Agenda Item #: 4B-1

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	**October 2, 2012**	**[ ] Consent** **[ ] Ordinance**	**[X] Regular** **[ ] Public Hearing**
Department:	**Department of Economic Sustainability**		

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to: (a) **approve** the application of the Young Men's Christian Association of South Palm Beach County, Inc. (YMCA) for the issuance of a not to exceed $10 Million Industrial Development Revenue Bond (YMCA Project), Series 2012 (the "Bond"); and (b) **adopt** a Resolution of the Board of County Commissioners of Palm Beach County, Florida authorizing the issuance of the Bond for the purpose of providing funds to make a loan to Young Men's Christian Association of South Palm Beach County, Inc. to provide funds to refinance the County's Economic Development Refunding and Improvement Revenue Bonds (YMCA Project) Series 2003; authorizing the execution of a Bond Purchase and Loan Agreement and the Bond; awarding the sale of the Bond by a negotiated sale; authorizing officials of the County to take certain action in connection with the issuance of the Bond; making certain other covenants and agreements in connection with the issuance of the Bond; and providing an effective date.

Summary: YMCA has applied for the issuance of the Bond by the County in an amount not to exceed $10 Million. YMCA operates two (2) family social service centers with programs that include childhood and family development programs, preschool, summer camp, and health and wellness programs. Proceeds of the Bond will be used to refinance the County's Economic Development Refunding and Improvement Revenue Bonds (YMCA Project) Series 2003 (the "2003 Bonds"). The refinancing will allow the YMCA to utilize any savings to continue to offer community programs. The 2003 Bonds were issued to refinance earlier bonds issued to finance capital assets for the YMCA's facilities at 9600 South Military Trail, Boynton Beach, and at 6631 Palmetto Circle, Boca Raton. The Bond will be payable from revenues derived from YMCA. **This funding is projected to have a five (5) year Economic Impact of $24 Million. Neither the taxing power nor the faith and credit of the County nor any County funds are pledged to pay the principal, redemption premium, if any, or interest on the Bond.** (DES Administration) District 4 (PFK)

Background and Policy Issues: The Bond will not involve a pledge of the credit of the County and will not involve any County funds.

Attachments:
1. Economic Sustainability Review
2. YMCA Application
3. Resolution *(The exhibits to the Resolution are voluminous and are available for review in the Office of the County Attorney.)*

Recommended By: [signature] 9-12-12
Department Director **Date**

Approved By: Shannon R. LaRocque 9-19-12
Assistant County Administrator **Date**

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	*				

# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes _____ No _____
Budget Account No.:

Fund _____ Dept _____ Unit _____ Object _____ Program Code/Period _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

* **No Fiscal Impact**

C. Departmental Fiscal Review: SM

9/11/12 Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

9/13/2012 9/14/12
OFMB Contract Development and Control
9/13/12 9/13/12

B. Legal Sufficiency:

Paul F. 9/18/12
~~Chief~~ Assistant County Attorney

C. Other Department Review:

Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

INTEROFFICE MEMORANDUM

Department of Economic Sustainability

Strategic Planning

100 Australian Avenue, Suite 500

West Palm Beach, FL 33406

(561) 233-3600

Fax: (561) 233-3651

www.pbcgov.com/des

TO: Paul King
Assistant County Attorney

FROM: Sherry Howard
Deputy Director, Department of Economic Sustainability

DATE: August 30, 2012

RE: Industrial Revenue Bond Application of Young Men's Christian Association of South Palm Beach County, Inc.

The Palm Beach County Department of Economic Sustainability (DES) has reviewed the Industrial Revenue Bond Application submitted by Young Men's Christian Association of South Palm Beach County, Inc. (YMCA) to refund outstanding obligations in revenue bond financing.

The Application requests that Palm Beach County issue $10,000,000 in Industrial Revenue Bonds (IRB). The proceeds from the bond sales will be used to refund from the County's Series 2003 Revenue Bonds, which will be outstanding in the aggregate principal amount of $8,805,000 as of the projected closing date for the refunding. Projects from the original issue were used to refinance earlier IRB's issued by the County and to finance capital assets for the principal user.

Economic Analysis

YMCA operates at two Family Social Service Centers, one in the City of Boca Raton and the other in the City of Boynton Beach. The Application states that when the refinancing is complete, there will be 70 full-time and approximately 250 part-time employees, for a total of 175 full-time equivalent employees. DES conducted a Regional Economic Models Inc. (REMI) analysis showing the following economic impact for the project which reflects direct and indirect jobs as well as GDP which represents both compensation and profits.

	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
Employment	196	197	196	195	194
Economic Impact (GDP)	$4.8 mil	$4.9 mil	$4.9 mil	$4.8 mil	$4.7 mil
Taxes	$0	$0	$0	$0	$0

REMI results indicate there is a positive economic impact over the next five years. There is no impact on taxes as the Applicant qualifies as a tax-exempt organization under Section 501(a) as an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended.

ATTACHMENT 1

Financial Overview

- The consolidated financial statements include the accounts of the YMCA and the YMCA foundation of South Palm Beach County, Inc. (the YMCA Foundation) which are under common control. All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

- The proceeds from the bond sales will be used to refund the County's Series 2003 Revenue Bonds, which are estimated to be outstanding in the aggregate principal amount of $8,805,000.

Summary of Financial Statement for the Period Ended June 30, 2011

YMCA's Financial Statements were audited and they received an unqualified opinion from Morrison, Brown, Argiz & Farra, LLC. For the period ended December 31, 2011, they had an increase in net assets of approximately $1.1 million from operations and a $300,000 decrease in value from interest rate swap agreements, for a combined increase in net assets of $809,000.

Contributions of Project to Palm Beach County

Locations YMCA operates at two complexes, one in the City of Boca Raton and the other in the City of Boynton Beach. The goals of the YMCA include youth development, healthy living and social responsibility.

History In 1972, the YMCA commenced operations. Their programs include early childhood development programs, preschool, summer camp, social and recreational programs for both youths and adults with disabilities, family development programs, youth and adult aquatic instruction and water safety, youth and adult sport leagues, and senior health & wellness programs. The YMCA is a member of the YMCA of the USA, a world-wide organization.

Recommendation

Based on the review of the Application, retained/created jobs, additional capital expenditures and the County's limited obligation, the Department of Economic Sustainability supports the Young Men's Christian Association of South Palm Beach County, Inc's. Application.

cc: Shannon LaRocque-Baas, P.E.
Assistant County Administrator

MARK E. RAYMOND
ATTORNEY AT LAW

4360 NORTHLAKE BOULEVARD
SUITE 204
PALM BEACH GARDENS, FL 33410
Tel: 561.775.8440
Fax: 561.775.8442
mark.raymond@mraymondlaw.com

August 17, 2012

Palm Beach County, Florida
c/o Paul King, Sr. Asst. County Attorney
301 North Olive Avenue
Suite 601
West Palm Beach, Florida 33401

Re: Industrial Development Bond Application for Young Men's Christian Association of South Palm Beach County, Inc.

Ladies and Gentlemen:

I have been engaged by Young Men's Christian Association of South Palm Beach County, Inc. (the "YMCA"), to serve as bond counsel in connection with a proposed tax-exempt industrial revenue bond issuance for the benefit of the YMCA. The YMCA is asking the County to issue up to $10,000,000 in principal amount of bonds.

Accordingly, enclosed please find the application by the YMCA for this financing. Set forth below is the information required by the application instructions to the extent such information is not included in the application itself. The numbers preceding such information correspond to the numbers on the application instructions pursuant to which such information is provided.

1. Chairman/CVO Paul Adkins, Treasurer, Susan Harris, President /CEO Richard Pollock, and Vice President/CFO, Gary Flaks.

2. The YMCA operates two facilities, one at 6631 Palmetto Circle, Boca Raton, Florida, and the other at 9600 South Military Trail, Boynton Beach, Florida. The administrative offices are at the Boca Raton location.

3. The YMCA commenced operations in 1972. The YMCA offers programs like childcare, aquatics, youth sports, day camp and fitness.

4. The proposed transaction will refinance the County's Economic Development Refunding and Improvement Revenue Bonds (YMCA Project) Series 2003. The principal amount of the new bonds will equal the principal amount of the Series 2003 Bonds being retired.

5. Property taxes will not be impacted.

7. This financing will take the form of a private placement with a bank. Branch Banking and Trust Company will hold the debt.

8. The bonds will be sold by negotiated sale.

9. Enclosed in this application package are three years of financial statements prepared in accordance with generally accepted accounting principles which have been audited or reviewed by an independent Certified Public Accountant as well as five year financial projections.

10. Please see the attached distribution list for the names, addresses and phone numbers of the parties to the financing team.

Very truly yours,

Mark E. Raymond

INDUSTRIAL DEVELOPMENT REVENUE BOND

PALM BEACH COUNTY, FLORIDA

APPLICATION FORM

When there is insufficient space on the application to provide information include attachments. Enclose all pertinent documentation.

INDUSTRIAL REVENUE BOND FINANCING
PROJECT ELIGIBILITY QUESTIONNAIRE

1. Entity that will lease or purchase the project (or borrow the bond proceeds) from the bond issuer.

   Young Men's Christian Association of South Palm Beach County, Inc.
   Attn: Gary Flaks, Vice President and Chief Financial Officer
   6631 Palmetto Circle South
   Boca Raton, Florida 33433
   Tel: 561 237 0953
   Fax: 561 395 9270
   Email: gflaks@ymcaspbc.org

This entity is referred to as the project's "principal user" for the remainder of this questionnaire.

2. Form of organization of principal user (check one): corporation

Is the principal user related to any other organization by more than 50% common ownership? No.

3. Ownership: List all stockholders or partners having 10% or more interest in the principal user: None.

4. If any of the above persons own more than 50% of the principal user, list all other organizations which are related to the principal user by virtue of such persons having more than a 50% interest in such organizations: N/A

5. Location of the project (street address & municipality or unincorporated area of County):

6631 Palmetto Circle Boca Raton, FL	9600 South Military Trail Boynton Beach, FL

6. Project Site (land)

(a) Indicate approximate size (in acres or square feet) of project site: 26.583

(b) Are there buildings now on the project site? Yes.

(c) Indicate the present use of the project site: YMCA

(d) Indicate present owner of project site: Applicant

7. If the principal user now owns the project site, indicate:

(a) Date of Purchase: Various

(b) Purchase Price: Various

(c) Balance of Existing Mortgage:$8,805,000

(d) Holder of Mortgage: Wells Fargo Bank, N.A.

8. If the principal user is not now the owner of the project site, does the principal user have an option to purchase the site and any buildings on the site? N/A

9. Has the principal user entered into a contract to purchase the site? N/A

10. If the principal user is not the owner of project site, does the principal user now lease the site or any buildings on the site? N/A

11. Is there a relationship legally or by virtue of common control or ownership between the principal user and the seller / lessor of the project site? N/A

12. Does the project involve acquisition of an existing building or buildings? no

13. Does the project consist of the construction of a new building or buildings? no

14. Does the project consist of additions and/or renovations to existing buildings? no

15. What will be the use of the buildings or buildings to be acquired, constructed or expanded by the principal user for this project? N/A

16. If any space in the project is to be leased to third parties, indicate total square footage of the project, amount to be leased to each tenant, and proposed use by each tenant: N/A

17. Has construction work on this project begun? N/A

18. List principal items or categories of equipment to be acquired as part of the project: None.

19. Has any of the above equipment been ordered or purchased? N/A

20. List the face amount of all tax-exempt finance previously arranged by or for the benefit of the principal user in Palm Beach County:

Date of Issue	Original Face	Current Outstanding
11/01/2003	$13,700,000	$8,805,000

21. State the proposed uses of bond proceeds: All of the proceeds of the bonds will be used to retire the principal of the 2003 bonds referenced in item 20.

22. Have any of the above expenditures already been made by the applicant? N/A

23. Have any of the above expenditures been incurred but not paid by the principal user? N/A

24. Are costs of working capital, moving expenses, work in process, or stock in trade included in the proposed uses of bond proceeds? no

25. Will any of the funds to be borrowed through the County be used to repay or refinance an existing mortgage or outstanding loan? yes

If yes, indicate particulars: All of the proceeds of the bonds will be used to retire the principal of the 2003 bonds referenced in item 20. The 2003 bonds were issued to refinance earlier IDB's issued by the County and to finance capital assets for the principal user.

(Complete questions 26 and 27 only if the proposed financing is an industrial development financing in excess of $1 million.)

26. List capital expenditures with respect to this project: None. The project is 100% refunding.

27. List capital expenditures with respect to other facilities of the principal user or any related person, if the facilities are located in Palm Beach County: N/A This is a 501(c)(3) financing.

28. Indicate approximate number of individuals who will be employed after completion of the project:

Approximately 70 full-time and an average of 250 part-time employees are employed by the YMCA.

29. Do any of said employees require specialized training or skills to qualify for said employment? Yes.

30. Please indicate utility needs; i.e., electrical, water and sewer. Include quantity and character of said needs: All utility needs are currently met.

31. Does the project produce emissions through stacks or chimneys which would subject it to the jurisdiction of the Florida Department of Environmental Regulation? no

32. Does the project produce sewage, industrial effluent, or discharge of an unusual character requiring specialized treatment? no

Authorized Signature
Print Name: Mark E. Raymond
Title: Attorney for Applicant
Date: August 14, 2012

DISTRIBUTION LIST

Palm Beach County, Florida Revenue Bond (Young Men's Christian Association of South Palm Beach County, Inc.) Series 2012

THE BORROWER	THE ISSUER
Gary Flaks VP/CFO YMCA of South Palm Beach County, Inc. 6631 Palmetto Circle South Boca Raton, FL 33433 D 561 237 0953 F 561 395 9270 gflaks@ymcaspbc.org	Palm Beach County Attorney's Office 301 North Olive Avenue Suite 601 West Palm Beach, FL 33401 Paul King Assistant County Attorney (561) 355-2734 (561) 355-4398 pking@pbcgov.org Jeannette M. Rappina Assistant to Paul King (561) 355-2734 (561) 355-4398 JRappina@pbcgov.org
BANK COUNSEL	**THE BANK**
Moore & Van Allen PLLC Suite 4700 100 North Tryon Street Charlotte, NC 28202 J. Richard Hazlett rickhazlett@mvalaw.com 704.331.1100 Fax: 704.409.5652 Matt Mitchell mattmitchell@mvalaw.com 704-331-1134	Branch Banking and Trust Company 125 Worth Avenue, Suite 210 Palm Beach, FL 33480 Dale Kahle Phone: 561-653-5560 Fax: 561-653-5577 Mobile: 561-313-8240 Email: dkahle@bbandt.com Matt Westbrooks Assistant Vice President Office: 561-653-5564 mwestbrooks@bbandt.com
BOND/BORROWER COUNSEL	
Mark E. Raymond 4360 Northlake Boulevard Suite 204 Palm Beach Gardens, FL 33410 Tel: 561.775.8440 Fax: 561.775.8442 Cell: 561.758.0930 Email: mark.raymond@mraymondlaw.com	

YOUNG MEN'S CHRISTIAN ASSOCIATION OF SOUTH PALM BEACH COUNTY, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

MBAF
MORRISON BROWN ARGIZ & FARRA, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF SOUTH PALM BEACH COUNTY, INC.

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MBAF

MORRISON BROWN ARGIZ & FARRA, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Young Men's Christian Association
of South Palm Beach County, Inc.

We have audited the accompanying consolidated statements of financial position of Young Men's Christian Association of South Palm Beach County, Inc. (the "YMCA") as of December 31, 2011 and 2010, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended. These consolidated financial statements are the responsibility of the YMCA's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Young Men's Christian Association of South Palm Beach County, Inc. as of December 31, 2011 and 2010, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2012 on our consideration of the YMCA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Expenditures of the Prime Time Palm Beach County, Inc. Agreements and Notes to Schedule of Expenditures of the Prime Time Palm Beach County, Inc. Agreements on page 21 are presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Morrison, Brown, Argiz & Farra

Boca Raton, Florida
April 17, 2012

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF SOUTH PALM BEACH COUNTY, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Cash and cash equivalents	$ 2,274,456	$ -	$ 2,274,456	$ 1,708,399	$ -	$ 1,708,399
Restricted cash	-	485,827	485,827	-	-	-
Receivables:						
Unconditional promises to give, net	118,853	319,903	438,756	64,149	486,787	550,936
Other receivables, net	125,878	-	125,878	120,016	-	120,016
Beneficial interest in irrevocable trusts, net	-	1,466,903	1,466,903	-	1,409,479	1,409,479
Prepaid expenses	290,625	-	290,625	250,093	-	250,093
Property and equipment, net	15,300,828	-	15,300,828	15,582,010	-	15,582,010
Bond financing costs, net	250,711	-	250,711	263,404	-	263,404
TOTAL ASSETS	$ 18,361,351	$ 2,272,633	$ 20,633,984	$ 17,988,071	$ 1,896,266	$ 19,884,337

LIABILITIES AND NET ASSETS

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
LIABILITIES						
Accounts payable and accrued expenses	$ 218,363	$ -	$ 218,363	$ 240,509	$ -	$ 240,509
Deferred revenue	580,106	-	580,106	626,806	-	626,806
Bonds payable	9,125,000	-	9,125,000	9,430,000	-	9,430,000
Fair value of interest rate swap	1,208,012	-	1,208,012	894,474	-	894,474
TOTAL LIABILITIES	11,131,481	-	11,131,481	11,191,789	-	11,191,789
NET ASSETS						
Unrestricted	7,229,870	-	7,229,870	6,796,282	-	6,796,282
Temporarily restricted	-	2,272,633	2,272,633	-	1,896,266	1,896,266
TOTAL NET ASSETS	7,229,870	2,272,633	9,502,503	6,796,282	1,896,266	8,692,548
TOTAL LIABILITIES AND NET ASSETS	$ 18,361,351	$ 2,272,633	$ 20,633,984	$ 17,988,071	$ 1,896,266	$ 19,884,337

The accompanying notes are an integral part of these consolidated financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF SOUTH PALM BEACH COUNTY, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT:						
Contributions, net of change in present value of $(78,602) and $(119,800) for the years ended December 31, 2011 and 2010, respectively	$ 661,926	$ 526,474	$ 1,188,400	$ 661,041	$ 460,709	$ 1,121,750
Special events, net	59,605	-	59,605	35,863	-	35,863
Government and other grants	278,071	-	278,071	310,516	-	310,516
Membership dues	4,335,606	-	4,335,606	3,809,132	-	3,809,132
Program and service fees	4,428,395	-	4,428,395	3,779,718	-	3,779,718
Legal settlement revenue	151,706	-	151,706	-	-	-
Interest income	3,434	-	3,434	5,099	-	5,099
Net assets released from restrictions	150,107	(150,107)	-	76,486	(76,486)	-
TOTAL REVENUES AND OTHER SUPPORT	10,068,850	376,367	10,445,217	8,677,855	384,223	9,062,078
EXPENSES:						
Program services:						
Membership and program services	5,182,737	-	5,182,737	4,751,936	-	4,751,936
Youth development	3,113,802	-	3,113,802	2,793,401	-	2,793,401
Total Program services	8,296,539	-	8,296,539	7,545,337	-	7,545,337
Supporting services:						
Management and general	793,984	-	793,984	843,171	-	843,171
Fundraising	231,201	-	231,201	258,505	-	258,505
Total Supporting services	1,025,185	-	1,025,185	1,101,676	-	1,101,676
TOTAL EXPENSES BEFORE CHANGE IN INTEREST RATE SWAP EXPENSE	9,321,724	-	9,321,724	8,647,013	-	8,647,013
INCREASE IN NET ASSETS PRIOR TO INTEREST RATE SWAP EXPENSE	747,126	376,367	1,123,493	30,842	384,223	415,065
Change in fair value of interest rate swap	(313,538)	-	(313,538)	(157,421)	-	(157,421)
CHANGE IN NET ASSETS	433,588	376,367	809,955	(126,579)	384,223	257,644
NET ASSETS - BEGINNING OF YEAR	6,796,282	1,896,266	8,692,548	6,922,861	1,512,043	8,434,904
NET ASSETS - END OF YEAR	$ 7,229,870	$ 2,272,633	$ 9,502,503	$ 6,796,282	$ 1,896,266	$ 8,692,548

The accompanying notes are an integral part of these consolidated financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF SOUTH PALM BEACH COUNTY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 809,955	$ 257,644
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Depreciation and amortization	597,705	563,775
Bad debt expense	239,769	116,597
Restricted cash	(485,827)	-
Present value discount adjustment	(78,602)	(119,800)
Change in fair value of interest rate swap	313,538	157,421
(Increase) decrease in:		
Unconditional promises to give and beneficial interest in irrevocable trusts	94,939	(312,112)
Other receivables	(207,212)	(102,794)
Prepaid expenses and other assets	(40,532)	1,083
(Decrease) increase in:		
Accounts payable and accrued expenses	(22,146)	(28,552)
Deferred revenue	(46,700)	(23,636)
TOTAL ADJUSTMENTS	364,932	251,982
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,174,887	509,626
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(303,830)	(53,702)
NET CASH USED IN INVESTING ACTIVITIES	(303,830)	(53,702)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of bonds payable	(305,000)	(290,000)
NET CASH USED IN FINANCING ACTIVITIES	(305,000)	(290,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	566,057	165,924
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,708,399	1,542,475
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,274,456	$ 1,708,399

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

During the years ended December 31, 2011 and 2010, cash paid by the YMCA for interest totaled $342,660 and $353,428, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF SOUTH PALM BEACH COUNTY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Program Services			Supporting Services		
	Membership and Program Services	Youth Development	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries	$ 2,243,436	$ 1,719,836	$ 3,963,272	$ 490,981	$ 149,850	$ 4,604,103
Employment, health and retirement benefits	203,068	265,003	468,071	67,202	23,364	558,637
Payroll taxes and other	208,703	163,758	372,461	38,882	10,833	422,176
Professional/contract services	266,937	25,792	292,729	3,370	-	296,099
Supplies	289,908	191,339	481,247	22,816	-	504,063
Telephone	53,261	20,989	74,250	8,231	6,403	88,884
Postage and shipping	16,522	2,064	18,586	1,427	592	20,605
Occupancy	442,588	184,162	626,750	16,169	-	642,919
Equipment repair and maintenance	44,747	7,028	51,775	3,262	-	55,037
Equipment rental	111,245	7,890	119,135	3,314	-	122,449
Media services and publications	144,732	3,305	148,037	322	353	148,712
Travel and transportation	16,336	46,814	63,150	33,494	453	97,097
Conferences and meetings	20,033	17,561	37,594	58,882	934	97,410
Fees, awards and camps	-	-	-	2,750	-	2,750
Dues and subscriptions	3,148	1,236	4,384	14,104	-	18,488
Interest expense and other bank charges	345,307	139,576	484,883	345	-	485,228
Liability insurance	148,649	64,049	212,698	5,181	-	217,879
National YMCA dues	67,304	28,541	95,845	4,931	-	100,776
Bad debt	143,343	58,007	201,350	-	38,419	239,769
Other miscellaneous	547	-	547	391	-	938
Depreciation and amortization	412,923	166,852	579,775	17,930	-	597,705
TOTAL EXPENSES	$ 5,182,737	$ 3,113,802	$ 8,296,539	$ 793,984	$ 231,201	$ 9,321,724

The accompanying notes are an integral part of these consolidated financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF SOUTH PALM BEACH COUNTY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Program Services			Supporting Services		
	Membership and Program Services	Youth Development	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries	$ 2,160,945	$ 1,547,712	$ 3,708,657	$ 472,281	$ 159,896	$ 4,340,834
Employment, health and retirement benefits	183,388	234,738	418,126	70,448	22,630	511,204
Payroll taxes and other	200,014	144,597	344,611	36,943	14,541	396,095
Professional/contract services	240,059	8,717	248,776	76,758	-	325,534
Supplies	221,973	183,147	405,120	16,243	-	421,363
Telephone	48,266	19,864	68,130	10,750	5,956	84,836
Postage and shipping	7,584	3,750	11,334	1,931	976	14,241
Occupancy	429,846	188,916	618,762	15,018	-	633,780
Equipment repair and maintenance	27,140	4,765	31,905	6,144	-	38,049
Equipment rental	84,156	10,125	94,281	-	-	94,281
Media services and publications	120,071	5,879	125,950	211	1,084	127,245
Travel and transportation	35,203	22,170	57,373	48,129	3,282	108,784
Conferences and meetings	9,493	7,100	16,593	22,252	466	39,311
Fees, awards and camps	70	30	100	1,625	-	1,725
Dues and subscriptions	2,546	929	3,475	26,867	-	30,342
Interest expense and other bank charges	327,785	127,758	455,543	10,945	-	466,488
Liability insurance	156,712	72,580	229,292	6,308	-	235,600
National YMCA dues	61,245	26,801	88,046	-	-	88,046
Bad debt	46,846	20,077	66,923	-	49,674	116,597
Other miscellaneous	3,521	1,958	5,479	3,404	-	8,883
Depreciation and amortization	385,073	161,788	546,861	16,914	-	563,775
TOTAL EXPENSES	$ 4,751,936	$ 2,793,401	$ 7,545,337	$ 843,171	$ 258,505	$ 8,647,013

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF ORGANIZATION

Young Men's Christian Association of South Palm Beach County, Inc. (the "YMCA") is a not-for-profit corporation organized under the laws of the State of Florida. The YMCA is a cause driven organization that is for youth development, for healthy living and for social responsibility. The YMCA is a member of the YMCA of the USA, a world-wide organization. Each member of the YMCA of the USA is autonomous.

The YMCA provides many programs and services to people of all ages. Some of the programs and services are:

Summer camp	Senior health and wellness programs
Early childhood development program	Family development programs
Preschool	Youth and adult aquatic instruction and water safety
Social and recreational programs for youths and adults with disabilities	Youth and adult sport leagues

Revenues are derived primarily from program and service fees, membership dues and contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of the YMCA and the YMCA Foundation of South Palm Beach County, Inc. (the "YMCA Foundation"), which are under common control. All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

The consolidated financial statements of the YMCA have been prepared on the accrual basis of accounting and in accordance with accounting standards issued by the Financial Accounting Standards Board ("FASB"). The YMCA reports its three types of net assets as follows:

Unrestricted Net Assets
Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets
Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the YMCA and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently Restricted Net Assets
Net assets subject to donor-imposed stipulations for which the assets must be maintained permanently by the YMCA. The YMCA has no such net assets as of and for the years ended December 31, 2011 and 2010.

Use of Estimates

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

Cash and Cash Equivalents

The YMCA considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash

Restricted cash consists of funds limited in use by the donor. There was no restricted cash at December 31, 2010.

Contributed Services

Contributed services are reported as contributions at their fair value if such services create or enhance non-financial assets, would have been purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. In addition, the appropriate value of donated services of individuals is recorded as an expense when such services qualify for cost reimbursement from third-party providers. The YMCA did not record any contributed services for the years ended December 31, 2011 and 2010.

Concentrations of Credit Risk

The YMCA maintains cash balances at local banks. Accounts at a local institution are insured by the Federal Deposit Insurance Corporation. At December 31, 2011 and 2010 and at certain times during the year, the YMCA had amounts on deposit which were in excess of the federally insured limits. The YMCA is required to maintain all cash and cash equivalents at the financial institution that provided the letter of credit (NOTE 10). The YMCA has not experienced any losses in such accounts.

Concentrations of credit risk exist for the YMCA's unconditional promises to give and beneficial interest in irrevocable trusts due to the size of the amounts and the small number of donors. As of December 31, 2011 and 2010, unconditional promises to give and beneficial interest in irrevocable trusts from one individual donor represented approximately 77% and 72%, respectively, of total unconditional promises to give and beneficial interest in irrevocable trusts. There was no contribution revenue concentration for the years ended December 31, 2011 and 2010.

Concentrations of credit risk with respect to other receivables are limited due to the large number of members comprising the YMCA's membership base. As of December 31, 2011 and 2010, the YMCA had no significant concentrations of credit risk relating to other receivables.

Contributions and Unconditional Promises to Give

The YMCA accounts for contributions in accordance with the provisions of an accounting standard issued by the FASB. In accordance with this standard, contributed goods and services, which meet certain criteria, are recorded as contributions at their estimated fair value at date of receipt. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions. Contributions with donor-imposed restrictions are reported as restricted support. The allowance for uncollectible unconditional promises to give is based on the YMCA's historical pledge collection experience and management's evaluation of other pertinent factors. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Unconditional promises to give are carried at their net realizable value. Multi-year promises are discounted using a fair market rate and reported at their net present value.

Grants

The YMCA receives grant funds from various state and governmental agencies. The amounts received under these grants are designated for specific purposes by the granting agencies. Grants are recognized when the allowable costs as defined by the individual grant agreements are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Receivables

Other receivables consist of membership, general contributions and other program related fees. Management reviews its receivable balances for uncollectible accounts on a monthly basis and either directly writes them off or creates an allowance for doubtful accounts (NOTE 5). The allowance for doubtful accounts is determined taking into account the financial condition of the YMCA's customers, current general economic conditions, and the age of certain balances due to the YMCA. Receivables are charged off after all means of collection have been exhausted.

Split-Interest Agreements

The YMCA has been named as a remainder beneficiary of various charitable remainder annuity and unitrusts. Trust assets are stated at fair market value. The YMCA's beneficial interest was determined using Internal Revenue Service actuarial assumptions, discounted using the applicable federal rate in effect at the date of the gift. The YMCA used a present value discount rate of 4%.

A contribution is recorded at the fair value of the assets received less a present value discount. The assets related to these trusts are separately identified in the accompanying consolidated statements of financial position as "Beneficial interest in irrevocable trusts."

Property and Equipment, Net

The YMCA capitalizes all expenditures in excess of $1,000 for property and equipment. Property and equipment are recorded at cost if purchased and at their estimated fair value if donated. Property and equipment donations are reported as unrestricted support unless the donor has restricted the use of the asset for a specific purpose. Contributions of cash, other assets and unconditional promises to give which are restricted for the purpose of acquiring property and equipment are reported as restricted support. When there are no explicit donor stipulations about how long those long-lived assets must be maintained, the YMCA reports expirations of donor restrictions when the acquired long-lived assets are placed in service. These expirations of donor restrictions are reported as reclassifications to unrestricted net assets.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets.

Assets	Useful lives
Youth learning center	39 years
Buildings and improvements - Boca Raton	5 - 39 years
Buildings and improvements - Boynton Beach	5 - 39 years
Sports field	5 - 15 years
Equipment	2 - 10 years
Vehicles	3 - 7 years

Long-Lived Assets

The YMCA reviews its long-lived assets for possible impairment at least annually, and more frequently if circumstances warrant. Impairment is determined to exist when estimated amounts recoverable through future cash flows from operations on an undiscounted basis are less than the long-lived asset carrying values. If a long-lived asset is determined to be impaired, it is written down to its estimated fair value to the extent that the carrying amount exceeds the fair value of the long-lived asset. No write-downs for impairment of long-lived assets were recorded for the years ended December 31, 2011 or 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bond Financing Costs, Net

The YMCA amortizes costs incurred in obtaining debt financing over the terms of the debt instruments. Accordingly, costs incurred to obtain the bond payable, as described in NOTES 7 and 10, are being amortized over twenty-five years utilizing the effective interest method.

Derivative Financial Instruments

The YMCA adopted the provision of an accounting standard for utilizing derivative instruments and hedging activities. The standard requires that all derivative financial instruments, such as interest rate swaps contracts and foreign exchange contracts, be recognized in the financial statements and measured at fair value regardless of the purpose or intent for holding them. If the derivative is a hedge, depending on the nature of the hedge, a change in fair value of the derivative will either be offset against the change in the fair value of a hedge asset or liability through earnings.

The YMCA utilizes interest rate swaps to manage interest rate costs and to hedge against risks associated with changing interest rates. The YMCA designates interest rate swaps as hedges of specific debt instruments and accounts for them using the short-cut method, as described in the accounting standard. Interest differentials on interest rate swaps are recognized as adjustments to interest incurred on the related debt instruments (NOTE 12).

Income Taxes

The YMCA qualifies as a tax-exempt organization under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for income taxes has been recorded.

The YMCA recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction is the major tax jurisdiction where the YMCA files income tax returns. The YMCA is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2008.

Functional Allocation of Expenses

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

Deferred Revenue

Deferred revenue consists of membership dues, various programs and rent received in advance on a multi year lease (NOTE 8). Membership fees are due on a month to month basis and can be cancelled at anytime by the member. Membership fees received in advance of the scheduled payment terms are recorded as deferred revenue. Additionally, program revenue received in advance of the program function is recorded as deferred revenue.

Advertising Costs

The YMCA uses advertising to promote its programs among the audiences its serves. Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2011 and 2010 were approximately $148,000 and $127,000, respectively, and are included within "Media services and publications" in the consolidated statements of functional expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The YMCA has evaluated subsequent events through April 17, 2012, which is the date the consolidated financial statements were available to be issued.

Adoption of Accounting Pronouncements

Fair Value Measurements

In January 2010, the FASB issued an accounting standard update on fair value measurements and disclosures. The update requires more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The YMCA's adoption of the new disclosures and clarifications of existing disclosures that were effective for interim and annual reporting periods beginning after December 15, 2009 did not have an effect on the YMCA's consolidated financial statements. The disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of the Level 3 disclosures did not have an effect on the YMCA's consolidated financial statements.

Reclassifications

Certain items in the 2010 consolidated financial statements have been reclassified to confirm to the 2011 presentation.

3. UNCONDITIONAL PROMISES TO GIVE, NET

Unconditional promises to give, which were recorded at the net present value of estimated future cash flows using a discount rate of 4.00% consisted of the following at December 31, 2011:

Years ended December 31,	Unrestricted	Temporarily Restricted	Total
2012	$ 145,465	$ 345,095	$ 490,560
2013	-	25,000	25,000
2014	-	5,000	5,000
2015	-	5,000	5,000
2016	-	5,000	5,000
Thereafter	-	15,000	15,000
	145,465	400,095	545,560
Less:			
Allowance for doubtful accounts	(26,612)	(70,095)	(96,707)
Discount for the effects of present value	-	(10,097)	(10,097)
	$ 118,853	$ 319,903	$ 438,756

3. UNCONDITIONAL PROMISES TO GIVE, NET (CONTINUED)

Unconditional promises to give, which were recorded at the net present value of estimated future cash flows using a discount rate of 4.00% consisted of the following at December 31, 2010:

Years ended December 31,	Unrestricted	Temporarily Restricted	Total
2011	$ 83,717	$ 461,057	$ 544,774
2012	-	70,500	70,500
2013	-	45,000	45,000
2014	-	25,000	25,000
2015	-	5,000	5,000
Thereafter	-	20,000	20,000
	83,717	626,557	710,274
Less:			
Allowance for doubtful accounts	(19,568)	(108,495)	(128,063)
Discount for the effects of present value	-	(31,275)	(31,275)
	$ 64,149	$ 486,787	$ 550,936

Total bad debt expense related to unconditional promises to give for the years ended December 31, 2011 and 2010 was approximately $39,000 and $50,000, respectively. This is included within "Bad debt" in the consolidated statements of functional expenses.

4. BENEFICIAL INTEREST IN IRREVOCABLE TRUSTS

In 2009, the YMCA became aware that it was the beneficiary of three irrevocable charitable remainder trusts. A charitable remainder trust is an arrangement in which a donor establishes and funds a trust with specific distributions to be made to a beneficiary or beneficiaries over the trust's term. Upon termination of the trust, the not-for-profit receives the assets remaining in the trust. These trusts are funded via single premium annuities and have a universal life component whereby the YMCA is a beneficiary. The YMCA's beneficial interest in irrevocable trusts is $1,940,000 which is funded through guaranteed universal life insurance policies in which the premiums are funded through the guaranteed single premium annuities.

The discounted net present value of the beneficial interest in the irrevocable trusts totaled the following at December 31:

	2011	2010
Remainder in irrevocable trusts	$ 1,940,000	$ 1,940,000
Less: Present value discount	(473,097)	(530,521)
	$ 1,466,903	$ 1,409,479

5. OTHER RECEIVABLES, NET

Other receivables consisted of the following at December 31:

	2011	2010
Membership and other program related fees	$ 353,878	$ 231,016
Less: Allowance for doubtful accounts	(228,000)	(111,000)
	$ 125,878	$ 120,016

Total bad debt expense related to other receivables for the years ended December 31, 2011 and 2010 was approximately $201,000 and $67,000, respectively. This is included within "Bad debt" in the consolidated statements of functional expenses.

6. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at December 31:

	2011	2010
Land	$ 2,516,500	$ 2,516,500
Youth learning center	307,266	307,266
Buildings and improvements - Boca Raton	11,323,873	11,313,456
Buildings and improvements - Boynton Beach	5,958,922	5,958,922
Sports field	228,110	225,925
Equipment	2,315,847	2,024,619
Vehicles	34,642	34,642
	22,685,160	22,381,330
Less: accumulated depreciation	(7,384,332)	(6,799,320)
	$ 15,300,828	$ 15,582,010

Depreciation expense for the years ended December 31, 2011 and 2010 was approximately $585,000 and $553,000, respectively.

7. BOND FINANCING COSTS, NET

Bond financing costs consisted of the following at December 31:

	2011	2010
Deferred financing costs	$ 337,226	$ 337,226
Less: Accumulated amortization	(86,515)	(73,822)
	$ 250,711	$ 263,404

Amortization expense was approximately $13,000 and $11,000 for the years ended December 31, 2011 and 2010, respectively.

8. DEFERRED REVENUE

Deferred revenue consisted of the following at December 31:

	2011	2010
Membership dues, program fees and other	$ 100,521	$ 118,619
Rent (NOTE 14)	479,585	508,187
	$ 580,106	$ 626,806

9. PENSION PLAN

The YMCA participates in The YMCA Retirement Fund, a national program. Participation in the Plan is mandatory for all eligible employees. For the years ended December 31, 2011 and 2010, the YMCA contributed 12% of participants' gross earnings. For 2011 and 2010, contributions made on behalf of participating employees totaled approximately $280,000 and $252,000, respectively.

10. BONDS PAYABLE

On January 1, 1999, the YMCA entered into a Loan Agreement with Palm Beach County, Florida to borrow $6,700,000 from the issuance of the Palm Beach County, Florida Economic Development Revenue Bonds (YMCA Boynton Beach Project), Series 1999 to be used to acquire land, equipment and construct an approximately 58,000 square foot YMCA Family Social Service Center.

On November 1, 2003, the YMCA refunded these revenue bonds and entered into a new agreement with Palm Beach County, Florida to borrow $13,700,000 from the issuance of Palm Beach County, Florida Economic Development Refunding and Improvement Revenue Bonds Series 2003 (YMCA Project) for the purpose of refunding the existing bonds, to pay the issuance costs of the new bonds and to fund the construction of the redevelopment project (the Project) at the Boca Raton, FL facility.

A portion of the bonds payable are fixed at 4.05% through an interest rate swap agreement (NOTE 12). The remaining portion of the bonds payable bear interest at a variable interest rate. The variable short-term rate as of December 31, 2011 and 2010 was 0.16% and 0.18%, respectively. The bonds are due to mature in 2028.

Several loan covenants exist for the YMCA including meeting the debt service coverage ratio of 1.00 which is tested semi-annually on a rolling quarterly basis. Management believes that the YMCA was in compliance with this covenant as of December 31, 2011.

On December 21, 2006, the YMCA entered into an Amended and Restated letter of credit and reimbursement agreement with a bank. The agreement, among other things, required early redemption of the bonds in the amount of $3,700,000. Further, as part of the amendment, Wells Fargo Bank, National Association (successor to Wachovia Bank, National Association), as Trustee, amended the irrevocable letter of credit to extend the stated expiration date in the letter of credit to November 5, 2012. The YMCA is currently in negotiations with Wells Fargo Bank to extend the letter of credit for a longer period than annually. In the event that Wells Fargo Bank does not renew the letter of credit, the YMCA believes it has the ability to obtain replacement financing if required.

Interest expense for the years ended December 31, 2011 and 2010 was approximately $343,000 and $353,000, respectively.

At December 31, 2011, aggregate annual maturities of indebtedness for each of the next five years and thereafter are as follows:

Years ending December 31,	
2012	$ 320,000
2013	330,000
2014	350,000
2015	360,000
2016	380,000
Thereafter	7,385,000
	$ 9,125,000

11. FAIR VALUE MEASUREMENTS

The YMCA adopted a FASB accounting standard on fair value measurements. The accounting standard establishes a framework for measuring fair value, expands disclosures about fair value measurements and provides new income recognition criteria for certain derivative contracts. Accounting principles generally accepted in the United States of America ("GAAP") requires that a fair value measurement reflect assumptions market participants would use in pricing an asset or liability.

11. FAIR VALUE MEASUREMENTS (CONTINUED)

GAAP 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 in the principal market, or if none exists, the most advantageous market, for the specific asset or liability at the measurement date (referred to as an exit price).

The accounting standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under the accounting standard are:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The accounting standard requires the YMCA to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Determination of Fair Value

In determining fair value, the YMCA used market prices of the same or similar instruments whenever such prices are available, even in situations where trading volume may be low when compared with prior periods. A fair value measurement assumes that an asset or liability is exchanged in an orderly transaction between market participants, and accordingly, fair value is not determined based upon a forced liquidation or distressed sale. Where necessary, the YMCA estimates fair value using other market observable data such as prices for synthetic or derivative instruments, market indices, industry ratings or underlying collateral or models employing techniques such as discounted cash flow analyses. The discount rate used will vary among different types of financial instruments, and particularly in the case of liquid markets, is appropriately adjusted to reflect the illiquidity of the markets. The assumptions used in the models, which typically include assumptions for interest rates, credit losses and prepayments, are corroborated by and independently verified against market observable data where possible. Where appropriate, the YMCA may use a combination of these valuation approaches.

The following sections describe the valuation methodologies used by the YMCA to measure classes of financial instruments at fair value and specify the level in the fair value hierarchy where various financial instruments are generally classified. Valuation models, significant inputs to those models and any significant assumptions are included where appropriate.

Beneficial Interest in Irrevocable Trusts – fair value is based on the face value of the insurance policies along with the life expectancy of the donor and discounted cash flows.

Interest Rate Swap – The interest rate swap is valued using third party models that use as their input observable market conditions. This valuation process considers factors including interest rate yield curves, money market rates, future prices and long term yields.

11. FAIR VALUE MEASUREMENTS (CONTINUED)

Items Measured at Fair Value On a Recurring Basis

The following table presents the YMCA's financial instruments that are measured at fair value on a recurring basis at December 31, 2011, for each fair value hierarchy level.

		Fair Value Measurement at Reporting Date Using		
Description	12/31/11	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Beneficial interest in irrevocable trusts	$ 1,466,903	$ -	$ -	$ 1,466,903
Liabilities:				
Interest rate swap	(1,208,012)	-	(1,208,012)	-
Net assets at fair value	$ 258,891	$ -	$ (1,208,012)	$ 1,466,903

The following table presents the YMCA's financial instruments that are measured at fair value on a recurring basis at December 31, 2010, for each fair value hierarchy level.

		Fair Value Measurement at Reporting Date Using		
Description	12/31/10	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Beneficial interest in irrevocable trusts	$ 1,409,479	$ -	$ -	$ 1,409,479
Liabilities:				
Interest rate swap	(894,474)	-	(894,474)	-
Net assets at fair value	$ 515,005	$ -	$ (894,474)	$ 1,409,479

Changes in fair value of Level 3 Investments

The following table sets forth a summary of changes in the fair value of the YMCA's Level 3 net assets for the year ended December 31:

	2011	2010
Balance, beginning of year	$ 1,409,479	$ 1,301,286
Change in beneficial interest in irrevocable trust	57,424	108,193
Balance, end of year	$ 1,466,903	$ 1,409,479

12. FAIR VALUE OF INTEREST RATE SWAP

On July 28, 2006, the YMCA entered into a derivative financial instrument with a lender to manage the overall borrowing costs associated with $7,000,000 of its bond payable (NOTE 10) which matures on July 28, 2021. Credit loss from counterparty non-performance is not anticipated. At December 31, 2011 and 2010, the outstanding notional balance was $5,848,791 and $6,084,593, respectively. The YMCA's available rate borrowings are based on the BMA Municipal Swap Index. This agreement fixed the BMA Municipal Swap Index at an interest rate of 4.05%. The swap is a cash flow hedge, as it has been designated against the bond payable carrying a variable rate of interest and converts such loan to fixed debt. Amounts received or paid as a result of the swap agreement are recognized as adjustments to interest expense.

The net effect on the YMCA's operating results is that interest on a portion of the variable rate debt is being hedged based on fixed interest rates. The interest rate swap contract is reflected at fair value in the YMCA's consolidated statements of financial position and the related gain or loss is recognized as a change in net assets. The fair value of the interest rate swap as of December 31, 2011 and 2010 was a liability of $1,208,012 and $894,474, respectively, which is reflected in the consolidated statements of financial position as "fair value of interest rate swap." The interest rate swap is valued using third party models that use as their input observable market conditions (NOTE 11). The change in fair value related to the interest rate swap at December 31, 2011 and 2010 was $(313,538) and $(157,421), respectively, and is reflected in the consolidated statements of activities within the caption "Change in fair value of interest rate swap."

13. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of December 31:

	2011	2010
Restricted cash for various programs	$ 485,827	$ -
Unconditional promises to give (NOTE 3)	319,903	486,787
Beneficial interests in irrevocable trusts (NOTE 4)	1,466,903	1,409,479
	$ 2,272,633	$ 1,896,266

14. COMMITMENTS AND CONTINGENCIES

Operating Agreements

On January 22, 1999, the YMCA and Bethesda Memorial Hospital, Inc. ("BMH") entered into several agreements whereby they joined in a collaborative effort to extend both their commitments to provide fitness and wellness services to the community. As part of these agreements, the YMCA dedicated 3,500 square feet of the YMCA Boynton Facility to physical therapy. BMH leases this space and operates its various rehabilitation programs. The lease agreement for the 3,500 square feet is for a 25-year term, which commenced in December 2000. The YMCA manages and operates these programs and retains all revenues, incurs all expenses and assumes all liabilities associated with such programs. The first five years of the lease term were prepaid by BMH, which totaled $385,000.

The YMCA is amortizing the prepaid rent on the straight-line basis over the 25-year lease term and the remaining unamortized portion is reflected as deferred revenue in the consolidated statements of financial position. As of December 31, 2011 and 2010, there was approximately $216,000 and $231,000 reflected as deferred revenue, respectively (NOTE 8).

14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating Agreements (continued)

On November 14, 2003, the YMCA entered into an agreement with BMH in which the YMCA dedicated 2,616 square feet for BMH to lease and establish a sports and back medicine program within the newly redeveloped Boca Raton facility. The lease agreement for the 2,616 square feet is for a 25-year term, which commenced on June 1, 2006. The total rent for the first five years is $329,995, which BMH paid to the YMCA in 5 equal installments of $65,999, with the first installment due on the date of commencement of the term and annually thereafter. Rent for the remaining 20 years of the lease term is $1 per year. The YMCA received the five payments of $65,999 as of December 31, 2010. The amortization of the lease over 25 years commenced on January 1, 2007 and totaled $13,201, which is reflected within "Other revenue, net" in the consolidated statements of activities for the years ended December 31, 2011 and 2010. The remaining unamortized portion, which is reflected within deferred revenue in the consolidated statements of financial position as of December 31, 2011, and 2010, was approximately $264,000 and $277,000, respectively (NOTE 8).

Operating Leases

The YMCA leases vans, buses, computer equipment, fitness equipment, and other operating furniture and fixtures under operating lease agreements, which are in effect through July 2014. Approximate minimum future rental payments under these non-cancelable lease agreements having initial or remaining terms in excess of one year as of December 31, 2011 are as follows:

Years ending December 31,	
2012	$ 107,000
2013	77,000
2014	17,000
	$ 201,000

Total expense under these operating leases for the years ended December 31, 2011 and 2010 was approximately $122,000 and $94,000, respectively.

Contingent Liability and Potential Litigation

The YMCA engaged an Architect firm ("Architects") to design the construction expansion project which consisted of renovation and the construction of additional program space at the Peter Blum Family YMCA in Boca Raton, Florida. A lawsuit filed by the Architects requested the YMCA to pay an additional $307,013 in excess of the contracted fee. The YMCA had filed a counter claim against the Architects in excess of the claim presented to the YMCA. In January 2011, the YMCA entered into a settlement agreement relieving all liability related to the legal claim and received cash of $151,706 in April 2011 under the settlement. This is reflected as revenue within the Consolidated Statements of Activities as "Legal settlement revenue" in accordance with accounting standards generally accepted in the United States of America.

The YMCA is exposed to various other claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the YMCA's consolidated financial position or the results of its activities.

MBAF
MORRISON, BROWN, ARGIZ & FARRA, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Young Men's Christian Association
of South Palm Beach County, Inc.

We have audited the consolidated financial statements of Young Men's Christian Association of South Palm Beach County, Inc. (the "YMCA") as of December 31, 2011 and have issued our report thereon dated April 17, 2012. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the YMCA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YMCA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the YMCA's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether YMCA's consolidated financial statements are free of 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*.

We noted certain matters that we reported to management of the YMCA in a separate letter dated April 17, 2012.

This report is intended solely for the information and use of management, the Audit Committee and the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Morrison, Brown, Argiz & Farra

Boca Raton, Florida
April 17, 2012

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SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011

Section I - Financial Statements Findings

No matters were reported.

Section II – Prior Year Financial Statements Findings

No matters were reported.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF SOUTH PALM BEACH COUNTY, INC.

SCHEDULE OF EXPENDITURES AND NOTES TO SCHEDULE OF EXPENDITURES
OF THE PRIME TIME PALM BEACH COUNTY, INC. AGREEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Program Name	Term	Amount	Expenditures
Sports and Wellness Enhancement	10/01/2010-09/30/2011	$ 235,000	$ 176,575
Sports and Wellness Enhancement	10/01/2011-09/30/2012	235,000	43,211
TOTAL		$ 470,000	$ 219,786

NOTE A. GENERAL

The Schedule of Expenditures of The Prime Time Palm Beach County, Inc. Agreements included herein represents all of Prime Time Palm Beach County agreements with Young Men's Christian Association of South Palm Beach County, Inc. for the year ended December 31, 2011.

NOTE B. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of The Prime Time Palm Beach County, Inc. Agreements is presented using the accrual basis of accounting and includes expenses incurred by the YMCA during the year ended December 31, 2011.

NOTE C. BASIS OF PRESENTATION

The Prime Time Palm Beach County, Inc. Agreements included in the Schedule of Expenditures are operated on a cost reimbursement method of payment. Expenditures are reported in accordance with the contracted method of payment.

RESOLUTION NO. R-2012-____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF THE COUNTY'S INDUSTRIAL DEVELOPMENT REVENUE BOND (YOUNG MEN'S CHRISTIAN ASSOCIATION OF SOUTH PALM BEACH COUNTY, INC.) SERIES 2012 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING $10,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE A LOAN TO YOUNG MEN'S CHRISTIAN ASSOCIATION OF SOUTH PALM BEACH COUNTY, INC. TO PROVIDE FUNDS TO REFINANCE THE COUNTY'S ECONOMIC DEVELOPMENT REFUNDING AND IMPROVEMENT REVENUE BONDS (YMCA PROJECT) SERIES 2003, AUTHORIZING THE EXECUTION OF A BOND PURCHASE AND LOAN AGREEMENT AND THE BOND; AWARDING THE SALE OF THE BOND BY A NEGOTIATED SALE; AUTHORIZING OFFICIALS OF THE COUNTY TO TAKE CERTAIN ACTION IN CONNECTION WITH THE ISSUANCE OF THE BOND; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE BOND; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Young Men's Christian Association of South Palm Beach County, Inc.(the "Borrower") has requested Palm Beach County, Florida (the "County") to assist the Borrower by the issuance by the County of its Industrial Development Revenue Bond (Young Men's Christian Association of South Palm Beach County, Inc.) Series 2012 in the principal amount of not exceeding $10,000,000 (the "Bond") and the loan (the "Loan") of the proceeds of the Bond to the Borrower to provide funds to refund the County's Economic Development Refunding and Improvement Revenue Bonds (YMCA Project) Series 2003 (the "Refunded Bonds"); and

WHEREAS, it is necessary and desirable to authorize the execution of a Bond Purchase and Loan Agreement (the "Loan Agreement"), and to specify the terms of the Bond;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA THAT:

SECTION 1. AUTHORITY FOR THIS RESOLUTION.

This resolution, hereinafter called the "Resolution," is adopted pursuant to Part II, Chapter 159, Florida Statutes and other applicable provisions of law (the "Act").

SECTION 2. FINDINGS.

A. The issuance of the Bond and the making of the Loan will serve a public purpose by advancing the economic prosperity and the general welfare of the County, the State of Florida, and the people thereof. As of the date hereof, the Borrower has represented and shown that it is financially responsible and fully capable of and willing to fulfill any obligations which it may incur in connection with the Bond as contemplated by this Resolution. Local government has been and will be able to cope satisfactorily with the impact of the facilities to be refinanced with proceeds of the Bond (the "Refinanced Facilities") and has been and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that have been and will be necessary for the operation, repair and maintenance of such facilities and on account of any increases in population or other circumstances resulting therefrom.

B. The Loan Agreement will make provision for the operation, repair and maintenance of the Refinanced Facilities at the expense of the Borrower and for the payment of the principal and interest on the Bond and all other costs incurred by the County in connection with the Bond and such facilities.

C. The County has been advised that due to the desire to coordinate the sale of the Bond and due to the limited market for tax-exempt obligations such as the Bond, it is in the best interest of the Borrower to sell the Bond by negotiated sale, and the County, wishing to obtain the best terms on the Bond for the benefit of the Borrower, has determined to sell the Bond by negotiated sale to Branch Banking and Trust Company (together with its successors and assigns as registered owner of the Bond, the "Bank"), permitting the County to enter such market at the most advantageous time, rather than at a specified advertised date, and accordingly it is in the best interest of the County that a negotiated sale of the Bond be authorized.

SECTION 3. AUTHORIZATION OF BOND.

For the purpose of making the Loan to the Borrower, there is hereby authorized to be issued under this Resolution the Bond in the principal amount of not to exceed $10,000,000, to be designated "Palm Beach County, Florida Industrial Development Revenue Bond Young Men's Christian Association of South Palm Beach County, Inc.) Series 2012 (the "Bond"). The Bond shall be issued as a fully registered Bond, shall be dated as of the date of issuance, shall mature, shall bear interest at a rate not in excess of the maximum lawful rate, shall mature not later than November 1, 2028 and shall have such other terms and conditions, and shall be in such form of as may be approved by the Chair, Vice-Chair or any other member of the Board of County Commissioners of the County (the "Authorized Signatory"), such approval to be conclusively presumed by the execution thereof by the Authorized Signatory. The Bond shall be issued on such date as shall be mutually agreed upon by the Bank, the Borrower and the Authorized Signatory. The County hereby authorized and directs the Authorized Signatory to execute the Bond and to deliver the same to the Bank, upon payment of the purchase price thereof, all as further provided in the Bond Purchase Agreement.

The principal amount of the Bond shall equal the principal amount of the Refunded Bonds refinanced thereby, not to exceed $10,000,000.00 and proceeds of the Bond shall be used solely to discharge the principal of the Refunded Bonds.

SECTION 4. LIMITED OBLIGATION.

The Bond will not be a general obligation of the County but will be a limited obligation payable solely from the loan payments received from or on behalf of the Borrower. The Bond shall not be an obligation of the State of Florida or of any political subdivision thereof, other than the County (limited as aforesaid), and any and all payments of any nature thereunder shall be payable only from amounts provided for such purpose under the Bond Documents (hereinafter defined) and not from other funds of the County.

SECTION 5. LIMITED LIABILITY OF ISSUER.

Anything in this Resolution or the bond documents to the contrary notwithstanding, the performance by the County of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements and promises made by it hereunder, and the liability of the County for all warranties and other covenants hereunder, shall be limited solely to the loan payments made by the Borrower and other revenues and receipts derived from the Borrower under the Loan Agreement, and the County shall not be required to effectuate any of its duties, obligations, powers or covenants hereunder except to the extent of such loan payments and other revenues and receipts.

SECTION 6. NO PERSONAL LIABILITY.

No recourse under or upon any obligation, covenant or agreement contained in this Resolution, the Bond, any other Bond Document or under any judgment, or by the enforcement of any assessment or by legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Resolution, shall be had against any member, agent, employee or officer, as such, past, present or future, of the County, either directly or through the County, or otherwise, for the payment for or to the County or any receiver thereof, or for or to the holder of the Bond or otherwise of any sum that may be due and unpaid by the County upon the Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any member, officer, agent or employee, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the County or any receiver thereof, or for or to the holder of the Bond or otherwise, of any sum that may remain due and unpaid upon the Bond is hereby expressly waived and released as a condition of and in consideration for the execution of this Resolution and the issuance of the Bond.

SECTION 7. BOND NOT A DEBT OF STATE OR ISSUER.

None of the State of Florida, the County or any political subdivision thereof shall in any event be liable for the payment of the principal of or interest on the Bond, except that the County has provided for payment from the special and limited sources as provided herein. The Bond issued hereunder shall never constitute an indebtedness of the State of Florida or of any political subdivision of the State of Florida or of the County within the meaning of any state constitutional provisions or statutory limitation and shall never constitute or give rise to the pecuniary liability of the State of Florida or any political subdivision thereof, or of the County or a charge against their general credit. The holder of the Bond shall not have the right to compel any exercise of the ad valorem taxing power of the State of Florida or of any political subdivision of said State to pay the Bond or the interest thereon.

SECTION 8. LAWS GOVERNING.

This Resolution shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Florida.

SECTION 9. THE BOND DOCUMENTS.

As used herein, the term "Bond Documents" means any and all documents necessary or desirable to complete the transaction described herein, including but not limited to the Bond Purchase and Loan Agreement among the County, the Borrower and the Bank, and the Bond, all in such form and content as may be approved by the Authorized Signatory, such approval to be conclusively presumed by the execution of such documents by the Authorized Signatory. The County hereby authorizes and directs the Authorized Signatory to execute the Bond Documents, simultaneous with the issuance of the Bond. It is not necessary for the seal of the County to be impressed upon any Bond Document. Notwithstanding any other provision hereof, no Bond Document shall be issued unless and until the same shall have been approved as to form and legal sufficiency on behalf of the County by the Office of the County Attorney for the County.

SECTION 10. NEGOTIATED SALE OF BOND.

A negotiated sale of the Bond to the Bank is hereby authorized. Prior to the execution of the Loan Agreement the Bank shall file with the County the disclosure and truth-in-bonding statements required by Section 218.385, Florida Statutes, and competitive bidding for the Bond is hereby waived.

SECTION 11. NO THIRD PARTY BENEFICIARIES.

Except as herein or in the documents herein mentioned otherwise expressly provided, nothing in this Resolution or in such documents, express or implied, is intended or shall be construed to confer upon any person other than the County, the Bank and the Borrower any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof or of such documents, this Resolution and such documents being intended to be and being for the sole and exclusive benefit of such parties.

SECTION 12. GENERAL AUTHORIZATION.

The Authorized Signatory and the other officers and employees of the County are hereby authorized to do all acts and things required of them by this Resolution and the other Bond Documents or desirable or consistent with the requirements hereof or thereof, for the full punctual and complete performance of all terms, covenants and agreements contained in the Bond, this Resolution and the other Bond Documents.

SECTION 13. EFFECTIVE DATE.

This Resolution shall take effect immediately upon its passage and adoption.

SECTION 14. LIMITED APPROVAL.

The approval given herein shall not be construed as (i) an endorsement of the creditworthiness of the Borrower, (ii) a recommendation to any prospective purchaser of the Bond, or (iii) an evaluation of the likelihood of the repayment of the debt service on the Bond, and the County shall not be construed by reason of its adoption of this resolution to have made any such endorsement, recommendation or evaluation or to have waived any of the County's rights or estopping the County from asserting any rights or responsibilities it may have in that regard.

The foregoing Resolution was offered by Commissioner ________________, who moved its adoption. The motion was seconded by Commissioner ________________, and upon being put to a vote, the vote was as follows:

Commissioner Shelley Vana - Chair	______
Commissioner Steven L. Abrams - Vice Chair	______
Commissioner Karen T. Marcus	______
Commissioner Paulette Burdick	______
Commissioner Burt Aaronson	______
Commissioner Jess R. Santamaria	______
Commissioner Priscilla A. Taylor	______

The Chair thereupon declared the Resolution duly passed and adopted this ____ day of October, 2012.

[SEAL]

PALM BEACH COUNTY, FLORIDA
BY ITS BOARD OF COMMISSIONERS
Sharon R. Bock, Clerk & Comptroller

By: ____________________________
Deputy Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

____
County Attorney