

STATE OF HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
Division of Boating and Ocean Recreation
Honolulu, Hawai'i 96819

May 11, 2018

Chairperson and Members
Board of Land and Natural Resources
State of Hawai'i
Honolulu, Hawai'i

Land Board Members:

SUBJECT: REQUEST FOR REDUCED RENT FOR REVOCABLE PERMIT NO. 29
TO ISLAND OF HAWAII YMCA; SOUTH KAWAIHAE SMALL BOAT
HARBOR, ISLAND OF HAWAI'I, HAWAI'I; TAX MAP KEY: (3) 6-1-
003:022 (PORTION)

APPLICANT:

Island of Hawaii YMCA (YMCA), a Hawai'i, 501(c)(3) non-profit corporation, whose mailing address is 300 W. Lanikaula Street, Hilo, Hawaii 96720.

LEGAL REFERENCE:

Sections 171-13, 171-55 and 171-43.1, Hawai'i Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at South Kawaihae Small Boat Harbor (KSBH), Island of Hawai'i, Hawai'i. Tax Map Key: (3) 6-1-003:022 (portion), as shown on the attached map labeled EXHIBIT A; hereinafter referred to as the Premises.

LAND AREA:

Approximately .14 acre, more or less.

ZONING:

State Land Use District:	Urban
County of Hawai'i	CZO: MG-1a, Open

TRUST LAND STATUS:

Section 5(b) lands of the Hawai'i Admission Act: YES

DHHL 30% entitlement lands pursuant to the Hawai'i State Constitution: NO

CURRENT USE STATUS:

Currently encumbered by Revocable Permit No. 29, to YMCA, expiring June 30, 2018.

Set Aside for Public Use of Land, under Governor's Executive Order No. 1759, for the Kawaihae Harbor project.

CHARACTER OF USE:

YMCA shall occupy and use the Premises for the specified purposes only: sailing programs, storage purposes, marine education and youth programs.

The Permittee may also occupy and use the Premises for any other use permitted under applicable county zoning, subject to the prior approval of the Chairperson of the Board and the Permittee's compliance with Chapter 343, Hawai'i Revised Statutes.

COMMENCEMENT DATE:

July 1, 2018 or to be determined by the Chairperson.

CURRENT MONTHLY RENTAL:

\$393.33 per month, payable in advance by the first of each and every month.

COLLATERAL SECURITY DEPOSIT:

Twice the Monthly Rental.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO
Registered business name confirmed:	YES <u>X</u>	NO
Applicant in good standing confirmed:	YES <u>X</u>	NO

BACKGROUND:

At its meeting on January 27, 2017, under agenda item J-1, the Board of Land and Natural Resources (Board) approved and amended the submittal for the continuation of eight (8), Revocable Permits (RPs), located in the Honokohau Small Boat Harbor (HSBH), for an additional six (6) month period, retroactively from January 1, 2017, to June 30, 2017, with rent set at the established appraised market value, to commence on February 1, 2017.

With respect to the non-profit permittees, the Board amended staff's submittal to provide that the affected non-profit organizations be afforded the opportunity to request discounted rent for consideration by the Board, by providing such request and documentation in support of the submission of a written request, to the Division of Boating and Ocean Recreation, (DOBOR) within ninety (90) days of notification.

On or about February 17, 2017, DOBOR notified the Hawaii Island non-profit permittees of the opportunity to request discounted rent. They were advised to submit a written request, with documentation in support of the request, as follows:

- 1) Internal Revenue Service (IRS), certification of tax exempt status under 501(c)(3);
- 2) Organizational Charter (or Articles of Incorporation) which explains the mission and purpose for the organization's existence;
- 3) Bylaws or rules and regulations that the organization must abide by;
- 4) Income Statement (prior tax year, income and expense including payroll), and enumerating any income from rentals or fees for use of the property that is the subject of the Revocable Permit; and
- 5) A description of how, and to what extent, the charitable organization benefits the community and the public at large, beyond benefits to the membership of the organization.

On April 2017, Chairperson Case requested that a staff committee (Committee), review the Department of Land and Natural Resources' (DLNR) Non-Profit Lease and Revocable Permit Discounted Value Determination Practice and Protocol. The Committee was tasked to make recommended changes to the Board to ensure the process serves the public trust and provides equitable inclusiveness and consistency.

- 1) The following DLNR staff members served on the Committee:
 - Ms. Pua Aiu, Chair's Office
 - Mr. Barry Cheung, Land Division
 - Mr. Sang Kim, Division of State Parks
 - Mr. Steve Lau, Division of State Parks
 - Mr. Dana Yoshimura, Division of Boating and Ocean Recreation
- 2) The Committee's areas of focus were to examine:
 - Purpose for non-profit discounted value.
 - Pricing, including identification and establishment of high value assets.
 - Review of past and current practices.
 - Recommendations for proposed practice and protocol.
- 3) The expected outcomes were to:
 - Identify best practices and articulate principles to be applied.
 - Update the review protocol and Board submittal process.
 - Present specific items for reconsideration by the Board for discounted value.
 - Have new practices in place at the Department of Land and Natural Resources.

To fulfill its mandate, the Committee met April through September of 2017, with these findings:

- 1) Existing practices:
 - When considering leases to non-profit charitable organizations, the Board issues leases by public auction at fair market rent, or by direct negotiation at fair market rent, an amount below fair market rent, or minimum rent.
 - On May 13, 2005, the Board established a “Minimum Rent Policy” that stated, among other things, that the minimum rent for lease be no less than \$480 per year.
 - Land Division generally issues leases at fair market value, as determined by an appraiser via public auction, or "nominal consideration" under Section 171-43, set anywhere between fair market value, or lower, but not lower than the minimum rent of \$480 per year.
 - A review of the records indicates that the DLNR has never established written protocol or specific rates for discounting the valuation of land dispositions.
- 2) Conclusions:
 - Written applications should be evaluated on a case by case basis.
 - Staff should carefully and consistently review the documentation required by HRS 171-43.1, and any other applicable statutes and/or rules.
 - “Nominal consideration” or “Minimum Rent” should cover all administrative costs related to staff review and annual updates of any discounted lease or permit.
 - High value properties should not be discounted.
 - DOBOR staff produced a review process flow chart, attached as EXHIBIT B.

On October 24, 2017, YMCA contacted DOBOR requesting discounted rent for consideration by the Board from the current rate of \$393.33 to the nominal rate of \$40.00 per month for the Premises, attached hereto as EXHIBIT C, along with the required documents to support their request.

REMARKS:

Hawaii Revised Statutes (HRS), §171-43.1, Lease to eleemosynary organizations, states, “The board may lease, at a nominal consideration, by direct negotiation and without recourse to public auction, public lands to an eleemosynary organization which has been certified to be tax exempt under sections 501(c)(1) or 501(c)(3) of the Internal Revenue Code of 1986, as amended. The lands shall be used by such eleemosynary organizations for the purposes for which their charter was issued and for which they were certified by the Internal Revenue Service.”

YMCA has used portions of the land and protected waters within the break wall of South Kawaihae Harbor for a community based aquatic center since 2000. YMCA is described as an education-based, 501(c)(3) non-profit organization and is dedicated to putting Christian principles into practice through programs that build healthy spirit, mind and body.

YMCA’s efforts on strengthening the community’s foundation includes nurturing the potential of every child and teen through their youth development programs and by improving the health and well-being of the community through healthy living. They also provide support to their neighbors through social responsibility.

YMCA has requested a rent reduction from \$393.33 to \$40.00 per month based on the fact that their activities benefit the general public beyond their membership. Upon staff's analysis, 50% would be a more conservative estimate of the general public benefiting from their activities.

YMCA's "Actual to Budget" Income statement, dated January 12, 2018, for January 2016 through December 2017, shows that the Net income (Loss) of (\$308.00) for its Actual December 2017; attached hereto as EXHIBIT D. YMCA's current status does not have sufficient funding to pay the appraised rent, should the Board decide to offer reduced rent, DOBOR recommends the nominal rent reduction from the current rate of \$393.33 to \$40.00 per month.

RECOMMENDATION:


That the Board of Land and Natural Resources:

1. Should the Board agree with the above analysis, authorize the Island of Hawaii YMCA request for a reduction in rent according to HRS, §171-43.1 in the amount of \$40.00 per month.
2. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,


for EDWARD R. UNDERWOOD, Administrator
Division of Boating & Ocean Recreation

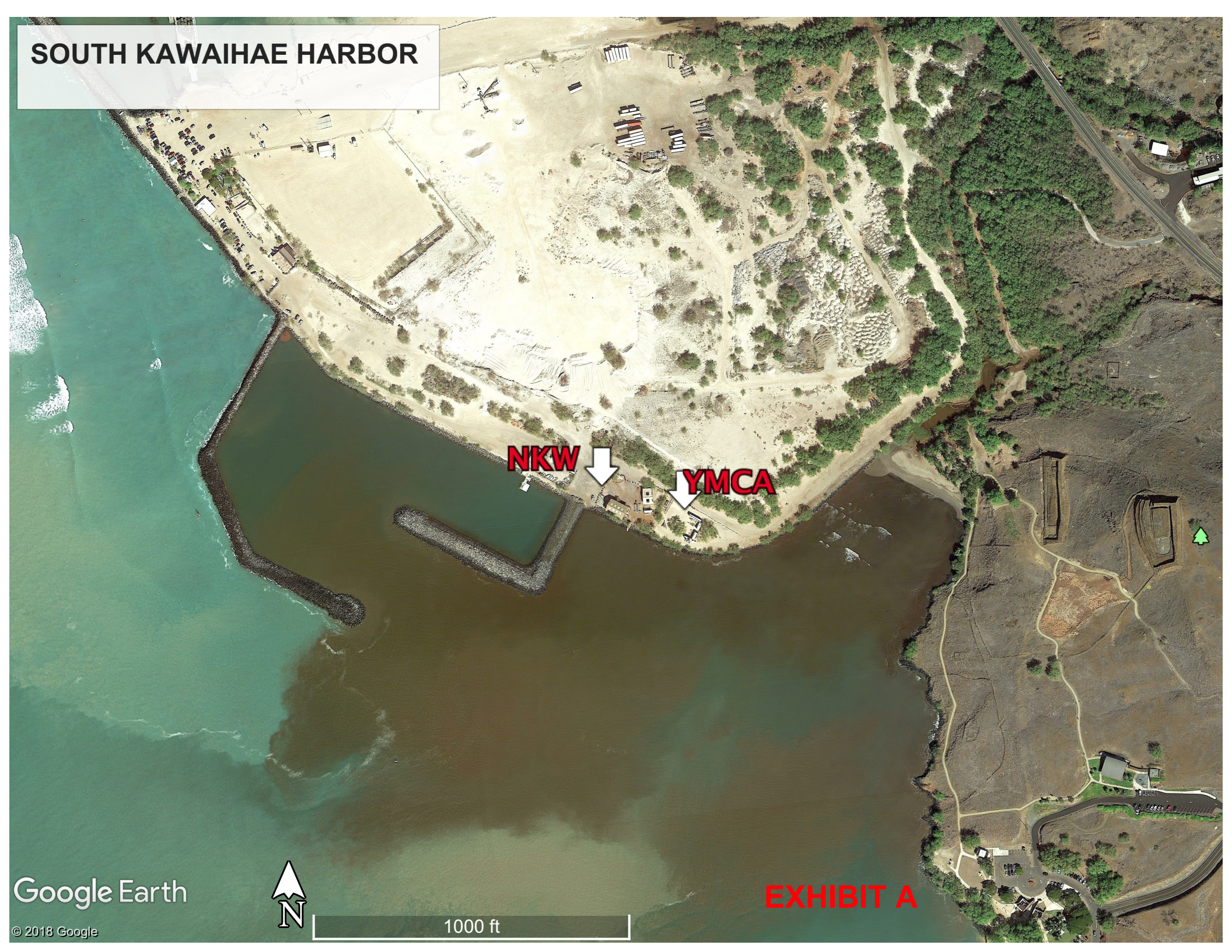
APPROVED FOR SUBMITTAL:


SUZANNE D. CASE, Chairperson
Board of Land and Natural Resources

Attachment:

- A. Aerial Map of South Kawaihae Small Boat Harbor
- B. Island of Hawaii YMCA Request for Rent Reduction
- C. DLNR:DOBOR Review Process for Discounted Rent Flow Chart
- D. Island of Hawaii YMCA Actual to Budget Income Statement

SOUTH KAWAIHAE HARBOR



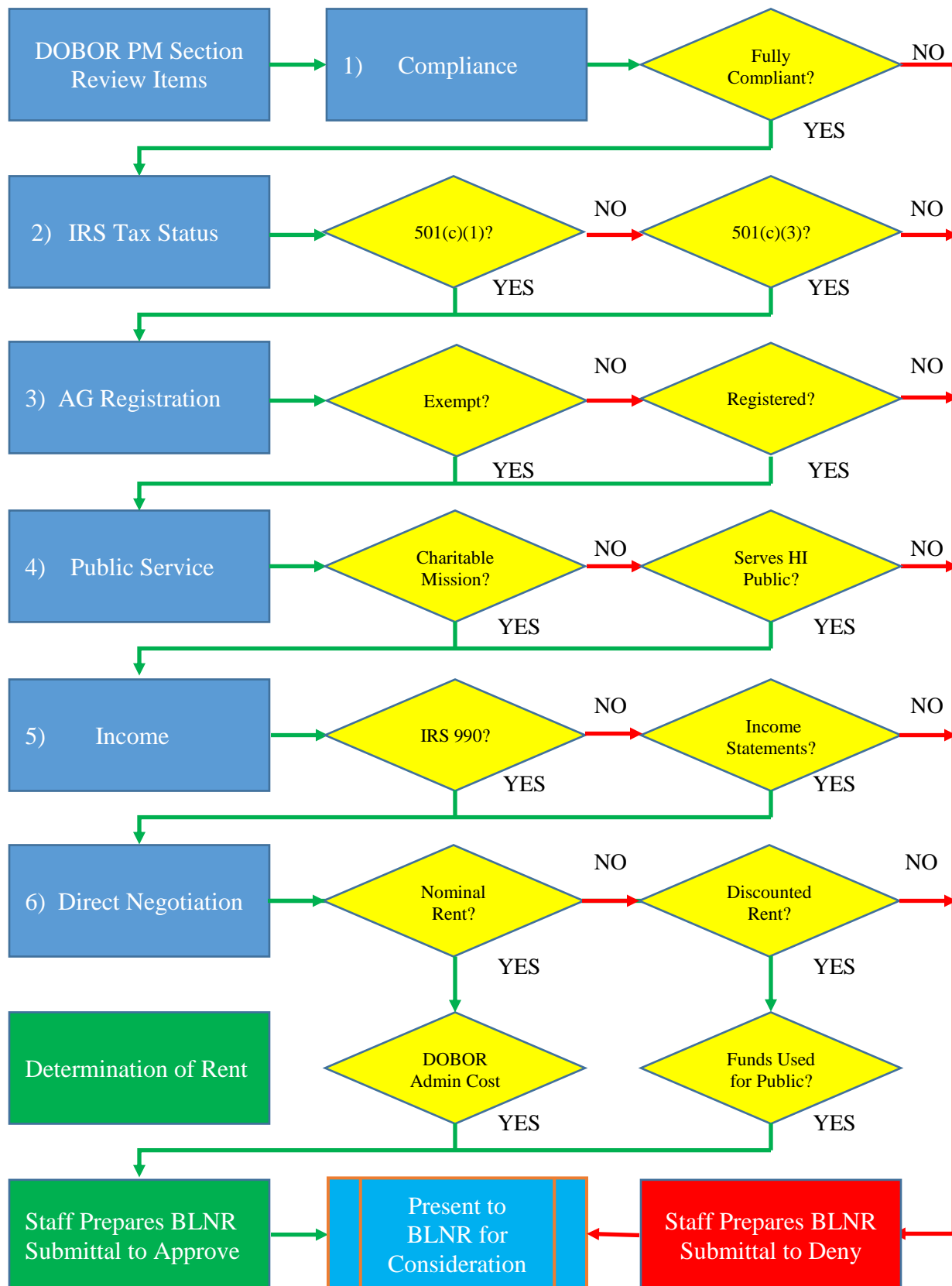
NKW



YMCA



Department of Land and Natural Resources, Division of Boating and Ocean Recreation
REVIEW PROCESS FOR DISCOUNTED RENT - EXISTING REVOCABLE PERMITS





**State of Hawaii
Department of Land and Natural Resources
Division of Boating and Ocean Recreation**

REQUEST FOR STATE LANDS– APPLICATION FORM

This Application Form is for persons requesting State lands for the following categories:

- Lease
- Month-to-month Revocable Permits
- Easements

Please note the following important points:

- 1) Statutorily, directly negotiated leases and permits can only be issued in certain situations. In nearly all cases, you must compete for the use of State lands through the public auction process. If you are interested in bidding on State leases through the auction process, please contact the DOBOR District staff in your county to obtain further information.
- 2) Persons who have had, during the five years preceding this disposition, a previous sale, lease, license, permit or easement cancelled for failure to satisfy the terms and conditions are not eligible to apply for the current disposition.
- 3) The use of State lands triggers the environmental assessment requirements of Chapter 343, HRS. Please contact the Office of Environmental Quality Control for their opinion of whether an environmental assessment is required and the process to be followed. Phone number: (808) 586-4185. Website: <http://health.hawaii.gov/oeqc/>
- 4) You are responsible for contacting the appropriate agencies to verify that your proposed project has complied with all applicable zoning and permitting laws and regulations (e.g., State Land Use classification, Special Management Area, County General Plan, etc.).
- 5) If you are granted a disposition, you will be required to obtain insurance, among other requirements.

All applications must be complete to be considered for processing.
For questions, call Division of Boating and Ocean Recreation at 808-587-2683.

EXHIBIT C

STATE OF HAWAII
DEPARTMENT OF LAND & NATURAL RESOURCES
DIVISION OF BOATING AND OCEAN RECREATION
REQUEST FOR STATE LANDS
APPLICATION

For DLNR Use Only:

Date Received: _____

Received By: _____

Type of Request: _____

I. APPLICANT

Please include all applicable, full legal names and mailing addresses, one for each person/entity (attach additional sheets as necessary). If title is held by a trust, please include the trustee name(s) and full description of the trust (e.g., Jonathan D. Smith, as Trustee of the Jonathan D. Smith Revocable Living Trust dated January 1, 2001).

Applicant name(s): Kurshorn David
Last name First Name

Mailing address: 300 W. LANIKULA ST.
No. and Street

HILO HI 96720
City State Zip Code

Phone Numbers: 935-3721 896-8176
Work Home Cellular

Other Fax E-mail address

Signature: [Signature] Date: 10/28/17

Applicant intends to hold lease, permit or easement as:

- | | | |
|---|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Husband and Wife | <input type="checkbox"/> Limited Liability | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Trust | <input checked="" type="checkbox"/> Non-Profit Corporation | <input type="checkbox"/> Limited Liability Partnership |
| <input type="checkbox"/> Association | <input type="checkbox"/> Joint Venture | <input type="checkbox"/> Other (specify): _____ |

For partnership or corporation, state of incorporation: CHARTER OF INCORPORATION
DATE FEB 11, 1959
(SEE YMCA ARTICLES ATTACHED)

II. AGENT

If you have an attorney, consultant or other person processing this request for you, please include the following information.

Agent name:

Last name First Name

Agent address:

No. and Street

City State Zip Code

Phone numbers:

Work Home Cellular

Other Fax E-mail address

III. TYPE OF REQUEST

- ☐ Grant of easement (access, utility, seawall, etc.)
☒ Month-to-month revocable permit
☐ Lease

Is this request being made to resolve an encroachment or other violation? ☐ Yes ☒ No

If yes, explain:

*If charitable organization, provide the following:

- ☒ Articles of Incorporation with all amendments - *SEE ATTACHED #1*
☒ Current Bylaws - *SEE ATTACHED #2*
☒ Domestic Nonprofit Corporation Annual Report, DCCA Form D-2 (for past three (3) years) - *see #3 ATTACHED*
☒ IRS Determination Letter (Proof of 501(c)3 status) - *see ATTACHED #4*
☒ Proof of Registration (or Exemption) from Attorney General, Tax and Charities Division - *see #5 ATTACHED*
☒ Organization's Income and Expense Statement (for past three (3) years) - *see ATTACHED #6*
☒ Organizations Tax Returns (IRS Form 990 for past three (3) years) - *only p. 1 attached (84 pages TOTAL)*
☒ Description of how and to what extent the organization (a) conducts activities in keeping with its mission; and (b) benefits the community and the public at large, beyond benefits to the membership of the organization. Attach additional sheets as necessary. *see ATTACHED #8*

IV. LOCATION AND AREA

If your request pertains to a specific parcel, please specify below:

Island:

☐ Oahu ☒ Hawaii ☐ Lanai ☐ Kauai ☐ Maui ☐ Molokai

City: KAWAIHAE TMK: 6 1 03

Area: 6,000 acres (sq. feet) (circle one)

County Zoning: unsure

State Land Use: ☐ Agricultural ☐ Rural ☐ Conservation
☐ Urban unsure

Is property located in a Special Management Area? ☐ Yes ☐ No ☐ Unsure

V. USE

Identify the specific uses intended.

- | | |
|---|---|
| <input type="checkbox"/> Business/Commercial | <input type="checkbox"/> Easement – Access |
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Easement – Utility |
| <input checked="" type="checkbox"/> Other (specify):
<u>COMMUNITY NON-PROFIT</u> | <input type="checkbox"/> Easement – Seawall |

VI. ATTACHMENTS

- 1) Attach a location map showing a preliminary sketch of your proposed project in relation to the tax maps. - see attached #9
- 2) Attach a parcel map showing a preliminary sketch of your proposed area with boundaries and dimensions. - see attached #9
- 3) Attach any proposed plans and/or photographs. - THIS is a Renewal
- 4) Attach a description of proposed use. - see AUGUST 12, 2016, ITEM J-1, revocable permit No. 20
- 5) If business or organization, Department of Commerce and Consumer Affairs certificate of good standing. - see attached #5

VII. CERTIFICATION

I/We hereby certify that the statements and information contained in this application, including all attachments, are true and accurate to the best of my/our knowledge and understand that if any statements are shown to be false or misrepresented, this application may be rejected or my/our permit/lease may be cancelled.

David Kurohara

Printed Name

X [Signature]

Signature

Printed Name

X

Signature

OFFICE OF THE TREASURER
TERRITORY OF HAWAII

In the Matter of the Consolidation
of

HAWAII COUNTY YOUNG MEN'S CHRISTIAN
ASSOCIATION and WAIAKEA SOCIAL
SETTLEMENT, Domestic Non-Profit
Corporations and the Creation of a
New Domestic Non-Profit Corporation
known as WAIAKEA SETTLEMENT YMCA OF
COUNTY OF HAWAII.

CHARTER OF INCORPORATION

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, WILLIAM MACKENZIE and C. F. TONG, President and
Secretary respectively of HAWAII COUNTY YOUNG MEN'S CHRISTIAN
ASSOCIATION, and CHARLES C. SMITH and MASAE T. SAITO, President
and Secretary respectively of WAIAKEA SOCIAL SETTLEMENT, both
domestic non-profit corporations duly chartered and existing
under the laws of the Territory of Hawaii, have filed an AGREE-
MENT OF CONSOLIDATION OF NON-PROFIT CORPORATIONS by and under
the direction of their respective Board of Directors and Board
of Trustees and memberships in the Office of the Treasurer, Terri-
tory of Hawaii, setting forth the proposed amalgamation, union and
consolidation of the said two (2) non-profit corporations into a
new domestic non-profit corporation under the name of WAIAKEA
SETTLEMENT YMCA OF COUNTY OF HAWAII, whereby and whereof the
new amalgamated and consolidated non-profit corporation may be
and become a non-profit legal body corporate under the laws of
the Territory of Hawaii with all the rights and privileges
granted by law to corporations of this character, and the said

January 27, 1959

PAID

JAN 11 1959
TREASURER'S OFFICE
TERRITORY OF HAWAII

B

AGREEMENT OF CONSOLIDATION OF NON-PROFIT CORPORATION is in the form required by law;

NOW, THEREFORE, I, KAM TAI LEE, Treasurer of the Territory of Hawaii, under and by virtue of the authority granted me by law and by and with consent of the Governor of the Territory of Hawaii, do hereby approve the AGREEMENT OF CONSOLIDATION OF NON-PROFIT CORPORATIONS entered into by the HAWAII COUNTY YOUNG MEN'S CHRISTIAN ASSOCIATION and the WAIAKEA SOCIAL SETTLEMENT and grant unto the amalgamated and consolidated non-profit corporation, WAIAKEA SETTLEMENT YMCA OF COUNTY OF HAWAII, a Charter of Incorporation as follows:

Article I

NAME

The name of the corporation shall be WAIAKEA SETTLEMENT YMCA OF COUNTY OF HAWAII.

Article II

LOCATION

The location of the principal office of the corporation shall be in Hilo, County and Territory of Hawaii.

Article III

OBJECTS

A. To foster and perpetuate the principles and objectives of the YOUNG MEN'S CHRISTIAN ASSOCIATION which is in its essential genius a world-wide fellowship of men and women, boys and girls, united in common loyalty to Jesus Christ for the purpose of developing Christian personalities and building a Christian society, and

B. To foster and perpetuate the principles and objectives of the WAIAKEA SOCIAL SETTLEMENT, which had been organized to carry on an eleemosynary and Christian religious work; in part,

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but not exclusively, instruction of the poor and ignorant in sanitary living, including the care of the children; the making and use of wholesome food; general rules of cleanliness; nursing; care of the sick and general dispensary work; maintenance, care and leasing out of model dwellings and tenements; night schools, kindergarten, gymnasium, healthful athletics and every variety of wholesome entertainment with the end in view of affording recreation and diversion to those who may be more or less deprived thereof; and teachings of principles and precepts of the Christian religion.

Article IV

DURATION

The corporation shall have perpetual existence.

Article V

MANAGEMENT

The management of the corporation shall be vested in a Board of Directors consisting of not less than nine (9) nor more than twenty-one (21) members, from which shall be elected five (5) officers, to wit, President, First Vice President, Second Vice President, Secretary and Treasurer, and who at the inception of the corporation are the following officers and directors who will serve as such until their successors are duly elected and qualified:

<u>NAME</u>	<u>OFFICE</u>	<u>RESIDENCE & BUSINESS ADDRESS</u>
CHARLES C. SMITH	President	Panaewa Forest, Hilo, Hawaii
WILLIAM MacKENZIE	1st Vice President	235 Kalulani St. " "
CARL E. ROHNER	2nd Vice President	1939 Kilauea Ave. " "
JOHN T. USHIJIMA	Secretary	1211 Ainako Ave. " "
GEORGE M. OKUYAMA	Treasurer	1156 Manono St. " "
GABRIEL MANNING, JR.	Director	466 Leilani St. " "
FUJIKO IKEDA	Director	958 Kaumana Drive " "
HARRY C. CHUCK	Director	265 Kanoelani Dr. " "
JAMES H. CASE	Director	2314 Kalaniana'ole Avenue Hilo, Hawaii

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The powers and duties of the Board of Directors and of the officers shall be as set forth in the by-laws of the corporation. Service of legal process upon any officer of the corporation shall be legal service on the corporation.

The corporation will complete its organization within thirty (30) days after the issuance of the Charter.

Article VI

MEMBERSHIP

The present members of both the HAWAII COUNTY YMCA and the WAIAKEA SOCIAL SETTLEMENT shall become members of the new amalgamated and consolidated corporation until the end of the present calendar year, and thereafter any person who accepts the objects of the new amalgamated and consolidated corporation by subscribing to the declaration of purpose and the issuance to him or her of a certificate of membership shall become a voting member thereof for one year; and that full authority is given the Board of Directors of the new amalgamated and consolidated corporation to regulate the terms of such membership from time to time and to deal with all cases of disorder among members.

Article VII

BY-LAWS

The By-laws may be adopted, amended or repealed by the majority of the voting members of the corporation present at any regular or special meeting, notice of which shall have included the proposed amendment and shall have been given not less than ten (10) days prior to the date of the meeting either by publication in a Hilo daily paper or by written notice mailed to each voting member.

Article VIII

NON-PROFIT

The corporation is not organized for profit and it will not issue any stock and no part of its assets, income or earnings shall be used for dividends or otherwise withdrawn or

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distributed to any of its members except upon liquidation of its property in case of dissolution; provided, however, that nothing herein contained shall prevent the payment in good faith of remuneration to any member in return for services actually rendered or to be rendered to the corporation.

Article IX

POWERS

The corporation shall have the power to buy, sell, hold, lease or otherwise deal in real, personal and mixed property in its corporate name, together with all rights, privileges and immunities which now are or may hereafter be granted by law to corporations of this character; to incur such debts and liabilities, secured or unsecured, as the nature of its business may require but not to exceed in amount the value of its assets or such other maximum as hereafter may be fixed by law; to sue and be sued in all courts of the Territory of Hawaii, to make and use a corporate seal and to alter the same at its pleasure; to make, amend and repeal by-laws not inconsistent with existing laws for the management of its property, the election and removal of its officers, the regulation of its affairs and the transfer of its property; to obtain capital and revenues for its purposes through transactions, donations, subscriptions, dues, rents or otherwise; and in connection therewith to do all things necessary and proper not inconsistent with the laws and the purposes of the corporation.

Article X

The corporation hereby created shall be subject to existing laws and all laws that may hereafter be enacted applicable to corporations of this character in the Territory of Hawaii.

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IN WITNESS WHEREOF I have hereunto set my hand and the
seal of the Department of the Treasury of the Territory of
Hawaii, at Honolulu, Territory of Hawaii, this 27th day
of January, 1959.


Treasurer of the Territory of Hawaii

I hereby consent to the foregoing Charter of Incorporation.


Governor of the Territory of Hawaii

APPROVED AS TO FORM:


DEPUTY ATTORNEY GENERAL

By-laws of
The Island of Hawaii YMCA

Article I. Preamble

Section 1. The Island of Hawaii YMCA mission statement is to share God's Love with children, adults, and families of all races and faiths by putting Christian principles into practice through programs that build healthy spirit, mind and body for all. The YMCA shall be nondenominational and shall not discriminate on the basis of race, sex, color, religion, or national origin.

Section 2. The Constitution of this corporation, with such amendments thereto as are from time to time adopted in accordance with the Constitution, is incorporated herein and shall be deemed to be a part hereof. In any instance in which a conflict exists between these Bylaws and the Constitution, the Constitution shall govern.

Article II. Name

Section 1. The name of this corporation shall be The Island of Hawaii YMCA.

Article III. Membership in National Council

Section 1. This corporation must be a member association of the National Council of Young Men's Christian Associations of the United States of America.

Article IV. Program Service Area

Section 1. The service area of this corporation shall include Hawaii County. The corporation shall work cooperatively with special constituency YMCAs in its service area.

Section 2. The service area shall not overlap with other YMCA service areas.

Article V. Membership

Section 1. Members. Any person who supports the purpose of the corporation may become a member and shall be entitled to all benefits of membership as established by the board of directors. The board of directors, in conjunction with the staff of the corporation, may decide categories of membership as it sees fit.

Section 2. Membership Fees. The board of directors may from time to time establish fees for membership in this corporation. In addition, this corporation being organized exclusively for charitable purposes under state law, shall strive to make its services and products available to the appropriate general public without undue obstacles to access. It is the general policy of the Y that any fees or charges associated with the charitable services or products of the Y shall be waived or reduced in accordance with each recipient's ability to pay. The President/Chief Executive Officer (CEO) or his or her designee shall have the discretion to make such waivers or reductions, when appropriate, to ensure the maximum distribution of the corporation's charitable services or products.

Section 3. Certificate of Membership. Upon payment of required fees or administrative determination, the President/CEO or his or her designee shall issue to a new member a certificate of membership in this corporation. The membership certificate shall state a period during which the member shall be entitled to be called a member of the Y, provided (s) he remains in good standing. As a private membership organization, the Y reserves the right to remove members who are not fulfilling or meeting values. The President/CEO shall have the power to make this determination. The board of directors may establish or delegate to the President/CEO authority to establish procedures to be followed in the event a question arises concerning the removal or status of any member.

Article VI. Management

Section 1. Board of Directors and Powers. The management of the corporation shall be vested in a board of directors of not less than 14 (fourteen) or more than 28 (twenty-eight) members of the corporation, with such powers as are defined in the Constitution.

Section 2. Executive Committee. The officers and other board members appointed by the Chair/Chief Volunteer Officer (CVO) shall serve as the executive committee of the board of directors with full power and authority to supervise and act upon all business requiring immediate attention during intervals between the regular meetings of the board of directors. The Chair/CVO of the corporation shall also serve as Chair of the Executive Committee.

Section 3. Property. The corporation, through its Board of Directors, may hold or dispose of such other property, real or personal, as may be given, devised, or bequeathed to it or entrusted to its care and keeping, and may purchase, acquire, and dispose of such property as may be necessary to carry out the purposes and program of the corporation.

Section 4. Meetings. The Board of Directors shall meet monthly or as agreed by the Board of Directors on the date determined by the Chair/CVO of the corporation. Special meetings of the Board of Directors may be called by the Chair/CVO and shall be called upon written request of four directors. The call for a special meeting shall specify the purpose or object of the meeting.

Section 5. Quorum. A quorum of the Board of Directors consists of a majority of the directors in office immediately before a meeting begins.

Section 6. Informal Action and Participation by Teleconference or Email. Any action required to or which may be taken at a meeting of the Board may be taken without a meeting if consent in writing, or Email setting forth the action so taken, shall be signed or responded by a majority of the members entitled to vote. Directors may participate in and act at any meeting of the Board or its committees through the use of a telephone conference, Email or other similar communications equipment, by means of which all persons participating in the meeting can communicate with each other. Participation by this method shall constitute attendance and presence in person at the meeting of the person(s) so participating.

Section 7. Committees. The Chair/CVO shall have the power to appoint standing or special committees with appropriate job descriptions. All committees shall report their acts and proceedings to the Board of Directors.

Section 8. Branches. The Board of Directors shall have the power to establish or disband operations or branches of the corporation and may establish policies for their government and appoint and remove boards of management for the same unless otherwise agreed.

Section 9. Cooperative Relationships. The Board of Directors shall have the power to enter into cooperative relationships with other agencies or organizations when in the judgment of the Board of Directors such a relationship is desirable for achieving the corporation's objectives, so long as it does not violate commitments, geographical or otherwise, of the National Council of YMCAs. In such cases the Board of Directors or the President/CEO with authority from the Board of Directors shall have the power to execute articles of agreement or contracts binding upon the corporation setting forth the rules governing any such cooperative relationship.

Section 10. Retirement from Board. Members of the Board of Directors must retire from active membership on the board for at least one year after serving two consecutive three-year terms.

Section 11. Vacancies on Board. The Board of Directors shall have the power to fill, for the unexpired terms, all vacancies occurring in their number between annual elections.

Section 12. Exemption. Members of the executive committee are exempt from Article VI, Section 10.

Article VII. Officers and Their Duties

Section 1. Officers. The officers of this corporation shall be a Chair and Chief Volunteer Officer (CVO), Vice Chair(s)/Chief Volunteer Officer(s), Secretary, Treasurer, President and Chief Executive Officer (CEO) and other officers deemed necessary. All officers with the exception of the President/CEO shall be elected by the board and shall hold a 2 (two) year term of office or until his/her successor is elected and qualified.

Section 2. Chair/Chief Volunteer Officer. The Chair/CVO shall preside at all meetings of the Board of Directors and of the corporation. With the Secretary or President/CEO, he/she shall execute all legal papers, documents, or other instruments ordered to be executed by the board of directors. The Chair/CVO shall appoint all committees and shall perform such other duties as may from time to time be prescribed by the board of directors. The Chair/CVO shall be a member ex officio of all committees of the corporation.

Section 3. President/CEO of the Association. The President/CEO of the Association shall not be a voting member of the Board of Directors and shall serve as President of the Corporation at the pleasure of the Board of Directors. The Executive Committee as authorized by the Board of Directors shall have the responsibility to employ and determine the compensation of the President. The President shall hire such other employees, as he or she deems desirable on such terms and conditions as are approved by the Board of Directors.

Section 4. Vice Chair/Chief Volunteer Officer(s). The Vice Chair/CVO shall act in the absence or disability of the Chair/CVO.

Section 5. Secretary. The Secretary, together with the CVO or CEO, shall execute such legal papers, documents or instruments as authorized by the Board of Directors. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors.

Section 6. Treasurer. The Treasurer shall oversee the fiscal program of the corporation. He or she shall cause all funds of the corporation to be deposited in depositories in the name of the YMCA and approved by the Board of Directors. He or she shall see that an accurate record is kept of corporation funds and shall see that adequate monthly reports are made to the Board of Directors. All checks upon bank accounts of the corporation shall be signed as directed by resolution of the Board of Directors. The Treasurer shall see that appropriate employees of the corporation are bonded and that an annual audit or

review is made by a selected public accountant firm of all fiscal transactions by the corporation. The Treasurer of the corporation shall be the Treasurer of all the branches of the corporation.

Article VIII. Voting

Section 1. Voting Rights of Members. Members shall have no voting rights. The Board of directors votes on behalf of the members in all matters.

Section 2. Voting Powers of the Board of Directors. The Board of Directors is elected to vote on behalf of the members for all management aspects of the corporation. In addition, the Board of Directors is elected to vote on behalf of the members on all fundamental changes to the organization, including but not limited to, sale of all of substantially all assets of the corporation, mergers, consolidations, dissolutions, and joint ventures.

Section 3. Votes Required. For all matters before the board of directors, a quorum is required under Article VI Section 5.

Article IX. Elections, Resignations or Removal

Section 1. Annual Meetings. An annual meeting of the directors of the corporation shall be held for the purpose of electing the directors of the corporation at a time and place fixed by the Board of Directors.

Section 2. Term of Office. Members of the Board of Directors shall hold office for three years or until their successors shall have been elected and qualified. Board members shall be appointed for such staggered terms as will require that one-third of the board shall be subject to reappointment or replacement each year.

Section 3. Nominations. There shall be a nominating committee appointed by the Chair/CVO, with approval of the Executive Committee, annually. It shall be the duty of this committee to submit names of persons to be voted upon at the next annual election of directors. Five percent of the members may present in writing to the nominating committee, not later than ten days before the annual election, the name of any member for nomination.

Section 4. Resignations. Any officer or director may resign at any time by giving written notice to the Chair/CVO. Any such resignation shall take place at the time specified therein.

Section 5. Removal. Any officer or director may be removed by the vote of a majority of the members of the board present at a properly constituted meeting. Election or appointment of an officer or board member shall not of itself create any contract rights.

Section 6. Attendance. The YMCA Board is an active, working board and attendance, absent excuse accepted by the board, is mandatory. Three unexcused absences within 9 (nine) months will entitle the Board to remove such member or officer from the Board.

Article X. Amendments

Section 1. Who May Amend. The articles of incorporation or By-laws of this corporation may be amended by majority vote of the board of directors, notice of proposed amendments having been given.

Article XI. Indemnification

Section 1. The policy of this association is to indemnify and hold harmless any officer, director, member of a branch board of managers, general office, and branch executive or other agent of the association, their personal representatives and heirs, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with actions taken on behalf of the corporation, if such person acted in good faith and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful.

Article XII. Disposition of Assets

Section 1. Should this corporation opt to dissolve, the remaining assets of the corporation shall be transferred to The National YMCA Fund, Inc., to be used to fund one or more other corporations, societies, or organizations engaged in activities substantially similar to those of this corporation, serving substantially the same community and as shall at the time qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Code or Law), and also pursuant to the then applicable state statutes governing not-for-profit corporations.

CERTIFICATION

I hereby certify that the attached is a true and correct copy of the by-laws of The Island of Hawaii YMCA

_____ Hilo Hawaii 96720
(City) (State) (Zip Code)

Dated this 15 day of August, in 2017.
(Day) (Month) (Year)

(Stacy Daumea, Secretary of Board)

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
BUSINESS REGISTRATION DIVISION
335 Merchant Street
Mailing Address: Annual Filing, P.O. Box 40, Honolulu, HI 96810

#3

DOMESTIC NONPROFIT CORPORATION ANNUAL REPORT AS OF January 1, 2017**CORPORATION NAME AND MAILING ADDRESS**THE ISLAND OF HAWAII YMCA
300 W LANIKAULA ST
HILO HI 96720**Principal Office Address**300 W LANIKAULA ST
HILO HI 96720**1. Nature of Activities**

EDUCATIONAL AND CHARITABLE COMMUNITY SERVICE PROGRAMS

2. The name of the registered agent and the registered agent's street address of the place of business in Hawaii of the person to which service of process and other notice and documents being served on or sent to the entity represented by it may be delivered to.MICHAEL MORRIS
250 KANALOA AVENUE
KAHULUI HI 96732**3. List all officers and directors.**

Offices Held	Full Name	Address
D	ISEMOTO, LES	648 PIILANI ST, HILO HI 96720
D	LEOPOLDINO, ROBERT C	505 KILAUEA AVE, KAILUA KONA HI 96740
D	KAI, JOHN	666 KINOOLE STREET, HILO HI 96720
D	MIYAHIRA, MICHAEL D	P O BOX 5683, HILO HI 96720

CONTINUED ON OFFICERS ADDENDUM

**NO CHANGES**

Checking this box means there are no changes reported. The Department will not be held responsible for any changes made to this report.

CERTIFICATION

I certify under the penalties of Section 414D-12, Hawaii Revised Statutes, that I have read the above, the information is true and correct, and I am authorized to sign this report.

April 26, 2017

Date

MICHAEL E MORRIS

Signature of authorized officer, attorney-in-fact for an officer, or
receiver or trustee (if the corporation is in the hands of a receiver or
trustee)

MICHAEL E MORRIS

Print Name

FILE NO. 7310 D2
Rev. 10/20132017 B18
B22
BSA

04/26/2017 21:16:54

OFFICERS ADDENDUM

Offices Held	Full Name	Address
P/CEO	MORRIS,MICHAEL	250 KANALOA AVENUE, KAHULUI HI 96732
D	NIIMI,LANCE	916 ULULANI ST, HILO HI 96720
T/VC	TSUGAWA,LOREN	648 PIILANI STREET, HILO HI 96720
C	KUROHARA,DAVID	289 AUPUNI ST, HILO HI 96720
2VC	KUBOTA,PETER	505 KILAUEA AVE, HILO HI 96720
D	TSUYEMURA,DEAN	300 W. LANIKAULA ST., HILO HI 96720
D	ISAGAWA, SHANE	300 W. LANIKAULA ST., HILO HI 96720
D	OKIMOTO,KEN	300 W. LANIKAULA ST., HILO HI 96720

Department of Commerce and Consumer Affairs, State of Hawaii
STATE OF HAWAII

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
BUSINESS REGISTRATION DIVISION
335 Merchant Street
Mailing Address: Annual Filing, P.O. Box 40, Honolulu, HI 96810

SYL

DOMESTIC NONPROFIT CORPORATION ANNUAL REPORT AS OF January 1, 2016

CORPORATION NAME AND MAILING ADDRESS

THE ISLAND OF HAWAII YMCA
300 W LANIKAULA ST
HILO HI 96720

Principal Office Address

300 W LANIKAULA ST
HILO HI 96720

1. Nature of Activities

EDUCATIONAL AND CHARITABLE COMMUNITY SERVICE PROGRAMS

2. The name of the registered agent and the registered agent's street address of the place of business in Hawaii of the person to which service of process and other notice and documents being served on or sent to the entity represented by it may be delivered to.

MICHAEL MORRIS
250 KANALOA AVENUE
KAHULUI HI 96732

3. List all officers and directors.

Offices Held	Full Name	Address
D	ISEMOTO,LES	648 PIILANI ST, HILO HI 96720
D	LEOPOLDINO,ROBERT C	505 KILAUEA AVE, KAILUA KONA HI 96740
D	KAI,JOHN	666 KINOOLE STREET, HILO HI 96720
D	MIYAHIRA,MICHAEL D	P O BOX 5683, HILO HI 96720

CONTINUED ON OFFICERS ADDENDUM

☐ NO CHANGES
Checking this box means there are no changes reported. The Department will not be held responsible for any changes made to this report.

CERTIFICATION

I certify under the penalties of Section 414D-12, Hawaii Revised Statutes, that I have read the above, the information is true and correct, and I am authorized to sign this report.

January 18, 2016	MICHAEL MORRIS	MICHAEL MORRIS
Date	Signature of authorized officer, attorney-in-fact for an officer, or receiver or trustee (if the corporation is in the hands of a receiver or trustee)	Print Name
C/SYL		

FILE NO. 7310 D2
Rev. 10/2013

2016 B18
B22
BSA



01/18/2016A1282

OFFICERS ADDENDUM

Offices Held	Full Name	Address
CEO/P	MORRIS, MICHAEL	250 KANALOA AVENUE, KAHULUI HI 96732
D	NIIMI,LANCE	916 ULULANI ST, HILO HI 96720
VC/T	TSUGAWA,LOREN	648 PIILANI STREET, HILO HI 96720
C	KUROHARA,DAVID	289 AUPUNI ST, HILO HI 96720
2VC	KUBOTA,PETER	505 KILAUEA AVE, HILO HI 96720
D	TSUYEMURA, DEAN	300 W. LANIKAULA ST., HILO HI 96720
D	ISAGAWA, SHANE	300 W. LANIKAULA ST., HILO HI 96720
D	OKIMOTO, KEN	300 W. LANIKAULA ST., HILO HI 96720

01/18/201641282

Department of Commerce and Consumer Affairs, State of Hawaii
STATE OF HAWAII

JY

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
BUSINESS REGISTRATION DIVISION
335 Merchant Street
Mailing Address: Annual Filing, P.O. Box 40, Honolulu, HI 96810

DOMESTIC NONPROFIT CORPORATION ANNUAL REPORT AS OF January 1, 2015

CORPORATION NAME AND MAILING ADDRESS

THE ISLAND OF HAWAII YMCA
300 W LANIKAULA ST
HILO HI 96720

Principal Office Address

300 W LANIKAULA ST
HILO HI 96720

1. Nature of Activities

EDUCATIONAL AND CHARITABLE COMMUNITY SERVICE PROGRAMS

2. The name of the registered agent and the registered agent's street address of the place of business in Hawaii of the person to which service of process and other notice and documents being served on or sent to the entity represented by it may be delivered to.

MICHAEL MORRIS
250 KANALOA AVENUE
KAHULUI HI 96732

3. List all officers and directors.

Offices Held	Full Name	Address
D	ISEMOTO,LES	648 PIILANI ST, HILO HI 96720
D	LEOPOLDINO,ROBERT C	505 KILAUEA AVE, KAILUA KONA HI 96740
D	CLARK,PUTNAM D	75-5722 KUAKINI HWY, KAILUA KONA HI 96740
G/D	NIIMI,LANCE	916 ULULANI ST, HILO HI 96720

CONTINUED ON OFFICERS ADDENDUM

☐ NO CHANGES
Checking this box means there are no changes reported. The Department will not be held responsible for any changes made to this report.

C/JY

CERTIFICATION

I certify under the penalties of Section 414D-12, Hawaii Revised Statutes, that I have read the above, the information is true and correct, and I am authorized to sign this report.

December 22, 2015	MICHAEL MORRIS	MICHAEL MORRIS
Date	Signature of authorized officer, attorney-in-fact for an officer, or receiver or trustee (if the corporation is in the hands of a receiver or trustee)	Print Name

FILE NO. 7310 D2
Rev. 10/2013

2015 B18
B22
BSA



OFFICERS ADDENDUM

Offices Held	Full Name	Address
D	KAI,JOHN	666 KINOOLE STREET, HILO HI 96720
P/CEO	MORRIS, MICHAEL	250 KANALOA AVENUE, KAHULUI HI 96732
D	MIYAHIRA,MICHAEL D	P O BOX 5683, HILO HI 96720
T/D VC/T	TSUGAWA,LOREN	648 PIILANI STREET, HILO HI 96720
D	GINOZA,CAROL	1158 KINOOLE STREET, HILO HI 96720
C	Kurohara, David	289 Aupuni St Hilo HI 96720
2VC	Kubota, Peter	505 Kilauea Ave Hilo HI 96720



U. S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

DISTRICT DIRECTOR
P. O. BOX 2810
HONOLULU, HAWAII 96803

JUN 29 1966

#4
HH-EO-66-36

IN REPLY REFER TO
Form L-178
Code 414

Waiakea Settlement YMCA
of County of Hawaii
P. O. Box 664
Hilo, Hawaii 96720

Gentlemen:

PURPOSE Religious, Educational and Charitable	
ADDRESS, INQUIRIES & FILE RETURNS WITH DISTRICT DIRECTOR OF INTERNAL REVENUE	
Honolulu, Hawaii	
FORM 990-A REQUIRED	ACCOUNTING PERIOD ENDING
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	December 31

On the basis of your stated purposes and the understanding that your operations will continue as evidenced to date or will conform to those proposed in your ruling application, we have concluded that you are exempt from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code. Any changes in operation from those described, or in your character or purposes, must be reported immediately to your District Director for consideration of their effect upon your exempt status. You must also report any change in your name or address.

You are not required to file Federal income tax returns so long as you retain an exempt status, unless you are subject to the tax on unrelated business income imposed by section 511 of the Code, in which event you are required to file Form 990-T. Our determination as to your liability for filing the annual information return, Form 990-A, is set forth above. That return, if required, must be filed on or before the 15th day of the fifth month after the close of your annual accounting period indicated above.

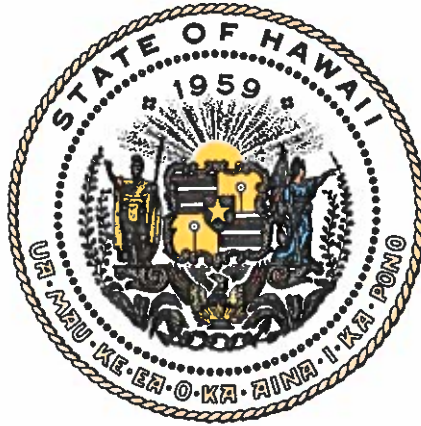
Contributions made to you are deductible by donors as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to or for your use are deductible for Federal estate and gift tax purposes under the provisions of section 2055, 2106 and 2522 of the Code.

You are not liable for the taxes imposed under the Federal Insurance Contributions Act (social security taxes) unless you file a waiver of exemption certificate as provided in such act. You are not liable for the tax imposed under the Federal Unemployment Tax Act. Inquiries about the waiver of exemption certificate for social security taxes should be addressed to this office, as should any questions concerning excise, employment or other Federal taxes.

This is a determination letter.

Very truly yours,


Evan S. Lloyd
District Director



#5

Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs
of the State of Hawaii, do hereby certify that

THE ISLAND OF HAWAII YMCA

was incorporated under the laws of Hawaii on 01/27/1959 ;
that it is an existing nonprofit corporation; and that,
as far as the records of this Department reveal, has complied
with all of the provisions of the Hawaii Nonprofit Corporations
Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the seal of the
Department of Commerce and Consumer
Affairs, at Honolulu, Hawaii.

Dated: December 04, 2017

Catherine P. Owa-Cole

Director of Commerce and Consumer Affairs

#6

The Island of Hawaii YMCA

Statement of Activities and Change in Net Assets
For the Year Ended December 31, 2014

(With Comparative totals for the year ended December 31, 2013)

	Unrestricted	Temporarily Restricted	2014 Total	2013 Total
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Government Contracts and Grants	\$ 94,797	\$ -	\$ 94,797	\$ 192,973
Contributions/Donations	60,581	-	60,581	63,580
United Way	-	-	-	8,181
Total Public Support	155,378	-	155,378	264,734
Revenue:				
Rental Income	135,429	-	135,429	56,761
Program Fees	69,060	-	69,060	363,159
Other Income	547	-	547	-
Gain (Loss) on the Sale of Asset	6,750	-	6,750	(8,547)
Interest	1	-	1	1
Special Events Revenue	-	-	-	36,678
Total Revenue	211,787	-	211,787	448,052
Net Assets Released from Restrictions	-	-	-	-
Total Public Support and Revenue	367,165	-	367,165	712,786
EXPENSES				
Program Services	243,353	-	243,353	645,535
Management and General	73,144	-	73,144	202,305
Fundraising	-	-	-	16,399
Total Expenses	316,497	-	316,497	864,239
CHANGE IN NET ASSETS	\$ 50,668	\$ -	\$ 50,668	\$ (151,453)
Net Assets, Beginning of year	1,279,591	-	1,279,591	1,431,044
Net Assets, End of year	\$ 1,330,259	\$ -	\$ 1,330,259	\$ 1,279,591

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

The Island of Hawaii YMCA

**Statement of Functional Expenses
For the Year Ended December 31, 2014**

(With Comparative totals for the year ended December 31, 2013)

	2014				2013 Total
	Program Services	Management and General	Fundraising	Total	
Salaries and Related Expenses	\$ 113,288	\$ 37,763	\$ -	\$ 151,051	\$ 654,618
Utilities	22,646	7,548	-	30,194	34,654
Insurance	21,611	7,204	-	28,815	30,386
Interest and Penalty Expenses	20,672	6,890	-	27,562	21,356
Professional Fees	15,052	5,017	-	20,069	1,549
Repair and Maintenance	9,404	3,135	-	12,539	18,692
Fair Share Support	11,913	-	-	11,913	13,511
Miscellaneous Expense	5,203	1,734	-	6,937	7,754
Office Supplies	4,730	1,577	-	6,307	4,682
General Excise Tax	3,809	1,269	-	5,078	4,534
Bank and Credit Card Charges	991	330	-	1,321	9,790
Rent	975	325	-	1,300	12,546
Travel	700	233	-	933	4,241
Advertising (Note 2)	246	82	-	328	2,314
Vehicle Expenses	113	37	-	150	2,123
Special Events Expense	-	-	-	-	16,399
Total Expenses before Depreciation	231,353	73,144	-	304,497	839,149
Depreciation Expense	12,000	-	-	12,000	25,090
Total Expenses	<u>\$ 243,353</u>	<u>\$ 73,144</u>	<u>\$ -</u>	<u>\$ 316,497</u>	<u>\$ 864,239</u>

The Island of Hawaii YMCA

**Statement of Functional Expenses
For the Year Ended December 31, 2015**

(With Comparative totals for the year ended December 31, 2014)

	2015				2014
	Program Services	Management and General	Fundraising	Total	Total
Salaries and Related Expenses	\$ 127,408	\$ 42,469	\$ -	\$ 169,877	\$ 151,051
Insurance	16,461	5,487	-	21,948	28,815
Repair and Maintenance	15,198	5,066	-	20,264	12,539
Miscellaneous Expense	11,349	3,783	-	15,132	6,937
Professional Fees	10,933	3,644	-	14,577	20,069
Interest and Penalty Expenses	10,932	3,644	-	14,576	27,562
Utilities	8,907	2,969	-	11,876	30,194
Solar Power Expense	-	11,183	-	11,183	-
Office Supplies	5,045	1,681	-	6,726	6,307
General Excise Tax	5,042	1,681	-	6,723	5,078
Fair Share Support	-	3,501	-	3,501	11,913
Direct Program Expense	1,828	-	-	1,828	-
Rent	1,046	349	-	1,395	1,300
Bank and Credit Card Charges	805	268	-	1,073	1,321
Vehicle Expenses	554	185	-	739	150
Advertising (Note 2)	135	45	-	180	328
Travel	-	-	-	-	933
Total Expenses Before Depreciation	215,643	85,955	-	301,598	304,497
Depreciation Expense	7,105	-	-	7,105	12,000
Total Expenses	<u>\$ 222,748</u>	<u>\$ 85,955</u>	<u>\$ -</u>	<u>\$ 308,703</u>	<u>\$ 316,497</u>

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

The Island of Hawaii YMCA

Statements of Activities and Change in Net Assets For the Years Ended December 31, 2015 and 2014

	<u>2015 Total</u>	<u>2014 Total</u>
PUBLIC SUPPORT AND REVENUE		
Public Support:		
Government Grants	\$ 75,996	\$ 75,996
Contributions/Donations	<u>18,987</u>	<u>60,581</u>
Total Public Support	94,983	136,577
Revenue:		
Rental Income	151,919	135,429
Program Fees	85,088	87,861
Other Income	1,244	547
Gain (Loss) on the Sale of Asset	(6,708)	6,750
Interest	<u>-</u>	<u>1</u>
Total Revenue	231,543	230,588
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>
Total Public Support and Revenue	326,526	367,165
EXPENSES		
Program Services	222,748	243,353
Management and General	85,955	73,144
Fundraising	<u>-</u>	<u>-</u>
Total Expenses	<u>308,703</u>	<u>316,497</u>
CHANGE IN NET ASSETS	\$ 17,823	\$ 50,668
Net Assets, Beginning of year	<u>1,330,259</u>	<u>1,279,591</u>
Net Assets, End of year	<u><u>\$ 1,348,082</u></u>	<u><u>\$ 1,330,259</u></u>

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

The Island of Hawaii YMCA

Statement of Activities and Change in Net Assets

For the Year Ended December 31, 2016

(With comparative totals for the year ended December 31, 2015)

	Unrestricted	Temporarily Restricted	2016 Total	2015 Total
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Government Grants	\$ 62,543	\$ -	\$ 62,543	\$ 75,996
Contributions/Donations	40,317	-	40,317	18,987
Grant Income	-	28,500	28,500	-
Total Public Support	102,860	28,500	131,360	94,983
Revenue:				
Rental Income	145,820	-	145,820	151,919
Program Fees	99,015	-	99,015	85,088
Other Income	13,073	-	13,073	1,244
Gain (Loss) on the Sale of Asset	-	-	-	(6,708)
Interest	7	-	7	-
Total Revenue	257,915	-	257,915	231,543
Net Assets Released from Restrictions	6,958	(6,958)	-	-
Total Public Support and Revenue	367,733	21,542	389,275	326,526
EXPENSES				
Program Services	217,569	-	217,569	222,748
Management and General	86,476	-	86,476	85,955
Fundraising	-	-	-	-
Total Expenses	304,045	-	304,045	308,703
CHANGE IN NET ASSETS	\$ 63,688	\$ 21,542	\$ 85,230	\$ 17,823
Net Assets, Beginning of year	1,348,082	-	1,348,082	1,330,259
Net Assets, End of year	<u>\$ 1,411,770</u>	<u>\$ 21,542</u>	<u>\$ 1,433,312</u>	<u>\$ 1,348,082</u>

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

The Island of Hawaii YMCA

**Statement of Functional Expenses
For the Year Ended December 31, 2016**

(With comparative totals for the year ended December 31, 2015)

	2016				2015
	Program Services	Management and General	Fundraising	Total	Total
Salaries and Related Expenses	\$ 131,770	\$ 43,923	\$ -	\$ 175,693	\$ 169,877
Interest and Penalty Expenses	14,554	4,851	-	19,405	14,576
Miscellaneous Expense	12,249	4,083	-	16,332	15,132
Insurance	12,218	4,072	-	16,290	21,948
Professional Fees	11,397	3,799	-	15,196	14,577
Repair and Maintenance	9,708	3,236	-	12,944	20,264
Solar Power Expense	-	9,900	-	9,900	11,183
Utilities	6,969	2,323	-	9,292	11,876
Fair Share Support	-	7,365	-	7,365	3,501
General Excise Tax	4,811	1,603	-	6,414	6,723
Direct Program Expense	4,427	-	-	4,427	1,828
Office Supplies	2,345	781	-	3,126	6,726
Bank and Credit Card Charges	1,403	467	-	1,870	1,073
Advertising (Note 2)	219	73	-	292	180
Rent	-	-	-	-	1,395
Vehicle Expenses	-	-	-	-	739
Total Expenses Before Depreciation	212,070	86,476	-	298,546	301,598
Depreciation Expense	5,499	-	-	5,499	7,105
Total Expenses	<u>\$ 217,569</u>	<u>\$ 86,476</u>	<u>\$ -</u>	<u>\$ 304,045</u>	<u>\$ 308,703</u>

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

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- ▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016Open to Public
Inspection**A** For the 2016 calendar year, or tax year beginning , and ending**B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization

Island of Hawai'i YMCA

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

300 W. Lanikaula St.

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

Hilo

HI 96720

D Employer identification number

-*2295

E Telephone number

808-935-3721

G Gross receipts

389,275

F Name and address of principal officer:

Loren Tsugawa

300 W. Lanikaula St.

Hilo

HI 96720

H(a) Is this a group return for subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

I Tax-exempt status☒ 501(c)(3)

501(c) ()

(insert no.)

4947(a)(1) or

527

J Website: ymcahilo.org**H(c)** Group exemption number ▶**K** Form of organization:☒ Corporation☐ Trust☐ Association☐ Other ▶**L** Year of formation: 1959**M** State of legal domicile: HI**Part I Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: To share God's love with children and families of all races and faiths by putting Christian principles into practice through programs that build healthy spirit, mind and body for all.			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3	14		
	4	14		
	5	16		
	6	64		
	7a	0		
Revenue	8 Contributions and grants (Part VIII, line 1h)		Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)		18,987	68,817
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		161,084	161,558
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		-6,708	7
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		153,164	158,893
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		326,527	389,275
	14 Benefits paid to or for members (Part IX, column (A), line 4)			0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		169,877	175,692
	16a Professional fundraising fees (Part IX, column (A), line 11e)			0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0			
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		138,826	128,353
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		308,703	304,045
Net Assets or Fund Balances	19 Revenue less expenses. Subtract line 18 from line 12		17,824	85,230
	20 Total assets (Part X, line 16)		Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)		1,827,329	1,865,768
	22 Net assets or fund balances. Subtract line 21 from line 20		479,247	432,456
		1,348,082	1,433,312	

Part II Signature Block

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

Sign Here	Signature of officer	Date
	Loren Tsugawa	6/20/17
	Vice Chair/Treasurer	
	Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Gretchen Kremeyer	Gretchen Kremeyer	06/20/17		*****
	Firm's name ▶ Carbonaro CPAs & Management Group	Firm's EIN ▶ ** - ***3190			
	Firm's address ▶ 1885 Main St Ste 408				
	Firm's address ▶ Wailuku, HI 96793		Phone no. 808-242-5002		

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2016)

DAA

***"Strengthening the Foundation of Our Community."*****Mission:**

The Island of Hawaii YMCA is a fellowship dedicated to putting Christian principles into practice through programs that build healthy spirit, mind and body.

Areas of Focus:

- Youth Development - nurturing the potential of every child and teen
- Healthy Living - improving the nation's health and well-being in communities across the nation
- Social Responsibility - by giving back and providing support to our neighbors.

Core Values: *Caring * Honesty * Respect * Responsibility

Primary locations: 300 W. Lanikaula HILO, Minuke'oke Park WAIMEA, Aquatics Park KAWAIHAE, La'aloa Natural Landscape Walking Park, KONA (under construction)

Programs and Services:

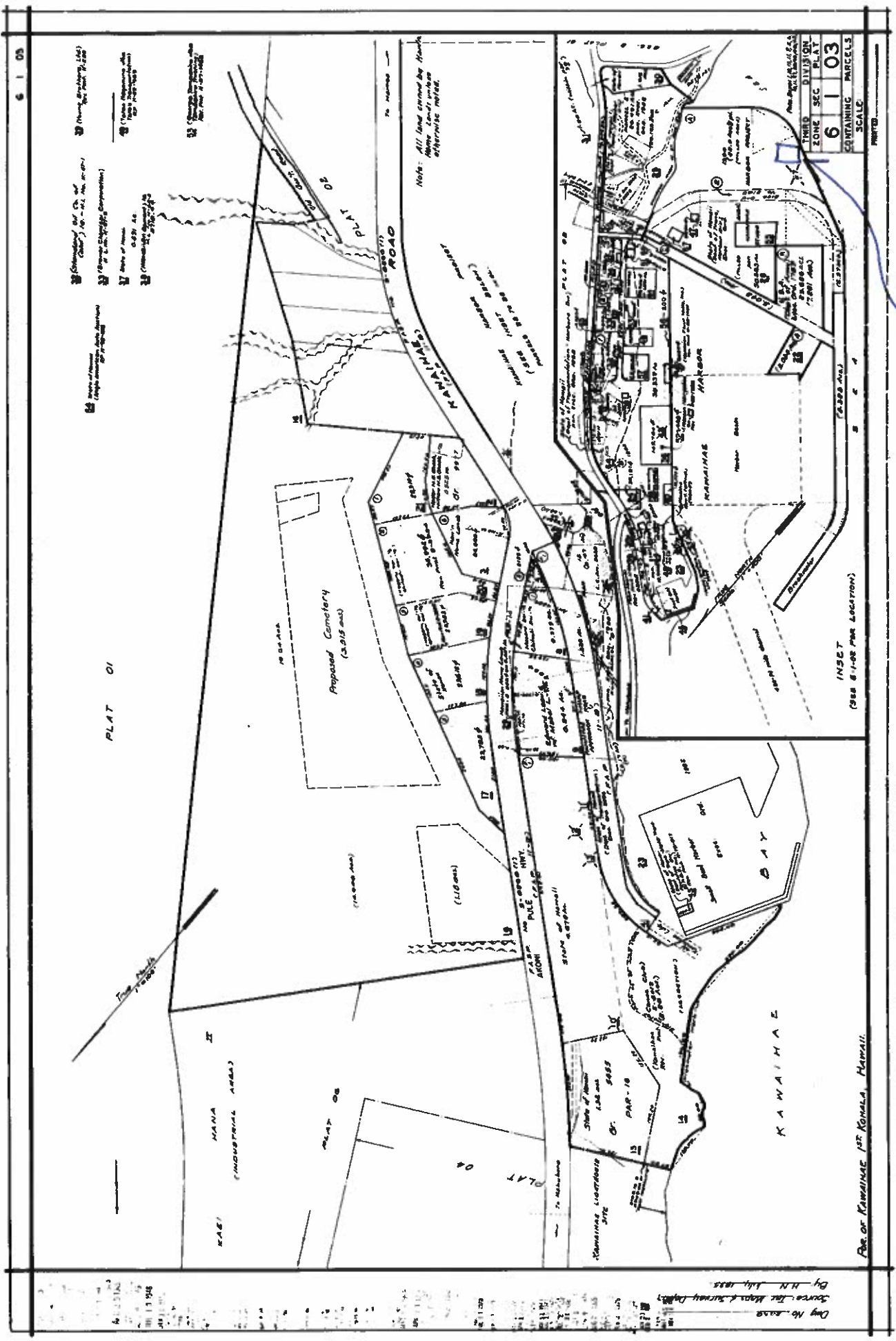
- **Family and Individual Fitness Center Programs:** Work out facility offers free weights, treadmills, elliptical machines, cross cable machines, stair masters, recumbent bicycles, shoulder press bicep, chest machines, leg press / leg extension and leg curl machines, hip machine, squat and dead lift machine. Fitness Programs like Zumba, Kung Fu, Yoga, Hula and conditioning programs are scheduled daily / weekly. Developing nutritional / fitness programs to address obesity, diabetes and arthritis prevention. Open seven days a week.
- **Youth Development Programs:** YMCA Youth Legislature, YMCA Aquatics Sailing Program, YMCA Day Camps (Summer and Winter Break), YMCA Child Watch and Date Night Program, YMCA supports AYSO Youth Soccer in Waimea.
- **Family Visitation Center:** Services for families that require supervised family visitation and exchanges where abuse of a household member is involved and separation is necessary. The YMCA provides a safe and neutral location where supervised visits and exchanges can take place.
- **YMCA Kawaihae Aquatics Programs:** Sailing and water safety programs offered to youths to adults. 240 students participated in 2016.
- **Use of Low Cost Commercial Kitchen Rental:** Certified commercial kitchen available for low cost daily, weekly or monthly rent for food preparation and cooking with flexible hours of use.
- **Large Banquet Hall Rental:** The Island of Hawaii YMCA offers low cost hall rental space for family gatherings, events, parties and receptions, with accommodations up to 180 persons.

In summary:

The Island of Hawaii YMCA supports families in our community with an emphasis on those families seeking health and well-being. We offer affordable membership, promote healthy activities, offer low cost rental resources for families and business. We are dedicated to improve the quality of life for families in our local community.

The Island of Hawaii YMCA is a local community non-profit organization.

#9



APPROXIMATE LOCATION
EXISTING REVOCABLE PERMIT

FOR OFFICIAL USE ONLY

By: H.N. July 1983
Source: For Maps & Surveying Dept.

Hilo
Balance Sheet

Account	Description	Dec 2017 Amount
Current Assets		
9-2001-6110-000	Cash - FHB Cking	26,449.14
9-2001-6111-000	Petty Cash	610.58
9-2001-6112-000	Cash - FHB Savings	10,011.97
9-2001-6310-000	Accounts Receivable	0.00
9-2001-6610-000	Prepaid Insurance	5,300.30
	Total Current Assets	42,371.99
Fixed Assets		
9-2001-6910-000	Land	1,650,701.00
9-2001-6920-000	Facilities	474,450.41
9-2001-6930-000	Furniture, Fixturess, & Equipment	85,471.09
9-2001-6979-000	Acc Depreciation	-438,342.35
	Total Fixed Assets	1,772,280.15
	Total Assets	1,814,652.14
Long Term Liabilities		
9-2001-7190-000	Long Term Payable	39,382.00
9-2001-7210-000	Accrued Payroll	5,478.30
9-2001-7220-000	Accrued Payroll Tax	208.41
9-2001-7250-000	Accrued Vacation	6,176.50
9-2001-7450-000	Prepd Program Fees	900.00
9-2001-7451-000	Prepd Rent	1,825.00
9-2001-7460-000	Prepd Grants	0.00
9-2001-7530-000	Mortgage Olson	333,947.41
	Total Long Term Liabilities	387,917.62
	Total Liabilities	387,917.62
General		
9-2001-8000-000	Fund Balance	1,362,962.90
9-2001-8888-000	Net Change in Fund Bal	63,771.62
	Total General	1,426,734.52
	Total Liabilities & Fund Balance	1,814,652.14

Report Options

Company: Hilo

Period: 12/31/2017

Income Statement

Actual to Budget

12/1/2017 to 12/31/2017

ALL

Account Name	Dec 2017 Dec 2017 Actual	Dec 2017 Dec 2017 Budget	Dec 2016 Dec 2016 Actual	Jan 2017 Dec 2017 Actual	Jan 2017 Dec 2017 Budget	Jan 2016 Dec 2016 Actual
Revenue						
Contributions	258	2,000	1,020	42,712	42,000	40,105
United Way	0	0	0	44	0	211
Government Receipts	0	0	(21,542)	59,855	0	69,501
Membership	8,398	5,215	6,387	107,184	85,350	76,894
Program Revenue	14,498	12,900	11,509	168,300	159,200	167,941
Interest Income	2	0	5	5	0	7
Micellaneous Revenue	(165)	0	11,630	1,075	0	13,073
Total Revenue	\$22,991	\$20,115	\$9,008	\$379,174	\$286,550	\$367,734
Total Gross Profit	\$22,991	\$20,115	\$9,008	\$379,174	\$286,550	\$367,734
Expenses						
Salaries	12,860	17,800	7,075	189,670	186,000	143,390
Employee Benefits	1,002	1,500	906	22,901	18,000	15,398
Payroll Taxes	965	1,545	1,885	23,051	18,600	16,905
Contracted Services	1,390	1,240	1,268	21,383	21,600	14,700
Supplies	949	375	742	7,878	4,800	8,767
Telephone	0	275	24	100	3,300	1,501
Postage	0	0	0	517	240	243
Occupancy	1,422	785	2,479	30,652	16,720	30,169
Equipment	1,371	900	978	15,786	10,800	13,665
Advertising	0	0	0	88	300	292
Travel	0	0	0	26	0	0
Conferences/Meetings	0	0	0	1,147	0	0
Dues & Fees	120	950	239	6,532	11,400	14,632
Awards & Grants	0	0	(6,958)	10,468	0	0
Financing	1,421	1,800	(699)	18,098	21,600	16,243
Insurance Premiums	1,022	0	1,458	13,583	15,120	16,290
Miscellaneous Expense	776	0	1,022	3,506	200	3,192
Depreciation	0	0	5,499	0	0	5,499
Total Expenses	\$23,299	\$27,170	\$15,917	\$365,388	\$328,680	\$300,885
Total Net Income (Loss) From Operations	(\$308)	(\$7,055)	(\$6,909)	\$13,786	(\$42,130)	\$66,848
Total Net Income (Loss)	(\$308)	(\$7,055)	(\$6,909)	\$13,786	(\$42,130)	\$66,848