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 HAWAI’I 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  X  NO
Registered business name confirmed:     YES  X  NO
Applicant in good standing confirmed:   YES  X  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,

[Signature]

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

APPROVED FOR SUBMITTAL:

[Signature]

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

DOBOR PM Section Review Items

1) Compliance

Fully Compliant?

YES

NO

2) IRS Tax Status

501(c)(1)?

YES

501(c)(3)?

YES

NO

3) AG Registration

Exempt?

NO

Registered?

YES

NO

4) Public Service

Charitable Mission?

NO

Serves HI Public?

YES

NO

5) Income

IRS 990?

YES

Income Statements?

NO

YES

6) Direct Negotiation

Nominal Rent?

NO

Discounted Rent?

YES

NO

Determination of Rent

DOBOR Admin Cost

YES

Funds Used for Public?

YES

Staff Prepares BLNR Submittal to Approve

Present to BLNR for Consideration

Staff Prepares BLNR Submittal to Deny

EXHIBIT B
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.
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): [Signature]

Last name: Kane
First Name: Dan

Mailing address: 300 W. CANIKULA ST.

No. and Street: Hilo
City: HI
State: HI
Zip Code: 96720

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

Other Fax E-mail address

Signature: [Signature]
Date: 1/28/17

Applicant intends to hold lease, permit or easement as:

☐ Individual ☐ Corporation ☐ Partnership
☐ Husband and Wife ☐ Limited Liability ☐ Limited Partnership
☐ Trust ☐ Non-Profit Corporation ☐ Limited Liability Partnership
☐ Association ☐ Joint Venture ☐ Other (specify): [Specify]

For partnership or corporation, state of incorporation: [Specify]

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 Attached #3

☒ IRS Determination Letter (Proof of 501(c)(3) status) — See Attached #4

☒ Proof of Registration (or Exemption) from Attorney General, Tax and Charities Division

☒ 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, 114 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:  ☒ Hawaii  ☐ Oahu  ☐ Lanai  ☐ Kauai  ☐ Maui  ☐ Molokai
City:  KAWAIAE  TMK:  ☒ 03
Area:  6,000 acres [or 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.
□ Business/Commercial  □ Easement – Access
□ Industrial  □ Easement – Utility
□ Other (specify):
   Community Non-Profit  □ 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. 2

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 Krovina

Printed Name

[Signature]

Printed Name

[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.

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 AGREEMENT 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, Territory 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
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,
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 de-
prived 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:

<table>
<thead>
<tr>
<th>NAME</th>
<th>OFFICE</th>
<th>RESIDENCE &amp; BUSINESS ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHARLES C. SMITH</td>
<td>President</td>
<td>Panaewa Forest, Hilo, Hawaii</td>
</tr>
<tr>
<td>WILLIAM MacKENZIE</td>
<td>1st Vice President</td>
<td>235 Kaiulani St.</td>
</tr>
<tr>
<td>CARL E. ROKNER</td>
<td>2nd Vice President</td>
<td>1939 Kilauea Ave.</td>
</tr>
<tr>
<td>JOHN T. USHIJIMA</td>
<td>Secretary</td>
<td>1211 Aimako Ave.</td>
</tr>
<tr>
<td>GEORGE M. OKUYAMA</td>
<td>Treasurer</td>
<td>1156 Manono St.</td>
</tr>
<tr>
<td>GABRIEL MANNING, JR.</td>
<td>Director</td>
<td>466 Leilani St.</td>
</tr>
<tr>
<td>FUJIKO IKEDA</td>
<td>Director</td>
<td>958 Kaumana Drive</td>
</tr>
<tr>
<td>HARRY C. CHUCK</td>
<td>Director</td>
<td>265 Kancelani Dr.</td>
</tr>
<tr>
<td>JAMES H. CASE</td>
<td>Director</td>
<td>2314 Kalanianaole Avenue</td>
</tr>
</tbody>
</table>

Hilo, Hawaii
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 WAIKEA 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
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.
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.

[Signature]
Treasurer of the Territory of Hawaii

I hereby consent to the foregoing Charter of Incorporation.

[Signature]
Governor of the Territory of Hawaii

APPROVED AS TO FORM:

[Signature]
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 YMCA's 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

__________________________
(City) Hilo

__________________________
(State) Hawaii

__________________________
(Zip Code) 96720

Dated this __________ day of August __________ in __________.

__________________________
(Day) 15 (Month) 2017 (Year)

__________________________

(Stacy Daumea, Secretary of Board)
DOMESTIC NONPROFIT CORPORATION ANNUAL REPORT AS OF January 1, 2017

CORPORATION NAME AND MAILING ADDRESS

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

Principal Office Address

300 W LANIKAILA 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.

<table>
<thead>
<tr>
<th>Offices Held</th>
<th>Full Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>ISEMOTO, LES</td>
<td>648 PIILANI ST, HILO HI 96720</td>
</tr>
<tr>
<td>D</td>
<td>LEOPOLDINO, ROBERT C</td>
<td>505 KILAUEA AVE, KAILUA KONA HI 96740</td>
</tr>
<tr>
<td>D</td>
<td>KAI, JOHN</td>
<td>666 KINOLE STREET, HILO HI 96720</td>
</tr>
<tr>
<td>D</td>
<td>MIYAHIRA, MICHAEL D</td>
<td>P O BOX 5683, HILO HI 96720</td>
</tr>
</tbody>
</table>

CONTINUED ON OFFICERS ADDENDUM

X 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  MICHAEL E MORRIS  Print Name

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)

FILE NO. 7310 D2
Rev. 10/2013

2017  B18  B22  BSA
<table>
<thead>
<tr>
<th>Offices Held</th>
<th>Full Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>P/CEO</td>
<td>MORRIS, MICHAEL</td>
<td>250 KANALOA AVENUE, KAHULUI HI 93732</td>
</tr>
<tr>
<td>D</td>
<td>NIIMI, LANCE</td>
<td>916 ULULANI ST, HILO HI 96720</td>
</tr>
<tr>
<td>TV/C</td>
<td>TSUGAWA, LOREN</td>
<td>648 PIILANI STREET, HILO HI 96720</td>
</tr>
<tr>
<td>C</td>
<td>KUROHARA, DAVID</td>
<td>289 AUPUNI ST, HILO HI 96720</td>
</tr>
<tr>
<td>2VC</td>
<td>KUBOTA, PETER</td>
<td>505 KILAUEA AVE, HILO HI 96720</td>
</tr>
<tr>
<td>D</td>
<td>TSUYEMURA, DEAN</td>
<td>300 W. LANIKAULA ST., HILO HI 96720</td>
</tr>
<tr>
<td>D</td>
<td>ISAGAWA, SHANE</td>
<td>300 W. LANIKAULA ST., HILO HI 96720</td>
</tr>
<tr>
<td>D</td>
<td>OKIMOTO, KEN</td>
<td>300 W. LANIKAULA ST., HILO HI 96720</td>
</tr>
</tbody>
</table>
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.

<table>
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<tr>
<th>Offices Held</th>
<th>Full Name</th>
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<tr>
<td>D</td>
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<td>505 KILAUEA AVE, KAILUA KONA HI 96740</td>
</tr>
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</tr>
<tr>
<td>D</td>
<td>MIYAHIRA, MICHAEL D</td>
<td>P O BOX 5683, HILO HI 96720</td>
</tr>
</tbody>
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CONTINUED ON OFFICERS ADDENDUM

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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
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

2016

B18

B22

BSA
<table>
<thead>
<tr>
<th>Offices Held</th>
<th>Full Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO/P</td>
<td>MORRIS, MICHAEL</td>
<td>250 KANALOA AVENUE, KAHULUI HI 96732</td>
</tr>
<tr>
<td>D</td>
<td>NIIMI, LANCE</td>
<td>916 ULULANI ST, HILO HI 96720</td>
</tr>
<tr>
<td>VC/T</td>
<td>TSUGAWA, LOREN</td>
<td>648 PILANI STREET, HILO HI 96720</td>
</tr>
<tr>
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DOMESTIC NONPROFIT CORPORATION ANNUAL REPORT AS OF January 1, 2015

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300 W LANIKULA ST
HILO HI 96720

Principal Office Address

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KAHULUI HI 96732

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<tr>
<td>D</td>
<td>LEOPOLDINO,ROBERT C</td>
<td>505 KILAUEA AVE, KAILUA KONA HI 96740</td>
</tr>
<tr>
<td>D</td>
<td>CLARK,PUTNAM D</td>
<td>75-5722 KUAKINI HWY, KAILUA KONA HI 96740</td>
</tr>
<tr>
<td>O/D</td>
<td>NIIMI,LANCE</td>
<td>916 ULULANI ST, HILO HI 96720</td>
</tr>
</tbody>
</table>

CONTINUED ON OFFICERS ADDENDUM

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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

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)

MICHAEL MORRIS

Print Name

FILE NO. 7310 D2

Rev. 10/2013

2015 B18

B22

BSA

* ok to annotate
<table>
<thead>
<tr>
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<th>Address</th>
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</thead>
<tbody>
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</tr>
<tr>
<td>P/CEO</td>
<td>MORRIS, MICHAEL</td>
<td>250 KANALOA AVENUE, KAHULUI HI 96732</td>
</tr>
<tr>
<td>D</td>
<td>MIYAHIRA, MICHAEL D</td>
<td>P O BOX 5683, HILO HI 96720</td>
</tr>
<tr>
<td>1st VC/T</td>
<td>TSUGAWA, LOREN</td>
<td>648 PILANI STREET, HILO HI 96720</td>
</tr>
<tr>
<td>D</td>
<td>GINOZA, CAROL</td>
<td>1158 KINCOLE STREET, HILO HI 96720</td>
</tr>
<tr>
<td>C</td>
<td>Kurohara, David</td>
<td>289 Aupuni St Hilo HI 96720</td>
</tr>
<tr>
<td>2VC</td>
<td>Kubota, Peter</td>
<td>505 Kilauea Ave Hilo HI 96720</td>
</tr>
</tbody>
</table>
Waiakea Settlement YMCA of County of Hawaii
P. O. Box 564
Hilo, Hawaii 96720

Gentlemen:

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,

[Signature]
Evan S. Lloyd
District Director
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

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit: http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code: 292268-CCOC_PDF-7310D2
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)

<table>
<thead>
<tr>
<th>PUBLIC SUPPORT AND REVENUE</th>
<th>Temporarily Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2014 Total</th>
<th>2013 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Support:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Contracts and</td>
<td>$ 94,797</td>
<td>$ -</td>
<td>$ 94,797</td>
<td>$ 192,973</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions/Donations</td>
<td>60,581</td>
<td>-</td>
<td>60,581</td>
<td>63,580</td>
</tr>
<tr>
<td>United Way</td>
<td>-</td>
<td>-</td>
<td></td>
<td>8,181</td>
</tr>
<tr>
<td>Total Public Support</td>
<td>155,378</td>
<td>-</td>
<td>155,378</td>
<td>264,734</td>
</tr>
</tbody>
</table>

| 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 | 6,750                    | -                      | 6,750      | (8,547)    |
| Asset                      | 1                        | -                      | 1          |            |
| Interest                   |                          |                        |            |            |
| Special Events Revenue     | -                        | -                      |            | 36,678     |
| Total Revenue              | 211,787                  | -                      | 211,787    | 448,052    |

| Net Assets Released from  |                          |                        |            |            |
| Restrictions              |                          |                        |            |            |
| Total Public Support and   | 367,165                  | -                      | 367,165    | 712,786    |
| Revenue                   |                          |                        |            |            |

| 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   | 1,279,591                | -                      | 1,279,591  | 1,431,044   |
| year                       |                          |                        |            |            |
| 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)

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

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

Page 5
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)

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

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

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

The accompanying notes are an integral part of these financial statements.
Page 3
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)

<table>
<thead>
<tr>
<th>PUBLIC SUPPORT AND REVENUE</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2016 Total</th>
<th>2015 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Support:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Grants</td>
<td>$ 62,543</td>
<td>$</td>
<td>$62,543</td>
<td>$75,996</td>
</tr>
<tr>
<td>Contributions/Donations</td>
<td>40,317</td>
<td></td>
<td>40,317</td>
<td>18,987</td>
</tr>
<tr>
<td>Grant Income</td>
<td>-</td>
<td>28,500</td>
<td>28,500</td>
<td></td>
</tr>
<tr>
<td>Total Public Support</td>
<td>102,860</td>
<td>28,500</td>
<td>131,360</td>
<td>94,983</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
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<td></td>
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<tr>
<td>Rental Income</td>
<td>145,820</td>
<td></td>
<td>145,820</td>
<td>151,919</td>
</tr>
<tr>
<td>Program Fees</td>
<td>99,015</td>
<td></td>
<td>99,015</td>
<td>85,088</td>
</tr>
<tr>
<td>Other Income</td>
<td>13,073</td>
<td></td>
<td>13,073</td>
<td>1,244</td>
</tr>
<tr>
<td>Gain (Loss) on Sale of Asset</td>
<td>-</td>
<td></td>
<td>-</td>
<td>(6,708)</td>
</tr>
<tr>
<td>Interest</td>
<td>7</td>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>257,915</td>
<td></td>
<td>257,915</td>
<td>231,543</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions</td>
<td>6,958</td>
<td>(6,958)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Public Support and Revenue</td>
<td>367,733</td>
<td>21,542</td>
<td>389,275</td>
<td>326,526</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2016 Total</th>
<th>2015 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>217,569</td>
<td></td>
<td>217,569</td>
<td>222,748</td>
</tr>
<tr>
<td>Management and General</td>
<td>86,476</td>
<td></td>
<td>86,476</td>
<td>85,955</td>
</tr>
<tr>
<td>Fundraising</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total Expenses</td>
<td>304,045</td>
<td>-</td>
<td>304,045</td>
<td>308,703</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET ASSETS</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2016 Total</th>
<th>2015 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 63,688</td>
<td>$ 21,542</td>
<td>$ 85,230</td>
<td></td>
<td>$ 17,823</td>
</tr>
<tr>
<td>Net Assets, Beginning of year</td>
<td>1,348,082</td>
<td>-</td>
<td>1,348,082</td>
<td>1,330,259</td>
</tr>
<tr>
<td>Net Assets, End of year</td>
<td>1,411,770</td>
<td>$ 21,542</td>
<td>1,433,312</td>
<td>1,348,082</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total</th>
<th>2015 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Related Expenses</td>
<td>$ 131,770</td>
<td>$ 43,923</td>
<td>$ -</td>
<td>$ 175,693</td>
<td>$ 169,877</td>
</tr>
<tr>
<td>Interest and Penalty Expenses</td>
<td>14,554</td>
<td>4,851</td>
<td>-</td>
<td>19,405</td>
<td>14,576</td>
</tr>
<tr>
<td>Miscellaneous Expense</td>
<td>12,249</td>
<td>4,083</td>
<td>-</td>
<td>16,332</td>
<td>15,132</td>
</tr>
<tr>
<td>Insurance</td>
<td>12,218</td>
<td>4,072</td>
<td>-</td>
<td>16,290</td>
<td>21,948</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>11,397</td>
<td>3,700</td>
<td>-</td>
<td>15,196</td>
<td>14,577</td>
</tr>
<tr>
<td>Repair and Maintenance</td>
<td>9,708</td>
<td>3,236</td>
<td>-</td>
<td>12,944</td>
<td>20,264</td>
</tr>
<tr>
<td>Solar Power Expense</td>
<td>-</td>
<td>9,900</td>
<td>-</td>
<td>9,900</td>
<td>11,183</td>
</tr>
<tr>
<td>Utilities</td>
<td>6,969</td>
<td>2,323</td>
<td>-</td>
<td>9,292</td>
<td>11,876</td>
</tr>
<tr>
<td>Fair Share Support</td>
<td>-</td>
<td>7,365</td>
<td>-</td>
<td>7,365</td>
<td>3,501</td>
</tr>
<tr>
<td>General Excise Tax</td>
<td>4,811</td>
<td>1,603</td>
<td>-</td>
<td>6,414</td>
<td>6,723</td>
</tr>
<tr>
<td>Direct Program Expense</td>
<td>4,427</td>
<td>-</td>
<td>-</td>
<td>4,427</td>
<td>1,828</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>2,345</td>
<td>781</td>
<td>-</td>
<td>3,126</td>
<td>6,726</td>
</tr>
<tr>
<td>Bank and Credit Card Charges</td>
<td>1,403</td>
<td>467</td>
<td>-</td>
<td>1,870</td>
<td>1,073</td>
</tr>
<tr>
<td>Advertising (Note 2)</td>
<td>219</td>
<td>73</td>
<td>-</td>
<td>292</td>
<td>180</td>
</tr>
<tr>
<td>Rent</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>1,395</td>
</tr>
<tr>
<td>Vehicle Expenses</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>736</td>
</tr>
<tr>
<td>Total Expenses Before Depreciation</td>
<td>$212,070</td>
<td>$86,476</td>
<td>-</td>
<td>$298,546</td>
<td>$301,598</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td></td>
<td></td>
<td>-</td>
<td>$5,499</td>
<td>$7,105</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$217,569</td>
<td>$86,476</td>
<td>-</td>
<td>$304,045</td>
<td>$308,703</td>
</tr>
</tbody>
</table>

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

Page 4
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.

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

D Employer Identification number

***-***2295

E Tax-exempt status

☐ 501(c)(3)
☐ 501(c)(4) or 501(c)(27)
☐ 501(c)(5) or 501(c)(6)
☐ 4947(a)(1)
☐ 527

F Name and address of principal office:

Loren Tsugawa
300 W. Lanikaula St.
Hilo HI 96720

G Gross receipts

389,275

H(a) Is this a group return for subordinates

☐ Yes ☑ No

H(b) Are all subordinates included?

☐ Yes ☐ No

I Website:

ymcahilo.org

J Tax-exempt status

☐ 501(c)(3)
☐ 501(c)(4) or 501(c)(27)
☐ 501(c)(5) or 501(c)(6)
☐ 4947(a)(1)
☐ 527

K Form of organization:

☐ Corporation
☐ Trust
☐ Association
☐ Other

L Year of formation: 1959

M State of legal domicile: HI

Part I Summary

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.

2 Check this box ☑ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)

4 Number of independent voting members of the governing body (Part VI, line 1b)

5 Total number of individuals employed in calendar year 2016 (Part V, line 2a)

6 Total number of volunteers (estimate if necessary)

7a Total unrelated business revenue from Part VIII, column (C), line 12

7b Net unrelated business taxable income from Form 990-T, line 34

Revenue

8 Contributions and grants (Part VIII, line 1h)

9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)

16 Professional fundraising fees (Part IX, column (A), line 11e)

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)

18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)

19 Revenue less expenses. Subtract line 16 from line 12

Net Assets orFund Balance

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

22 Net assets or fund balances. Subtract line 21 from line 20

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.

Signature of officer

Loren Tsugawa

Type or print name and title

Vice Chair/Treasurer

Date

06/20/17

Paid

Preparer's name

Gretchen Kremer

Preparer's signature

Date

06/20/17

Check self-employed

PTIN

Preparer's EIN

**-***3190

Use Only

Firm's name

Carbonaro CPAs & Management Group

Firm's address

1885 Main St Ste 408

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
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’aaloa 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.
# Hilo

## Balance Sheet

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Dec 2017 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9-2001-6110-000</td>
<td>Cash - FHB Cking</td>
<td>26,449.14</td>
</tr>
<tr>
<td>9-2001-6111-000</td>
<td>Petty Cash</td>
<td>610.58</td>
</tr>
<tr>
<td>9-2001-6112-000</td>
<td>Cash - FHB Savings</td>
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<td><strong>Total Liabilities &amp; Fund Balance</strong></td>
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*Report Options*

*Company: Hilo*

*Period: 12/31/2017*
## Income Statement
### Actual to Budget
12/1/2017 to 12/31/2017

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<th>Account Name</th>
<th>Dec 2017 Actual</th>
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<th>Jan 2017 Actual</th>
<th>Jan 2017 Budget</th>
<th>Jan 2016 Actual</th>
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<td>$20,115</td>
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<td>$379,174</td>
<td>$286,550</td>
<td>$367,734</td>
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<td>$22,991</td>
<td>$20,115</td>
<td>$9,008</td>
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<td>($6,909)</td>
<td>$13,786</td>
<td>($42,130)</td>
<td>$66,848</td>
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<tr>
<td><strong>Total Net Income (Loss)</strong></td>
<td>($308)</td>
<td>($7,055)</td>
<td>($6,909)</td>
<td>$13,786</td>
<td>($42,130)</td>
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