

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE**

*COMBINED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT*

*For the year ended June 30, 2008 with
Comparative Total for June 30, 2007*

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE**

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CARY J. HALL
& ASSOCIATES, LLC
Certified Public Accountants and Consultants

To the Board of Directors of
Young Men's Christian Association of Berwyn-Cicero, Inc.
(PAV YMCA)
Berwyn, Illinois

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying combined statements of financial position of **YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC. (PAV YMCA)** (a nonprofit organization) and affiliate as of June 30, 2008, and the related combined statements of activities, functional expenses and cash flows for the years then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined financial statements based on the audits. The prior year summarized comparative information has been derived from the Organization's 2007 financial statements and, in our report dated October 26, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of **YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC. (PAV YMCA)** and affiliate as of June 30, 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cary J. Hall & Associates, LLC

September 12, 2008
Chicago, Illinois

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE

Combined Statements of Financial Position

June 30, 2008, with Comparative Total for 2007

	PAV		Combined Total	
	YMCA	Foundation	2008	2007
ASSETS				
Cash and cash equivalents (Note 11)	\$ 265,698	\$ -	\$ 265,698	\$ 374,505
Certificates of deposit	-	-	-	149,158
Investments (Note 3)	29,218	93,947	123,165	118,529
Unconditional promises to give (Note 12)	-	-	-	31,000
Inventory	1,377	-	1,377	942
Accounts receivables	16,910	-	16,910	24,197
Property and equipment (Note 4)	3,336,794	-	3,336,794	3,492,682
	<u>3,649,997</u>	<u>93,947</u>	<u>3,743,944</u>	<u>4,191,013</u>
Total Assets	<u>\$ 3,649,997</u>	<u>\$ 93,947</u>	<u>\$ 3,743,944</u>	<u>\$ 4,191,013</u>
LIABILITIES				
Accounts payable	\$ 16,402	\$ -	\$ 16,402	\$ 16,995
Accrued payroll and payroll taxes	101,275	-	101,275	139,745
Deferred membership and program fees	103,846	-	103,846	106,876
Other liabilities (Note 7)	3,704	-	3,704	3,704
Note payable (Note 5)	-	-	-	370,378
	<u>225,227</u>	<u>-</u>	<u>225,227</u>	<u>637,698</u>
Total Liabilities	<u>225,227</u>	<u>-</u>	<u>225,227</u>	<u>637,698</u>
NET ASSETS (Note 8)				
Permanently restricted	-	93,947	93,947	84,380
Temporarily restricted	-	-	-	31,000
Unrestricted	3,424,770	-	3,424,770	3,437,935
	<u>3,424,770</u>	<u>93,947</u>	<u>3,518,717</u>	<u>3,553,315</u>
Total Net Assets	<u>3,424,770</u>	<u>93,947</u>	<u>3,518,717</u>	<u>3,553,315</u>
Total Liabilities and Net Assets	<u>\$ 3,649,997</u>	<u>\$ 93,947</u>	<u>\$ 3,743,944</u>	<u>\$ 4,191,013</u>

The accompanying notes are an integral part of the combined financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE

Combined Statements of Activities

Year ended June 30, 2008, with Comparative Total for 2007

	PAV YMCA			Foundation			Combined Total	
	Unrestricted	Temporarily Restricted		Total	Unrestricted	Permanently Restricted		Total
		Restricted				Restricted	2008	
REVENUES AND OTHER SUPPORT								
Contributions (Notes 2 and 12)	\$ 46,914	\$ 35,976	\$ 82,890	\$ -	\$ 2,500	\$ 2,500	\$ 85,390	\$ 137,386
Building assessments (Note 2)	57,124	-	57,124	-	-	-	57,124	62,355
Grants (Note 2)	-	11,487	11,487	-	-	-	11,487	89,176
Special events	34,708	-	34,708	-	-	-	34,708	28,922
Membership dues	1,212,031	-	1,212,031	-	-	-	1,212,031	1,120,645
Member programs (Note 2)	865,801	-	865,801	-	-	-	865,801	886,066
Interest and dividends	11,289	-	11,289	-	6,693	6,693	17,982	26,577
Realized gain (loss) on sale of investments	-	-	-	-	105	105	105	(2,808)
Net unrealized gain (loss) on investment	(375)	-	(375)	-	269	269	(106)	(4,389)
Vending income	11,755	-	11,755	-	-	-	11,755	11,550
Other income (Note 9)	48,362	-	48,362	-	-	-	48,362	36,927
Net assets released from restrictions	78,463	(78,463)	-	-	-	-	-	-
Total Revenues and Other Support	2,366,072	(31,000)	2,335,072	-	9,567	9,567	2,344,639	2,392,407
EXPENSES								
Program services	1,873,281	-	1,873,281	-	-	-	1,873,281	1,839,324
Management and general	439,009	-	439,009	-	-	-	439,009	438,694
Fundraising	66,947	-	66,947	-	-	-	66,947	63,409
Total Expenses	2,379,237	-	2,379,237	-	-	-	2,379,237	2,341,427
CHANGE IN NET ASSETS	(13,165)	(31,000)	(44,165)	-	9,567	9,567	(34,598)	50,980
NET ASSETS -								
Beginning of year	3,437,935	31,000	3,468,935	-	84,380	84,380	3,553,315	3,502,335
End of year	\$ 3,424,770	\$ -	\$ 3,424,770	\$ -	\$ 93,947	\$ 93,947	\$ 3,518,717	\$ 3,553,315

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE

Combined Statements of Functional Expenses

Year ended June 30, 2008, with Comparative Total for 2007

	Program Services	Pav YMCA		Foundation		Combined Total	
		General and Administrative	Fund-raising	General and Administrative	Total 2008	Total 2007	
Administrative salaries	\$ -	\$ 162,086	\$ -	\$ -	\$ 162,086	\$ 168,778	
Building and maintenance salaries	184,665	-	-	-	184,665	184,983	
Office and clerical salaries	182,285	69,697	16,084	-	268,066	265,417	
Program salaries	599,730	-	-	-	599,730	576,345	
Payroll tax expense	61,420	23,485	5,420	-	90,325	90,117	
Payroll benefits expense	72,419	27,689	6,390	-	106,498	103,135	
Contracted services	50,127	9,399	3,133	-	62,659	60,226	
Supplies	140,317	2,893	1,447	-	144,657	155,766	
Housekeeping	18,181	3,409	1,136	-	22,726	19,694	
Telephone	5,832	1,093	364	-	7,289	7,910	
Postage	6,314	1,184	395	-	7,893	5,613	
Utilities	130,785	24,522	8,174	-	163,481	133,288	
Buses	33,167	-	-	-	33,167	33,167	
Interest expense	-	5,309	-	-	5,309	17,145	
Maintenance and repairs	59,598	14,115	4,705	-	78,418	83,282	
Promotions	46,822	-	3,591	-	50,413	40,765	
Conferences and training	10,592	1,177	-	-	11,769	14,074	
Grant expenses	3,790	-	-	-	3,790	23,513	
National and other dues	-	43,570	-	-	43,570	31,368	
Insurance	62,926	11,799	3,933	-	78,658	75,330	
Depreciation	194,792	36,524	12,175	-	243,491	237,988	
Other	9,519	1,058	-	-	10,577	13,523	
	<u>\$ 1,873,281</u>	<u>\$ 439,009</u>	<u>\$ 66,947</u>	<u>\$ -</u>	<u>\$ 2,379,237</u>	<u>\$ 2,341,427</u>	

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE
 Combined Statements of Cash Flows

Year ended June 30, 2008, with Comparative Total for 2007

	Pav		Combined Total	
	YMCA		Foundation	2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	\$ (44,165)	\$ 9,567	\$ (34,598)	\$ 50,980
Adjustments to reconcile change in net assets to net cash provided by operating activities -				
Depreciation and amortization	243,491	-	243,491	237,988
Realized gain on sale of investments	-	(105)	(105)	2,808
Unrealized (gain) loss on investments	375	(269)	106	4,389
(Increase) decrease in operating assets -				
Inventory	(435)	-	(435)	(649)
Unconditional promises to give	31,000	-	31,000	18,800
Accounts receivable	7,287	-	7,287	(20,200)
Increase (decrease) in operating liabilities -				
Accounts payable	(593)	-	(593)	(2,315)
Accrued payroll and payroll taxes	(38,470)	-	(38,470)	14,725
Prepaid membership dues	(3,030)	-	(3,030)	(13,763)
Net Cash Provided by Operating Activities	<u>195,460</u>	<u>9,193</u>	<u>204,653</u>	<u>292,763</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property and equipment	(87,603)	-	(87,603)	(121,540)
Net (purchase) sale of investments	4,556	(9,193)	(4,637)	(5,215)
Net (purchase) sale of certificates of deposit	149,158	-	149,158	15,370
Net Cash Provided by (Used in) Investing Activities	<u>66,111</u>	<u>(9,193)</u>	<u>56,918</u>	<u>(111,385)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on notes payable	(370,378)	-	(370,378)	(158,030)
Net Cash Used in Financing Activities	<u>(370,378)</u>	<u>-</u>	<u>(370,378)</u>	<u>(158,030)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(108,807)	-	(108,807)	23,348
Beginning of year	374,505	-	374,505	351,157
End of year	<u>\$ 265,698</u>	<u>\$ -</u>	<u>\$ 265,698</u>	<u>\$ 374,505</u>
SUPPLEMENTAL DATA				
Interest paid	<u>\$ 5,309</u>	<u>\$ -</u>	<u>\$ 5,309</u>	<u>\$ 30,175</u>

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE
Combined Notes to Financial Statements
June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying combined financial statements include the accounts of Young Men's Christian Association of Berwyn-Cicero (the "Association") and Young Men's Christian Association of Berwyn-Cicero Foundation (the "Foundation"), both of which are under common control. Significant intercompany transactions and balance have been eliminated in combination.

Nature of Activities - The YMCA mission is putting Christian principles into practice through programs that build a healthy spirit, mind and body for all.

The Foundation was established as an organization to provide financial assistance to the Association (see Note 13).

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the combined statement of activities and the combined statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes - The Association and Foundation are not-for-profit organization that are exempt from federal income tax under Internal Revenue Code Section 501 (c) (3).

Cash and Cash Equivalents - The Association considers all highly liquid investments with initial maturity of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivable represent NSF checks owed the Association for membership dues. Receivables are stated at the amount management expects to collect from outstanding balances.

Investments - Investments are stated at fair value, using quoted market prices (where available). If quoted market prices are not available, estimated fair value is determined by the asset custodian based on quoted market prices of similar financial instruments. Net unrealized gains and losses are reflected in the combined statement of activities.

Unconditional Promises to Give - Unconditional promises to give are measured at fair value and reported as an increase in net assets immediately, even if the donor has restricted their use and the restriction will be met in future reporting periods. For unconditional promises to give that are expected to be collected in more than one year, the Association records the amount of the expected future cash flows and a corresponding discount to reduce the expected cash flows to present value.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE

Combined Notes to Financial Statements

June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment - Property and equipment that are purchased in excess of \$500 are recorded at cost and depreciated over their estimated useful lives using the straight-line method. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation is computed primarily using the straight line method over the estimated useful lives of 5, 7, 10, 15, 31.5 and 40 years. Depreciation expense totaled \$243,491 and \$237,988 for the years ended June 30, 2008 and 2007.

Maintenance, repairs and minor replacements are charged to expense as incurred; major replacements and betterments are capitalized.

Revenue Recognition - Contributions and Grants received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of donor restrictions. All donor-restricted support is reported as an increase in temporarily restricted, or permanently restricted support, depending on the nature of its restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from restriction.

Donated Services - No amounts have been reflected in the financial statements for volunteer services because those services do not meet general accepted accounting principles criteria for recognition. However, a substantial number of volunteers have donated significant amounts of time to the Association.

Deferred Membership and Program Fees - Deferred membership and program fee revenue results from the YMCA recognizing membership and program revenue in the period to which the related membership and program applies. Accordingly, membership and program fees received for subsequent fiscal periods are deferred and recognized as revenue in those periods.

Annual membership fees are recognized as revenue over a twelve-month period on a straight line basis. Program fees are recognized as revenue over the program period on a straight-line basis.

Fair Value of Financial Instruments - The Association's financial instruments consist of cash and cash equivalents, accounts receivable, investments, and accounts payable. The recorded value of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values based on their short-term nature and/or affiliate relationship. Investments are carried at fair value with unrealized gains and losses reflected in the statement of activities.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE

Combined Notes to Financial Statements

June 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Managements Estimates and Assumptions - Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates that are used.

Prior Year Comparative Information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's combined financial statements for the year ended June 30, 2007, from which summarized information was derived.

NOTE 2 - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

The following programs and supporting services are included in the accompanying financial statements:

Contributions - The Board of Directors is active in setting goals for contributions to the Association throughout the year. Pledge drives are utilized and local residents have responded to help activities through their donations.

Member Programs - Members participate in a diverse collection of programs offered by the Association. Funding for these programs is generated primarily from individual fees paid for these types of services.

Grant Income - The Association receives grants for various programs, the objective of which is to maintain a high level of youth involvement, leadership and governance through programs and community service opportunities .

Building Assessments - Building assessments pertain to a fee paid by new members upon enrolling as a member of the Association that are used for building or capital related expenses.

NOTE 3 - INVESTMENTS

The Association holds investments in marketable securities. These investments are carried at fair value determined as of June 30, 2008 and 2007, using quoted market prices. The fair value at June 30, 2008 and 2007 was \$123,165 and \$118,529, respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE
 Combined Notes to Financial Statements
 June 30, 2008

NOTE 4 - PROPERTY AND EQUIPMENT

Major classes of property and equipment are as follows:

	2008	2007
Land	\$ 267,814	\$ 267,814
Building	3,531,410	3,531,410
Building improvements	1,237,211	1,231,408
Furniture, fixtures and equipment	1,333,719	1,251,920
	6,370,154	6,282,552
Less: accumulated depreciation and amortization	(3,033,360)	(2,789,870)
	\$ 3,336,794	\$ 3,492,682

NOTE 5 - NOTE PAYABLE

Notes payable consist of the following:

	2008	2007
Note payable - Fifth Third	\$ -	\$ 370,378

On November 1, 2002, the Association entered into a loan agreement with Fifth Third Bank. The note is payable in monthly installments commencing December 1, 2002 payable on the first day of each month with principal payments of \$12,083 plus interest, with all the remaining unpaid principal and interest payable on November 1, 2007. The interest rate is 4.30% per annum. The loan is collateralized by City of Berwyn, Illinois Community Facility Revenue Refunding Bonds (Young Men's Christian Association of Berwyn-Cicero Project), Series 2002, which in turn is collateralized by the building and land.

The Association's loan agreement contains certain restrictions and covenants. Under these restrictions, the Association must maintain a debt service coverage ratio of at least 1.25 to 1 on all outstanding bonds and parity obligations and agrees to maintain as of the last business day of each March, June, September and December, beginning December 31, 2002, a ratio of indebtedness to net assets of at least or not greater than 1.50 to 1.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE
 Combined Notes to Financial Statements
 June 30, 2008

NOTE 5 - NOTE PAYABLE - CONTINUED

The Association is also required to maintain as of each December 31st and June 30th unrestricted cash and investments in an amount not less than the amounts set forth for such dates during the dates set forth below:

Date	Unrestricted cash requirements
2007	\$200,000

The Association was in compliance with these covenants as of June 30, 2007.

The Note was repaid in full in November 2007.

NOTE 6 - LEASE AGREEMENTS

The Association rents space under separate lease agreements for use at ancillary locations for their many programs and have a lease in place for their copy machine. Lease payments range from approximately \$50 to \$1,500 per month. Except for the copier lease which extends beyond one year, terms of the lease provide for a 30 to 60 day cancellation on behalf of the YMCA.

NOTE 7 - OTHER LIABILITIES

Other liabilities consists of the following:

	2008	2007
YMCA National Dues	\$ 3,704	\$ 3,704

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE

Combined Notes to Financial Statements

June 30, 2008

NOTE 8 - NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are assets subject to donor-imposed stipulations that may or will be met, either by actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. All temporarily restricted net assets are available for capital improvements and the repayment of the associated debt.

Permanently Restricted Net Assets

Permanently restricted net assets are restricted to investments in perpetuity. Income from permanently restricted net assets is expendable for any activities of the Association.

NOTE 9 - OTHER INCOME

Other income consists of the following:

	<u>2008</u>	<u>2007</u>
Y-shop sales	\$ 2,831	\$ 3,629
Lease income	22,250	21,400
Miscellaneous	23,281	11,898
	<u>\$ 48,362</u>	<u>\$ 36,927</u>

NOTE 10 - RETIREMENT PLAN

The Association participates in the National YMCA Retirement Fund which is a contributory retirement plan covering substantially all employees. Participation in the Plan is a "condition of employment" provided an employee is 21 years of age or older, has worked at least 1,000 hours during the year, and worked at least two years prior to entering the plan.

The plan was amended April 1, 2000, whereas the Association will now contribute the total 12% of an eligible employee's compensation. Pension plan expense totaled \$109,354 and \$110,051 for the years ended June 30, 2008 and 2007, respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC.
(PAV YMCA)
AND AFFILIATE

Combined Notes to Financial Statements

June 30, 2008

NOTE - 11 CONCENTRATIONS

The Association maintains its cash balances at various high quality financial institutions. The balance may, at times, exceed federally insured credit limits.

NOTE 12 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are due as follows:

<u>Capital Campaign</u>	<u>2008</u>	<u>2007</u>
Receivable in less than one year	\$ -	\$ 31,000
Less - unamortized discount	<u>-</u>	<u>-</u>
Net present value of unconditional promises to give	<u>\$ -</u>	<u>\$ 31,000</u>

Promises to give that are not expected to be collected within a year are discounted at the applicable rate available on zero-coupon government issues with a remaining term equal to the scheduled receivable payments due after one year.

NOTE 13 - FOUNDATION

The Foundation is organized exclusively for the benefit of the Association. The Foundation assets are managed by a Board of Directors that has the authority to make distributions to or for the use of the Association. The Foundation transfers assets to the Association for financial aid as designated by the Foundation.



CARY J. HALL
& ASSOCIATES, LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

Young Men's Christian Association
of Berwyn-Cicero, Inc.
(PAV YMCA)

We have audited the financial statements of the **YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC. (PAV YMCA)** as of June 30, 2008 and for the year then ended and have issued our unqualified report thereon dated September 12, 2008. Our audit was conducted in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We believe that our audit provides a reasonable basis for our opinion.

Our engagement included requirements to review and perform specific tests where considered appropriate on compliance with certain rules of the United Way of Suburban Chicago (UWSC). The specific compliance matters reviewed and/or tested were as follows: classification of agency revenues and expenses is in accordance with the UWSC classification of Program Services as listed in the UWSC Budgeting Manual; contributions, pledges and grants intended by the donors to support a future year's operation have been reported as deferred revenue as of June 30, 2008; review was made to determine the existence of any associated agencies and such transactions are included in the audited financial statements; campaign incentive grants, emergency assistance and/or developmental grants received from a member United Way have been identified and reported separately from other allocations in the financial statements; fundraising expenses have been properly differentiated between program service and management and general as described in the UWSC Budgeting Manual.

The Board of Directors of the **YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC. (PAV YMCA)** is responsible for the entity's compliance with rules of UWSC.

The results of our audit and compliance procedures disclosed no instance of major noncompliance.

In our opinion, the **YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC. (PAV YMCA)** complied in all material respects with the rules of UWSC for the year ended June 30, 2008.

This report is intended solely for the information of the Board of Directors of the **YOUNG MEN'S CHRISTIAN ASSOCIATION OF BERWYN-CICERO, INC. (PAV YMCA)** for UWSC. It should not be used for any other purpose.

September 12, 2008
Chicago, Illinois