YMCA OF GREENVILLE
AND AFFILIATE
GREENVILLE, SOUTH CAROLINA

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

(With Independent Auditors' Report Thereon)

YMCA OF GREENVILLE AND AFFILIATE
GREENVILLE, SOUTH CAROLINA
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MARTIN·SMITH
& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT

Board of Directors
YMCA of Greenville and Affiliate

Opinion
We have audited the accompanying consolidated financial statements of the YMCA of Greenville ("the Association") (a not-for-profit organization) and Affiliate, which are comprised of the consolidated statement of financial position as of December 31, 2021 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related footnotes to the consolidated financial statements. The consolidated financial statements of the YMCA of Greenville and Affiliate as of December 31, 2020, were audited by other auditors whose report dated May 28, 2021, expressed an unmodified opinion on those statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the YMCA of Greenville as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the YMCA of Greenville and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made bya reasonable user based on the consolidated financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Martin Smith and Company CPAs PA

Greenville, South Carolina
May 12, 2022

YMCA OF GREENVILLE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 4,527,395	$ 947,355
Restricted cash	3,587,251	2,268,934
Pledges receivable, current portion	413,650	251,750
Other receivables	208,259	128,666
Inventories	25,645	17,638
Prepaid expenses	40,593	49,908
Investments	2,466,642	2,237,741
Total current assets	11,269,435	5,901,992
PROPERTY AND EQUIPMENT, NET	23,906,125	24,263,911
OTHER ASSETS		
Pledges receivable, less current portion	130,965	116,170
Equity investment in Hollingsworth Fund	41,445,458	39,207,633
Total other assets	41,576,423	39,323,803
TOTAL ASSETS	$ 76,751,983	$ 69,489,706
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 270,846	$ 227,073
Accrued expenses and other liabilities	626,156	901,414
Line of credit	204,000	185,000
Notes payable - current portion	280,923	421,191
Revenue bonds payable - current portion	375,000	375,000
Obligations under capital leases - current portion	500,345	339,564
Deferred revenue	1,487,406	908,289
Total current liabilities	3,744,676	3,357,531
LONG-TERM DEBT		
Notes payable - less current portion	4,442,132	4,678,758
CARES Act loans	150,000	1,450,000
Revenue bonds payable - less current portion	1,104,247	1,470,563
Obligations under capital leases - less current portion	643,873	480,398
Total long-term debt	6,340,252	8,079,719
TOTAL LIABILITIES	10,084,928	11,437,250
NET ASSETS		
Without donor restrictions:		
Undesignated	14,141,602	9,054,739
Board designated	5,923,028	5,525,944
Hollingsworth equity investment	41,445,458	39,207,633
With donor restrictions:		
Restricted by time of purpose	2,536,600	1,684,845
Restricted in perpetuity	2,620,367	2,579,295
TOTAL NET ASSETS	66,667,055	58,052,456
TOTAL LIABILITIES AND NET ASSETS	$ 76,751,983	$ 69,489,706

See accompanying notes to consolidated financial statements.

YMCA OF GREENVILLE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions and grants:						
Contributions:						
Public support	$ 1,606,637	$ 581,034	$ 2,187,671	$ 2,926,206	$ 230,417	$ 3,156,623
Capital campaign	-	1,186,004	1,186,004	-	830,852	830,852
Grants:						
United Way	52,000	-	52,000	41,125	-	41,125
Other	265,579	246,223	511,802	729,285	477,618	1,206,903
Total Contributions and Grants	1,924,216	2,013,261	3,937,477	3,696,616	1,538,887	5,235,503
Other revenues and gains (losses):						
Membership	7,845,794	-	7,845,794	6,860,176	-	6,860,176
Program services fees	6,542,994	-	6,542,994	3,575,382	-	3,575,382
Sales and rental income	837,960	-	837,960	465,352	-	465,352
Interest and dividends	3,367	77,748	81,115	1,883	41,859	43,742
Realized gain (loss) on sale of investments	-	200,533	200,533	-	59,241	59,241
Unrealized gain (loss) on investments	-	52,707	52,707	-	171,553	171,553
Realized gain (loss) on sale of fixed assets	92,800	-	92,800	(3,343)	-	(3,343)
Unrealized gain (loss) on equity investment	2,237,825	-	2,237,825	1,253,848	-	1,253,848
Gain on forgiveness of Paycheck Protection Program Loans	3,300,000	-	3,300,000	-	-	-
Employee Tax Credits	3,123,250	-	3,123,250	-	-	-
Miscellaneous	220,253	-	220,253	114,395	-	114,395
Total Other Revenues and Gains (Losses)	24,204,243	330,988	24,535,231	12,267,693	272,653	12,540,346
Net assets released from restrictions	1,451,423	(1,451,423)	-	1,254,403	(1,254,403)	-
TOTAL REVENUES	$ 27,579,882	$ 892,826	$ 28,472,708	$ 17,218,712	$ 557,137	$ 17,775,849

YMCA OF GREENVILLE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES						
Program services:						
Health development	$ 7,047,175	$ -	$ 7,047,175	$ 6,143,218	$ -	$ 6,143,218
Residential camp	2,589,011	-	2,589,011	2,003,497	-	2,003,497
Child care	2,036,267	-	2,036,267	2,043,608	-	2,043,608
Day camp	945,404	-	945,404	700,016	-	700,016
Recreation	1,424,167	-	1,424,167	1,055,961	-	1,055,961
Personal development	629,789	-	629,789	434,188	-	434,188
Total Program Services	14,671,813	-	14,671,813	12,380,488	-	12,380,488
Supporting services:						
Fundraising	642,442	-	642,442	609,402	-	609,402
Management and general	4,543,854	-	4,543,854	4,386,310	-	4,386,310
Total Supporting Services	5,186,296	-	5,186,296	4,995,712	-	4,995,712
TOTAL EXPENSES	19,858,109	-	19,858,109	17,376,200	-	17,376,200
CHANGES IN NET ASSETS	7,721,773	892,826	8,614,599	(157,488)	557,137	399,649
NET ASSETS, Beginning of year	53,788,315	4,264,141	58,052,456	53,945,804	3,707,003	57,652,807
NET ASSETS, End of year	$ 61,510,088	$ 5,156,967	$ 66,667,055	$ 53,788,316	$ 4,264,140	$ 58,052,456

See accompanying notes to consolidated financial statements.

YMCA OF GREENVILLE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services								Supporting Services	
	Health t	Residential Camp	Child Care	Day Camp	Recreation	Personal Development	TOTAL PROGRAM SERVICES	Fundraising	Management and General	TOTAL ALL SERVICES
EXPENSES										
Salaries/contract services	$ 3,537,838	$ 832,831	$ 894,102	$ 495,780	$ 562,628	$ 104,510	$ 6,427,689	$ 360,823	$ 1,918,451	$ 8,706,963
Employee benefits	566,572	220,733	195,235	70,375	107,252	28,361	1,188,528	92,489	547,798	1,828,815
Payroll taxes	223,730	53,397	58,727	33,336	32,464	7,608	409,262	26,856	113,425	549,543
Total employee compensation	4,328,140	1,106,961	1,148,064	599,491	702,344	140,479	8,025,479	480,168	2,579,674	11,085,321
Supplies	416,826	447,687	87,102	59,380	306,941	69,398	1,387,334	22,380	579,554	1,989,268
Telephone	27,604	11,631	10,194	2,366	4,732	600	57,127	350	136,768	194,245
Postage and shipping	33	2,678	122	3	6	108	2,950	1,794	2,899	7,643
Occupancy	688,778	169,429	139,297	70,653	127,443	12,000	1,207,600	-	51,235	1,258,835
Rental and maintenance of equipment	109,581	15,712	29,630	9,220	18,441	2,255	184,839	-	20,462	205,301
Printing and publications	3,186	14,732	126	449	847	1,910	21,250	673	369,220	391,143
Travel and transportation	21,424	121,025	26,067	3,948	4,627	184,471	361,562	4,907	16,123	382,592
Conferences, conventions, and meetings	21,112	16,713	5,223	1,179	2,357	59,021	105,605	6,922	11,288	123,815
Professional fees	-	623	-	-	-	-	623	-	269,003	269,626
Organizational dues	1,590	5,106	412	136	273	-	7,517	1,490	14,664	23,671
Recruitment and relocation	18,425	22,170	3,745	1,579	3,159	-	49,078	-	6,571	55,649
Capital debt interest	76,182	46,859	13,060	6,530	13,060	-	155,691	-	16,201	171,892
Interest	42,579	1,281	8,907	3,650	7,299	-	63,716	-	-	63,716
Insurance	167,041	56,688	72,715	14,318	28,636	-	339,398	-	29,657	369,055
Scholarships	241,811	75,564	198,356	72,393	23,834	-	611,958	-	-	611,958
Other	5,372	32,524	921	460	3,376	-	42,653	123,758	49,321	215,732
Total expenses before depreciation and payments to affiliated organizations	6,169,684	2,147,383	1,743,941	845,755	1,247,375	470,242	12,624,380	642,442	4,152,640	17,419,462
Depreciation and amortization	765,229	427,628	270,081	90,027	157,547	157,547	1,868,059	-	382,614	2,250,673
Payments to affiliated organizations	112,262	14,000	22,245	9,622	19,245	2,000	179,374	-	8,600	187,974
TOTAL EXPENSES	$ 7,047,175	$ 2,589,011	$ 2,036,267	$ 945,404	$ 1,424,167	$ 629,789	$ 14,671,813	$ 642,442	$ 4,543,854	$ 19,858,109

See accompanying notes to consolidated financial statements.

YMCA OF GREENVILLE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services						TOTAL		Supporting Services	TOTAL
	Health Development	Residential Camp	Child Care	Day Camp	Recreation	Personal Development	PROGRAM SERVICES	Fundraising	Management and General	ALL SERVICES
EXPENSES										
Salaries/contract services	$ 2,772,774	$ 692,813	$ 945,601	$ 336,548	$ 383,813	$ 156,851	$ 5,288,400	$ 351,845	$ 1,779,111	$ 7,419,356
Employee benefits	571,304	156,181	149,343	53,790	97,271	32,732	1,060,621	77,125	589,278	1,727,024
Payroll taxes	195,710	39,765	61,187	23,381	27,591	11,637	359,271	25,795	111,022	496,088
Total employee compensation	3,539,788	888,759	1,156,131	413,719	508,675	201,220	6,708,292	454,765	2,479,411	9,642,468
Supplies	454,932	317,032	77,598	39,619	173,645	42,425	1,105,251	34,086	463,504	1,602,841
Telephone	33,182	11,899	8,752	2,844	5,688	755	63,120	200	145,488	208,808
Postage and shipping	48	1,793	66	1	3	329	2,240	783	3,771	6,794
Occupancy	623,134	136,515	143,889	70,943	109,591	12,000	1,096,072	-	46,910	1,142,982
Rental and maintenance of equipment	78,250	11,505	25,659	6,605	13,210	2,340	137,569	-	23,561	161,130
Printing and publications	14,480	2,249	645	2,745	3,814	518	24,451	267	370,424	395,142
Travel and transportation	15,084	52,920	12,617	1,276	2,756	5,035	89,688	1,722	12,431	103,841
Conferences, conventions, and meetings	17,930	5,941	1,809	958	1,076	20,588	48,302	5,536	11,732	65,570
Professional fees	-	-	-	-	-	-	-	60,099	151,630	211,729
Organizational dues	10,432	4,519	1,982	633	1,266	116	18,948	632	16,748	36,328
Recruitment and relocation	8,851	11,721	1,517	759	1,517	75	24,440	-	3,563	28,003
Capital debt interest	84,997	45,979	14,571	7,285	14,571	-	167,403	-	16,553	183,956
Interest	33,451	2,006	7,549	2,867	5,735	-	51,608	-	-	51,608
Insurance	186,795	52,101	66,447	16,011	32,022	-	353,376	-	23,410	376,786
Scholarships	232,461	40,885	253,433	41,777	17,630	-	586,186	-	-	586,186
Other	6,797	15,210	1,263	578	2,786	30	26,664	51,312	243,721	321,697
Total expenses before depreciation and payments to affiliated organizations	5,340,612	1,601,034	1,773,928	608,620	893,985	285,431	10,503,610	609,402	4,012,857	15,125,869
Depreciation and amortization	707,788	395,529	249,808	83,269	145,721	145,721	1,727,836	-	353,894	2,081,730
Payments to affiliated organizations	94,818	6,934	19,872	8,127	16,255	3,036	149,042	-	19,559	168,601
TOTAL EXPENSES	$ 6,143,218	$ 2,003,497	$ 2,043,608	$ 700,016	$ 1,055,961	$ 434,188	$ 12,380,488	$ 609,402	$ 4,386,310	$ 17,376,200

See accompanying notes to consolidated financial statements.

YMCA OF GREENVILLE
CONSOLIDATED STATEMENTS OF CASH FLOWS
DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 8,614,599	$ 399,649
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,250,673	2,081,730
Unrealized gain on investments	(52,707)	(171,553)
Realized gain on sale of investments	(200,533)	(59,241)
Realized (gain) loss on sale of property and equipment	(92,800)	3,343
Gain on equity investment	(2,237,825)	(1,253,848)
Net changes in operating assets and liabilities:		
Pledges receivable	8,205	1,675
Other receivables	(79,593)	99,594
Inventories	(8,007)	(679)
Prepaid expenses	9,315	(24,396)
Accounts payable	43,773	(239,123)
Accrued expenses and other liabilities	(275,258)	365,278
Deferred revenue	579,117	118,203
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,558,959	1,320,632
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,884,203)	(1,805,877)
Investments acquired at cost	(645,929)	(784,238)
Proceeds from disposition of property and equipment	92,800	21,826
Proceeds from sale of investments	670,268	812,454
NET CASH USED BY INVESTING ACTIVITIES	(1,767,064)	(1,755,835)
CASH FLOWS FROM FINANCING ACTIVITES		
Pledge contributions	299,500	239,000
New pledges	(484,400)	(262,500)
Payments on line of credit	(41,000)	(249,735)
Payments on notes payable	(438,827)	(381,351)
Payments on capital leases payable	(489,240)	(337,918)
Payments on revenue bonds	(375,000)	(375,000)
Proceeds from issuance of line of credit	60,000	90,000
Proceeds from issuance of notes payable	61,933	169,430
Proceeds from issuance of capital leases payable	813,496	667,372
Proceeds from CARES Act loans	2,000,000	1,450,000
Forgiveness of CARES Act loans	(3,300,000)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(1,893,538)	1,009,298
INCREASE IN CASH AND CASH EQUIVALENTS	4,898,357	574,095
CASH AND CASH EQUIVALENTS, beginning of year	3,216,289	2,642,194
CASH AND CASH EQUIVALENTS, end of year	$ 8,114,646	$ 3,216,289
SUPPLEMENTAL DISCLOSURES		
Cash paid during the year for interest	$ 535,609	$ 235,564
Acquisition of equipment through capital leases	$ 813,496	$ 667,372

See accompanying notes to consolidated financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization: The YMCA of Greenville ("the Association" or "the YMCA") is a human services organization whose purpose is helping individuals grow in spirit, mind, and body. The Association is a member of the National Council of Young Men's Christian Associations, and accordingly, remits annual membership fees based on a percentage of its non-exempt income which generally excludes support from foundations and governmental grants. This percentage was approximately 1.20% for both 2021 and 2020.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the YMCA of Greenville Foundation, Inc. ("the Foundation"), an affiliated corporation established to receive certain gifts to primarily achieve the goals of the Association. All intercompany transactions and balances have been eliminated in the consolidated financial statements.

Basis of Accounting: The consolidated financial statements of the Association have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Presentation: The Association records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

- Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Operating Activities: Operating activities reflect all transactions increasing or decreasing net assets except those items associated with long-term investment such as contributions for endowment and facilities and equipment and investment returns in excess of amounts designated for current operations.

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

Public Support

Contributions: The Association receives contributions to support operating activities, endowments, and capital projects. These contributions can be from individuals, foundations, corporations, or trusts. The Association records contributions receivable, net of allowances for estimated uncollectable amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. Conditional gifts, with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

In-kind Contributions: The Association recognizes contributions of services received if such services: (a) create or enhance nonfinancial assets (b) require specialized skills (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not contributed. The Association received no contributed services for the years ended December 31, 2021 or 2020.

The Association receives services from many volunteers who give significant amounts of their time to the programs of the Association. No amounts have been reflected for these types of donated services, as there is no objective basis available to measure the value of such services.

Contributions of assets other than cash are recorded at estimated fair value.

Revenue Recognition

The Association has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees.

Because the Association's performance obligations relate to contracts with a duration of less than one year, the Association has elected to apply the optional exemption provided in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606-10-50-14(a), Revenue from Contracts with Customers, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Membership Dues and Program Fees: Membership dues and program fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs. Members join for varying lengths of time and may cancel with 10 days' notice. Members generally pay a onetime joining fee plus monthly dues in advance. Memberships provide use of the recreation facilities, access to free classes, programs and activities, and discounts to fee-based programs. The Association offers a variety of programs including family, childcare, day camp, resident camp, teen, fitness, aquatics, and health services. Fee-based programs are available to the public. Program fees for short duration programs of two months or less, such as aquatics classes, are typically paid in advance at the time of registration. Program fees for longer duration programs, such as fee-based childcare, are usually paid weekly or monthly in advance. Cancellation provisions vary by program, but most transactions are cancellable with 15 to 30 days' notice. Refunds may be available for services not provided. Financial assistance is available to members and program participants.

Membership dues and program fees are recognized ratably over the period the membership or program service is provided on a straight-line basis in an amount that reflects the consideration the Association expects to be entitled to in exchange for those services. All the Association's revenue from contracts with customers are from performance obligations satisfied over time. Prices are specific to a distinct performance obligation and do not consist of multiple transactions.

Membership dues and program fees paid to the Association in advance represent contract liabilities and are recorded as other deferred revenue. Amounts billed but unpaid are contract assets and recorded as accounts receivables.

The Association was closed for two months in 2020 due to the Pandemic. Membership fees in the amount of $1,219,670 were received during the closure. These fees are considered charitable contributions and have been recorded in Public Support.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable: The YMCA extends credit to its members and program participants enrolling in certain programs, such as summer and day camp, which are due in full prior to the start of the program. The YMCA's accounts receivable represents an unconditional right to consideration from its contracts with customers. Receivables are recorded at estimated fair value at the time of origination and are reflected in the statements of financial position net of allowances for doubtful accounts. The allowance for doubtful accounts is determined by a monthly review of account balances, including the age of the balance and historical collection experience. Uncollectible receivables are charged to the allowance. An expense is recorded at the time the allowance is adjusted.

Classification of Revenue and Expense: Revenues and expenses of the Association are reported in the consolidated financial statements according to the Association's basic programs. A brief description of the programs follows:

- *Health development* – The Association has developed a complete wellness program that includes all necessary elements for a healthy body through the provision of health and fitness equipment, training, and dietary recommendations.

- *Residential camp* – The resident camp brings together children from all over the United States to learn to express themselves while showing respect and appreciation for others, all while learning to enjoy outdoor skills and experiences. Additionally, several outreach programs have been developed for the spring and fall sessions that include environmental educations, leadership, teamwork and self-esteem for school children, and group camping.

- *Childcare* – The Association's child development area includes a variety of programs. The infant-toddler care program provides babies the consistent attention needed while guiding children through the early years of developmental stages. The preschool care programs build on children's natural desire to learn new things and become more self-reliant. The after-school programs involve participants in educational and arts activities – plus sports, field trips and service projects. All the programs are designed to reach all critical areas of child development – spirit, mind, and body.

- *Day camp* – The day camp program is designed to be fun as well as educationally stimulating while teaching social skills and values like caring, honesty, respect, and responsibility. Healthy spirit, mind, and body are emphasized in the day camps. To that end, sports and games, including aquatics, are core areas, as are outdoor skills and the arts.

- *Recreation* – The youth sports programs strive to teach sports skills but always focus on teamwork, responsibility, good sportsmanship, and fun. This area primarily consists of sports clinics and sports leagues.

- *Personal development* – A variety of programming is included in this category. Adventure guides provide opportunities for fathers and their children to have fun together with other fathers and kids. Additionally, the Association provides a series of weeklong leadership development training sessions including classroom instructions, hands-on job shadowing, team building and game leadership. The YMCA Youth in Government program seeks to help create the next generation of good citizens through demystifying local, state, and national governmental systems so tomorrow's adults will know how to affect change within these systems.

- *Management and general* – This category represents expenses that indirectly support the programs provided by the Association. In addition, it assures that the Association has a clear direction towards the future development of the community and assures that the Association has the human and financial resources to carry out its work.

- *Fundraising* – Fundraising represents expenses that constitute an appeal for financial support, such as costs incurred in connection with pledge receivables. Fundraising costs include costs of personnel, supplies, postage, and printing.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Association considers cash accounts which are not subject to withdrawal restrictions or penalties, money market accounts and certificates of deposit with original maturities of 90 days or less to be cash or cash equivalents.

Restricted cash represents deposits held for a variety of projects for which donations were restricted by the donors. Also, capital campaign restricted cash is used for debt service requirements of the JEDA bonds, and the payment of the $4,518,774 note payable described in Note 11.

Tax Status: The Association has obtained a favorable tax determination letter from the Internal Revenue Service, and management believes that the Association continues to qualify and is therefore tax exempt under Section 501 (c)(3) of the Internal Revenue Code.

FASB ASC 740-10 prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that the Association has taken or expects to take on a tax return. In accordance with FASB ASC 740-10, the Association recognizes the tax benefits from uncertain tax positions only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Association's income tax filings are subject to audit by various taxing authorities. Management believes there was no significant impact on the Association's financial statements as a result of the adoption of ASC 740-10.

Investments: Investments consist primarily of assets invested in marketable equity and debt securities and money-market accounts. The Association accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. The realized and unrealized gain or loss on investments is reflected in the statement of activities.

Equity Investments
Equity investments consist of corporate stocks and daily traded mutual funds. Securities held in corporate stocks and daily traded mutual funds are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied.

Debt Investments
Debt investments consist of U.S. Government obligations, corporate bonds and notes, and daily traded mutual funds. All investments in debt securities are valued based on quoted market prices in active markets and are categorized as Level 1.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near-term and that such changes could materially affect the amounts reported in the statements of financial position.

Pledges Receivable: Pledges receivable consists of annual campaign, capital campaign and endowment contributions due from local individuals and businesses. Absent donor stipulations, the Association classifies all pledges as increases in net assets with donor restrictions. When restrictions expire due to passage of time or when the purpose is fulfilled, net assets with donor restrictions are reclassified net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions. Allowances for uncollectible pledges receivable are established based on historical collection rates and specific identification of uncollectible accounts. An allowance equal to 5% of the outstanding pledge balances for most pledges was recorded at December 31, 2021 and 2020.

Inventories: Inventories, consisting primarily of items held for resale, are valued at the lower of cost (first in, first out) or market.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property and Equipment: All property and equipment costing more than $500 are capitalized at cost, if purchased, or fair value, if donated, at the date of donation. Property and equipment held under capital leases are stated at the present value of future minimum lease payments at the inception of the lease which approximates fair market value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is included as part of the capitalized value of the assets constructed. During the years ended December 31, 2021 and 2020, there was no net interest capitalization.

Depreciation of property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. Property and equipment held under capital leases and leasehold improvements are amortized on the straight-line method over the shorter of the lease terms or estimated useful lives of the assets. Depreciation expense is calculated based on the following useful lives:

Improvements other than building	8 – 40 years
Buildings and building improvements	5 – 39 years
Furniture and equipment	3 – 20 years

Fair Value of Financial Instruments: The provisions of FASB ASC topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establish a framework for measuring fair value in accounting principles generally accepted in the United States of America, and expands disclosures regarding the fair value measurements of certain financial instruments. Topic 820 addresses acceptable valuation techniques and establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- *Level 1 inputs* are unadjusted quoted prices for identical assets and liabilities in active markets to which the reporting entity has access.

- *Level 2 inputs* are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. They include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable (for example, interest rates), and inputs that are derived from or corroborated by observable market data.

- *Level 3 inputs* are unobservable and are significant to the fair value measurement.

The fair value codification expands disclosures about fair value measurements for certain financial assets and liabilities.

The carrying amounts of cash, receivables, accounts payable, and other accrued liabilities approximate fair value because of the short maturity of these financial instruments. The carrying values of the Association's investments are based on information provided by external investment managers or comparison to quoted market values. The carrying amounts of pledges receivable represent the estimated present values of expected future cash flows.

The carrying amounts of the notes payable, bonds payable and capital leases approximate fair value because these financial instruments bear interest at rates which approximate current market rates for notes with similar maturities and credit equity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

Equity Investment in Hollingsworth Funds, Inc: In December 2000, the equity interest of John D. Hollingsworth On Wheels, Inc. and the substantial real estate holdings passed to an Internal Revenue Service ("IRS")-qualified supporting organization, Hollingsworth Funds, Inc. ("the Funds"), upon the death of John D. Hollingsworth, the company's founder, and sole stockholder. According to Mr. Hollingsworth's last will and testament, the YMCA of Greenville will receive 10% of the annual distribution to beneficiaries of the Funds; the YMCA of Greenville accounts for this interest under the equity method of accounting and recognizes its share of changes in net assets of the Fund. The YMCA of Greenville recognized an unrealized gain of $2,237,825 and $1,253,848 for the years ended December 31, 2021 and December 31, 2020, respectively, in the statement of activities.

Accounting Pronouncements Adopted: In August 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities: Topic 958. The amendments in this Update affect not-for-profit entity's ("NFP's") and the users of their general-purpose financial statements. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources. The Association implemented this ASU effective for the year ended December 31, 2018.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers Topic (606). This ASU supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The YMCA adopted this ASU on January 1, 2019.

The YMCA implemented ASU 2014-09 using a full retrospective method of application. The adoption of ASU 2014-09 resulted in changes to the disclosure of revenue. There were no material changes to the recognition or presentation of revenue because of the application of ASU 2014-09. As a result, no cumulative effect adjustment was recorded upon adoption.

Recent Accounting Pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases*. This ASU affects any entity that enters a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The amendments in this ASU are effective for fiscal years beginning after December 15, 2021. The YMCA implemented this ASU effective January 1, 2022, using the modified retrospective approach. The YMCA elected the optional practical expedient package which, among other things, includes the historical classification of leases.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	$	8,114,646
Accounts receivable		208,259
Endowment spending-rate appropriations		107,360
Financial assets available for general expenditure	$	8,430,265

The Association's endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, except for the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Association's Board-designated endowment of $1,933,797 is subject to an annual spending rate of 5% as described in Note 9. Although management does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of the Association's liquidity management plan, management invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was $4,831,051 as of December 31, 2021 and $775,153 as of December 31, 2020.

The YMCA also maintains a line of credit in the amount of $500,000, which could be drawn upon in the event of an anticipated liquidity need.

NOTE 3 – PLEDGES RECEIVABLE

The capital campaigns for the Prisma Health Family YMCA, Camp Greenville, Caine Halter Family YMCA, and Eastside Family YMCA have received pledges of $3,064,397, $5,081,564, $246,871, and $1,170,689 respectively, as of December 31, 2021. The gross pledge receivable balances at December 31, 2021 for the Camp Greenville, Caine Halter Family YMCA, and Eastside Family YMCA capital campaigns were $239,600, $49,500, and $30,000, respectively. The pledges from these campaigns are expected to be collected in five years, with the donors designating their terms of payment.

The Association began accepting pledges in 2021 for the 2022 Annual Campaign. The gross pledge receivable balances for the 2021 Annual Campaign and the 2022 Annual Campaign as of December 31, 2021 were $30,800 and $158,000, respectively.

NOTE 3 – PLEDGES RECEIVABLE, continued

Unconditional promises to give at December 31 are:

	2021	2020
Pledges due in less than one year	$ 363,650	$ 251,750
Pledges due in one to five years	204,850	131,850
Pledges due in more than five years	-	-
	568,500	383,600
Less: Discount to net present value	(23,885)	(15,680)
Total unconditional promises to give	$ 544,615	$ 367,920

NOTE 4 – INVENTORIES

Inventories at December 31 consist of the following:

	2021	2020
Merchandise for resale	$ 13,630	$ 9,683
Food inventory	12,015	7,955
Total inventories	$ 25,645	$ 17,638

NOTE 5 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31:

	2021	2020
Land	$ 2,957,224	$ 2,957,224
Land improvements	5,287,320	5,258,303
Building and building improvements	36,871,372	36,422,484
Furniture and equipment	12,902,030	11,588,532
	58,017,946	56,226,543
Less: Accumulated depreciation	(34,111,821)	(31,962,632)
Property and Equipment, Net	$ 23,906,125	$ 24,263,911

Depreciation expense for the years ended December 31, 2021 and 2020 was $2,149,189 and $1,946,991, respectively.

NOTE 6 – CAPITALIZED FINANCING COSTS

The Association capitalized $173,671 in financing costs associated with the issuance of the 2007 JEDA Bond. These costs are being amortized over the term of the bonds using the effective interest method. Amortization expenses were $8,684 for each of the years ended December 31, 2021 and 2020, respectively. Accumulated amortization for the years ended December 31, 2021 and 2020 was $125,918 and $117,234, respectively. For December 31, 2021 and 2020, the remaining unamortized capitalized financing costs balance is offset against the long-term portion of the revenue bonds, described in Note 11.

Future amortizations of capitalized financing costs as of December 31, 2021 are as follows:

2022	$	8,684
2023		8,684
2024		8,684
2025		8,684
2026		8,684
Thereafter		4,333
Future amortizations of capitalized financing costs	$	47,753

NOTE 7 – RETIREMENT PLANS

The National Council of the YMCA organized a retirement plan for all YMCA employees who qualify for participation in the retirement program. To qualify for enrollment, the employee (exempt and non-exempt) must work a minimum of 1,000 hours per year in any two anniversary years. Contributions for this plan, which are based on employee compensation, are paid at 12% and are 100% funded by the Association.

The Association's retirement expense related to these plans was $584,612 and $532,109 for the years ended December 31, 2021 and 2020, respectively.

NOTE 8 – CONCENTRATION OF CREDIT RISK

The Association maintains cash balances at several financial institutions. Interest bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At times, the Association's cash balances on deposit at these financial institutions are in excess of the federally insured limits. The Association has not experienced any losses in its bank accounts and believes it is not exposed to any significant credit risk on cash balances.

NOTE 9 – ENDOWMENT INVESTMENTS

The endowment consists of individual donor donations for a variety of purposes which the Board has designated as endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Association considers all contributions, unless specifically restricted by the donor, to be permanently restricted and part of the corpus.

NOTE 9 – ENDOWMENT INVESTMENTS, continued

Interpretation of Relevant Law

The Board of Directors has interpreted the Uniform Prudent Management Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as net asset with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standards of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Association and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Association.
7. The investment policies of the Association.

2021 Endowment Net Asset Composition by Type of Fund as of December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	$ -	$ 2,491,462	$ 2,491,462

2020 Endowment Net Asset Composition by Type of Fund as of December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	$ -	$ 2,308,080	$ 2,308,080

NOTE 9 – ENDOWMENT INVESTMENTS, continued

Changes in Endowment Net Assets for the year ended December 31:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2019	$ -	$ 2,119,591	$ 2,119,591
Investment return: Investment income (loss), net	-	41,123	41,123
Net appreciation (depreciation) realized and unrealized	-	230,794	230,794
Contributions	-	82,943	82,943
Appropriations of endowment assets for expenditure	(166,371)	-	(166,371)
Net assets released from restrictions	166,371	(166,371)	-
Endowment net assets, December 31, 2020	$ -	$ 2,308,080	$ 2,308,080
Endowment net assets, December 31, 2020	$ -	$ 2,308,080	$ 2,308,080
Investment return: Investment income (loss), net	-	77,631	77,631
Net appreciation (depreciation) realized and unrealized	-	253,240	253,240
Contributions	-	50,361	50,361
Appropriations of endowment assets for expenditure	(197,850)	-	(197,850)
Net assets released from restrictions	197,850	(197,850)	-
Endowment net assets, December 31, 2021	$ -	$ 2,491,462	$ 2,491,462

NOTE 9 – ENDOWMENT INVESTMENTS, Continued

Funds with Deficiencies: From time to time, the fair value of assets associated with Board restricted endowment funds may fall below the level that the Board requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2021 or 2020.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that achieve conservative growth with moderate income; preservation of capital is a very important long-term objective. The Foundation expects its endowment funds, over rolling five-year periods, to provide an average rate of return of approximately seven percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments (65% target allocation) to achieve its long-term return objectives within prudent constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Foundation has a policy of appropriating for distribution each year no more than five percent of its endowment fund's average fair value over the prior five years. In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment returns.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

At times, the Association has certain tort claims. The Association has insurance coverage for these claims and payments and expenses for these claims, if any, are expected to be within the policy coverage.

During the years ended December 31, 2021 and 2020, the Association participated in a federally assisted program; neither year met the threshold requirement of the Single Audit Act Amendments of 1996. Amounts received from federal grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures which may be disallowed by the grantor cannot be determined at this time although the Association expects such amounts, if any, to be immaterial.

NOTE 11 – LONG-TERM DEBT

The following is a summary of the Association's long-term debt at December 31:

	2021	2020
3.75% note payable to bank in monthly installments of principal and interest totaling $1,693 through May 2021; secured by two vehicles with a net book value of $0 and $18,470 at December 31, 2021 and 2020, respectively.	$ -	$ 13,202
3.75% note payable to bank in monthly installments of principal and interest totaling $860 through February 2022; secured by a vehicle with a net book value of $9,257 and $13,886 at December 31, 2021 and 2020, respectively.	1,644	11,713
0.00% note payable to an equipment dealer in monthly installments of $344 through October 2022; secured by two gators with a net book value of $4,129 and $6,195 at December 31, 2021 and 2020, respectively.	3,441	7,571
0.00% note payable to an equipment dealer in monthly installments of $284 through March 2021; secured by a tractor with a net book value of $0 and $5,117 at December 31, 2021 and 2020, respectively.	-	4,549
4.29% note payable to bank in monthly installments of principal and interest totaling $13,092 through March 2021; secured by wellness equipment with a net book value of $0 and $86,962 at December 31, 2021 and 2020, respectively.	-	129,288
5.25% note payable to equipment financing in monthly installments of principal and interest totaling $985 through April 2023; secured by building equipment with a net book value of $19,996 and $24,995 at December 31, 2021 and 2020, respectively.	15,185	25,898
0.00% note payable to an equipment dealer in monthly installments of $123 through October 2024; secured by equipment with a net book value of $3,688 and $5,163 at December 31, 2021 and December 31, 2020, respectively.	4,180	5,655
0.00% note payable to an equipment dealer in monthly installments of $263 through July 2023; secured by equipment with a net book value of $4,792 and $7,904 at December 31, 2021 and December 31, 2020, respectively.	5,006	8,168
3.95% note payable to bank in monthly installments of principal and interest totaling $3,112 through July 2025; secured by wellness equipment with a net book value of $107,749 and $122,833 at December 31, 2021 and December 31, 2020, respectively.	121,800	153,542
0.00% note payable to an equipment dealer in monthly installments of $287 through March 2028; secured by equipment with a net book value of $21,713 at December 31, 2021.	21,541	-
0.00% note payable to an equipment dealer in monthly installments of $382 throughMay 2025; secured by equipment with a net book value of $16,519 at December 31, 2021.	15,667	-
0.00% note payable to an equipment dealer in monthly installments of $405 through March 2025; secured by equipment with a net book value of $17,508 at December 31, 2021.	15,805	-
3.25% note payable to bank in annual principal installments of $214,000 through January 2025; interest is due monthly; secured by land, buildings, and furniture, fixtures and equipment with total net book values of $4,116,644 and $4,244,117 at December 31, 2021 and 2020, respectively.	4,518,786	4,740,363
Total Notes Payable	4,723,055	5,099,949
Less: Current portion	(280,923)	(421,191)
Notes Payable, Less Current Portion	$ 4,442,132	$ 4,678,758

NOTE 11 – LONG-TERM DEBT, continued

In January 2018, the Association consolidated the $3,942,691 note payable and the $1,500,000 Line of Credit outstanding into a single debt instrument.

Future maturities of notes payable as of December 31, 2021 are as follows:

2022	$	280,923
2023		268,452
2024		263,842
2025		3,902,073
2026		7,765
Total future maturities of notes payable	$	4,723,055

Revenue Bonds:

		2021		2020
SC-JEDA ("Jobs-Economic Development Authority") revenue bonds payable in annual principal installments of $375,000 to $402,000 plus interest at a variable, weekly rate, through March 2025, secured by real property and facilities.	$	1,527,000	$	1,902,000
Less: Current portion		(375,000)		(375,000)
Less: Unamortized capitalized financing costs		(47,753)		(56,437)
Revenue Bonds Payable, Less Current Portion	$	1,104,247	$	1,470,563

Future maturities of revenue bonds payable as of December 31, 2021 are as follows:

2022	$	375,000
2023		375,000
2024		375,000
2025		402,000
2026		-
Total future maturities of revenue bonds	$	1,527,000

Interest expense on all debt obligations for the years ended December 31, 2021 and 2020 was $535,609 and $235,564, respectively.

NOTE 12 – LINE OF CREDIT

The Association entered into a line of credit agreement with a bank for $1,500,000 in 2016. At December 31, 2017 there were $1,500,000 of borrowings against the line. In January 2018, the Association consolidated the $1,500,000 line of credit and the $3,942,691 note payable into a single debt instrument. As part of that instrument, the organization entered into an additional line of credit agreement with the same bank for $500,000. The additional line of credit will be available for capital development. The interest rate for the line of credit was reduced from 4.5% to 3.25% in 2020. Borrowings outstanding at both December 31, 2021 and 2020 were $60,000 and $0, respectively.

The Association entered into a non-revolving line of credit agreement with a bank for $220,000 in 2019 for the temporary financing of a capital project. The line of credit will be repaid as pledge payments are received for the capital project. The interest rate for the line of credit was reduced from 4.5% to 3.25% in 2020. Borrowings outstanding on December 31, 2021 and 2020 were $144,000 and $185,000, respectively.

NOTE 13 – OBLIGATIONS UNDER CAPITAL LEASES

The Association leased wellness equipment and other equipment under capital leases; the assets and liabilities under these capital leases were recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets were depreciated over their estimated productive lives. Depreciation of assets under these capital leases was included in depreciation expense for the years ended December 31, 2021 and 2020.

Following is a summary of property held under capital leases:

	2021	2020
Program equipment	$ 1,783,581	$ 970,085
Fixtures and equipment	447,728	447,728
Less: Accumulated depreciation	(1,079,184)	(659,386)
Property and Equipment, Net	$ 1,152,125	$ 758,427

Minimum future lease payments under capital leases as of December 31, 2021 are:

2022	$ 550,263
2023	455,343
2024	216,650
2025	-
2026	-
Total minimum lease payments	1,222,256
Less: Amount representing interest	(78,038)
Present value of net minimum lease payments	1,144,218
Less: Current portion	(500,345)
Total minimum future lease payments	$ 643,873

Interest rates on capitalized leases vary and are imputed based on the Association's borrowing rate at the inception of each lease.

NOTE 14 – DEFERRED REVENUE

The Association defers recognition of revenue for membership deposits and fees received in advance for programs and use of facilities at Camp Greenville. The balances at December 31 were as follows:

		2021		2020
Deferred membership deposits	$	197,135	$	156,833
Deferred program fees		335,834		226,043
Deferred Camp Greenville facility fees		954,436		525,413
Total deferred revenue	$	1,487,405	$	908,289

NOTE 15 – OPERATING LEASES

The Association has operating leases for office equipment and vehicles. Rent expense under leases for the years ended December 31, 2021 and 2020, amounted to approximately $478,000 and $456,000, respectively.

Future minimum lease payments under the operating leases are as follows:

2022	$	341,891
2023		31,083
2024		31,861
2025		18,854
2025		-
Thereafter		-
Total future minimum lease payments	$	423,689

NOTE 16 – CARES ACT FUNDING

On April 16, 2020, the Association was granted a loan ("the Loan") from TD Bank, NA ("the Bank") in the amount of $1,300,000, pursuant to the Paycheck Protection Program ("PPP") under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act ("the CARES Act"), which was enacted March 27, 2020. The Association applied for forgiveness with the lender on November 16, 2020 and received forgiveness of $1,315,131 from the U.S. Small Business Administration ("SBA") on June 10, 2021.

The Association accounted for the Loan as a financial liability under ASC 470, Debt, with interest accrued in accordance with the interest method under ASC 835-30, Imputation of Interest as of December 31, 2020. The Association recognized $1.3 million in long-term debt and deemed the imputed interest as of December 31, 2020 to be inconsequential.

On April 16, 2021, the Association was granted a second PPP loan from TD Bank, NA in the amount of $2,000,000. The Association applied for forgiveness with the lender on October 27, 2021, and received forgiveness of $2,012,667 from the SBA on November 30, 2021.

The amount of loan forgiveness for both PPP loans is presented as a component of other income on the statement of activities in 2021.

On June 30, 2020, the Association executed a secured loan with the SBA under the Economic Injury Disaster Loan program in the amount of $150,000. The loan is secured by all tangible and intangible assets of the Association and payable over 30 years at an interest rate of 2.75% per annum. Installment payments, including principal and interest, will begin December 30, 2022. As part of the loan, the Association also received an advance of $10,000 from the SBA. While the SBA refers to this program as an advance, it was written into law as a grant. This means that the amount given through this program does not need to be repaid.

Under the provisions of the CARES Act signed into law on March 27, 2020 and the subsequent extension of the CARES Act, the Association was eligible for an employee retention credit for the first three quarters of 2021. The Association recognized a $3.1 million employee retention credit in 2021.

NOTE 17 – FAIR VALUE INFORMATION

Fair values of assets and liabilities measured on a recurring basis at December 31, 2021 were as follows:

	Assets (Liabilities)		
Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
December 31, 2021:			
ASSETS			
Investments:			
Corporate stock:			
Energy	$ 89,063	$ 89,063	$ -
Materials	48,864	48,864	-
Industrials	294,536	294,536	-
Consumer Discretionary	161,123	161,123	-
Consumer Staples	115,086	115,086	-
Healthcare	232,858	232,858	-
Financials	309,474	309,474	-
Information Technology	350,118	350,118	-
Communication Services	142,472	142,472	-
Utilities	41,326	41,326	-
Real Estate	43,512	43,512	-
Non Classified	162,732	162,732	-
Total corporation stock	1,991,164	1,991,164	-
Corporate bonds	287,647	287,647	-
U.S. Government securities	187,830	187,830	-
TOTAL ASSETS	$ 2,466,642	$ 2,466,642	$ -
LIABILITIES			
Derivative instrument	$ -	$ -	$ -

NOTE 17 – FAIR VALUE INFORMATION, continued

Fair values of assets and liabilities measured on a recurring basis at December 31, 2020 were as follows:

Description	Fair Value	Assets (Liabilities) Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
December 31, 2020:			
ASSETS			
Investments:			
Corporate stock:			
Energy	$ 60,383	$ 60,383	$ -
Materials	51,148	51,148	-
Industrials	275,278	275,278	-
Consumer Discretionary	170,517	170,517	-
Consumer Staples	98,803	98,803	-
Healthcare	160,387	160,387	-
Financials	298,120	298,120	-
Information Technology	297,852	297,852	-
Communication Services	164,822	164,822	-
Utilities	37,826	37,826	-
Real Estate	40,446	40,446	-
Non Classified	171,111	171,111	-
Total corporation stock	1,826,693	1,826,693	-
Corporate bonds	239,380	239,380	-
U.S. Government securities	171,668	171,668	-
TOTAL ASSETS	$ 2,237,741	$ 2,237,741	$ -
LIABILITIES			
Derivative instrument	$ -	$ -	$ -

The valuation techniques for the assets and liabilities presented above were determined as follows:

- Level 1 fair values for investments were determined by reference to quoted market prices in active markets.

The Association had no Level 2 or 3 assets or liabilities at December 31, 2021 or 2020.

NOTE 18 – FEDERAL GRANTS

During the year ending December 31, 2021, the Association received federal awards; as stated previously, 2021 awards did not meet the threshold requirement of the Single Audit Act Amendments of 1996.

NOTE 19 – NET ASSETS

Net assets restricted by time or purpose at December 2021 and 2020 are available for the following purposes or programs:

	2021	2020
Capital campaign	$ 1,936,336	$ 1,538,048
Other	600,264	146,798
Net assets restricted by time or purpose	$ 2,536,600	$ 1,684,846

NOTE 20 – SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to December 31, 2021, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2021. Management has performed their analysis through May 12, 2022, the date the financial statements were available to be issued.