

**NEWBERRY COUNTY FAMILY YMCA, INC.**

**REPORT ON FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2022**

**NEWBERRY COUNTY FAMILY YMCA, INC.**

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Newberry County Family YMCA  
Newberry, SC

We have reviewed the accompanying financial statements of Newberry County Family YMCA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Newberry County Family YMCA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Love Bailey & Associates, LLC*

Love Bailey & Associates, LLC  
Laurens, South Carolina  
May 1, 2023

**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 93,479
Restricted cash and cash equivalents	90,598
Investments	55,449
Restricted investments	20,311
Accounts receivable, net	1,385
Prepaid expenses	1,258
Other assets	1,524
	<hr/>
Total current assets	264,004

<b>LAND, BUILDINGS AND EQUIPMENT, net</b>	<hr/> 1,224,865
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Total assets	<hr/> <hr/> \$ 1,488,869
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 5,595
Accrued payroll	8,123
Current portion of long-term debt	18,368
	<hr/>
Total current liabilities	32,086

**LONG-TERM DEBT**

Non-current portion of long-term debt	<hr/> 167,137
	<hr/>
Total liabilities	199,223

**NET ASSETS**

With donor restrictions	110,909
Without donor restrictions	1,178,737
	<hr/>
Total net assets	1,289,646
	<hr/>
Total liabilities and net assets	<hr/> <hr/> \$ 1,488,869

See accompanying notes and independent accountant's review report.

**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>			
Public support and other income:			
Membership dues	\$ 508,987	\$ -	\$ 508,987
Program fees	222,981	-	222,981
Contributions	20,325	42,700	63,025
Miscellaneous	4,642	-	4,642
Net assets released from restrictions:			
Satisfaction of program restrictions	46,129	(46,129)	-
Total revenues	<u>803,064</u>	<u>(3,429)</u>	<u>799,635</u>
<b>EXPENSES</b>			
Program expenses	628,142	-	628,142
Management and general	185,235	-	185,235
Fundraising	23,346	-	23,346
Total expenses	<u>836,723</u>	<u>-</u>	<u>836,723</u>
Change in net assets from operating activities	<u>(33,659)</u>	<u>(3,429)</u>	<u>(37,088)</u>
<b>NONOPERATING ACTIVITIES</b>			
Rental income	50	-	50
Unrealized and realized gain on investments	(2,126)	(6,349)	(8,475)
Interest expense	(6,371)	-	(6,371)
Change in net assets from nonoperating activities	<u>(8,447)</u>	<u>(6,349)</u>	<u>(14,796)</u>
Changes in net assets	<u>(42,106)</u>	<u>(9,778)</u>	<u>(51,884)</u>
<b>NET ASSETS</b>			
Beginning of year	<u>1,220,843</u>	<u>120,687</u>	<u>1,341,530</u>
End of year	<u><u>\$ 1,178,737</u></u>	<u><u>\$ 110,909</u></u>	<u><u>\$ 1,289,646</u></u>

See accompanying notes and independent accountant's review report.

**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2022**

	<b>Program Services</b>	<b>Management and General</b>	<b>Advertising and Fundraising</b>	<b>Total</b>
Salaries and benefits	\$ 240,982	\$ 86,065	\$ 17,213	\$ 344,260
Payroll taxes	18,113	6,469	1,294	25,876
Contract services	6,237	-	-	6,237
Membership expenses	8,279	-	-	8,279
Mailing, printing, and advertising	-	-	1,717	1,717
Travel and conferences	7,745	2,766	553	11,064
Utilities and telephone	74,099	18,525	-	92,624
Repairs and maintenance	34,221	8,555	-	42,776
Youth sports and aquatics	46,465	-	-	46,465
Supplies	35,969	12,846	2,569	51,384
Meetings	1,377	590	-	1,967
Insurance	38,435	16,472	-	54,907
Technology and software	9,672	4,145	-	13,817
YUSA fees	13,656	-	-	13,656
Professional	-	4,914	-	4,914
Dues and memberships	1,758	754	-	2,512
Depreciation	88,742	22,185	-	110,927
Miscellaneous	2,392	949	-	3,341
Total expenses	<u>\$ 628,142</u>	<u>\$ 185,235</u>	<u>\$ 23,346</u>	<u>\$ 836,723</u>

See accompanying notes and independent accountant's review report.

**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$ (51,884)
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	110,927
Net investment income	8,475
Stock donations	(3,553)
(Increase) decrease in:	
Accounts receivable	(760)
Pledges receivable	4,290
Other assets	5
Increase (decrease) in:	
Accounts payable and accrued liabilities	(19,384)
Accrued payroll	2,383
Net cash provided by operating activities	<u>50,499</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of equipment	(25,753)
Net investment purchases and sales	<u>(12,000)</u>
Net cash used in investing activities	<u>(37,753)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net payments to notes	<u>(50,193)</u>
Net cash used in financing activities	<u>(50,193)</u>
Net decrease in cash	<u>(37,447)</u>

<b>CASH, BEGINNING OF YEAR</b>	<u>221,524</u>
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<b>CASH, END OF YEAR</b>	<u><u>\$ 184,077</u></u>
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**SUPPLEMENTAL INFORMATION**

Interest paid	<u><u>\$ 6,371</u></u>
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See accompanying notes and independent accountant's review report.

**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization** – Newberry County Family YMCA, Inc. (the “YMCA”) is a non-profit organization founded in 1984 to organize a local chapter of the Young Men’s Christian Association for the benefit of all residents of Newberry County, South Carolina. The YMCA operates several fitness and other programs, the majority of which are geared towards youth, which promote the development of a healthy body, mind, and spirit. The YMCA offers assistance to those who cannot afford the fees charged for various programs. The local YMCA operates under the authorization of the YMCA of the USA, and pays dues to the national organization based on its unrestricted revenue and support.

The YMCA derives the majority of its revenues from participant fees, membership dues, and contributions and grants from the community and other stakeholders.

**Financial Statement Presentation** – The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Accordingly, the financial statements reflect all significant receivables, payables and other liabilities. Revenues are recorded when earned and expenses are recorded when incurred. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations (the “Guide”). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

***Net assets without donor restrictions:*** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

***Net assets with donor restrictions:*** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At December 31, 2022 there was \$110,909 in net assets with donor restrictions to be used towards the capital campaign which is designated for building improvements and additional program staff.

**Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ significantly from those estimates. Management is not aware of any condition that would significantly affect these estimates in the near term.

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**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Cash and Cash Equivalents** – Cash and cash equivalents consist of cash in banks and money market accounts available for current use with an initial maturity of three months or less. Highly liquid investments held for long-term reserves are excluded from cash and cash equivalents. Cash and cash equivalents are started at cost, which approximates fair value.

**Concentration of Credit Risk** – Financial instruments, which potentially subject the YMCA to concentrations of credit risk, consist principally of cash investments, investment securities and accounts receivable. The YMCA places its investments with high-quality institutions and limits the amount of credit exposure to any one institution. Management believes credit risk associated with the YMCA's accounts receivable is not significant.

**Accounts Receivable** – Accounts receivable consist of amounts due from members or other persons for dues and programs, as well as from donors for outstanding pledges. Amounts are not discounted or reserved.

**Contributions** – Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor-restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

**Investments** – The YMCA measures and records investments in equity securities with readily determinable fair values and all investments in debt securities at fair value. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in unrestricted revenue and other support unless the income or loss is restricted by donor or by law.

(Continued)

**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Land, Buildings and Equipment** – Land, buildings and equipment are recorded at cost and are recorded for purchases greater than \$2,500. Depreciation is expensed over the asset's estimated useful life and is computed using the straight-line method. Buildings and land improvements are depreciated over 15 to 40 years; automobiles, equipment and furniture are depreciated over 5 to 10 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in non-operating gains and losses. The cost of maintenance and repairs is expensed as incurred; significant renewals and betterments are capitalized.

**Donated Services** – The YMCA recognizes donated services if they (a) create or enhance nonfinancial assets or require specialized skills, (b) are provided by individuals possessing those skills, and (c) would typically need to be purchased if not provided by donation.

In the ordinary course of the business, the YMCA receives substantial contributions of time that do not meet the recognition criteria described above. Accordingly, the value of this contributed time is not reported as revenue in the accompanying financial statements.

**Advertising Costs** – Advertising costs are expensed as incurred. For the year ended December 31, 2022 \$1,392 was recorded as advertising.

**Income Taxes** – The YMCA is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Contributions to the YMCA are tax deductible within the limitations prescribed by the Code. The YMCA is not a private foundation under Section 509(a) of the Code. Annually, the YMCA files a Form 990 to the Internal Revenue Service, and the South Carolina Secretary of State, to meet tax compliance regulations for non-profit organizations. Within Form 990, the YMCA discloses uncertain tax positions, if any, and all tax-exempt income, and related expenses. These returns remain open for three years from the later of their filing deadlines or filing dates and are subject to examination by taxing authorities. There are no disclosures regarding uncertain tax positions open.

**New Accounting Standards Issued and Adopted**

In February 2016, the FASB established Topic 842, Leases, by issuing Accounting Standards Update (ASU) No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

The new standard was effective for us on January 1, 2022. The adoption of the new standard did not have a material effect on the financial statements.

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**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

In June 2018, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. However, this new pronouncement did not have a profound impact on the way the YMCA recognize revenues and report them in their financial statements.

This ASU includes specific criteria to consider when determining whether a contract or agreement should be accounted for as a contribution or as an exchange transaction. It also provides a framework for determining whether a contribution is conditional or unconditional which will impact the timing of revenue recognition. As a result of this new ASU, not-for-profit organizations will account for more grants/contracts/agreements as contributions, specifically conditional contributions.

This ASU will be applied using the modified prospective basis. This means it will be applied to agreements that are not completed as of the effective date (only applies to the unrecognized portion) and to agreements that are entered into after the effective date. No prior period results should be restated, and there should be no adjustment to net assets as a result of implementing this standard.

As a result of this new ASU, not-for-profit organizations will account for more contracts/agreements as contributions, specifically conditional contributions. Revenue recognition on conditional contributions is delayed until the conditions are met and therefore, in the year of implementation, the Organizations may see a drop in their revenue. In addition, conditional contributions must be disclosed in the footnotes. Overall, implementation of this new ASU will result in an increase of conditional contributions, a reduction of recorded unconditional promises to give, a reduction in reported temporarily restricted net assets for the Organization.

The new standard is effective on January 1, 2021. The adoption of the new standard did not have a material effect on the financial statements.

**NOTE 2 – LIQUIDITY**

The YMCA's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 93,479
Restricted cash and cash equivalents	90,598
Investments	55,449
Restricted investments	20,311
Accounts receivable	1,385
Less: donor restrictions	<u>(110,909)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 150,313</u>

**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 — CASH AND CASH EQUIVALENTS**

At December 31, 2022, the carrying amount of the YMCA's cash and cash equivalents was \$184,077 and the bank balance totaled \$193,738 at December 31, 2022. At December 31, 2022, there were no bank deposits in excess of the \$250,000 insured by Federal Deposit Insurance Coverage.

**NOTE 4 – ACCOUNTS RECEIVABLE**

The YMCA records dues receivable and programs receivable when they are due from members and other program participants. Dues and programs receivable net of program credits were \$1,385 as of December 31, 2022 as members and program participants are billed on the eleventh of each month for that month's membership. The YMCA has adopted a policy to stop membership if dues are not paid within 10 days of due date and writes off unpaid balances if the member does not pay or cancels the membership.

Accounts receivable are summarized as follows:

	<u>2022</u>
Accounts receivable	\$ 1,583
Less: allowance for doubtful accounts	(198)
Accounts receivable, net	<u>\$ 1,385</u>

**NOTE 5 – INVESTMENTS**

Investments are stated at fair value (See Note 12) at December 31, 2022 and are summarized as follows:

	<u>2022</u>		
	Original Cost	Fair Value	Unrealized gains (losses)
Mutual funds and stocks	\$ 12,518	\$ 27,327	\$ 14,809
Money Market funds	48,433	48,433	-
	<u>\$ 60,951</u>	<u>\$ 75,760</u>	<u>\$ 14,809</u>

**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6 – LAND, BUILDINGS AND EQUIPMENT**

At December 31, 2022, land, buildings and equipment consists of the following:

Land	\$ 16,623
Buildings and improvements	2,851,790
Equipment and furniture	237,694
Vehicles	25,000
	<u>3,131,107</u>
Accumulated Depreciation	<u>(1,906,242)</u>
 Totals	 <u><u>\$ 1,224,865</u></u>

Depreciation expense for the year ended December 31, 2022 was \$110,927.

**NOTE 7 – NOTES PAYABLE**

The YMCA had a promissory note payable to First Community Bank. The note was collateralized by a mortgage on all of its real property. The YMCA refinanced the promissory note on September 14, 2020 with TD Bank. The note was issued for \$285,000. The interest rate on the note is 2.9% amortized over 15 years, with \$1,960 payable each month for 180 months with a single final payment of the entire unpaid balance of principal and interest due on September 14, 2035. At December 31, 2022, the balance was \$183,533.

The YMCA has a note payable to First Community Bank for equipment. The original amount of the loan was \$25,000. The interest rate on the loan is 5.3%, amortized over 5 years, with \$477 payable each month for 59 months, with a single final payment of the entire unpaid balance of principal and interest due on January 2, 2024. At December 31, 2022, the balance was \$1,972.

Future payments of principal under the notes payable are as follows:

Years ended	Future principal Payments
2023	\$ 18,368
2024	16,866
2025	17,388
2026	17,906
2027	18,440
Thereafter	<u>96,537</u>
Total future principal payments	185,505
 Less: current	 <u>(18,368)</u>
Long-term portion	<u><u>\$ 167,137</u></u>

**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 8 – CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS**

Changes in net assets with donor restrictions are as follows:

Temporarily restricted, December 31, 2021	\$ 120,687
Capital campaign	42,700
Released from restrictions	(46,129)
Unrealized loss of investments	<u>(6,349)</u>
Net assets with donor restrictions, December 31, 2022	<u>\$ 110,909</u>

The following amounts remain as net assets with donor restrictions at December 31, 2022:

Program restricted:	
Capital campaign	<u>\$ 110,909</u>
Net assets with donor restrictions, December 31, 2022	<u>\$ 110,909</u>

**NOTE 9 – EMPLOYEE BENEFIT PLAN**

The YMCA sponsors a voluntary 403(b) savings plan through the national organization covering substantially all full-time employees. Annually, the Board of Directors elects to make employer contributions to the plan. Employees are not required to contribute to the plan in order for employer contributions to be made to their plan account. In 2022, the YMCA contributed 12% of eligible employee compensation to the plan. The total amount of expense under the plan was approximately \$10,385 for the year ended December 31, 2022. The YMCA's policy is to fund amounts accrued.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

In the ordinary course of business, the YMCA may, from time to time, become a party to legal claims and disputes. At December 31, 2022, management is not aware of any pending or threatened litigation, or unasserted claims that could result in losses that would be material to the financial statements.

**NOTE 11 – FUNCTIONAL EXPENSES**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's analysis of employee time records, facility square footage utilization, and specific expense allocation.

**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 12 – FAIR VALUE MEASUREMENTS**

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

*Fair Value Measurement* defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e., an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the YMCA has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or by other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. The YMCA is required by the pronouncement to maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3). The Organization considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that instrument.

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**NEWBERRY COUNTY FAMILY YMCA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 12 – FAIR VALUE MEASUREMENTS, Continued**

The following table summarizes the valuation of the YMCA's financial assets measured at fair value at December 31, 2022, based on the level of input utilized to measure fair value:

	<u>Level 1</u>	<u>Total</u>
Stocks, ETFs, and mutual funds	\$ 27,327	\$ 27,327
Money Market Funds	48,433	48,433
	<u>\$ 75,760</u>	<u>\$ 75,760</u>

The following methods and assumptions were used to estimate the fair value for each class of financial instruments measured at fair value. There have been no changes in the methodologies used from the prior year.

Short-term Investments – The fair value of short-term investments, consisting primarily of money market funds, is classified as Level 1. The mutual fund consists primarily of domestic commercial paper and other cash management instruments, such as repurchase agreements and master notes, U.S. government and corporate obligations, and other securities of foreign issuers.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

**NOTE 13 – RELATED PARTY TRANSACTIONS**

The YMCA is affiliated with the YMCA of the USA and is required to pay dues equal to two percent of net income on an annual basis. During the year ended December 31, 2022, the YMCA paid \$13,656 in dues. These dues were based on net revenue from the year ended December 31, 2021.

**NOTE 14 – COMMITMENTS**

The YMCA is required to submit dues of two percent of net revenue for the year ended December 31, 2022 to the YMCA of the USA in the year ending December 31, 2023.

**NOTE 15 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 1, 2023, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.