



The Family YMCA

FINANCIAL STATEMENTS

December 31, 2021 and 2020

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The Family YMCA
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Family YMCA

Opinion

We have audited the accompanying financial statements of The Family YMCA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 Family YMCA 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Family YMCA 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 Family YMCA'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 Family YMCA'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 Family YMCA'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.

Report on Summarized Comparative Information

We have previously audited The Family YMCA's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Santa Fe, New Mexico
April 18, 2022

The Family YMCA
Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 824,888	\$ 764,955
Certificates of deposit	75,033	74,583
Accounts receivable	39,450	38,432
Investments	98,402	72,321
Prepaid expenses	20,070	22,830
Total current assets	1,057,843	973,121
Non-current assets		
Property and equipment, net	880,030	959,969
Total non-current assets	880,030	959,969
Total assets	\$ 1,937,873	\$ 1,933,090
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 27,559	\$ 16,299
Accrued expenses	44,385	36,188
Accrued vacation	40,656	47,042
Current portion of capital lease obligation	-	8,034
Current portion of note payable	59,124	56,344
Total current liabilities	171,724	163,907
Long-term liabilities		
Note payable, less current portion	992,300	1,056,690
Total long-term liabilities	992,300	1,056,690
Total liabilities	1,164,024	1,220,597
Net assets		
Without donor restrictions	504,244	492,935
With donor restrictions	269,605	219,558
Total net assets	773,849	712,493
Total liabilities and net assets	\$ 1,937,873	\$ 1,933,090

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

The Family YMCA
Statements of Activities

<i>For the years ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Summarized Total
Revenue and Other Support				
Membership dues	\$ 517,659	\$ -	\$ 517,659	\$ 725,179
Grants and contract services	522,645	110,500	633,145	640,639
Program service fees	408,302	-	408,302	266,740
Contributions	120,498	78,752	199,250	159,227
PPP loan forgiveness income	225,835	-	225,835	310,495
Other operating income	23,591	-	23,591	32,988
In-kind	13,948	-	13,948	17,160
Investment income, net	2,699	6,473	9,172	16,637
Net assets released from restrictions	145,678	(145,678)	-	-
Total revenue and other support	1,980,855	50,047	2,030,902	2,169,065
Expenses				
<i>Program services</i>				
Childcare	327,372	-	327,372	221,185
Youth and adult	659,577	-	659,577	693,839
Member services	538,016	-	538,016	462,389
Total program services	1,524,965	-	1,524,965	1,377,413
<i>Supporting services</i>				
General and administrative	393,542	-	393,542	398,587
Fundraising	51,039	-	51,039	64,700
Total supporting services	444,581	-	444,581	463,287
Total expenses	1,969,546	-	1,969,546	1,840,700
Change in net assets	11,309	50,047	61,356	328,365
Net assets at beginning of year	492,935	219,558	712,493	384,128
Net assets at end of year	\$ 504,244	\$ 269,605	\$ 773,849	\$ 712,493

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

The Family YMCA
Statements of Functional Expenses

<i>For the years ended December 31,</i>	Program Services			Program services subtotal
	Childcare	Youth and adult	Member services	
Accounting and legal fees	\$ -	\$ 50	\$ -	\$ 50
Advertising	1,029	3,255	1,839	6,123
Community and equipment rentals	-	-	49,481	49,481
Compensation expenses	210,474	413,628	283,068	907,170
Conference and training	150	-	1,209	1,359
Contract labor and services	-	-	2,229	2,229
Depreciation	7,842	42,367	19,907	70,116
Equipment expense	-	5,165	4,324	9,489
In-kind	-	-	-	-
Insurance	3,120	7,799	37,444	48,363
Interest	-	-	-	-
Maintenance and repairs	-	6,609	19,244	25,853
Member services	-	-	346	346
National dues	8,697	8,697	8,697	26,091
Office supplies	-	508	-	508
Other expenses	2,491	2,491	2,566	7,548
Payroll taxes and benefits	32,053	54,193	44,872	131,118
Retirement	-	8,034	1,606	9,640
Postage	-	219	-	219
Program supplies	20,830	93,183	13,258	127,271
Scholarships	39,699	702	6,551	46,952
Software	-	-	-	-
Special events and fundraising	-	-	-	-
Telephone	706	2,170	562	3,438
Transportation	281	2,359	193	2,833
Travel	-	-	-	-
Utilities	-	8,148	40,620	48,768
Total	\$ 327,372	\$ 659,577	\$ 538,016	\$ 1,524,965

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

The Family YMCA
Statements of Functional Expenses (Continued)

Supporting Services					
General and administrative	Fundraising	Supporting services subtotal	2021 Total	2020 Summarized Total	
\$ 24,507	\$ -	\$ 24,507	\$ 24,557	\$ 29,009	
1,004	-	1,004	7,127	5,066	
12,371	-	12,371	61,852	78,403	
151,154	34,125	185,279	1,092,449	992,111	
1,109	-	1,109	2,468	400	
-	-	-	2,229	4,513	
18,375	-	18,375	88,491	109,368	
-	-	-	9,489	1,806	
-	-	-	-	17,160	
27,039	-	27,039	75,402	73,514	
53,049	-	53,049	53,049	55,532	
-	-	-	25,853	28,704	
-	-	-	346	120	
-	-	-	26,091	22,074	
7,517	-	7,517	8,025	3,502	
840	-	840	8,388	14,111	
42,568	2,611	45,179	176,297	166,128	
7,899	-	7,899	17,539	23,713	
554	-	554	773	1,137	
-	-	-	127,271	82,139	
-	-	-	46,952	36,097	
38,564	-	38,564	38,564	34,305	
-	14,303	14,303	14,303	7,999	
1,976	-	1,976	5,414	6,370	
-	-	-	2,833	668	
5,016	-	5,016	5,016	5,487	
-	-	-	48,768	41,264	
\$ 393,542	\$ 51,039	\$ 444,581	\$ 1,969,546	\$ 1,840,700	

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

The Family YMCA Statements of Cash Flows

<i>For the years ended December 31,</i>	2021	2020
Operating Activities		
Change in net assets	\$ 61,356	\$ 328,365
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	88,491	109,368
Unrealized and realized (gain) on investments	(5,056)	(7,148)
Forgiveness of Paycheck Protection Program grant	(225,835)	(310,495)
Changes in operating assets and liabilities		
Accounts receivable	(1,018)	34,148
Prepaid expenses	2,760	4,633
Accounts payable	11,260	(38,409)
Accrued expenses	8,197	(15,885)
Accrued vacation	(6,386)	8,387
Net cash provided by operating activities	(66,231)	112,964
Investing Activities		
Purchase of property and equipment	(8,552)	(26,353)
Maturity of certificates of deposit	-	73,239
Purchase of certificates of deposit	(450)	(74,583)
Purchase of investments	(24,178)	(46,757)
Proceeds from sale of investments	3,153	46,301
Net cash (used in) investing activities	(30,027)	(28,153)
Financing Activities		
Payment on capital lease obligation	(8,034)	(8,034)
Grant advance from Paycheck Protection Program	225,835	311,838
Payments on note payable	(61,610)	(63,696)
Net cash (used in) financing activities	156,191	240,108
Net change in cash and cash equivalents	59,933	324,919
Cash and cash equivalents at beginning of year	764,955	440,036
Cash and cash equivalents at end of year	\$ 824,888	\$ 764,955
Schedule of Certain Cash Flow Information		
Cash paid for interest	\$ 53,049	\$ 55,532

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

The Family YMCA Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The Family YMCA (the “YMCA”)(the “Organization”) is a not-for-profit New Mexico corporation organized under the laws of the State of New Mexico in 1955 for the purpose of providing programs and physical facilities for the enhancement of human potential and appreciation of self-worth. The YMCA’s support comes primarily through membership dues and program fees. The YMCA is affiliated with the Young Men’s Christian Association of the United States and is a member agency of the Los Alamos area United Way. The YMCA operates in Los Alamos County and Rio Arriba County and is subject to the general economic factors that affect the area.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to depreciation of assets over their estimated useful lives and the allocation of expenses by function.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class nor functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the YMCA's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

The Family YMCA Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certificates of Deposit

Certificates of deposit are held at a financial institution. Certificates of deposit total \$75,033 and \$74,583 at December 31, 2021 and 2020, respectively. Initial maturities at purchase of these certificates was 12 months, with penalties for early withdrawal. At December 31, 2021 and 2020, the interest rates ranged from 0.65% to 1.85%, with interest paid periodically on a monthly basis.

Accounts Receivable

Accounts receivable are stated at unpaid balances, and if applicable less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Prepaid Expenses

Prepaid expenses consist of service contract expenses paid in advance for operation in the subsequent year, and an unemployment reserve.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

As part of the YMCA's agreement with Los Alamos County, ownership of any capital assets purchased for the Los Alamos Teen Center (LATC) and reimbursed by the County are subject to reversion upon expiration or other termination of the agreement in place. As of December 31, 2021 and 2020, the recorded costs of assets at the LATC were \$144,182 and \$133,703, respectively.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the future undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than the carrying amount of the asset, an impairment loss is recognized. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Accrued Expenses

Accrued expenses are comprised of the payroll expenditures based on amounts earned by employees through December 31, 2021 and 2020, along with applicable taxes. The YMCA has recorded \$44,385 and \$36,188 for accrued expenses at December 31, 2021 and 2020, respectively.

The Organization's employees can accrue from 104 to 160 hours for full time employees and a maximum of 71 hours for part time employees for annual vacation respectively, depending on their years of employment. Employees also accrue 96 hours of sick leave each year, with the maximum cumulative amount being 320 hours for full time employees and 160 hours for part time employees. No sick leave is paid to employees when they are terminated. The YMCA has recorded \$40,656 and \$47,042 for compensated vacation absences at December 31, 2021 and 2020, respectively.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

The Family YMCA Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Membership dues and program service fees are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied.

The YMCA is funded by grants and contracts received from Los Alamos County, Santa Fe County, the City of Espanola, the Delle Foundation, various private foundations, and other sources. Unreimbursed costs under these grants and contracts are recorded as accounts receivable. During the year ended December 30, 2021 and 2020, receipts from Los Alamos County made up approximately 53% and 51% of total grant and contract services revenue, respectively.

Contributions

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. During the years ended December 2021 and 2020, donated assets received and expensed for the benefit of the YMCA's annual gala totaled \$13,948 and \$17,160, respectively.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided a variety of services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to program and supporting services. Costs, including salaries and wages, are allocated to programs based on the actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended December 2021 and 2020, advertising costs totaled \$7,127 and \$5,066, respectively.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. However, taxes on unrelated business income, if any, are reported when paid. The Organization did not incur taxes on unrelated business income for the years ended December 2021 and 2020. The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2021 and 2020, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Reclassification

A reclassification was made to prior year balances to conform with current year presentation. PPP loan forgiveness income was split out of grant revenue into its own line item on the statements of activities for the years ended December 31, 2021 and 2020. Accrued vacation was split out of accrued expenses into its own line item on the statements of financial position as of December 31, 2021 and 2020.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 18, 2022. See Note 18 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements-Issued But Not Yet Effective

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled Leases. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is now effective for fiscal years beginning after December 15, 2021, as a delay in adoption was recently approved. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

The Family YMCA
Notes to Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash and cash equivalents and certificates of deposit to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>December 31,</i>	2021	2020
Financial assets, at year-end	\$ 1,037,773	\$ 950,291
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with purpose restrictions	(269,605)	(219,558)
Financial assets available to meet cash needs for general expenditures within one year	\$ 768,168	\$ 730,733

Financial assets at year-end as noted in the above schedule exclude property and equipment, and prepaid expenses.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

<i>December 31,</i>	2021	2020
Contract services	\$ 39,450	\$ 38,432
Total accounts receivable	\$ 39,450	\$ 38,432

The Family YMCA
Notes to Financial Statements

Note 5: INVESTMENTS

Investments in marketable securities consist of the following:

<i>December 31, 2021</i>	Cost	Market Value
Exchange traded funds	\$ 78,630	\$ 97,113
Money market funds	1,289	1,289
Total investments in marketable securities	\$ 79,919	\$ 98,402

<i>December 31, 2020</i>	Cost	Market Value
Exchange traded funds	\$ 56,763	\$ 71,276
Money market funds	1,045	1,045
Total investments in marketable securities	\$ 57,808	\$ 72,321

Investment income consisted of the following for the years ended December 31, 2021 and 2020:

	2021	2020
Interest and dividends	\$ 4,508	\$ 10,033
Realized gain (loss)	3,153	2,767
Unrealized gain	1,903	4,381
Investment fees	(392)	(544)
Total investment income, net	\$ 9,172	\$ 16,637

The Family YMCA
Notes to Financial Statements

Note 6: PROPERTY AND EQUIPMENT

The components of property and equipment at December 31, 2021 and 2020, are as follows:

	Estimated Useful Lives (in years)	2021	2020
Building and related improvements	5-39	\$ 1,604,901	\$ 1,604,901
Furniture, fixtures, and equipment	3-10	720,198	711,646
Vehicles	5	96,901	96,901
Gym equipment	3-10	859,185	859,185
		3,281,185	3,272,633
Less accumulated depreciation		(2,403,864)	(2,315,373)
		877,321	957,260
Land		2,709	2,709
Property and equipment, net		\$ 880,030	\$ 959,969

Depreciation expense for the years ended December 31, 2021 and 2020 amounted to \$88,491 and \$109,368, respectively.

Note 7: LONG-TERM DEBT

Long-term debt at December 31, 2021 and 2020, consists of the following:

<i>December 31,</i>	2021	2020
Note payable to financial institution, monthly payments of \$9,012, plus variable interest of 4.76% per annum, maturity of November 2034, collateralized by real property.	\$ 1,051,424	\$ 1,111,691
Note payable to financial institution, for Paycheck Protection Program loan amount not forgiven, with interest of 1% per annum, matured in April 2022. (Refer to Note 16)	-	1,343
Total	1,051,424	1,113,034
Less current portion	(59,124)	(56,344)
Note payable, less current portion	\$ 992,300	\$ 1,056,690

Interest expense related to the note payable agreements was \$53,049 and \$55,532 for the years ended December 31, 2021 and 2020, respectively.

The Family YMCA
Notes to Financial Statements

Note 7: LONG-TERM DEBT (Continued)

The current note payable agreement contains a certain financial covenant for maintaining a debt service coverage ratio of 1.10. The YMCA was in compliance with this covenant as of December 31, 2021.

Maturities of long-term debt subsequent to December 31, 2021, are as follows:

<i>For the years ending December 31,</i>	Amount
2022	\$ 59,124
2023	62,041
2024	64,978
2025	68,309
2026	71,679
Thereafter	725,293
Total	\$ 1,051,424

Note 8: NET ASSETS

A summary of net assets without donor restrictions follows:

<i>December 31,</i>	2021	2020
Undesignated	\$ 504,244	\$ 492,935
Total net assets without donor restrictions	\$ 504,244	\$ 492,935

A summary of net assets with donor restrictions follows:

<i>December 31,</i>	2021	2020
Purpose restricted		
Española teen center	\$ 73,000	\$ 76,750
Endowment	98,402	72,321
Public policy	32,238	22,273
Admin assistance	39,564	20,591
Los Alamos teen center equipment	18,004	20,107
Senior appreciation night	6,234	7,406
Dances of India	2,163	110
Total net assets with donor restrictions	\$ 269,605	\$ 219,558

The Family YMCA
Notes to Financial Statements

Note 9: REVENUE

The Organization is recognizing membership dues revenue over time and program service fees revenue and other operating income at a point in time. Memberships are billed and paid on a monthly basis and program service fees are billed and paid on the date the program occurs. As of December 31, 2021 and 2020, there were no performance obligations to be satisfied.

The Organization's customers are primarily individuals and families located in Los Alamos and surrounding communities of Northern New Mexico. The principal services purchased by the customers of the Organization consist of fitness center access and programs and fitness classes with a focus on health and exercise.

Disaggregated Revenue

A summary of disaggregated revenue for membership dues and program service fees follows:

Membership dues

	2021	2020
Single membership	\$ 205,451	\$ 272,226
Family of two membership	135,542	206,118
Family of three plus membership	126,300	206,085
Young adult membership	27,320	27,561
Miscellaneous membership	23,046	13,189
Total membership dues	\$ 517,659	\$ 725,179

Program Service Fees

	2021	2020
After school fees	\$ 244,468	\$ 188,499
Camp fees	83,456	30,653
Youth fees	61,323	25,716
Adult fees	19,055	21,872
Total program service fees	\$ 408,302	\$ 266,740

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Notes to Financial Statements

Note 9: REVENUE (Continued)

A summary of disaggregated revenue information follows:

For the years ended December 31,	2021	2020
Contracts with customers subject to Topic 606		
Recognized over time		
Membership dues	\$ 517,659	\$ 725,179
Recognized at a point of time		
Program services	408,302	266,740
Other operating income	23,591	32,988
Revenue and other support not subject to Topic 606		
Grants and contract services	633,145	640,639
Contributions	199,250	159,227
PPP loan forgiveness income	225,835	310,495
In-kind	13,948	17,160
Investment income	9,172	16,637
Total revenue and other support	\$ 2,030,902	\$ 2,169,065

Note 10: ENDOWMENT

The YMCA's endowment consists of one individual fund. As required by generally accepted accounting principles, 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.

Absent explicit donor stipulations to the contrary, the Board of Directors of the YMCA has interpreted the Uniform Prudent Management of 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. As a result of this interpretation, the YMCA retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the YMCA in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the YMCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 YMCA, and (7) the YMCA's investment policies.

The Family YMCA
Notes to Financial Statements

Note 10: ENDOWMENT (Continued)

Investment Return Objectives, Risk Parameters and Strategies. The YMCA has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment fund. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. The YMCA's spending policy is that it will not expend any amounts until the endowment fund reaches a certain threshold amount as determined by the Board. Interest income and gains are reported as an increase in unrestricted net assets, unless restricted by donor stipulations.

Endowment net asset reconciliation as of December 31 is as follows:

<i>December 31,</i>	2021 Total Endowment Net Assets	2020 Total Endowment Net Assets
Endowment net assets -		
January 1,	\$ 72,321	\$ 64,717
Contributions	20,000	-
Fee	(392)	(544)
Investment income	6,473	8,148
Endowment net assets -		
December 31,	\$ 98,402	\$ 72,321

Note 11: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- 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; or
 - can be corroborated by observable market data.

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.

The Family YMCA
Notes to Financial Statements

Note 11: FAIR VALUE MEASUREMENTS (Continued)

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Exchange traded funds: Valued at the daily closing price as reported by the fund. Exchange traded funds held by the YMCA are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The exchange traded funds held by the YMCA are deemed to be actively traded.

Money market funds: Valued at the closing price reported by the fund sponsor from an actively traded exchange.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets and liabilities measured at fair value on a recurring basis, are summarized for the year ended December 31, 2021 and 2020:

<i>December 31, 2021</i>	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 97,113	\$ -	\$ -	\$ 97,113
Money market funds	1,289	-	-	1,289
Total investments at fair value	\$ 98,402	\$ -	\$ -	\$ 98,402

<i>December 31, 2020</i>	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 71,276	\$ -	\$ -	\$ 71,276
Money market funds	1,045	-	-	1,045
Total investments at fair value	\$ 72,321	\$ -	\$ -	\$ 72,321

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Notes to Financial Statements

Note 11: FAIR VALUE MEASUREMENTS (Continued)

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended December 31, 2021 and 2020, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 12: CONCENTRATIONS OF CREDIT RISK

The YMCA maintains its cash balances in several financial institutions. The Federal Deposit Insurance Corporation insures the balance up to \$250,000 per institution for all interest-bearing accounts. From time to time, the YMCA may have amounts on deposit in excess of the FDIC limits. At December 31, 2021 and 2020, the YMCA had deposits that exceeded the FDIC limits by approximately \$367,000 and \$395,000, respectively. The YMCA has not experienced any losses from exceeding the limits and does not believe it is exposed to any significant credit risk on its cash balances.

Note 13: COMMITMENTS

The YMCA leases various facilities accounted for as operating leases. The leases expire in various years through 2022. The YMCA also leases certain office equipment accounted for as operating leases. The leases expire in various years through 2026. Minimum lease payments under noncancellable operating leases are as follows:

For the years ending December 31,

2022	\$	64,930
2023		3,078
2024		3,078
2025		3,078
2026		1,908
Total future minimum lease payments		\$ 76,072

Lease expense for the years ended December 31, 2021 and 2020 was \$61,852 and \$78,403, respectively.

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Note 14: CAPITALIZED LEASE OBLIGATIONS

The YMCA leases various gym equipment accounted for as a capital lease. The term of the lease was 33 months with monthly payments of \$734. The lease was paid in full in 2021.

Note 15: RETIREMENT PLAN

The YMCA participates in a defined contribution plan with the Young Men's Christian Association of the United States. The plan is mandatory for YMCA employees who have reached the age of 21 and who have worked at least 1,000 hours in each of two previous twelve-month periods. The YMCA contributes 7% of covered employees' salaries. As a result of the global pandemic, during the year ended December 31, 2020, contributions were reduced to 1% of covered employees' salaries. The contribution made on behalf of participating employees were \$17,539 and \$23,713 for the years ended December 31, 2021 and 2020, respectively.

The YMCA also offers a 403(b) plan where contributions are made voluntary by the employees participating in the plan.

Note 16: PAYCHECK PROTECTION PROGRAM

In February 2021, in response to the global pandemic, the Organization applied for and received a \$225,835 loan through the Paycheck Protection Program ("PPP") under the CARES Act. The Organization applied for forgiveness of \$225,835 of the debt and on December 17, 2021, the Organization received notice that the \$225,835 and related interest of \$1,844 had been forgiven by SBA. The \$225,835 grant was recorded as grant revenue during 2021. For the year ended December 31, 2020 the Organization received \$311,838 as a PPP loan in April 2020 and on December 14, 2020, \$310,495 of the loan was forgiven by the SBA. The remainder of \$1,343 was repaid in 2021.

Note 17: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, operations at the Organization were temporarily halted due to State of New Mexico mandated closures. This resulted in reduced program service fees and membership dues collected during the year ending December 31, 2021. In addition, the extent to which these events will affect the amounts reported in future financial statements remains uncertain.

Note 18: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after December 31, 2021 through April 18, 2022, the date the Organization's financial statements were available to be issued. The following items occurred: On January 7, 2022, the Organization moved its investments from Charles Schwab to Century Bank, where one of the Organization's board members is an employee, and thus, recused herself from this decision.