



STATE OF INDIANA
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May 1, 2024

Board of Directors
Randolph County YMCA, Inc.
Randolph County, Indiana

We have reviewed the audit report of Randolph County YMCA, Inc., which was opined upon by Whiting & Company, LLC, Independent Public Accountants, for the period November 1, 2021 to October 31, 2022. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Randolph County YMCA, Inc., as of October 31, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Whiting & Company, LLC prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

RANDOLPH COUNTY YMCA, INC.
WINCHESTER, INDIANA

FINANCIAL STATEMENTS
OCTOBER 31, 2022 AND 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Activities	2
Statement of Functional Expenses	3
Statement of Cash Flows	4
NOTES TO FINANCIAL STATEMENTS	5 - 12



WHITINGER & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Randolph County YMCA, Inc.
Winchester, Indiana

Opinion

We have audited the accompanying financial statements of Randolph County YMCA, Inc. (a not for profit), which comprise the statement of financial position as of October 31, 2022, and the related statements of activities, cash flows, and functional expenses 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 Randolph County YMCA, Inc. as of October 31, 2022, and the changes in 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 Randolph County YMCA, Inc. 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 Randolph County YMCA, Inc.'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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Randolph County YMCA, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Randolph County YMCA, Inc.'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 Randolph County YMCA, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants
Muncie, Indiana

May 22, 2023

FINANCIAL STATEMENTS

RANDOLPH COUNTY YMCA, INC.

**STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2022 AND 2021**

ASSETS	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,192,447	\$ 399,202
Receivables	62,184	46,668
Pledge receivables	43,774	70,774
Prepaid expenses	2,972	3,352
Community Foundation of Randolph County Trust	196,910	243,218
Other investments	2,255	2,253
Other	195	195
Property and equipment (net)	<u>2,253,637</u>	<u>2,435,739</u>
 Total Assets	 <u>\$ 3,754,374</u>	 <u>\$ 3,201,401</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 1,553	\$ 7,184
Accrued payroll	47,336	27,053
Deferred revenue	27,791	35,209
Lease obligations	44,596	65,713
Long-term debt	<u>184,900</u>	<u>262,275</u>
 Total Liabilities	 <u>\$ 306,176</u>	 <u>\$ 397,434</u>
 NET ASSETS		
Without Donor Restrictions	\$ 3,246,061	\$ 2,574,830
With Donor Restrictions	<u>202,137</u>	<u>229,137</u>
 Total Net Assets	 <u>\$ 3,448,198</u>	 <u>\$ 2,803,967</u>
 Total Liabilities and Net Assets	 <u>\$ 3,754,374</u>	 <u>\$ 3,201,401</u>

See accompanying Notes to Financial Statements.

RANDOLPH COUNTY YMCA, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2022
WITH COMPARATIVE TOTALS FOR OCTOBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2022	2021
PUBLIC SUPPORT, REVENUE, AND GAINS				
Public Support				
Contributions and grants	\$ 963,776	\$	\$ 963,776	\$ 486,094
Revenue and Gains				
Membership dues	\$ 324,355		\$ 324,355	\$ 296,539
Program service fees	1,045,010		1,045,010	845,933
Community use income	2,958		2,958	2,983
Investment income	(32,620)		(32,620)	59,387
Other income	201,572		201,572	203,204
Fund-raising income	53,905		53,905	25,498
	\$ 1,595,180	\$ -	\$ 1,595,180	\$ 1,433,544
Public Support, Revenue, and Gains	\$ 2,558,956	\$ -	\$ 2,558,956	\$ 1,919,638
Restrictions released and satisfied	27,000	(27,000)		
Total Public Support, Revenue, and Gains	\$ 2,585,956	\$ (27,000)	\$ 2,558,956	\$ 1,919,638
EXPENSES				
Program activities	\$ 1,417,950		\$ 1,417,950	\$ 1,268,198
Management and general	447,898		447,898	372,256
Fund-raising	48,877		48,877	46,019
Total Expenses	\$ 1,914,725		\$ 1,914,725	\$ 1,686,473
CHANGE IN NET ASSETS	\$ 671,231	\$ (27,000)	\$ 644,231	\$ 233,165
BEGINNING NET ASSETS	2,574,830	229,137	2,803,967	2,570,802
ENDING NET ASSETS	\$ 3,246,061	\$ 202,137	\$ 3,448,198	\$ 2,803,967

See accompanying Notes to Financial Statements.

RANDOLPH COUNTY YMCA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OCTOBER 31, 2022
WITH COMPARATIVE TOTALS FOR OCTOBER 31, 2021**

	Program Activities		Total Program Activities
	Childcare Program	Other Program	
SALARIES AND RELATED BENEFITS			
Salaries and wages	\$ 748,864	\$ 112,877	\$ 861,741
Payroll taxes	55,731	8,523	64,254
Total Salaries and Related Benefits	\$ 804,595	\$ 121,400	\$ 925,995
EXPENSES			
Professional fees			
Supplies		175	175
Telephone		6,506	6,506
Postage and shipping			
Occupancy	52,348	12,155	64,503
Equipment rental and repair	50,809	16,898	67,707
Travel	177	7,468	7,645
Conferences and meetings	3,714	498	4,212
Depreciation expense	49,948	93,026	142,974
Program expense	81,067	28,003	109,070
Advertising		297	297
Bank charges	8,573		8,573
Contract services		4,064	4,064
Dues and subscriptions		16,823	16,823
Fund-raising expense			
Insurance	23,321	3,515	26,836
Interest expense		8,042	8,042
Loss on asset disposals			
Other	20,705	3,823	24,528
Total Expenses	\$ 1,095,257	\$ 322,693	\$ 1,417,950

See accompanying Notes to Financial Statements.

Supporting Services		Total Supporting Services	Totals	
Management and General	Fund-Raising		2022 Program and Supporting Services	2021 Program and Supporting Services
\$ 142,169	\$ 15,796	\$ 157,965	\$ 1,019,706	\$ 930,230
<u>10,958</u>	<u>1,217</u>	<u>12,175</u>	<u>76,429</u>	<u>59,925</u>
\$ 153,127	\$ 17,013	\$ 170,140	\$ 1,096,135	\$ 990,155
8,735	971	9,706	9,706	10,168
13,135	1,459	14,594	14,769	10,975
1,115	124	1,239	7,745	2,592
3,180	353	3,533	3,533	1,401
4,220	469	4,689	69,192	64,174
6,989	777	7,766	75,473	83,448
			7,645	5,930
2,003	222	2,225	6,437	8,334
27,233		27,233	170,207	166,654
			109,070	79,770
11,822	1,313	13,135	13,432	18,083
36,937	4,104	41,041	49,614	44,990
7,908	879	8,787	12,851	22,271
15,776	1,753	17,529	34,352	22,594
	5,788	5,788	5,788	10,886
4,601	511	5,112	31,948	33,681
			8,042	7,929
32,846		32,846	32,846	
<u>118,271</u>	<u>13,141</u>	<u>131,412</u>	<u>155,940</u>	<u>102,438</u>
\$ 447,898	\$ 48,877	\$ 496,775	\$ 1,914,725	\$ 1,686,473

RANDOLPH COUNTY YMCA, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from public support and grants	\$ 975,260	\$ 543,814
Cash received from fees and other revenue	1,620,382	1,385,095
Cash paid to employees and suppliers	(1,688,598)	(1,679,367)
Interest and dividends received	5,642	3,575
Interest paid	(8,042)	(7,929)
Net Cash Provided By Operating Activities	\$ 904,644	\$ 245,188
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	\$ (20,951)	\$ (30,236)
Investment purchases	(3,945)	(3,537)
Investment sold	11,989	11,860
Net Cash Used In Investing Activities	\$ (12,907)	\$ (21,913)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital lease advance		\$ 14,940
Capital lease payments	\$ (21,117)	(16,858)
Repayment of loans	(77,375)	(54,168)
Net Cash Used In Financing Activities	\$ (98,492)	\$ (56,086)
CHANGE IN CASH AND CASH EQUIVALENTS	\$ 793,245	\$ 167,189
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	399,202	232,013
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,192,447	\$ 399,202
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 644,231	\$ 233,165
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	\$ 170,207	\$ 166,654
Net unrealized (gain) loss on investments	50,550	(39,545)
Realized gain on investments	(12,288)	(16,267)
PPP loan forgiveness		(162,000)
Loss on asset disposals	32,846	
Change in assets and liabilities		
Decrease in receivables	11,484	57,720
Decrease in prepaid expense	380	1,000
Increase (decrease) in accounts payable	14,652	(6,477)
Increase (decrease) in deferred revenue	(7,418)	10,938
TOTAL ADJUSTMENTS	\$ 260,413	\$ 12,023
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 904,644	\$ 245,188

See accompanying Notes to Financial Statements.

RANDOLPH COUNTY YMCA, INC.**NOTES TO FINANCIAL STATEMENTS****1. NATURE OF OPERATIONS**

Randolph County YMCA, Inc. is a nonprofit, charitable corporation that supports the National YMCA purpose statement: "The Young Men's Christian Association we regard as being in its essential genius a worldwide fellowship united by a common loyalty to Jesus Christ for the purpose of developing a Christian personality and building a Christian society". It restates this national purpose into a local mission statement as follows: "The YMCA is a Christian values-based Association that builds self-esteem, mutual respect, and a stronger community for all through quality programs of youth development, family enrichment, health enhancement, and international understanding". The Association operates the Aquatics, Adult and Youth Sports, Fitness, Skills, and Preschool programs in the Randolph County area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*Basis of Accounting*

The Association maintains its accounting on the accrual basis, and accordingly, reflects all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The Association prepares its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). *FASB ASC 958-10-65, Presentation of Financial Statements of Not-for-Profit Entities* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories: "net assets with donor restrictions" and "net assets without donor restrictions".

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and 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.

RANDOLPH COUNTY YMCA, INC.

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Association considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and cash equivalents.

Support, Revenue, and Pledges

In accordance with *FASB ASC 958, Not-for-Profit Entities*, contributions received are recorded as support “with donor restrictions” and “without donor restrictions”, depending on the existence and/or nature of any donor restrictions. *FASB ASC 605-205-15 Accounting for Contributions Received and Made*, requires that “unconditional promises to give” be recorded as receivables and revenue; and requires the organization to distinguish between contributions received for each net asset category in accordance with donor restrictions.

Contributions are generally considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received as restricted by the donor for a specific purpose are reported as restricted until such time as the donor’s restriction expires. Restrictions are normally removed when the contributions are expended for the purpose restricted by the donor or the project for which the contributions were specifically donated is completed. When a donor stipulated time restriction ends, or a purpose restriction is accomplished, then the net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction.

Pledges for contributions are recorded as a receivable when the pledge is received. Amounts received that are restricted by the donor for future periods, or for specific purposes, are reported as support with donor restrictions.

Management considers accounts receivable at October 31, 2022 and 2021, to be fully collectible, and accordingly, no allowance for doubtful accounts was required. Interest is not charged on outstanding receivables.

Investments

The Association holds assets invested with The Community Foundation of Randolph County. The Foundation combines all participating organizations’ funds, which it manages, as a pooled fund. Investment earnings within the Foundation fund are distributed to the participants pro-rata based on the overall performance of the Foundation’s investments and the amount each organization has invested. The Foundation’s investment fund consists of various investments such as, alternative investments, equities, and equity and fixed income mutual funds.

The Association’s investments are recorded at fair value. The fair value of investments is generally determined based on quoted market prices, or estimated fair values, provided by external investment managers or other sources. Investment transactions held in the brokerage account are recorded on the trade date and realized gains and losses on the sale of investments are calculated on the basis of specific identification on the securities sold. Realized and unrealized gains and losses are reflected in the statement of activities.

RANDOLPH COUNTY YMCA, INC.**NOTES TO FINANCIAL STATEMENTS****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***Property and Equipment*

Property and equipment are stated at cost as of the date of purchase or, if donated, at the approximate fair market value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. It is generally the policy of the Association to capitalize fixed assets over the amount of \$500.

Depreciation expense is computed using the straight-line method over the estimated useful lives of office furniture and equipment of 3 to 20 years. Depreciation expense for the years ended October 31, 2022 and 2021, was \$170,207 and \$166,654 respectively.

When assets are sold or disposed, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss on the disposition is reflected in activities. Expenditures for maintenance and repairs are expensed when incurred. Expenditures that result in the enhancement of the value of the assets involved are treated as additions to property and equipment.

Revenue Recognition

Revenue is measured based on consideration specified in an agreement with the member in accordance with *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. The Local determines monthly dues amounts to be paid by the membership. Membership dues are recognized as revenue in the applicable membership period. Program fees are recorded as revenue in the period when the programs take place.

Donated Services

During the years ended October 31, 2022 and 2021, a substantial number of volunteers have contributed significant amounts of their time to the Association and its fundraising campaigns. These services do not meet the requirements for recognition in the financial statements in accordance with *FASB ASC 958-605, Accounting for Contributions Received and Contributions Made* and are not included in the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The financial statements may report certain categories of expense that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among program and supporting services benefited. Certain costs for personnel and office overhead costs, as well as fundraising costs, have been allocated among the programs and supporting services based upon the distribution of staff time.

Advertising

Advertising costs are expensed when incurred and are classified under the statement of functional expenses.

RANDOLPH COUNTY YMCA, INC.

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Association is a not-for-profit organization incorporated under the laws of the State of Indiana and is exempt from the payment of federal income taxes under *Section 501(c)(3)* of the *Internal Revenue Code*. In addition, the Association has been determined not to be a private foundation within the meaning of *Section 509(a)* of the *Internal Revenue Code*. The Association's federal and state income tax returns are subject to examination by taxing authorities, generally for three years after they were filed.

Date of Management's Review

Management has evaluated subsequent events through the date on which the financial statements were made available to be issued. The date is the same as the independent auditor's report date.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<u>2022</u>	<u>2021</u>
Petty cash	\$ 100	\$ 100
Operational checking account	592,913	280,877
Capital fund	97,767	116,076
Other accounts	<u>501,667</u>	<u>2,149</u>
Total Cash and Cash Equivalents	<u>\$ 1,192,447</u>	<u>\$ 399,202</u>

4. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date are comprised of the following:

Financial assets		
Cash and cash equivalents	\$ 1,192,447	\$ 399,202
Pledge receivables	43,774	70,774
Community Foundation	41,834	88,142
Investments	2,255	2,253
Other assets	<u>65,351</u>	<u>50,215</u>
	\$ 1,345,661	\$ 610,586
Less financial assets held to meet donor restrictions		
Campaign pledges	(43,774)	(70,774)
Programs and facility maintenance	<u>(158,363)</u>	<u>(158,363)</u>
Amount available for expenditures within one year	<u>\$ 1,143,524</u>	<u>\$ 381,449</u>

The Association's annual operating cash needs are determined during their budgeting process. Cash is regularly monitored and evaluated by management. General expenditures include administration, fundraising, and program services that are expected to be paid in a subsequent year. Investments included in operating financial assets exclude the certificates of deposit with long-term maturities.

RANDOLPH COUNTY YMCA, INC.

NOTES TO FINANCIAL STATEMENTS

5. INTEREST HELD BY COMMUNITY FOUNDATION OF RANDOLPH COUNTY

During the year ended October 31, 1998, the Association received several endowment contributions which are held in a trust at the Community Foundation of Randolph County. Income earned on trust assets is unrestricted and will be distributed semi-annually to further the ongoing work of the Association. Income earned on these trust assets is to be used for various YMCA expenses. Distributions from the endowment account were \$8,124 and \$7,731, respectively. Investment gains (losses) related to this investment were \$(38,184) and \$55,220 for the years ended, respectively. At October 31, 2022 and 2021, the composition of the trust assets at market value was as follows:

	2021		2020	
	Without Restrictions	With Restrictions	Without Restrictions	With Restrictions
Beginning of the year	\$ 88,142	\$ 155,076	\$ 40,653	\$ 155,076
Investment income	16,230		19,804	
Net appreciation (depreciation)	(50,550)		39,545	
Appropriated for expenditure	(8,124)		(7,731)	
Other charges	(3,864)		(4,129)	
End of the year	<u>\$ 41,834</u>	<u>\$ 155,076</u>	<u>\$ 88,142</u>	<u>\$ 155,076</u>

Investment Income

Investment income for the years ended October 31, 2022 and 2021, consists of the following:

	2022	2021
Interest and other investment income	\$ 5,642	\$ 3,575
Realized investment gains	12,288	16,267
Market valuation	(50,550)	39,545
	<u>\$ (32,620)</u>	<u>\$ 59,387</u>

The Association has investments in various investment securities. Investment securities are exposed to various risks, such as interest rate, credit, and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect amounts reported in the financial statements.

6. PLEDGE RECEIVABLE

Pledge receivables are from various community members, the balance consists of:

	2022	2021
Pledges receivable in one to five years	\$ 4,200	\$ 23,290
Pledges receivable in less than one year	41,060	50,320
Less discount to net present value (at 3.0%)	(1,486)	(2,836)
	<u>\$ 43,774</u>	<u>\$ 70,774</u>

RANDOLPH COUNTY YMCA, INC.

NOTES TO FINANCIAL STATEMENTS

7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2022	2021
Land	\$ 30,000	\$ 30,000
Building and improvements	3,631,889	3,631,889
Furniture and equipment	528,608	507,656
Camp Slingshot		49,869
	\$ 4,190,497	\$ 4,219,414
Less accumulated depreciation	(1,936,859)	(1,783,675)
	\$ 2,253,638	\$ 2,435,739

8. FAIR VALUE

At October 31, 2022 and 2021, investments consisted of an endowment at the Community Foundation of Randolph County and an investment annuity. The following table presents the fair value hierarchy for the financial assets measured at fair value on a recurring basis:

	Fair Value	Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
October 31, 2022				
Pooled investments in Randolph County Foundation	\$ 196,910		\$ 196,910	
Publicly traded stocks	2,255		2,255	
	\$ 199,165	\$ -	\$ 199,165	\$ -
October 31, 2021				
Pooled investments in Randolph County Foundation	\$ 243,218		\$ 243,218	
Publicly traded stocks	2,253		2,253	
	\$ 245,471	\$ -	\$ 245,471	\$ -

FASB ASC 820, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset either directly or indirectly, and Level 3 assets have the lowest priority. The Association uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The Association measures fair value using Level 2 inputs where possible because it generally provides the most reliable evidence of fair value.

RANDOLPH COUNTY YMCA, INC.

NOTES TO FINANCIAL STATEMENTS

9. CAPITAL LEASE OBLIGATION

The Association leases certain equipment used in operations under a capital lease agreement. The monthly lease payment is \$1,605 and expires in September 2024. Minimum payments are as follows:

<u>October 31,</u>	<u>Amount</u>
2023	\$ 16,295
2024	<u>18,710</u>
	<u>\$ 35,005</u>

The carrying amount of the assets under capital lease obligations are as follows:

	<u>2022</u>	<u>2021</u>
Capitalized cost	\$ 99,210	\$ 99,210
Accumulated depreciation	<u>(57,438)</u>	<u>(37,596)</u>
Net Book Value	<u>\$ 41,772</u>	<u>\$ 61,614</u>

10. OPERATING LEASE COMMITMENTS

The Association leases certain equipment used in operations. The monthly lease payments range from \$87 to \$155 and expire in April 2021 through April 2024. Lease expense was \$3,632 and \$7,167 for the years ended October 31, 2022 and 2021, respectively. Minimum payments are as follows:

<u>Year Ended October 31,</u>	<u>Lease Amount</u>
2023	\$ 1,818
2024	<u>867</u>
	<u>\$ 2,685</u>

RANDOLPH COUNTY YMCA, INC.

NOTES TO FINANCIAL STATEMENTS

11. LONG-TERM DEBT

Long-term debt consists of the following:

	2022	2021
Note payable to First Merchants, Winchester, IN, due in quarterly payments of \$14,228, including interest at 4.99%, maturing June 2024. The debit is secured by inventory, accounts, and equipment.		\$ 77,375
Note payable to City of Union City, due in monthly payments of \$400, with no interest. Payments to begin February 2023.	\$ 35,000	35,000
Note payable to Small Business Administration, due in monthly payments of \$641, including interest at 2.75%. Payments begin August 2022 and matures July 2052.	149,900	149,900
	\$ 184,900	\$ 262,275

In May 2021, the Association received a loan in the amount of \$162,000 through the Paycheck Protection Program (the "PPP") which offered loans to small businesses impacted by the COVID-19 pandemic pursuant to the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. These loans may be forgiven to the extent proceeds were spent on certain qualifying costs and other conditions were met. The Association was notified in November 2020 that the loan was forgiven.

Minimum future principal payments on debt are as follows:

October 31,	Amount
2023	\$ 6,302
2024	8,490
2025	8,593
2026	8,699
2027	8,807
Thereafter	144,009
	\$ 184,900

12. NET ASSETS WITH DONOR RESTRICTIONS

As of October 31, 2022 and 2021, donor restricted net assets consist of:

	2022	2021
Facility maintenance	\$ 155,076	\$ 155,076
Programs	3,287	3,287
Capital campaign pledges	43,774	70,774
Net Assets with Donor Restrictions	\$ 202,137	\$ 229,137