
2,201	562	-	1,410	273	-	452		5,666
-	-	-	-	-	-	-		-
-	-	-	-	42	-	-		42
-	-	-	-	-	-	-		-
-	-	-	-	-	-	-		-
70,845	17,017	1,571	158,786	12,030	1,080	1,394		414,528
\$ 328,487	\$ 102,639	\$ 3,865	\$ 184,959	\$ 38,426	\$ 14,210	\$ 36,362		\$1,223,979

See accompanying independent auditors' report,
summary of accounting policies, and notes to financial statements.

Support Services

	<i>Adminis- trative</i>	<i>Office</i>	<i>Occupancy</i>	<i>Reception</i>	<i>House- keeping</i>
Salaries and Related Expenses:					
Salaries	\$ 183,824	\$ 100,048	\$ 53,934	\$ 115,236	\$ 23,945
Payroll taxes	17,842	7,959	4,094	10,569	2,225
Employee benefits	23,091	15,691	5,921	7,625	2,737
Total Salaries and Related Expenses	224,757	123,698	63,949	133,430	28,907
Other Expenses:					
Depreciation	5,092	1,500	26,016	8,925	-
Utilities	-	-	261,485	-	-
Contract services	45,006	-	42,419	-	143,067
Supplies	3,429	13,414	5,274	99	28,050
Maintenance of building	-	-	64,434	-	-
Insurance premiums	45,115	-	1,079	-	-
Membership dues	45,630	-	-	-	-
Equipment costs	-	31,014	-	-	-
Printing and promotions	27,537	-	-	-	-
Travel, training, and transportation	5,301	1,339	1,821	-	-
Telephone	9,047	-	-	-	-
Postage and shipping	-	3,854	-	-	-
Assistance to individuals	-	-	-	-	-
Miscellaneous	9,274	-	-	-	-
Total Other Expenses	195,431	51,121	402,528	9,024	171,117
Total Salaries, Related Expenses, and Other Expenses	\$ 420,188	\$ 174,819	\$ 466,477	\$ 142,454	\$ 200,024

Battle Creek Family YMCA, Inc.

Statement of Functional Expenses Year Ended December 31, 2009 With Comparative Totals for 2008

<i>Support Services</i>		<i>Total Expenses</i>	
<i>Security</i>	<i>Total</i>	<i>Year ended December 31,</i>	
		<i>2009</i>	<i>2008</i>
\$ 7,902	\$ 484,889	\$ 1,199,775	\$ 1,108,710
792	43,481	108,670	106,948
30	55,096	84,472	91,605
8,724	583,466	1,392,917	1,307,263
-	41,533	338,565	335,364
-	261,485	261,485	286,242
-	230,492	248,878	265,888
-	50,266	115,952	98,874
-	64,434	79,351	26,704
-	46,194	46,194	58,338
-	45,630	45,630	57,934
-	31,014	37,207	65,643
-	27,537	34,143	48,078
-	8,461	14,127	16,677
-	9,047	9,047	12,648
-	3,854	3,896	5,763
-	-	-	3,610
-	9,274	9,274	6,328
-	829,221	1,243,749	1,288,091
\$ 8,724	\$ 1,412,687	\$ 2,636,666	\$ 2,595,354

*See accompanying independent auditors' report,
summary of accounting policies, and notes to financial statements.*

Battle Creek Family YMCA, Inc.

Statement of Cash Flows Year Ended December 31, 2009 With Comparative Totals for 2008

<i>Year ended December 31,</i>	<i>2009</i>	<i>2008</i>
Operating Activities:		
Decrease in net assets	\$ (159,803)	\$ (169,514)
Depreciation	338,565	335,364
Net (appreciation) depreciation on investments	(29,866)	45,002
Change in assets and liabilities:		
Accounts receivable	5,317	(43,048)
Prepaid expenses	(19,610)	(6,584)
Accounts payable	12,185	(72,819)
Other liabilities	8,505	(7,014)
Deferred revenue	(17,397)	69,834
Cash Provided by Operating Activities	137,896	151,221
Investing Activities:		
Purchase of investments	(36,276)	(56,893)
Proceeds from sale of investments	5,044	-
Capital expenditures	(36,555)	(145,243)
Cash Used in Investing Activities	(67,787)	(202,136)
Increase (Decrease) in Cash and Cash Equivalents	70,109	(50,915)
Cash and Cash Equivalents, beginning of year	261,758	312,673
Cash and Cash Equivalents, end of year	\$ 331,867	\$ 261,758

See accompanying independent auditors' report and notes to financial statements.

Battle Creek Family YMCA, Inc.

Summary of Accounting Policies

Cash and Cash Equivalents

The Organization considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments consist of a beneficial interest in the Battle Creek Community Foundation (the Foundation). The fair value of the investment in the Foundation is determined by the Foundation. The Organization also invests in auction rate securities. The auction rate securities are stated at fair value which approximates market. The interest and dividend rates of the auction rate securities are reset periodically by an auction process.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Accounts Receivable

The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific balances. The Organization includes any receivable balances that are determined to be uncollectible in the overall allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off against the allowance.

Land, Buildings, Equipment, and Depreciation

Land, buildings, and equipment are capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use or contributions of cash that must be used to acquire property and equipment are reported as restricted support. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is computed using the straight-line method over estimated useful lives ranging from five to 40 years. Maintenance and repairs are expensed as incurred.

See accompanying independent auditors' report and notes to financial statements.

Battle Creek Family YMCA, Inc.

Summary of Accounting Policies

Long-Lived Assets

The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount.

For assets identified to be disposed of in the future, the carrying value of these assets is compared to the estimated fair value less the cost to sell to determine if impairment is required. Until the assets are disposed of, an estimate of the fair value is redetermined when related events or circumstances change.

Revenue Recognition

The Organization records deferred revenue for memberships, court rental fees, and grants. Membership revenue is recognized over the life of the membership. Court rental fees are recognized as court time is used. Operating funds restricted by the grantor for particular operating purposes are deemed to be earned and reported as revenue when the Organization has incurred expenditures in compliance with specific restrictions.

Contributed Services

No amounts have been reflected in the statements for donated program and administrative services as 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 Organization's program services, fund-raising campaigns, and general management.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses for the years ending December 31, 2009 and 2008, were approximately \$22,000 and \$42,000, respectively.

Income Tax Status

The Organization is recognized as a 501(c)(3) charitable organization by federal, state, and local governments and, accordingly, is not subject to income taxes.

See accompanying independent auditors' report and notes to financial statements.

Battle Creek Family YMCA, Inc.

Summary of Accounting Policies

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

Comparative totals for 2008 are included for information purposes only and do not constitute a comparative presentation in conformity with accounting principles generally accepted in the United States of America. There were no temporarily restricted net assets for 2009 and 2008.

New Accounting Standards

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC" or "Codification")

On December 31, 2009, the Organization adopted Statement of Financial Accounting Standards No. 168, *The FASB Accounting Standards Codification* and *The Hierarchy of Generally Accepted Accounting Principles*. The Codification became the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. The Codification supersedes all existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification is non-authoritative. GAAP is not intended to be changed as a result of this statement, but will change the way the guidance is organized and presented. The Organization has implemented the Codification in the financial statements by providing references to the ASC topics.

Accounting for Uncertainty in Income Taxes

The Organization has adopted ASC Topic 740, *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109* ("FIN 48") as of December 31, 2009. ASC Topic 740 clarifies the accounting for uncertainty in income taxes recognized in companies' financial statements in accordance with ASC Topic 740, *Accounting for Income Taxes*. As a result, the Organization applies a more-likely-than-not recognition threshold for all tax uncertainties. ASC Topic 740 only allows the recognition of those tax benefits that have a greater than fifty percent likelihood of being sustained upon examination by the taxing authorities.

See accompanying independent auditors' report and notes to financial statements.

Battle Creek Family YMCA, Inc.

Summary of Accounting Policies

Based on its evaluation, the Organization has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The Organization's evaluation was performed for the tax periods ended December 31, 2007, through December 31, 2009, for U.S. Federal and State of Michigan Income Taxes, the tax years which remain subject to examination by major tax jurisdictions as of December 31, 2009.

Fair Value Measurements

In September, 2006, the FASB issued ASC Topic 820-10 (formerly SFAS No. 157, *Fair Value Measurements*). This statement defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements, but does not require any new fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years.

In February, 2008, the FASB issued FASB Staff Position, or FSP, No. FAS 157-2, *Effective Date of FASB Statement No. 157* ("FSP FAS 157-2"), which delayed the effective date of SFAS No. 157 for certain nonfinancial assets and liabilities to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. Accordingly, the Organization adopted ASC Topic 820-10 on January 1, 2009, for financial and non-financial assets and liabilities, which did not result in a material impact on the Organization's financial condition, results of operations or cash flows.

The Fair Value Option for Financial Assets and Financial Liabilities

Effective January 1, 2009, the Organization adopted ASC Topic 825-10 (formerly SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*) which allows an entity the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis. As of December 31, 2009, the Organization has not elected the fair value option for any additional financial assets and liabilities beyond those already prescribed by accounting principles generally accepted in the United States.

Subsequent Events Reporting

Effective December 31, 2009, the Organization adopted guidance under ASC Topic 855-10 (formerly SFAS No. 165, *Subsequent Events*) that establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The adoption of the subject guidance under ASC Topic 855-10 did not have a material impact on the Organization's financial statements.

See accompanying independent auditors' report and notes to financial statements.

Battle Creek Family YMCA, Inc.

Notes to Financial Statements

1. *Purpose of Organization*

The Organization operates a recreation center in Battle Creek, Michigan, whose mission is to put Christian principles into practice through programs that build a healthy spirit, mind, and body for all.

2. *Cash and Cash Equivalents*

The Organization invests excess operating cash in demand deposits at a bank; the account is insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured operating cash balances at December 31, 2009 and December 31, 2008. The "Additional board-designated funds" referred to in Note 4 are also a component of Cash and Cash Equivalents. These funds are invested in a money market mutual fund, which is an uninsured auction rate security. This security's holdings have maturities ranging from zero to 90 days.

3. *Investments*

Information regarding the investments and investment income of the Organization is as follows:

<i>December 31,</i>	<i>2009</i>	<i>2008</i>
Beneficial interest in the Battle Creek Community Foundation	\$ 172,073	\$ 112,011
156 Shares of Principal Financial Group Common Stock	3,750	-
110 Shares of Walgreen Common Stock	-	2,714
Total Investments	\$ 175,823	\$ 114,725

<i>Year ended December 31,</i>	<i>2009</i>	<i>2008</i>
Interest income	\$ 261	\$ 3,879
Net appreciation (depreciation on investments)	29,866	(45,002)
Total Investment Income (Loss)	\$ 30,127	\$ (41,123)

The beneficial interest represents contributions and earnings thereon made to the Battle Creek Community Foundation by the Organization and can be used for general purposes.

See accompanying independent auditors' report.

Battle Creek Family YMCA, Inc.

Notes to Financial Statements

Effective January 1, 2008, the Organization adopted Accounting Standard Codification Topic No. 820-10 that defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value measurement assumes the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market for the asset or liability. The price of the principal (or most advantageous) market used to measure the fair value of the asset or liability shall not be adjusted for transaction costs. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets and liabilities; it is not a forced transaction. Market participants are buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact, and (iv) willing to transact.

ASC Topic No. 820-10 requires the use of valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost). Valuation techniques should be consistently applied.

Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, ASC Topic No. 820-10 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be derived from or corroborated by observable market data by correlation or other means.

Level 3 - Significant unobservable inputs that reflect our own assumptions about the assumptions that market participants would use in pricing an asset or liability.

See accompanying independent auditors' report.

Battle Creek Family YMCA, Inc.

Notes to Financial Statements

The following table summarizes the fair value of investments as of December 31, 2009:

	<i>Investment Assets at Fair Value</i>			<i>Totals as of December 31, 2009</i>
	<i>Quoted Priced in Active Markets Level 1</i>	<i>Prices With Other Observable Inputs Level 2</i>	<i>Prices With Unobservable Inputs Level 3</i>	
Common Stock	\$ 3,750	\$ -	\$ -	\$ 3,750
Beneficial interest in the Battle Creek Community Foundation	-	172,073	-	172,073
Total Investments at Fair Value	\$ 3,750	\$ 172,073	\$ -	\$ 175,823

The following table summarizes the fair value of investments as of December 31, 2008:

	<i>Investment Assets at Fair Value</i>			<i>Totals as of December 31, 2008</i>
	<i>Quoted Priced in Active Markets Level 1</i>	<i>Prices With Other Observable Inputs Level 2</i>	<i>Prices With Unobservable Inputs Level 3</i>	
Common Stock	\$ 2,714	\$ -	\$ -	\$ 2,714
Beneficial interest in the Battle Creek Community Foundation	-	112,011	-	112,011
Total Investments at Fair Value	\$ 2,714	\$ 112,011	\$ -	\$ 114,725

See accompanying independent auditors' report.

Battle Creek Family YMCA, Inc.

Notes to Financial Statements

4. *Land, Buildings and Equipment*

Land, buildings and equipment consists of the following:

<i>December 31,</i>	<i>2009</i>	<i>2008</i>
Land	\$ 554,699	\$ 554,699
Land improvements	215,239	215,239
Buildings and improvements	7,736,695	7,726,689
Furniture, fixtures, and equipment	2,124,834	2,098,286
	<u>10,631,467</u>	<u>10,594,913</u>
Less accumulated depreciation	<u>6,014,764</u>	<u>5,676,199</u>
	4,616,704	4,918,714
Additional board-designated funds	<u>256,040</u>	<u>204,299</u>
Net Assets Designated for Land, Buildings, and Equipment	\$4,872,743	\$5,123,013

5. *Pension Plan*

The Organization has a defined contribution plan that covers all professional staff employees. The Organization contributes a specified percentage of employees' gross earnings to the plan. Retirement plan contribution expense for the years ended December 31, 2009 and 2008, was approximately \$37,000 and \$42,000, respectively.

6. *Funds Held by Battle Creek Foundation*

The Battle Creek Community Foundation maintains certain endowment funds for the benefit of the Organization. These funds do not meet the accounting criteria for recording the assets in the Organization's financial statements. The accumulated spendable earnings earned on these accounts is available to the Organization upon meeting specified criteria. Spendable earnings disbursed to the Organization were approximately \$30,000 and \$35,000 for the years ended December 31, 2009 and 2008, respectively. This income was recorded in contributions in the Statement of Activities. The principal may not be accessed by the Organization. These funds totaled approximately \$601,000 and \$506,000 at December 31, 2009 and 2008, respectively. Accumulated spendable earnings was \$1,650 and \$1,690 at December 31, 2009 and 2008, respectively.

See accompanying independent auditors' report.

Battle Creek Family YMCA, Inc.

Notes to Financial Statements

7. *Leases and Commitments*

The Organization leases various types of office equipment under month-to-month operating leases.

Future minimum lease payments under the operating leases are as follows:

2010	\$ 8,000
2011	\$ 9,000
2012	\$ 9,000
2013	\$ 7,000
2014	\$ 7,000

8. *Subsequent Events*

The Organization's management has evaluated the period from December 31, 2009 through July 8, 2010, the date the financial statements were available for issuance, for subsequent events requiring recognition or disclosure in the financial statements. During the period, no material recognizable subsequent events were identified.

See accompanying independent auditors' report.