From:	Michael Duncan
To:	Chris Coker
Cc:	Marc Levinson; Rob Martin; Susan Mercure; Jamie Holstein; Chad Young; Damien Berg; Dee A. Menzies; Dianne Morris; Jesse Molinar, Jr.; Matt LeCerf; Mitzi McCoy; Nicholas Bashford
Subject:	RE: JTY Response
Date:	Tuesday, April 28, 2026 4:50:01 PM
Attachments:	image001.png RE Working group meeting.msg

Dr. Coker,

Thank you for your email and for forwarding the referenced materials.

Please see the attached email for clarity and continuity regarding my prior request. As noted in that email, I requested that the YMCA's formal response to the Town's cure letter come directly from you, in your capacity as CEO, before Council considers any additional working session.

After reviewing the materials provided, it appears the substantive response, financial analysis, revised calculations, and supporting position were prepared by and issued through your CFO. I understand and appreciate that the financial details may appropriately involve your finance team. However, given the nature and seriousness of this matter, including the Town's cure letter, audit findings, disputed financial claims, contract interpretation issues, equipment inventory concerns, payroll allocation questions, audit cost dispute, and the YMCA's revised calculation, the Town requires a formal CEO-level response that clearly confirms the YMCA's complete and official organizational position.

This is especially important because the materials provided do more than respond to individual audit findings. They appear to revise the financial position from an amount potentially due to the Town to an amount the YMCA believes may be due from the Town. That is a material position that should be formally confirmed at the executive level before Council considers any working session or further discussion.

The Town needs that formal response to address, at a minimum, the following:

1. Whether the materials provided constitute the YMCA's complete and official response to the Town's cure letter.
2. Whether the YMCA accepts, disputes, or partially disputes each audit finding and each payment category identified by the Town.
3. The YMCA's official position regarding the lack of supporting documentation, including whether any additional receipts, records, or backup materials remain outstanding.
4. The YMCA's official position regarding expenses where Johnstown was allegedly not listed or where employees were allegedly not assigned to Johnstown.
5. The YMCA's official position regarding the payroll allocation issues involving Jen Spettel and Pat Murray, including the specific records the YMCA is relying upon for each position.
6. The YMCA's official position regarding the equipment inventory issue, including the

movement of equipment to another YMCA location, the date the equipment was returned, and the basis for the proposed rental fee calculation.

7. The YMCA's official position regarding responsibility for the Town's audit cost under the operating agreement.
8. The YMCA's official position regarding any amount it believes is due to or from the Town, including a clear explanation of the basis for the YMCA's revised calculation.

A clear identification of any additional documents, receipts, calculations, or supporting materials the YMCA still intends to provide, along with the date by which those materials will be delivered.

The documents referenced in your email also appear to have been delivered to Town staff on or around March 30. Given the significance of the issues raised, Council must ensure this matter is handled through a clear, orderly, and properly documented governance process before any further working session is considered.

Accordingly, please provide a formal written response on YMCA letterhead, signed by you in your capacity as CEO, confirming the YMCA's complete and official position on the matters above. Once the Town receives a complete and official CEO-level response, Council can review the matter with staff, legal counsel, and the appropriate financial and audit representatives before determining whether any meeting is necessary, who should participate, and what the scope of that meeting should be.

The Town values the services provided to the Johnstown community. At the same time, this matter must remain orderly, documented, and grounded in the agreement, the audit record, and the Town's obligation to protect the public interest.

Respectfully,

Michael Duncan
Mayor, Town of Johnstown
450 S Parish Avenue, P.O. Box 609
Johnstown, CO 80534
United States

Email: MDuncan@johnstownco.gov

the YMCA

FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

May 5, 2026

NOCO Response to Town of Johnstown Request for Payment

Dear Honorable Mayor Duncan and Town Councilmembers
Matt LeCerf, Town Manager
Mitzi McCoy, Deputy Town Manager
Avi Rocklin, Town Attorney

Please consider this document along with any attachments and exhibits the complete and official organizational position of YMCA of Northern Colorado (NOCO). Per the cure letter provided by Mr. LeCerf on February 20, 2026, we reviewed the materials, responded and Mr. Levinson, NOCO's CFO met with Mr. LeCerf and Ms. McCoy on Tuesday March 31, 2026. At that time, Mr. Levinson presented questions, comments and disputes of charges from Town of Johnstown. This document will detail NOCO's findings and disputes of charges.

This is the summary of the information presented to YMCA of Northern Colorado (NOCO) at a meeting on February 20, 2026, at the request of Matt LeCerf, Town Manager. In attendance were Matt LeCerf and Mitzi McCoy for the Town of Johnstown and Chris Coker, CEO and Marc Levinson, CFO for NOCO.

Audit Review Breakdown	
Lack of supporting documentation	23,795.02
Johnstown not listed	4,684.52
Employee not assigned to Jtown	12,906.26
Prohibited Use	163.92
Payroll Allocations - Jen Spettel	34,063.58
Payroll Allocations - Pat Murray	54,006.14
Equipment Not Inventoried	31,510.90
Audit Cost	35,000.00
	196,130.34
Less the Amount Due from the Town	-31,669.41
Amount Potentially Due to Town:	164,460.93

We will comment on each of these items in the order presented and reference any additional documentation as necessary.

1) **Lack of supporting documentation:** Please see ***Exhibit A*** attached which includes three receipts that were indicated on the audit as 'missing':
    a. Wilfinger – Amazon – April 30, 2024, $1,608.59

b. Wilfinger – Downtown Aquarium – July 31, 2024, $312.50
c. Swainey – Amazon – October 4, 2023, $3105.60

Total disputed amount for Lack of Supporting Documentation	$5,026.69
Town request of $23,795.02 reduced to	$18,768.33

2) **Johnstown not listed:** We have decided not to dispute this amount.

3) **Employee not assigned to Johnstown:** Upon review of the items indicated by the auditor as 'Johnstown not listed' which the auditor mistakenly concluded were not valid expenses, we determined that most of these were charges by NOCO employees whose primary function was at Johnstown. However, in the case of Keith Williams – Johnstown Branch Executive at the time – his salary was coded to association and therefore the payroll records do not indicate Mr. Williams as a Johnstown employee. Additionally, there are charges by Childcare employees which were also deducted incorrectly. Childcare is a separate branch in NOCO. No Childcare employees show as Johnstown employees on the payroll records. Again, the auditor's conclusion is incorrect. We have focused on the receipts of individuals whose primary assignment was Johnstown and where the receipt was clearly coded to Johnstown and determined that $6,539.03 are valid Johnstown expenses. This has occurred since the Y began working with the Town. This is how savings of tax-payer dollars are created via efficiencies such as this. Please see ***Exhibit B*** attached with details of this disputed amount.

4) **Prohibited Use:** although we identified to the auditor that liquor purchases are not prohibited, the old Standard Operating Procedures did show this as an acceptable use and is in effect for all other YMCA branches – we have decided not to dispute this amount in order to move forward.

5) **Payroll Allocations – Jen Spettel:** The last paragraph on page # 17 of the auditor report states that Spettel's salary for 2023 was all charged to Johnstown. This assumption is incorrect. The information provided to the auditor was based on the December 2023 payroll report. That report does indicate that Spettel's pay was coded to Johnstown. It does not provide full information. The payroll report only shows the primary location and for December that was Johnstown. It does not show that only 70 % of Spettel's salary was allocated to Johnstown. Additionally, Spettel's salary for January – April 2023 was not allocated to Johnstown as presumed by the auditor. The Branch Executive at the time was Pam Hamilton and her salary was allocated to Johnstown as appropriate. The auditor based these assumptions on one data point without additional research nor did the auditor ask for clarification from the YMCA. Please see three documents which substantiate my findings:
   a. ***Exhibit C***: JTY 2023 SOA for Exec Leadership report – this report shows the total salary allocated to Johnstown for the entire 2023 year to be $68,000. This includes Hamilton's salary through April and 70 % of Spettel's salary from May – December.
   b. ***Exhibit D***: Email Strand – Jen Spettel Salary Split 2023- - we are providing the most recent emails from a longer strand in 2023 which provides information to indicate that Spettel's salary was split and only 70 % allocated to Johnstown.
   c. ***Exhibit E***: YESS HR Explanation – this email documents the fact that the payroll report will only indicate and employee's primary location with no additional information about the split allocation.

This information provides clarity and there is no reason for NOCO to have any additional expenses related to Spettel's salary for Johnstown in 2023. The full amount of $34,510.90 requested by Town of

Johnstown is disputed. We were not asked for additional information from the auditor and believe the auditor made assumptions without full information which we could have provided.

6) **Payroll Allocations – Pat Murray:** Johnstown is assuming that Murray's position required him to only spend 1/3 of his time in Johnstown and 1/3 in Loveland and another 1/3 in Cheyenne. This is not discussed in the audit and is not a reasonable assumption. Please see the ***Exhibit F*** - Attestation Letter provided by Mr. Murray discussing the amount of total time he devotes to NOCO and the amount of time that he commits to Johnstown. Additional research indicates that Murray's salary for 2024 was not allocated in the manner presented by the auditor. Please see ***Exhibit G*** - Murray 2024 Labor Allocation Report which indicates that only $58,163.09 of Murray's compensation (including benefits) was charged to Johnstown in 2024. The remainder of $54,310.27 was charged to Association Office. Given this information, we dispute Town of Johnstown's request for $54,006.14 and request that Town of Johnstown owes NOCO the $54,310.27 charged to Association Admin (not to Johnstown).

7) **Equipment Not Inventoried:** During the Johnstown staff inventory of gym / fitness equipment, some items were identified as 'missing'. Please see the ***Exhibit H*** - attached letter from Murray detailing the equipment and the specific dates when the equipment had been loaned to Lafayette Y. The equipment has been placed back in service at Johnstown as of January 9, 2026. NOCO agrees that the loan of equipment to another association location should have been discussed with Johnstown leadership and approved. We apologize and attest that this will be the policy moving forward. We calculated a rental fee based on the value of the equipment and the time the equipment was at an alternate location at $1,753.50. NOCO agree to pay this amount to Johnstown as a rental fee. Town of Johnstown staff indicated that there were two (2) InBody Scanners on site. Please see ***Exhibit I*** attached which is attestation from Johnstown / NOCO staff indicating that there has only ever been one (1) InBody scanner at the Johnstown YMCA and it was never removed. Please see ***Exhibit J*** attached which is the original quote from InBody for one (1) InBody scanner. NOCO disputes the charge of $31,510.90 for missing equipment and agrees to pay Town of Johnstown $1,753.50 as a rental fee for the time the equipment was used at another NOCO location. The Y would like to note that the branches move equipment around the association based on need regularly. In fact, Johnstown has approximately $70,000 of association owned equipment on site at this time. This has been occurring since the contract started and the Y has never considered charging the Town a rental fee. This is also part of the savings of Tax-Payer dollars that the town enjoys by being part of the Y association. In fact, the YMCA owned Pilates equipment has earned the town approximately $44,000 since 2024.

8) **Audit Cost:** Page # 10, section 6.4 of the Johnstown / NOCO operating states that "If the Town's audit indicates that the YMCA's records deviate in a significant manner from the Monthly Reports and audit reports provided by the YMCA to the Town, the YMCA shall pay the cost of the Town's audit."

   The information in this report disputes some of the findings of the audit report and indicates deficiencies of the auditor's analysis of the data as well as specific errors presented in the audit report. Given this information NOCO does not believe that the findings in the audit report deviate from the information provided to the Town and therefore NOCO is not responsible for the cost of the audit. However, the Y is more than happy to "call it even" between the Town and The Y financially with some minor considerations that can only be discussed at a working session with the full council present.

9) **Less the Amount Due from the Town:**

   a. For 2022 Johnstown, NOCO and the audit report agree that there are no significant variances and no adjustments required. The loss by NOCO for 2022 exceeded the subsidy amount of $500,000. No action required.

   b. For 2023 there are some adjustments required. The auditor's report provides revenue amounts for 2023 in three places. On page # 7, Figure 2 the audit report compares revenues and expenses provided by NOCO's monthly reports compared to NOCO's general ledger (GL) reports. The GL revenue for 2023 on Figure 2 is $2,735,815.18. The revenue on page # 11, Figure 7 for 2023 is shown as $2,708,498.04 with detail to support this amount. The revenue chart on Workpaper 1 again shows 2023 revenue as $2,708,498.04 with additional supporting detail. We could not find any data in the report to support Figure 2 amount and therefore presume that this amount is erroneous. Please note that the revenue and expense amounts on all three instances in the auditor report match except for the 2023 revenue.

   Please note that the revenue amount of $2,708,498.04 includes the $35,000 grant which had not been included in the total monthly revenue amounts reported by NOCO during the year. This is important when calculating the amount due to / to from Johnstown and NOCO. With this consideration, the variance between the GL and the reported revenue is $1,448.04.

2023 Revenue adjustment		
2,672,050.00	2023 revenue per Gl (grant not incl)	
2,708,498.04	total revenue auditor report page 11	
(36,448.04)	variance	
35,000.00	grant rev included	(1,448.04)

   Ms. McCoy's workpaper indicates that $148,340.38 is due to Johnstown from NOCO or is a subsidy carryforward. Using the 2023 revenue of $2,708,498.04 and as noted above including the $35,000 grant in this amount, the due to Johnstown from NOCO (subsidy carryforward) is $126,841.79.

Version match with McCoy JTY 2023	
2,735,815.18	total revenue per audit page 7 (35K grant incl)
(2,597,035.62)	report page 7 (lower than wp)
(397,346.45)	Y admin fee
(258,566.89)	net before subsidy
500,004.00	subsidy booked
258,566.89	subsidy should be equal to loss
51,426.10	incentive bonus
309,992.99	total subsidy and bonus
190,011.01	overpaid due back to town
41,670.63	susbsidy not paid
148,340.38	due to Town of Johnstown from NOCO - matches McCoy

Version with lower revenue 2023	
2,708,498.04	total revenue auditor report page 11 (grant 35K incl)
(2,597,035.62)	report page 7 (lower than wp)
(397,346.45)	Y admin fee
(285,884.03)	net before subsidy
500,004.00	subsidy booked
285,884.03	subsidy should be equal to loss
45,607.55	incentive bonus
331,491.58	total subsidy and bonus
168,512.42	overpaid due back to town
41,670.63	susbsidy not paid
126,841.79	due to Town of Johnstown from NOCO - revised ML

c. For 2024 Johnstown, NOCO and the audit report agree that the revenue and expense amounts are stated correctly. Please note that the original 2024 monthly reports were revised to include the revenue of $22,842.06 of joining fees. This amount of revenue is now included in the analysis, and no further adjustment is required.

Version matching rev and expenses JTY 2024 - McCoy subsidy carry over	
2,895,818.11	all revenue match - includes joining fees
(2,931,014.00)	expenses per GL
(448,445.14)	Y admin fee
(483,641.03)	net before subsidy
425,672.66	subsidy booked JTY - per McCoy worksheet
483,641.03	subsidy should be equal to loss
(57,968.37)	amount due to JTY for subsidy
3,484.46	incentive due to subsidy less than 500K
61,452.83	total due to NOCO for 2024
61,452.83	due to NOCO from Town of Johnstown

Version matching rev and expenses JTY 2024 - marc subsidy carry over	
2,895,818.11	all revenue match - includes joining fees
(2,931,014.00)	expenses per GL
(448,445.14)	Y admin fee
(483,641.03)	net before subsidy
404,174.07	subsidy booked JTY - adjusted by ML
	reduced by $21,498.59 due to 2023 adjustment
483,641.03	subsidy should be equal to loss
(79,466.96)	amount due to JTY for subsidy
3,484.46	incentive due to subsidy less than 500K
82,951.42	total due to NOCO for 2024
82,951.42	due to NOCO from Town of Johnstown

Amounts paid in 2024 by JTY	
277,332.28	
148,340.38	subsidy carry over per McCoy
425,672.66	per McCoy
277,332.28	
126,841.79	subsidy carry over per ML
404,174.07	per ML

10) Conclusion:

Audit Review Breakdown – revised based on information provided – this is what NOCO believes the amounts should be for each category.

Conclusion Calculation	
Lack of Supporting Documentation	$18,768
Johnstown Not Listed	$4,685
Employee Not Assigned to Johnstown	$6,367
Prohibited Use	$164
Payroll Allocations - Spettel	$0
Payroll Allocations - Murray	($54,310)
Equipment Not Inventoried	$1,753
Audit Cost	$0
Amount due to NOCO from Town of Johnstown	($82,951)
Total Potentially due to NOCO	**$105,524**

11) Other:

It is also important to note that the Town enjoys the use of shared YMCA equipment such as maintenance materials, vans, day camp carnival supplies, and labor from other branches during projects, etc. The Y has never charged any rental fees for these supplies or labor. Lastly, the Town benefits from shared grants that the YMCA writes exclusively for the JTY or that includes the JTY the amount of this is more than $840,000. Lastly, the Y has provided scholarships for the community far more than what is raised locally. Which means that the rest of the Ys “donated” to the community of Johnstown. For example, in 2024 the community fundraising was $23,700, but we gave out $157,000 in scholarships; in 2025 we raised $33,200 but gave out $321,000 in scholarships. Clearly the Taxpayers are getting significant value with the Y.

Sincerely,

Chris Coker, CEO
YMCA of Northern Colorado

From: Michael Duncan
To: Matt LeCerf; Mitzi McCoy
Cc: Avi Rocklin
Subject: YMCA Response
Date: Wednesday, May 6, 2026 10:39:55 AM
Attachments: image001.png

Hi Matt and Mitzi,

Now that we have received the YMCA's final numbers, I would like you both to conduct a detailed review and compare their figures against the Town's records, prior analysis, and current position.

Before we move forward with any working group meeting or sit-down with the YMCA, I want to ensure Council fully understands and can support the team's analysis. This matter involves taxpayer dollars, and it is important that we have a clear, accurate, and complete picture before engaging in any further discussions.

As part of this review, I would also like to understand our options if the Town determines that continuing with the YMCA is not in the best interest of our residents. Specifically, please include potential paths for either the Town assuming the programming or operational responsibilities, exploring whether TRPR is a viable partner, or issuing an RFP to evaluate other qualified providers.

Once you have completed your review, I would like us to schedule an executive session with Council to discuss the YMCA response, the financial comparison, the Town's position or proposal, the viability of alternative operating models, and any potential next steps.

After Council has had time to digest your analysis and the Town's proposed path forward, we can then determine whether a sit-down with the YMCA is appropriate and how that conversation should be structured.

Thank you,

Michael Duncan
Mayor, Town of Johnstown
450 S Parish Avenue, P.O. Box 609
Johnstown, CO 80534
United States

Email: MDuncan@johnstownco.gov