

**SOUTH CAROLINA DEPARTMENT OF PARKS, RECREATION
&
TOURISM**

PROCUREMENT CERTIFICATION FORM

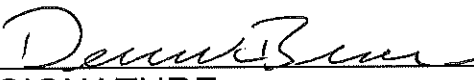
GRANTEE NAME: ____YMCA of Coastal Carolina____

PROJECT NAME: _Community Outreach and Program Support_

I hereby certify that all labor, materials and contracts acquired or performed in the accomplishment of the above named project will be accomplished in accordance with the named entity's established procurement guidelines. Any questions, concerns or grievances should be directed to this agency.

Derrick Brown_____
PRINTED NAME

CFO_____
TITLE


SIGNATURE

10/20/2024_____
DATE

**Statement of Non-Discrimination
By Organizations Funded in the
South Carolina General Appropriations Act**

To meet requirements of a provision of the South Carolina General Appropriations Act regarding your funding, please fill in the blanks below, sign and return to PRT with your other credentials. If desired, you may retype the statement on your own letterhead.

Statement of Non-Discrimination

10/20/2024

Date


Assurance is hereby given by the

YMCA of Coastal Carolina

(Name of Organization)

that no person shall, upon the grounds of race, creed, color or national origin be excluded from participation in, be denied the benefit of or be otherwise subjected to discrimination under any program or activity for which this organization is responsible.

Signature



Title CFO



State of South Carolina Request for Contribution Distribution

This form is designed to collect the information required by South Carolina in accordance with Proviso 117.21 of the appropriations act and Executive Order 2022-19. This form must be submitted to the state agency that is providing the contribution for the designated organization. The state agency providing the contribution should use this form to collect information from the designated organization. The information must be collected from the designated organization before the funds can be disbursed.

Contribution Information		Purpose
Amount	State Agency Providing the Contribution	
\$500,000.00	P280 - Department of Parks, Recreation, and Tourism	Coastal Carolina YMCA - Community Outreach and Program Support

Organization Information	
Entity Name	YMCA of Coastal Carolina
Address	5000 Claire Chapin Epps Drive
City/State/Zip	Myrtle Beach, SC 29577
Website	https://www.coastalcarolinaymca.org/
Tax ID#	57-0747196
Entity Type	Nonprofit Organization

Organization Contact Information	
Contact Name	Derrick Brown
Position/Title	CFO
Telephone	843-839-2524
Email	Derrickbrown@CoastalcarolinaYMCA.org

Plan/Accounting of how these funds will be spent:

Description	Budget	Explanation
Center Exec & Key Staff	\$250,000.00	Hire a full-time executive to oversee YMCA operations, partnerships, and community outreach. This person will be responsible for program development, managing staff, and driving the mission forward.
Program Development and Launch	\$75,000.00	Create and launch core programs such as afterschool care, youth sports, wellness initiatives, and summer camps. This includes curriculum design, equipment purchases, and program supplies.
Partnerships & Rental Space	\$50,000.00	Since there is no dedicated facility, the YMCA will rent space at schools, churches, or community centers to run its programs. Costs include ongoing rental fees and associated utilities or maintenance.
Staffing for Program Operations	\$50,000.00	Hire part-time program coordinators, coaches, and staff to manage day-to-day operations of the YMCA programs. This is essential for ensuring smooth program delivery and participant safety.
Community Marketing & Outreach	\$50,000.00	Invest in a comprehensive marketing strategy to promote YMCA programs, attract participants, and develop partnerships with local businesses and organizations. This includes digital marketing, flyers, and community events.
Administrative and Operational Costs	\$25,000.00	Cover general administrative expenses such as insurance, legal fees, office supplies, and technology required to run the programs and support the executive staff.
Grand Total		\$500,000.00

Please explain how these funds will be used to provide a public benefit:

For the 2024-2025 South Carolina budget, the YMCA of Coastal Carolina has secured funding to expand its community outreach programs, particularly in Conway and The Market Common areas. This funding will support initiatives focused on youth development, community health, and wellness programs. A significant part of this expansion involves partnerships with organizations like Horry Georgetown Technical College, which is providing office space for YMCA staff at their campuses.

The state's financial support will enable the YMCA to offer more services, including programs aimed at mental health, healthy living, childcare, water safety, and workforce development. The YMCA's Hope and Possibilities Fund continues to offer financial assistance for community members, ensuring that families can access swim lessons, afterschool care, and sports programs regardless of financial barriers.

Additionally, specific community impact sponsorships are available, with funds supporting youth sports, swimming programs, and community health initiatives in Myrtle Beach, Georgetown, and Pawleys Island. This state-backed effort highlights the YMCA's pivotal role in providing critical services to underserved populations throughout the region.

Organization Certifications

- 1) Organization hereby gives assurance that no person shall, upon the grounds of race, creed, color, or national origin, be excluded from participation in, be denied the benefit of, or be otherwise subjected to discrimination under any program or activity for which this organization is responsible.
- 2) Organization certifies that it will provide quarterly spending reports to the Agency Providing Contribution listed above.
- 3) Organization certifies that it will provide an accounting at the end of the fiscal year to the Agency Providing Contribution listed above.
- 4) Organization certifies that it will allow the State Auditor to audit or cause to be audited the contributed funds.



Organization Signature

Derrick Brown
Printed Name

CFO
Title
10/18/2024
Date

Certifications of State Agency Providing Contribution

- 1) State Agency certifies that the planned expenditure aligns with the Agency's mission and/or the purpose specified in the appropriations act.
- 2) State Agency certifies that the Organization has set forth a public purpose to be served through receipt of the expenditure.
- 3) State Agency certifies that it will make distributions directly to the organization.
- 4) State Agency certifies that it will provide the quarterly spending reports and accounting received from the organization to the Senate Finance Committee, House Ways and Means Committee, and the Executive Budget Office by June 30, 2025.
- 5) State Agency certifies that it will publish on their website any and all reports, accountings, forms, updates, communications, or other materials required by Proviso 117.21 of the appropriations act.
- 6) State Agency will certify to the Office of the Governor that it has complied with the requirements of Executive Order 2022-19 by June 30, 2025.


Agency Head Signature

Duane Parrish

Printed Name

11/20/2024
Date

Corp by Major
Period: 3 - March 2024

	YMCA of Coastal Carolina	2024 Budget
01	Contributions	632,682
03	Special Events	129,650
11	Membership	3,846,141
13	Programs	2,355,711
14	Sales of Supplies & Services	142,879
15	Investment Income	0
16	Misc. Income	0
18	Inter-YMCA Allocation of Revenue	9,600
R	Revenue	7,116,663
21	Salaries	3,807,248
22	Employee Benefits	333,549
23	Payroll Taxes	368,918
24	Purchased, Contract or Donated Services	428,677
25	Supplies	481,047
26	Telephone	48,090
27	Postage & Shipping	1,651
28	Occupancy	623,857
29	Equipment	137,502
31	Printing, Publications and Promotions	88,451
32	Travel and Employee Expenses	29,531
33	Conferences, Conventions, and Meetings	61,854
34	Dues & Subscriptions	30,614
35	National Dues	119,483
37	Financing Costs	158,479
38	Other Insurance Premiums	116,580
40	Depreciation or Amortization	586,800
48	Intra-YMCA Allocation of Expenses	249,600
X	Expense	7,671,931
		(555,268)

YMCA of Coastal Carolina

Financial Statements

December 31, 2023

YMCA of Coastal Carolina

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Trusted Advisors Since 1948

Independent Auditors' Report

To the Board of Directors
YMCA of Coastal Carolina
5000 Claire Chapin Epps Drive
Myrtle Beach, South Carolina

Opinion

We have audited the accompanying financial statements of YMCA of Coastal Carolina (a nonprofit organization, the "Association"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the 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 financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 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 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 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.



Smith Sapp Professional Association
Certified Public Accountants

Myrtle Beach, South Carolina
March 14, 2024

YMCA of Coastal Carolina
Statement of Financial Position
December 31, 2023

	<u>2023</u>
Assets	
Cash and Cash Equivalents	\$ 976,385
Cash Restricted for Capital Acquisitions	54,339
Contributions Receivable	104,580
Grants Receivable	8,968
Tidelands Receivable	19,149
Property and Equipment, Net	10,488,340
Right of Use Assets	243,857
Prepaid Expenses and Other Assets	8,745
Total Assets	\$ <u>11,904,363</u>
 Liabilities and Net Assets	
Liabilities	
Accounts Payable and Accrued Expenses	\$ 144,336
Accrued Salaries and Related Expenses	137,022
Deferred Revenue	100,700
Right of Use Liabilities	254,146
Notes Payable	620,947
Bonds Payable, Net	2,128,630
Total Liabilities	<u>3,385,781</u>
 Net Assets	
Without Donor Restrictions	8,366,082
With Donor Restrictions	152,500
	<u>8,518,582</u>
 Total Liabilities and Net Assets	 \$ <u>11,904,363</u>

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

YMCA of Coastal Carolina
Statement of Activities
December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	\$ 266,836	\$	\$ 266,836
Special Events Gross Income	100,495		100,495
Less: Direct Cost of Special Events	(80,404)		(80,404)
	<u>286,927</u>		<u>286,927</u>
 Membership Dues and Program Fees	 5,276,416		 5,276,416
Grants	311,250	152,500	463,750
In Kind Contributions	135,927		135,927
Facility Rental Revenue	126,042		126,042
Other	18,566		18,566
Total Support and Revenues	<u>6,155,128</u>	<u>152,500</u>	<u>6,307,628</u>
 Net Assets Released From Restrictions	 <u>77,138</u>	 <u>(77,138)</u>	
 Expenses			
Program Services			
Youth Development	1,681,472		1,681,472
Healthy Living	3,896,913		3,896,913
Social Responsibility	72,722		72,722
Supporting Activities			
Management and General	886,464		886,464
Fundraising	137,090		137,090
Total Expenses	<u>6,674,661</u>		<u>6,674,661</u>
 Decrease in Net Assets	 (442,395)	75,362	(367,033)
 Net Assets - Beginning	 <u>8,808,477</u>	 <u>77,138</u>	 <u>8,885,615</u>
 Net Assets - Ending	 <u>\$ 8,366,082</u>	 <u>\$ 152,500</u>	 <u>\$ 8,518,582</u>

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

YMCA of Coastal Carolina
Statement of Functional Expenses
December 31, 2023

	Program			Support		
	Youth	Healthy	Social	Management	Fundraising	Total
	Development	Living	Responsibility	and General		
Employee Compensation	\$ 973,865	\$ 2,211,777	\$ 61,664	\$ 593,339	\$ 137,090	\$ 3,977,735
Program Supplies and Other	235,594	303,138	10,961	47,007		596,700
Professional Fees and Contracts	115,152	256,906	86	79,437		451,581
Facility Occupancy	163,811	399,866		2,206		565,883
Advertising and Promotion	9,071	8,979				18,050
Insurance	28,558	66,633				95,191
National YMCA Dues	30,247	58,608				88,855
Equipment Lease and Repairs	38,775	82,628	11	994		122,408
Interest Expense	31,905	83,017				114,922
Depreciation and Amortization	54,494	425,361		163,481		643,336
Total Operating Expenses	1,681,472	3,896,913	72,722	886,464	137,090	6,674,661
Direct Cost of Special Events					80,404	80,404
	<u>\$ 1,681,472</u>	<u>\$ 3,896,913</u>	<u>\$ 72,722</u>	<u>\$ 886,464</u>	<u>\$ 217,494</u>	<u>\$ 6,755,065</u>

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

YMCA of Coastal Carolina
Statement of Cash Flows
December 31, 2023

	<u>Total</u>
Cash Flows From Operating Activities	
Decrease in Net Assets	\$ (367,033)
Adjustments to Reconcile Decrease in Net Assets to Net Cash and Cash Equivalents from Operating Activities:	
Depreciation and Amortization	643,336
Amortization of Debt Issuance Costs	9,645
In-Kind Contributions	(65,233)
Non-Cash Lease Expense	17,094
Changes in Assets and Liabilities:	
Decrease in Contributions Receivable	(70,570)
Decrease in Grants Receivable	0
Increase in Tidelands Receivable	10,747
Increase in Prepaid Expenses and Other Assets	4,693
Increase in Accounts Payable and Accruals	(1,232)
Increase in Accrued Salaries and Related Expenses	24,293
Increase in Deferred Revenue	(20,287)
Net Cash and Cash Equivalents From Operating Activities	<u>185,453</u>
Cash Flows From Investing Activities	
Purchases of Property and Equipment	(209,500)
Net Cash and Cash Equivalents From Investing Activities	<u>(209,500)</u>
Cash Flows From Financing Activities	
Borrowings on Notes Payable	243,500
Payments on Notes Payable	(60,285)
Payments on Finance Leases	(115,170)
Net Cash and Cash Equivalents From Investing Activities	<u>68,045</u>
Net Increase in Cash and Cash Equivalents	43,998
Cash, Cash Equivalents, and Restricted Cash - Beginning	<u>986,726</u>
Cash, Cash Equivalents, and Restricted Cash - Ending	<u><u>\$ 1,030,724</u></u>
Supplemental Information	
Interest Paid During the Year	\$ 81,449

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

YMCA of Coastal Carolina
Notes to Financial Statements
December 31, 2023

Note 1 – Association

The financial statements of the Young Men's Christian Association of Coastal Carolina (the "YMCA" or "Association") include the accounts of the Association Office and all its branches.

The YMCA is a community service organization founded in 1983 to empower youth, improve health and strengthen community. The Association serves approximately 10,800 members and 5,700 program participants each year at 3 full-service branches. All Association programs teach the core values of caring, honesty, respect and responsibility and continue our tradition of emphasis upon youth development, healthy lifestyles, and social responsibility. The following is a description of the key areas of the Association:

Youth Development – Aims to nurture the potential of every child and teen through afterschool programs, summer camps, preschool programs, child watch, swim lessons and swim team, and recreational flag football, soccer, and basketball leagues.

Healthy Living – Aims to improve the community's health and well-being through daily and personal training exercise programs that focus on family time, well-being and fitness, sports, and recreation.

Social Responsibility – Incorporates giving back and providing support with programs that include social services, quality of life programs, autism and cancer survivor programs, and learn to swim programs for qualifying students.

The Association is supported primarily by donor contributions, membership dues and program fees, and grants.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Association are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Such statements of financial position are presented in order of liquidity.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the 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 reporting period. Actual results could differ from those estimates. The most significant estimates relate to the determination of the useful lives of Property and Equipment.

Basis of Presentation

The Association classifies operating revenues and public support, operating expenses and non-operating changes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein, are classified and reported as follows:

Net assets without donor restrictions: Net assets without donor restrictions includes net assets available for use in general operations and are not subject to donor (or certain grantor) restrictions, such as public support and revenues that are not subject to donor-imposed stipulations. All expenses are reported as decreases in net assets without donor restrictions with the exception of investment expenses. The governing board has designated certain funds which may be used with the Board of Director's (the "Board") approval.

YMCA of Coastal Carolina
Notes to Financial Statements
December 31, 2023

Net assets with donor restrictions: Net assets with donor restrictions are the part of net assets that are subject to donor-imposed restrictions. A donor-imposed restriction is a donor stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the following: the nature of the not-for-profit entity, the environment in which it operates, or the purposes specified in its articles of incorporation, bylaws or comparable document. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events such as acquisition or construction of property and equipment specified by the donor.

Revenues from Non-Exchange Transactions

Revenues from non-exchange transactions are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of donor restrictions. Revenues from non-exchange transactions may also be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional non-exchange transactions are recognized when the barrier is satisfied, which is generally as costs are incurred. In addition, the Association has elected the simultaneous release option for conditional contributions that are subject to purpose restrictions. Under this option, net assets without donor restrictions include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized. Revenues from non-exchange transactions that are considered unconditional generally are recognized as revenues with donor restrictions when the grant funds are awarded and are released into net assets without donor restrictions when the purpose has been met.

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 promises to give are recognized only when the conditions on which they depend are substantially met. The Association discounts multi-year pledges that are expected to be collected after one year using a risk adjusted discount rate. Multi-year pledges are recorded at fair value at the date of the pledge. All other contributions are recorded in contributions receivable. The allowance for doubtful accounts is determined by the age of the balance, historical collection rates, and specific identification of uncollectible accounts. Uncollectible contributions receivable are charged to the allowance. An expense is recorded at the time the allowance is adjusted.

Revenues from Exchange Transactions

The Association has multiple revenue streams that are accounted for as 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 FASB 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.

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 within ten days' notice for most programs. 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 monthly in advance. Memberships provide use of the recreation facilities, access to free classes, programs and activities, and discounts to fee-based programs. Financial assistance is available to members and program participants based upon certain criteria.

Membership dues and program fees are recognized ratably over the period the membership or program service is provided on a straight-line basis. Membership joining fees are ratably recognized over a one-year period from the membership start date.

YMCA of Coastal Carolina
Notes to Financial Statements
December 31, 2023

Membership dues and program fees paid to the Association in advance are recorded as other deferred revenue. Amounts billed but unpaid are recorded as contribution receivables.

Expense Allocation

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Expenses that can be identified with a specific program or supporting service are charged directly. Other expenses that are common to several functions are allocated by various statistical bases. Accordingly, certain costs have been allocated among the programs and supporting activities benefited on a reasonable basis that is consistently applied. The expenses that are allocated include the following:

	<u>Method of Allocation</u>
Employee Compensation	Time and Effort
Program Supplies and Other	Usage Studies
Professional Fees and Contracts	Time and Effort
Facility Occupancy	Usage Studies
Advertising and Promotion	Usage Studies
Insurance	Usage Studies
National YMCA Dues	Usage Studies
Equipment Lease and Repairs	Usage Studies
Interest Expense	Usage Studies
Depreciation and Amortization	Usage Studies

Cash and Cash Equivalents

The Association considers all demand deposits, money market accounts and other highly liquid investments with original maturities of three months or less to be cash equivalents.

Property and Equipment

The Association capitalizes the cost of improvements and new acquisitions of property and equipment, and depreciates and amortizes these costs using the straight-line method over the estimated remaining useful lives of the related assets as follows:

Land	Not Applicable
Buildings and Improvements	7-39 years
Leasehold Improvements	5-39 years
Equipment	3-7 years

The Association reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of the property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the asset. During the year ended December 31, 2023, there were no events or changes in circumstances indicating that the carrying amount of the property and equipment may not be recoverable.

Leases

The YMCA adopted Accounting Standards Update (“ASU”) No. 2016-02, “Leases (Topic 842),” and its related amendments (collectively “ASC 842”) on January 1, 2022 using the cumulative adjustment transition method. The standard requires lessees to recognize right-of-use (“ROU”) asset and lease liability for all leases. The impact was immaterial to the YMCA’s financial statements due its leases previously being accounted for as capital leases.

YMCA of Coastal Carolina
Notes to Financial Statements
December 31, 2023

Bond Issuance Costs

Costs incurred in connection with the issuance of bonds were amortized over the term of the bonds and presented with the statements of financial position as a direct deduction from the carrying amount of debt liability, consistent with debt discounts or premiums.

Income Taxes

The Association qualifies as a tax-exempt Association under Section 501 (c) (3) of the Internal Revenue Code and related State of South Carolina tax codes. Accordingly, the Association has not incurred income tax obligations for the year ended December 31, 2023.

The financial statements will not reflect a provision for income taxes except for the tax on unrelated business income. As of December 31, 2023, the Association had no tax liability for unrelated business income. The Association follows the provisions of the FASB Codification Topic 740-10 related to uncertain tax positions. Management believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain positions that are material to the financial statements.

Donated Goods and Services

Donated supplies and equipment are reflected as contributions in the accompanying statements at their fair values at the date of receipt if such items were susceptible to reasonable valuation and, if such items had not been donated, the Association would have had to purchase such items in the ordinary course of business.

A substantial number of Associations and volunteers have donated significant amounts of time and services in the Association's program operations and in its fund-raising campaigns. However, such contributed services do not meet the criteria for recognition of contributed services contained in accounting principles generally accepted in the United States of America and, accordingly, are not reflected in the accompanying financial statements. Other donated services are recorded in the financial statements if they enhance nonfinancial assets, are provided by a person possessing a specific skill and the Association would need to purchase these services if not donated.

Measure of Operations

The Association includes as its measure of operations, excess of operating revenues and public support over operating expenses, all support and revenues that are an integral part of its programs and supporting activities.

Concentrations of Risk

The Association's maintains bank accounts with one financial institution and its cash and cash equivalents are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. From time to time the Association may hold cash and cash equivalents in excess of FDIC limits. For the fiscal year ended December 31, 2023, the Association's uninsured bank balances totaled \$792,044.

The YMCA operates exclusively in Horry and Georgetown Counties of South Carolina. As such, the YMCA is subject to the normal business risks that any such Association is exposed, including changes in the business environment, demand for services offered and the potential for business disruption due to uncontrollable factors.

Recent Issued Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" and subsequent amendments to the initial guidance: ASU 2018-19, ASU 2019-04 and ASU 2019-05 (collectively, "Topic 326"). Topic 326 requires measurement and recognition of expected credit losses for financial assets held. The Association adopted Topic 326 on January 1, 2023 and the adoption had no impact on the Association's financial statements. The Association reviewed other newly issued accounting pronouncements and concluded that they either are not applicable to the Association's operations or that no material effect is expected on the Association's financial statements upon future adoption.

YMCA of Coastal Carolina
Notes to Financial Statements
December 31, 2023

Note 3 – Liquidity and Availability of Financial Assets

The Association regularly monitors liquidity to meet operating needs and general expenditures within one year. The Association has various sources of liquid resources at its disposal, which includes cash and cash equivalents and an operating line of credit.

The Association's financial assets available within one year of the date of the Statement of Financial Position for general expenditures are as follows for the year ending December 31:

Total Assets at Year End	\$ 11,904,363
Less:	
Cash Restricted for Capital Acquisitions	(54,339)
Property and Equipment	(10,488,340)
Right of Use Assets	(243,857)
Prepaid Expenses and Other Assets	(8,745)
	<u>\$ 1,109,082</u>

Note 4 – Contributions Receivable

At December 31, 2023, contributions receivable was comprised of \$104,582 related to ongoing pledges. All amounts are expected to be received within the next 12 months and therefore no allowance credit losses is recorded. The Association's estimate is based on historical collection experience and review of the current status of specific contributions pledged. An allowance for credit losses is determined through assessments of collectability based on historical trends, the financial condition of the Association's donors, including any known or anticipated bankruptcies, and an evaluation of current economic conditions, as well as the Association's expectations of conditions in the future.

Note 5 – Property and Equipment

Property and equipment consisted of the following at December 31, 2023:

Land	\$ 1,036,000
Buildings and Improvements	5,757,514
Leasehold Improvements	8,306,962
Equipment	701,442
Construction in Progress	<u>143,287</u>
	15,945,205
Accumulated Depreciation and Amortization	<u>\$ (5,456,865)</u>
	10,488,340

Claire Chapin Epps Facility

On October 1, 2007, the YMCA entered into a land lease with the City of Myrtle Beach, South Carolina, for the Claire Chapin Epps facility. The lease requires an annual rental payment of \$1, and is for an initial term of 50 years, with 2 - 25-year options to renew. Under the terms of the lease, the YMCA was required to construct a 35,000 square foot and minimum cost of \$6,000,000 recreational facility. The YMCA is required to provide a 20% discount to all City of Myrtle Beach members of the YMCA over the course of the lease. Management has determined the excess of the fair value of the lease over the required lease payments of \$1,190,000 to be equal to the present value of the membership discount. The YMCA recorded non-cash contributions of \$11,900 and rent expense of \$11,900 related to this transaction for the year ending December 31, 2023.

YMCA of Coastal Carolina
Notes to Financial Statements
December 31, 2023

Georgetown Facility

During 2007, the YMCA received a land donation of 23.172 acres for the Georgetown facility. The YMCA received an appraisal on the property and recorded a land donation in the amount of \$825,000.

Tidelands HealthPoint Facility

On October 1, 2022, the YMCA entered into a management agreement with Tidelands Georgetown Memorial Hospital for use of the Tidelands HealthPoint facility. The agreement requires the YMCA to operate the HealthPoint Facility as a Coastal Y branded first-class health and wellness center. In exchange for the YMCA running the operations of the facility, Tidelands will pay the YMCA a management fee. The initial term of the agreement is 30 years, with an additional 5 year renewal term. The YMCA is required to provide a 20% discount to all Tidelands employees who are members of the YMCA over the course of the agreement. Management has determined the fair value of the use of the facility to be equal to \$1,600,000. Over the term of the agreement, the YMCA will recognize a non-cash contribution in the amount of \$53,333 and rent expense of \$53,333 annually related to this contribution. For the year ending December 31, 2023, the YMCA recorded non-cash contributions of \$53,333 and rent expense of \$53,333.

Note 6 – Leases

Quantitative disclosures about the YMCA's leases as of December 31, 2023, were as follows:

	<u>2023</u>
Finance Lease Costs:	
Amortization of Right-of-Use Assets	\$ 98,253
Interest on Lease Liabilities	19,107
Total Lease Costs	<u>\$ 117,360</u>

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:

Operating Cash Flows from Finance Leases	\$ 19,107
Finance Cash Flows from Finance Activities	115,170

There were no assets obtained in exchange for new finance leases for the year ending December 31, 2023.

The weighted average for each of the following:

Remaining Lease Term – Finance Leases	2.9 years
Discount Rate – Finance Leases	2.0% - 8.5%

The approximate future lease payments under finance leases at December 31, 2023 were as follows:

	<u>Finance Leases</u>
2024	\$ 110,955
2025	78,360
2026	78,360
2027	19,590
Total Lease Payments (Undiscounted)	287,265
Less: Net Present Value Adjustment	(33,119)
Total Lease Liabilities	<u>\$ 254,146</u>

Note 7 – Line of Credit

At December 31, 2023, the YMCA had an available line of credit of \$120,000, of which no amounts were outstanding. The line of credit was extended to June 26, 2024, during the year ended December 31, 2023. Interest is variable based upon the United States Secured Overnight Financing Rate ("SOFR") plus 4.10% and was

YMCA of Coastal Carolina
Notes to Financial Statements
December 31, 2023

approximately 9.48% at December 31, 2023. The line of credit is payable in monthly installments of interest only, with principal payments due at maturity. The line of credit is secured by all of the assets of the YMCA.

Note 8 – Long Term Obligations

The Company's Long Term Obligations are as follows at December 31, 2023:

	<u>2023</u>
Note Payable with the U.S. Small Business Administration (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. Monthly installment payments of approximately \$1,673, including principal and interest, was deferred through December 31, 2023. The Association started making payments on the loan in June 2023.	\$ 137,813
Note Payable for the purchase of a Dehumidifier system in the amount of \$152,026 for the Claire Chapin Epps facility. The loan is unsecured and payable over seven years at an interest rate of 3.95% per annum. Monthly installment payments of approximately \$2,078, including principal and interest, began March 20, 2021.	95,525
Note Payable for the purchase of a Dehumidifier system in the amount of \$192,146 for the Georgetown facility. The loan is unsecured and payable over seven years at an interest rate of 3.95% per annum. Monthly installment of a fixed principal payment of approximately \$2,287 plus an interest payment calculated on the outstanding balance, began April 17, 2022.	144,109
Note payable for the purchase of a Dehumidifier system in the amount of \$243,500 for the Pawleys Island facility. The loan is unsecured and payable over five years at an interest rate of 8.5% per annum. Monthly installment payments of approximately \$5,010.68, including principal and interest, will begin January 11, 2024.	243,500
\$9,645,000 tax-exempt JEDA bond with a maturity date of May 1, 2029. The annual debt service to maturity for these bonds outstanding at December 31, 2023, includes variable interest at .12% calculated based upon 70% of 30-day LIBOR.	<u>2,180,000</u> 2,800,947
Unamortized Debt Issuance Costs	<u>(51,370)</u> <u>\$ 2,749,577</u>

The Series 2008 JEDA Bonds were issued for the purpose of financing the construction and development of the Grand Strand and Georgetown Recreation Center Projects. The YMCA has paid additional amounts towards to principal balance of the bonds as follows since their origination:

YMCA of Coastal Carolina
Notes to Financial Statements
December 31, 2023

For Year Ending	December 31, 2009	\$	2,615,000
	December 31, 2010		1,100,000
	December 31, 2011		1,450,000
	December 31, 2012		300,000
	December 31, 2013		250,000
	December 31, 2014		250,000
	December 31, 2015		500,000
	December 31, 2016		800,000
	December 31, 2018		100,000
	December 31, 2019		100,000
		\$	<u>7,465,000</u>

The bond agreement requires the YMCA, the guarantor, to maintain certain minimum financial ratios and to perform or not perform certain actions. The YMCA was in compliance with these covenants at December 31, 2023. The Series 2008 JEDA Bonds are also supported by an irrevocable direct pay letter of credit issued by a large financial institution. A letter of credit fee of \$21,949 was also charged to the Association during the year ending December 31, 2023.

Additionally, according to the terms of the agreement, the YMCA shall at all times establish and maintain an interest-bearing sinking fund account with the financial institution, into which the YMCA will deposit monthly in advance of the first business day of each calendar month (commencing June 1, 2009), one-twelfth (1/12th) of the principal amount which is payable on the bonds on the subsequent required redemption date in accordance with the maturity schedule set forth in the agreement.

Future scheduled maturities of the Association's Long Term Borrowings are as follows for the year ending December 31:

For Year Ending	December 31, 2024	\$	193,264
	December 31, 2025		197,950
	December 31, 2026		202,959
	December 31, 2027		208,354
	December 31, 2028		193,039
	Thereafter		1,805,381
		\$	<u>2,800,947</u>

Note 9 – Net Assets

The detail of the Association's Net Assets at December 31, 2023 consisted of the following:

	<u>2023</u>
Without donor restrictions:	
Undesignated	\$ <u>8,366,082</u>
Total Without Donor Restrictions	<u>8,366,082</u>
With donor restrictions:	
Cash Restricted for Capital Campaign	<u>152,500</u>
Total With Donor Restrictions	<u>152,500</u>
Total Net Assets	\$ <u>8,518,582</u>

During 2005, and continuing into 2017, the YMCA conducted a major fund-raising campaign. The purpose of this campaign was to acquire property and construct two new operating facilities in Horry and Georgetown Counties, for the YMCA to utilize as its primary operating locations. Unexpended cash proceeds, after receipt of bond funds

YMCA of Coastal Carolina
Notes to Financial Statements
December 31, 2023

in the amount of \$9,645,000 for the capital campaign fund, and after expenditures related to the acquisition and construction of the operating facilities, less payments of principal on the Series 2008 JEDA Bonds amounted to \$77,138 at December 31, 2023.

There were no net assets with donor restrictions that were permanent in nature at December 31, 2023.

Note 10 – Related Party Transactions

The Association paid dues to the YMCA of the USA in the amount of \$94,525 during the year ending December 31, 2023.

Note 11 – Defined Contribution Plan

The Association participates in The YMCA Retirement Fund Retirement Plan which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, and The YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in section 403(b)(9) of the code. Both Retirement Fund Plans are sponsored by the Young Men's Christian Association Retirement Fund ("Fund"). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of the YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As defined contribution plans, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with the agreement with the Fund, contributions are a percentage of the participating employees' salaries and are paid by the Association. Total contributions charged to retirement costs were \$113,066 for the year ending December 31, 2023.

Note 12 – Commitments and Contingencies

The Organization is involved in various litigations arising in the ordinary course of business. In the opinion of management, the disposition of all such matters should not have a material adverse effect on the Association's financial position or changes in its net assets.

Note 13 – Subsequent Events

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up through March 14, 2024, which is the date that the financial statements were available for issuance.



Trusted Advisors Since 1948

March 14, 2024

To the Board of Directors
YMCA of Coastal Carolina
5000 Claire Chapin Epps Drive
Myrtle Beach, SC 29577

We have audited the financial statements of the YMCA of Coastal Carolina (the “Association”), for the year ended December 31, 2023, and we will issue our report thereon dated March 14, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 1, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 2 to the financial statements. As described in Note 2, the Association changed accounting policies related to Financial Instruments – Credit Losses by adopting FASB Accounting Standards Update No. 2016-13 “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” and subsequent amendments to the initial guidance ASU 2018-19, ASU 2019-04, ASU 2019-05 (collectively, “Topic 326”). Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management’s determination of the depreciation methods and useful life of an asset. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of the Association’s contributed facilities and long term obligations in Notes 5 and 8 to the financial statements, respectively.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Please see the related attachments for further detail of the aforementioned adjustments.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 14, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Association and is not intended to be, and should not be, used by anyone other than these specified parties.



Smith Sapp Professional Association
Certified Public Accountants



Appendix A

SS01*To Record Facility Lease and In-Kind Rent Expense Received*

6313	Leased Facility Accretion	53,333.00	0.00	
6312	Leased Facility	0.00	53,333.00	
4010	Depreciation expense	53,333.00	0.00	
0192	Leased Facility In Kind	0.00	53,333.00	
Total		106,666.00	106,666.00	0.00

SS02*To Adjust COMB Leased Land*

6311	Leased Land Accretion	11,900.00	0.00	
0191	Leased Land In Kind Contribution	0.00	11,900.00	
4010	Depreciation expense	11,900.00	0.00	
6310	Leased Land	0.00	11,900.00	
Total		23,800.00	23,800.00	0.00

SS03*To Record Debt Issuance Cost Amortization*

3771	Amortization of Debt Issuance Costs	9,645.00	0.00	
7557	Debt Issuance Cost - JEDA	0.00	9,645.00	
Total		9,645.00	9,645.00	(9,645.00)

SS04*To Reclassify Accretion from the Leased Land Accretion Account to the Leased Facility Accretion Account*

6311	Leased Land Accretion	1,586,667.00	0.00	
6313	Leased Facility Accretion	0.00	1,586,667.00	
Total		1,586,667.00	1,586,667.00	0.00

SS05*To Reclassify Buyout of CCE Cardio Lease*

6200	Current Assets	14,621.87	0.00	
2910	Equipment lease/rental	0.00	14,621.87	
Total		14,621.87	14,621.87	14,621.87

SS06*To Adjust Payroll Accrual*

2110	Salaried	29,108.08	0.00	
7700	Accrued Current Liabilities	0.00	29,108.08	
Total		29,108.08	29,108.08	(29,108.08)

SS07*To Adjust ROU Assets and Liabilities to Actual*

7556	Capital Lease Liability	9,084.49	0.00	
6210	Leased Assets	0.00	128,404.38	
4010	Depreciation expense	0.00	15,896.00	
6211	Leased Asset Depreciation	111,389.11	0.00	
3772	ROU - Interest	23,826.78	0.00	
6320	Accumulated Depreciation CCE	15,769.62	0.00	
6211	Leased Asset Depreciation	0.00	15,055.07	
2510	Office supplies	0.00	714.55	
Total		160,070.00	160,070.00	(7,216.23)

SS08*To Capitalize In-Kind Contribution, Amounts Previously Expensed, and Amounts found in AP Search*

6200	Current Assets	10,800.00	0.00	
0190	Contributions In Kind	0.00	10,800.00	
6200	Current Assets	15,900.00	0.00	
2841	Maintenance Repairs	0.00	15,900.00	
6200	Current Assets	10,787.00	0.00	
7200	Accounts Payable	0.00	10,787.00	
Total		37,487.00	37,487.00	26,700.00

SS09*To Adjust Grant Revenue and Record Related Receivable*

6191	A/R Pledge CORE	1,400.00	0.00	
0120	Grants	0.00	1,400.00	
Total		1,400.00	1,400.00	1,400.00

SS10*To Reclassify Letter of Credit Commission and Other Interest Expense*

3700	Bank service charges	21,948.94	0.00	
3770	Interest on Indebtedness	0.00	21,948.94	
3770	Interest on Indebtedness	6,000.00	0.00	
3700	Bank service charges	0.00	6,000.00	
Total		27,948.94	27,948.94	0.00

GRAND TOTAL	1,997,413.89	1,997,413.89	(3,247.44)
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JUL 13 2005

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

NONPROFIT CORPORATION
NOTIFICATION BY EXISTING CORPORATION

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant to Section 33-31-1707 of the 1976 South Carolina Code of Laws, as amended, the undersigned corporation submits the following:

1. The name of the nonprofit corporation is YMCA OF COASTAL CAROLINA
2. Check the appropriate box as to state of incorporation:
 - a. ☒ The corporation was incorporated in South Carolina on April 14, 1983
 - b. ☐ The corporation was not incorporated in South Carolina, but was qualified to do business in South Carolina as of _____
3. The registered office of the nonprofit corporation in the state of South Carolina is

<u>904 65th Avenue North</u>			
Street Address			
<u>Myrtle Beach</u>	<u>Horry</u>	<u>South Carolina</u>	<u>29572</u>
City	County	State	Zip Code

The name of the registered agent of the nonprofit corporation at that office is

Brian T. Cormier
Name

Brian T. Cormier
Signature

4. If the principal office of the nonprofit corporation listed on the original declaration and petition for incorporation as a domestic nonprofit corporation or application for certificate of authority to transact business as a foreign nonprofit corporation is no longer the location of the corporation's principal office, list the corporation's current address:

<u>904 65th Avenue North</u>			
Street Address			
<u>Myrtle Beach</u>	<u>Horry</u>	<u>South Carolina</u>	<u>29572</u>
City	County	State	Zip Code

5. The corporation hereby elects to be designated as either a public benefit, religious, or mutual benefit corporation by checking the appropriate box. Check either box (a), (b), or (c) whichever is applicable. Check only one box.
 - a. ☒ The nonprofit corporation is a public benefit corporation.
 - b. ☐ The nonprofit corporation is a religious corporation.
 - c. ☐ The nonprofit corporation is a mutual benefit corporation.

050713-0014

YMCA OF COASTAL CAROLINA

FILED: 07/13/2005

Filing Fee: \$10.00 ORIG



Mark Hammond

South Carolina Secretary of State

YMCA OF COASTAL CAROLINA

Name of Corporation

Date July 12, 2005


Signature

Ron E. Hendrix, President
Name Capacity

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed.
2. If the space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk which will allow for expansion of space on the form.
3. This form must be accompanied by the filing fee of \$10.00 payable to the Secretary of State.

Return to: Secretary of State
P.O. Box 11350
Columbia, SC 29211