



Financial Statements
August 31, 2018 and 2017
Aberdeen Family Y

Independent Auditor’s Report.....	1
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities and Changes in Net Assets	5
Statements of Cash Flows	7
Notes to Financial Statements.....	8
Independent Auditor’s Report on Supplementary Information	16
Supplementary Information	
Schedules of Expenses by Natural Classification	17



Independent Auditor's Report

To the Board of Directors
Aberdeen Family Y
Aberdeen, South Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the Aberdeen Family Y (a nonprofit organization), which comprise the statements of financial position as of August 31, 2018 and 2017, and the related statements of activities and changes in net assets and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 qualified audit opinion.

Basis for Qualified Opinion

As more fully described in Note 3 to the financial statements, the Aberdeen Family Y has elected to report the Aberdeen Y Foundation using the equity method. In our opinion, accounting principles generally accepted in the United States of America require the presentation of consolidated financial statements. If the accounts of the Aberdeen Y Foundation had been consolidated with those of the Aberdeen Family Y, the change in interest in the Aberdeen Family Y Foundation currently recorded on the statements of activities and changes in net assets would be recorded instead as investment income within revenues and other support, and the interest in net assets of Aberdeen Family Y Foundation on the statements of financial position would instead be recorded as cash and investments, with additional disclosures related to investments required. The effect of this departure is the total assets, liabilities and net assets of the Aberdeen Family Y would not have changed, revenues would have increased by \$80,654 and \$143,755, expenses would have increased by \$10,352 and \$9,422, and change in interest in Aberdeen Family Y Foundation would have decreased by \$70,302 and \$134,333 for the years ended August 31, 2018 and 2017, respectively.

Qualified Opinion

In our opinion, except for the effects of not consolidating all entities in which there is an economic interest and control, as explained in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Aberdeen Family Y as of August 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The image shows a handwritten signature in cursive script that reads "Eric Sully LLP". The signature is written in dark ink and is positioned above the typed name and address.

Aberdeen, South Dakota
December 20, 2018

Aberdeen Family Y
Statements of Financial Position
August 31, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash	\$ 1,057,888	\$ 1,127,348
Cash - board designated maintenance reserve	409,500	409,500
Accounts receivable, net of allowance for doubtful accounts of \$4,650 in 2018 and \$20,695 in 2017	21,719	36,254
Contributions receivable, current	45,703	124,359
Total current assets	1,534,810	1,697,461
Property and Equipment		
Land	251,311	379,966
Buildings and improvements	16,273,042	15,882,675
Furniture, equipment and vehicles	1,808,055	1,951,823
	18,332,408	18,214,464
Accumulated depreciation	(5,064,397)	(4,521,582)
Net property and equipment	13,268,011	13,692,882
Other Assets		
Contributions receivable, noncurrent	51,931	37,153
Investments	239,856	192,333
Interest in net assets of Aberdeen Family Y Foundation	1,097,794	1,027,492
Total other assets	1,389,581	1,256,978
	\$ 16,192,402	\$ 16,647,321

Aberdeen Family Y
Statements of Financial Position
August 31, 2018 and 2017

	2018	2017
Liabilities and Net Assets		
Current Liabilities		
Current portion of note payable	\$ 416,634	\$ 102,620
Accounts payable	64,902	85,602
Customer credits	17,814	15,378
Accrued expenses	100,176	104,615
Deferred memberships	62,950	61,156
Total current liabilities	662,476	369,371
Long-Term Debt		
Note payable	-	422,989
Net Assets		
Unrestricted:		
Undesignated	13,991,527	14,392,609
Board designated for building repairs and maintenance	409,500	409,500
Total unrestricted	14,401,027	14,802,109
Temporarily restricted	1,128,899	1,052,852
Total net assets	15,529,926	15,854,961
	\$ 16,192,402	\$ 16,647,321

Aberdeen Family Y
Statements of Activities and Changes in Net Assets
Years Ended August 31, 2018 and 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, Support, and Gains						
Contributions	\$ 6,187	\$ 126	\$ 6,313	\$ 45,049	\$ 630	\$ 45,679
Grants	168,598	27,068	195,666	126,714	22,012	148,726
United Way	125,000	-	125,000	125,000	-	125,000
Memberships	1,395,248	-	1,395,248	1,424,456	-	1,424,456
Fundraising	115,175	3,911	119,086	92,831	2,720	95,551
Fees, rentals and sales	460,121	-	460,121	485,329	-	485,329
Child care	2,016,573	-	2,016,573	2,046,662	-	2,046,662
Net investment return	14,475	-	14,475	13,013	-	13,013
Interest income	7,974	-	7,974	5,770	-	5,770
Gain on sale of property and equipment	-	-	-	1,600	-	1,600
Miscellaneous income	1,388	-	1,388	830	-	830
Net assets released from restrictions for:						
Prior year grant funds used in current year for intended purpose or period	25,360	(25,360)	-	51,431	(51,431)	-
Total revenues and other support	<u>4,336,099</u>	<u>5,745</u>	<u>4,341,844</u>	<u>4,418,685</u>	<u>(26,069)</u>	<u>4,392,616</u>
Expenses and Losses						
Programs:						
Wellness Center	434,074	-	434,074	420,291	-	420,291
Youth	349,452	-	349,452	372,762	-	372,762
Fitness	505,395	-	505,395	469,877	-	469,877
Camp Dream Makers	20,969	-	20,969	20,607	-	20,607
Youth Development Center	1,618,629	-	1,618,629	1,655,771	-	1,655,771
Aquatics	423,237	-	423,237	407,176	-	407,176
After the Bell	426,566	-	426,566	429,144	-	429,144
Imagination Library	23,717	-	23,717	19,813	-	19,813
Mentor	46,116	-	46,116	58,426	-	58,426
Group Mentor	16,297	-	16,297	18,979	-	18,979
CrossFit	284,132	-	284,132	238,768	-	238,768
Total programs	<u>4,148,584</u>	<u>-</u>	<u>4,148,584</u>	<u>4,111,614</u>	<u>-</u>	<u>4,111,614</u>

Aberdeen Family Y
Statements of Activities and Changes in Net Assets
Years Ended August 31, 2018 and 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Supporting Services:						
Administration	395,852	-	395,852	455,205	-	455,205
Marketing	61,165	-	61,165	72,995	-	72,995
Member Services	110,182	-	110,182	117,817	-	117,817
Special Services	21,398	-	21,398	19,344	-	19,344
Total supporting services	588,597	-	588,597	665,361	-	665,361
Total expenses	4,737,181	-	4,737,181	4,776,975	-	4,776,975
Change in Interest in Aberdeen Family Y Foundation	-	70,302	70,302	-	134,333	134,333
Change in Net Assets	(401,082)	76,047	(325,035)	(358,290)	108,264	(250,026)
Net Assets, Beginning of Year	14,802,109	1,052,852	15,854,961	15,160,399	944,588	16,104,987
Net Assets, Ending	\$ 14,401,027	\$ 1,128,899	\$ 15,529,926	\$ 14,802,109	\$ 1,052,852	\$ 15,854,961

Aberdeen Family Y
Statements of Cash Flows
Years Ended August 31, 2018 and 2017

	2018	2017
Operating Activities		
Change in net assets	\$ (325,035)	\$ (250,026)
Adjustments to reconcile change in net cash from operating activities:		
Depreciation	542,815	546,700
Net investment gain	(47,523)	(13,013)
Gain on sale of property and equipment	-	(1,600)
Change in interest in Aberdeen Family Y Foundation	(70,302)	(134,333)
Forgiveness of receivable from Aberdeen Family Y Foundation	-	49,471
Changes in assets and liabilities:		
Accounts receivable	14,535	(1,030)
Contributions receivable	63,878	179,400
Accounts payable	(20,700)	22,171
Customer credits	2,436	(4,372)
Accrued expenses	(4,439)	4,696
Deferred memberships	1,794	(15,468)
Cash from Operating Activities	157,459	382,596
Investing Activities		
Proceeds from sale of property and equipment	-	1,600
Purchase of property and equipment	(117,944)	(132,083)
Cash used for Investing Activities	(117,944)	(130,483)
Financing Activities		
Principal payments on notes	(108,975)	(211,539)
Cash used for Financing Activities	(108,975)	(211,539)
Net Change in Cash	(69,460)	40,574
Cash Beginning of Year	1,536,848	1,496,274
Cash End of Year	\$ 1,467,388	\$ 1,536,848
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for interest	\$ 14,625	\$ 21,127

Note 1 - Principal Activity and Significant Accounting Policies

Principal Business Activity

The Aberdeen Family Y (Organization) is a non-profit organization which serves the Aberdeen community through recreation and fitness activities and child care. It is affiliated with YMCA-USA and is a United Way Agency. The Organization's revenues are derived primarily from grants, donor contributions, membership fees, childcare fees, and rental, sales and other program fees. The financial statements of the Organization include the net assets of the Aberdeen Family Y Foundation, whose sole purpose is to benefit the Aberdeen Family Y.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets.

- Permanently Restricted Net Assets — Permanently restricted net assets account for revenues which are required to be held in perpetuity.
- Temporarily Restricted Net Assets — Temporarily restricted net assets account for resources which are restricted for specific purposes by a donor, grantor, or other outside party.
- Unrestricted Net Assets — Unrestricted net assets account for fund raising proceeds, contributions received from businesses, individual donations, and program fees. Unrestricted net assets are used as directed by the Board of Directors.

The Organization reports contributions restricted by donors as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in 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 and reported in the statements of activities as net assets released from restrictions.

Concentration of Credit Risk

The Organization's membership revenues are primarily derived from residents in and around the Aberdeen area. Additionally, 94% of outstanding contributions receivable are from one donor at August 31, 2018 and 91% are from three donors at August 31, 2017, all from in and around the Aberdeen area.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all cash on hand, checking and savings accounts, and certificates of deposit (as early redemption costs would be insignificant) to be cash equivalents. The Organization maintains cash balances with local financial institutions, which may at times exceed the \$250,000 coverage by the U.S. Federal Deposit Insurance Company (FDIC).

At August 31, 2018 and 2017, the Board of Directors has designated \$409,500 of cash equivalents to be used for future repairs and replacements of the facility.

Contributions Receivable

The Organization records unconditional promises to give as revenue and contributions receivable. These amounts are initially recorded and subsequently carried at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

Receivables and Credit Policies

Accounts receivables represent customer obligations of the Early Learning and Uproar Programs. At the discretion of management, 10% service charges may accrue on the first of each month for active accounts past due. Accounts remain active while regular monthly payments are being made. After a period of 90 days with no payment or at the time when management has determined that an account is uncollectible, the account is considered delinquent and sent for collection, at which time service charges cease to accrue. Receivables with balances due greater than 90 days at August 31, 2018 and 2017 total \$3,194 and \$14,106, respectively. Accounts receivable are written off when deemed uncollectible. The allowance for doubtful accounts at August 31, 2018 and 2017 was \$4,650 and \$20,695, respectively.

Investments

The Organization records investments in marketable equity securities with readily determinable market values at their fair value. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Gains and losses and investment income derived from investments are accounted for as unrestricted, temporarily restricted or permanently restricted based on restrictions, if any, imposed by the donors. All of the Organization's investments, other than the Interest in Net Assets of the Aberdeen Family Y Foundation, were unrestricted for the years ended August 31, 2018 and 2017.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$2,500. Assets are recorded at their acquisition costs; donated property and equipment is valued at its estimated fair value on the date received. The assets are depreciated straight line over their estimated useful lives based on the following estimated useful lives:

Buildings and improvements	5-49 years
Furniture, equipment and vehicles	5-10 years

The Organization reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment, there was no impairment at August 31, 2018 and 2017.

Deferred Memberships

Income from membership dues of the Organization are deferred and recognized over the periods to which the dues relate.

Donated Materials and Services

Donated materials and equipment are reflected as contributed in the accompanying statements at their estimated values at the date of receipt. Amounts have not been reflected in the statements for most 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 time.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Advertising

The Organization follows the policy of charging costs of advertising to expenses as incurred. Total advertising costs for the years ended August 31, 2018 and 2017 were \$38,606 and \$29,895, respectively.

Income Taxes

The Organization is organized as a South Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundations under Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

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

Subsequent Events

The Organization has evaluated subsequent events through December 20, 2018, the date which the financial statements were available to be issued.

Note 2 - Contributions Receivable

Donors to the Organization have made unconditional promises for the construction of a new youth development center. These unconditional promises to give (contributions receivable) are measured at fair value.

Unconditional contributions receivable are estimated to be collected as follows at August 31, 2018 and 2017:

	2018	2017
Within one year	\$ 46,165	\$ 125,615
In one to five years	60,000	40,000
	106,165	165,615
Less adjustment to fair value	(8,531)	(4,103)
	\$ 97,634	\$ 161,512

Note 3 - Interest in Aberdeen Family Y Foundation

The Aberdeen Family Y Foundation (Foundation) was established to provide support for the Organization. The Board of Directors of the Organization also serves as the Board for the Foundation. The investment is reported in the financial statements on the equity method, whereby, the interest in the net assets are reported on the Organization's statements of financial position and the change in the interest in the net assets is reported on the statement of activities and changes in net assets. A summary of the Foundation's financial data is as follows:

	2018	2017
Total assets	\$ 1,097,794	\$ 1,027,492
Net assets	\$ 1,097,794	\$ 1,027,492
Investment and contribution income	\$ 80,654	\$ 94,284
Expenses	(10,352)	(9,422)
Forgiveness of Foundation liability to the Aberdeen Y	-	49,471
Change in net assets	\$ 70,302	\$ 134,333

Note 4 - Leasing Activity

The Organization leases equipment and other space for programs under various operating leases. These leases expire at various dates through 2021. Future minimum lease payments under the terms of these leases are as follows:

Years Ending August 31:	Operating Leases
2019	\$ 12,514
2020	11,986
2021	4,882
Total minimum lease payments	\$ 29,382

Note 5 - Long-Term Debt

The Organization has a long-term fixed rate note payable with an interest rate of 3.5% and monthly payments of \$10,300, maturing on April 5, 2019. The note is secured by all inventory, equipment, receivables and deposit accounts of the Organization. The outstanding balance on the note payable was \$416,634 and \$525,609 at August 31, 2018 and 2017, respectively.

The following is a schedule of principal payments for the years ending August 31:

2019	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;"></td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 85%; text-align: right;">416,634</td> </tr> <tr> <td colspan="3" style="border-top: 1px solid black;"></td> </tr> <tr> <td></td> <td style="text-align: right;">\$</td> <td style="text-align: right;">416,634</td> </tr> <tr> <td colspan="3" style="border-top: 3px double black;"></td> </tr> </table>		\$	416,634					\$	416,634			
	\$	416,634											
	\$	416,634											

Note 6 - Pension Plan

The Organization participates in the YMCA Retirement Fund, which is operated for the purpose of providing retirement benefits for employees of YMCA organizations throughout the United States. The plan is a defined contribution plan covering all eligible employees who choose to participate. Eligible employees are those who work at least 1,000 hours per year, are 21 years of age or older and have been employed at the Organization for at least two years. The Organization contributes both the employee and employers share and costs are determined as 8% of each covered employee’s salary. Contributions to the plan for the years ended August 31, 2018 and 2017 amounted to \$80,135 and \$91,918, respectively.

Note 7 - Related Party Transactions

The Organization purchased various food, groceries, and supplies from a business in which a member of key management is also a member of the Board of Directors of the Organization. These purchases amounted to \$11,059 and \$17,321, for the years ended August 31, 2018 and 2017, respectively.

The Aberdeen Family Y has contributions receivable as of August 31, 2018 and 2017 of \$0 and \$25,000, respectively, from members of its Board of Directors and their affiliated organizations.

Note 8 - Commitment

The Organization has committed to purchase and install a new HVAC unit in the aquatics center for \$333,270 which will be financed through operations.

Note 9 - Temporarily Restricted Net Assets

Temporarily restricted net assets, which include unconditional pledges receivable, contributions received and other assets received that are restricted for particular purposes or time periods, consist of the following:

	2018	2017
Interest in net assets of Aberdeen Family Y Foundation	\$ 1,097,794	\$ 1,027,492
Grants and donations not yet spent for intended use (Mentoring Program)	31,105	25,360
	\$ 1,128,899	\$ 1,052,852

Net assets released from restriction for the mentoring program during the years ending August 31, 2018 and 2017 were \$25,360 and \$51,431, respectively.

Note 10 - Fair Value Measurements and Disclosures

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include 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, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

A portion of our investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values. The Organization also invests in corporate bonds in which fair value is recorded as reported by the trustee which obtains the fair value for these investments from pricing agencies and are classified within Level 2. The fair values of contributions receivable are discounted to present value using a risk-adjusted rate determined by management to reflect the risks market participants would consider in determining the discount rate. These are considered to be Level 3 measurements. The following table presents assets measured at fair value on a recurring basis at August 31, 2018 and 2017:

Fair Value Measurements at August 31, 2018				
	Level 1	Level 2	Level 3	Total
Assets				
Operating investments				
Cash and money markets (at cost)	\$ -	\$ -	\$ -	\$ 8,171
Equity mutual funds	92,430	-	-	92,430
Bond mutual funds	80,359	-	-	80,359
Preferred stock	5,000	-	-	5,000
Corporate stock	3,704	-	-	3,704
Corporate bonds	-	50,192	-	50,192
Total operating investments	181,493	50,192	-	239,856
Contributions receivable	-	-	97,634	97,634
	\$ 181,493	\$ 50,192	\$ 97,634	\$ 337,490
Fair Value Measurements at August 31, 2017				
	Level 1	Level 2	Level 3	Total
Assets				
Operating investments				
Cash and money markets (at cost)	\$ -	\$ -	\$ -	\$ 5,692
Equity mutual funds	73,843	-	-	73,843
Bond mutual funds	51,988	-	-	51,988
Preferred stock	5,000	-	-	5,000
Corporate stock	3,704	-	-	3,704
Corporate bonds	-	52,106	-	52,106
Total operating investments	134,535	52,106	-	192,333
Contributions receivable	-	-	161,512	161,512
	\$ 134,535	\$ 52,106	\$ 161,512	\$ 353,845

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended August 31, 2018 and 2017:

	2018	2017
Balance, beginning of year	\$ 161,512	\$ 340,912
Payments received in current year	(59,450)	(185,695)
Change in discount to adjust to fair value	(4,428)	6,295
	\$ 97,634	\$ 161,512



Supplementary Information
August 31, 2018 and 2017
Aberdeen Family Y



Independent Auditor's Report on Supplementary Information

To the Board of Directors
Aberdeen Family Y
Aberdeen, South Dakota

We have audited the financial statements of the Aberdeen Family Y as of and for the years ended August 31, 2018 and 2017, and our report thereon dated December 20, 2018, which expressed a qualified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 17 is presented for the 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 audits 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.

Eide Bailly LLP

Aberdeen, South Dakota
December 20, 2018

Aberdeen Family Y
Schedules of Expenses by Natural Classification
Years Ended August 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Salaries and Wages	\$ 2,487,183	\$ 2,461,576
Payroll Taxes	179,394	179,308
Employee Benefits	247,218	243,192
Professional Fees	21,620	39,285
Computer	63,763	55,172
Office Supplies	24,555	26,514
Program and Operating Supplies	178,639	199,912
Fundraising Costs - Other than YDC	3,406	2,358
Telephone	14,747	17,292
Postage	4,422	3,732
Utilities	295,072	275,155
Insurance	78,354	80,766
Repairs and Maintenance	293,414	228,945
Advertising and Promotion	38,606	29,895
Conferences and Training	5,554	22,140
National Support	64,256	96,384
Food - Youth Development Center	71,810	73,896
Vehicle Repairs and Maintenance	9,848	10,358
Lease Expenses	9,684	9,423
Dues, Special Fees and Assessments	2,242	1,860
Administrative Expenses	757	1,216
Travel Expenses	10,113	30,208
Depreciation	542,815	546,700
Interest Expenses	14,625	21,127
Bad Debt Expenses	4,154	4,948
Merchandise Sales Expenses	19,926	18,950
Forgiveness of Receivable from Aberdeen Family Y Foundation	-	49,471
Miscellaneous Expenses	51,004	47,192
	<u>\$ 4,737,181</u>	<u>\$ 4,776,975</u>