

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF
THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2021 AND 2020



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**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
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YEARS ENDED DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Young Men's Christian Association of the Inland Northwest
Spokane, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of Young Men's Christian Association of the Inland Northwest (YMCA) and Young Men's Christian Association of the Inland Northwest Endowment Fund (the Endowment Fund) (nonprofit organizations) which comprise the combined statements of financial position as of December 31, 2021 and 2020, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 combined 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 combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements as a whole. The supplementary information and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2022, on our consideration of Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Spokane, Washington
May 4, 2022

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020**

ASSETS	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 13,181,855	\$ 3,357,696
Accounts Receivable, Net of Allowance for Doubtful Accounts	191,887	280,801
Pledges Receivable, Net of Discount and Allowance for Doubtful Accounts	69,191	10,103,650
Grants Receivable	1,636,545	70,167
Inventory, at Cost	26,732	38,475
Certificates of Deposit	228,483	227,579
Prepaid Expenses	192,219	102,669
Total Current Assets	15,526,912	14,181,037
LAND, BUILDINGS, AND EQUIPMENT, Net	18,476,318	19,210,471
OTHER ASSETS		
Long-Term Pledges Receivable, Net of Discount and Allowance for Doubtful Accounts	168,350	246,875
Other Assets	210,884	269,524
Investments	2,222,299	2,026,051
Investment in LLCs	9,697,780	9,994,295
Total Other Assets	12,299,313	12,536,745
Total Assets	\$ 46,302,543	\$ 45,928,253

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2021 AND 2020**

	2021	2020
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,132,368	\$ 1,128,926
Line of Credit	490,093	665,093
Charitable Gift Annuity Payable	1,923	2,013
Deferred Revenue	400,978	340,984
Current Maturities of Long-Term Debt	825,518	652,310
Total Current Liabilities	2,850,880	2,789,326
Long-Term Debt, Net of Current Maturities	9,870,300	10,695,321
Total Liabilities	12,721,180	13,484,647
NET ASSETS		
Without Donor Restrictions:		
Undesignated	5,947,708	4,325,297
Board Designated for:		
<i>Association Reserve</i>	841,511	885,354
<i>Bond Debt Service</i>	1,740,093	1,915,093
<i>Land Acquisition</i>	3,546,000	-
<i>Allocation to Endowment</i>	1,454,000	5,000,000
<i>Endowment</i>	1,868,275	1,675,546
Invested in Property, Plant, and Equipment	17,746,831	18,220,238
Total Without Donor Restrictions	33,144,418	32,021,528
With Donor Restrictions:		
Restricted by Purpose or Time:		
<i>Camp Scholarships</i>	84,190	79,950
<i>Camp Goodtimes</i>	19,705	15,755
Restricted in Perpetuity - Endowment	333,050	326,373
Total With Donor Restrictions	436,945	422,078
Total Net Assets	33,581,363	32,443,606
Total Liabilities and Net Assets	\$ 46,302,543	\$ 45,928,253

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restriction	With Donor Restriction	Total
PUBLIC SUPPORT AND REVENUE			
Public Support:			
Contributions	\$ 634,641	\$ 124,917	\$ 759,558
United Way Allocations	56,000	-	56,000
Government Grants	7,345,164	-	7,345,164
Total Public Support	8,035,805	124,917	8,160,722
Revenue:			
Membership Dues	4,709,587	-	4,709,587
Program Fees	3,016,390	-	3,016,390
Sales to the Public	343,188	-	343,188
Other Rentals	106,394	-	106,394
Realized Gain on Sale of Investments	127,683	-	127,683
Unrealized Gain on Investments	64,036	-	64,036
Investment and Miscellaneous Income	380,889	-	380,889
Special Events	176,533	-	176,533
Gain on Sale of Assets	8,000	-	8,000
Net Change in Charitable Trust	(235)	-	(235)
Total Revenue	8,932,465	-	8,932,465
Total Public Support and Revenue	16,968,270	124,917	17,093,187
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	110,050	(110,050)	-
EXPENSES			
Program Services	12,722,467	-	12,722,467
Supporting Services:			
Administrative and General	2,260,412	-	2,260,412
Fundraising	132,986	-	132,986
Total Expenses	15,115,865	-	15,115,865
CHANGES IN NET ASSETS BEFORE DEPRECIATION	1,962,455	14,867	1,977,322
DEPRECIATION	839,565	-	839,565
CHANGES IN NET ASSETS	1,122,890	14,867	1,137,757
Net Assets - Beginning of Year	32,021,528	422,078	32,443,606
NET ASSETS - END OF YEAR	\$ 33,144,418	\$ 436,945	\$ 33,581,363

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Public Support:			
Contributions	\$ 10,611,030	\$ 43,245	\$ 10,654,275
United Way Allocations	56,000	-	56,000
Government Grants	784,750	-	784,750
Total Public Support	<u>11,451,780</u>	<u>43,245</u>	<u>11,495,025</u>
Revenue:			
Membership Dues	6,657,814	-	6,657,814
Program Fees	1,965,229	-	1,965,229
Government Fees	1,125,637	-	1,125,637
Sales to the Public	280,934	-	280,934
Other Rentals	84,380	-	84,380
Realized Gain on Sale of Investments	59,557	-	59,557
Unrealized Gain on Investments	128,070	-	128,070
Investment and Miscellaneous Income	178,620	-	178,620
Special Events	138,220	-	138,220
Net Change in Charitable Trust	749	-	749
Total Revenue	<u>10,619,210</u>	<u>-</u>	<u>10,619,210</u>
Total Public Support and Revenue	22,070,990	43,245	22,114,235
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	78,716	(78,716)	-
EXPENSES			
Program Services	11,830,517	-	11,830,517
Supporting Services:			
Administrative and General	2,069,964	-	2,069,964
Fundraising	141,218	-	141,218
Total Expenses	<u>14,041,699</u>	<u>-</u>	<u>14,041,699</u>
CHANGES IN NET ASSETS BEFORE DEPRECIATION	8,108,007	(35,471)	8,072,536
DEPRECIATION	<u>1,025,688</u>	<u>-</u>	<u>1,025,688</u>
CHANGES IN NET ASSETS	7,082,319	(35,471)	7,046,848
Net Assets - Beginning of Year	<u>24,939,209</u>	<u>457,549</u>	<u>25,396,758</u>
NET ASSETS - END OF YEAR	<u>\$ 32,021,528</u>	<u>\$ 422,078</u>	<u>\$ 32,443,606</u>

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Program Services	Buildings	Supporting Services		Total Expenses
			Administrative and General	Fundraising	
Salaries	\$ 6,585,740	\$ 609,623	\$ 1,095,220	\$ 81,898	\$ 8,372,481
Payroll Taxes and Insurance	1,003,196	111,970	204,505	16,698	1,336,369
Retirement Plan Contributions	265,913	22,853	76,021	6,503	371,290
Total Salaries and Related Expense	7,854,849	744,446	1,375,746	105,099	10,080,140
Professional Fees and					
Contract Services	86,599	148,687	526,905	3,852	766,043
Supplies	297,959	295,159	7,900	1,873	602,891
Food and Beverages	227,056	305	2,949	215	230,525
Telephone and Postage	132,788	17,969	39,691	10,920	201,368
Off-Premises Rental	127,197	-	3,156	-	130,353
Equipment, Repair and Rental	36,156	65,871	31,131	-	133,158
Printing and Promotion	31,742	390	81,022	3,446	116,600
Conferences and Training	26,370	4,306	25,323	-	55,999
Travel	46,316	12,210	1,940	64	60,530
Agency Dues	159,182	734	96	-	160,012
Miscellaneous	167,027	65,641	46,069	4,958	283,695
Occupancy (Rent, Utilities, Maintenance, and Repairs)	468,034	1,212,329	128	65	1,680,556
Insurance	125,976	76,073	26,931	-	228,980
Other Taxes	6,655	138	3	-	6,796
Interest	-	378,219	-	-	378,219
Total	9,793,906	3,022,477	2,168,990	130,492	15,115,865
Allocated Building Costs	2,928,561	(3,022,477)	91,422	2,494	-
Total	12,722,467	-	2,260,412	132,986	15,115,865
Depreciation	823,951	15,614	-	-	839,565
Total Expenses	<u>\$ 13,546,418</u>	<u>\$ 15,614</u>	<u>\$ 2,260,412</u>	<u>\$ 132,986</u>	<u>\$ 15,955,430</u>

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Program Services	Buildings	Supporting Services		Total Expenses
			Administrative and General	Fundraising	
Salaries	\$ 5,931,157	\$ 656,097	\$ 1,102,999	\$ 78,569	\$ 7,768,822
Payroll Taxes and Insurance	901,536	124,625	196,674	15,866	1,238,701
Retirement Plan Contributions	124,217	15,359	39,972	3,006	182,554
Total Salaries and Related Expense	6,956,910	796,081	1,339,645	97,441	9,190,077
Professional Fees and					
Contract Services	44,531	150,823	445,845	4,390	645,589
Supplies	247,133	352,575	8,608	6,028	614,344
Food and Beverages	172,221	91	1,450	100	173,862
Telephone and Postage	118,602	17,402	32,746	15,294	184,044
Off-Premises Rental	142,994	-	2,736	1,012	146,742
Equipment, Repair and Rental	52,617	69,905	12,270	-	134,792
Printing and Promotion	9,024	46	32,104	8,563	49,737
Conferences and Training	13,038	1,243	26,513	25	40,819
Travel	16,555	9,897	4,086	454	30,992
Agency Dues	172,609	582	8,295	-	181,486
Miscellaneous	244,824	207,566	35,081	5,192	492,663
Occupancy (Rent, Utilities, Maintenance, and Repairs)	400,388	1,133,373	471	126	1,534,358
Insurance	111,622	65,975	23,865	-	201,462
Other Taxes	18,893	31	22	-	18,946
Interest	1,737	400,049	-	-	401,786
Total	8,723,698	3,205,639	1,973,737	138,625	14,041,699
Allocated Building Costs	3,106,819	(3,205,639)	96,227	2,593	-
Total	11,830,517	-	2,069,964	141,218	14,041,699
Depreciation	1,011,629	-	14,059	-	1,025,688
Total Expenses	\$ 12,842,146	\$ -	\$ 2,084,023	\$ 141,218	\$ 15,067,387

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Public Support and Revenue	\$ 25,504,955	\$ 11,794,991
Cash Paid to Suppliers and Employees	(14,456,946)	(13,588,439)
Interest Received	77,350	98,491
Interest Paid	(378,219)	(566,916)
Net Cash Provided (Used) by Operating Activities	10,747,140	(2,261,873)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Land, Buildings, and Equipment	(105,412)	(53,860)
Proceeds from Sale of Land, Buildings, and Equipment	8,000	-
Purchases of Certificate of Deposit	(904)	-
Proceeds from Maturity of Certificate of Deposit	-	713,592
Purchase of Investments	(605,420)	(1,498,603)
Proceeds from Sale of Investments	600,891	1,530,451
Net Cash Provided (Used) by Investing Activities	(102,845)	691,580
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease	-	(141,432)
Proceeds from Borrowings	-	11,500,000
Payments on Line of Credit	(175,000)	(101,000)
Payments on Long-Term Debt	(651,813)	(9,229,861)
Proceeds from Contributions Restricted for Permanent Endowment	6,677	16,695
Net Cash Provided (Used) by Financing Activities	(820,136)	2,044,402
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,824,159	474,109
Cash and Cash Equivalents - Beginning of Year	3,357,696	2,883,587
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 13,181,855	\$ 3,357,696

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,137,757	\$ 7,046,848
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	839,565	1,025,688
Unrealized Gain on Investments	(64,036)	(128,070)
Gain on Sale of Land, Buildings, and Equipment	(8,000)	-
Realized Gain on Sale of Investments	(127,683)	(59,557)
Occupancy Expense from Investment in LLC	296,515	268,856
Contributions Restricted for Long-Term Purposes	(6,677)	(16,695)
(Increase) Decrease in Assets:		
Accounts Receivable	88,914	140,753
Pledges Receivable	10,112,984	(9,900,613)
Grants Receivable	(1,566,378)	14,420
Inventory	11,743	(14,634)
Prepaid Expenses	(89,550)	(3,780)
Other Assets	58,640	111,916
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	3,442	(309,630)
Accrued Bond Interest	-	(165,130)
Charitable Gift Annuity Payable	(90)	(1,254)
Deferred Revenue	59,994	(270,991)
Net Cash Provided (Used) by Operating Activities	\$ 10,747,140	\$ (2,261,873)

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 NATURE OF OPERATIONS

Nature of Operations

Young Men's Christian Association of the Inland Northwest (YMCA) is a provider of youth and family programs and services in eastern Washington and northern Idaho. Young Men's Christian Association of the Inland Northwest Endowment Fund (the Endowment Fund) supports YMCA and its youth and family programs based on donor designations. These entities are collectively referred to as YMCA.

YMCA's mission is to put Christian principles into practice that build healthy spirit, mind, and body for all. The YMCA is a powerful association of men, women, and children committed to bringing about lasting personal and social change. With a focus on nurturing the potential of every child and teen, improving the nation's health and well-being, and providing opportunities to give back and support neighbors, the YMCA enables youth, adults, families, and communities to be healthy, confident, connected, and secure.

We advance our cause of strengthening community through program activities impacting youth development, healthy living, and social responsibility.

Youth Development – Our YMCA is committed to nurturing the potential of every child and teen. We believe that all kids deserve the opportunity to discover who they are and what they can achieve. That is why we help young people cultivate the values, skills, and relationships that lead to positive behaviors, better health, and educational achievement. Our YMCA programs offer a range of experiences that enrich cognitive, social, physical, and emotional growth. This is reflected on our Combining Statement of Functional Expenses under Youth Development which includes Early Learning, Before and After School Child Care, and Teen programs. It also includes Camp Reed programs under Corporate Programs and early learning programs at Eastern Washington University under Managed Facilities.

Healthy Living – The YMCA is a leading voice on health and well-being. We bring families closer together, encourage good health, and foster connections through fitness, sports, fun, and shared interests. As a result, people in our community are receiving the support, guidance, and resources they need to achieve greater health in spirit, mind, and body. This is particularly important as our nation struggles with an obesity crisis, families struggle with work/life balance, and individuals search for personal fulfillment. This is reflected on our Combining Statement of Functional Expenses under Membership Development which includes Aquatics, Health & Wellness, Chronic Disease Prevention & Management, Membership, and Sports programs, and also under Managed Facilities which includes City of Spokane Valley outdoor pools programs.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 NATURE OF OPERATIONS (CONTINUED)

Nature of Operations (Continued)

Social Responsibility – Our YMCA believes in giving back and supporting our neighbors. We have been listening and responding to our community's most critical social needs. YMCA programs deliver training, resources, and support that empower our neighbors to effect change, bridge gaps, and overcome obstacles. We engage YMCA members, participants, and volunteers in activities that strengthen our community and pave the way for future generations to thrive. This includes our Retired and Senior Volunteer Programs (RSVP) reflected under Corporate Programs on our Combining Statement of Functional Expenses.

As part of our mission our programs are accessible, affordable, and open to all faiths, backgrounds, abilities, and income levels. We provide financial assistance to people who otherwise may not have been able to afford to participate.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The combined financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of Presentation

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

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

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

YMCA reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of combined financial statements in conformity with U.S. 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 combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Combined Financial Statements

The combined financial statements include the financial statements of YMCA and the Endowment Fund. These are separately incorporated entities, each with its own board of directors that are combined for reporting purposes. Amounts due between these organizations were eliminated during preparation of the combined financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months at the date of acquisition and money market funds.

Certificates of Deposit

Certificates of deposit are stated as cost plus accrued interest which approximates fair value.

Impairment of Long-Lived Assets

YMCA, using its best estimates based on reasonable and supportable assumptions and projections, reviews assets for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable. Impaired assets are recorded at the lower of cost or fair value.

Revenue Recognition

The YMCA has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees, community room rental, and government contract revenues.

Because the YMCA's performance obligations relate to contracts with a duration of less than one year, the YMCA 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. There are no incremental costs of obtaining a contract and no significant financing components.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

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

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

Community room rental fees: Community rooms and spaces are rented out to not for profit organizations, community groups, governmental entities, members and others and are generally paid in advance. Deposits are generally received at the time the reservation is made.

Community room and space rental fee revenues are recognized ratably over the period the service is provided on a straight-line basis. Deposits, advances, and upfront payments are contract liabilities and are recorded as other deferred revenue upon receipt. Included in accounts receivables are contract assets for unbilled services and receivables for billed unpaid services.

Government Fees: The YMCA has contracts with city, state, and federal agencies to provide a variety of program services to the public based on contract requirements. Such contracts from government agencies are recorded as revenue as performance obligations are satisfied, which is generally when the related expenditures are incurred over the period the service is provided.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Advances are recorded as deferred revenue from government contracts upon receipt. Included in government receivables are contract assets for unbilled services and receivables for billed unpaid services.

For government receivables, the allowance for doubtful accounts is determined by a monthly and semi-annual review of account balances, including the age of the balance, historical collection experience, and specific identification of uncollectible accounts. Uncollectible receivables are charged to the allowance. An expense is recorded at the time the allowance is adjusted.

A portion of the YMCA's revenue is derived from conditional contracts and grants, which are conditioned upon certain performance requirements and/or incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the YMCA has met the conditions on which they depend on.

Concentration of Credit Risk

Financial instruments, which potentially subject YMCA to concentrations of credit risk, consist of cash and cash equivalents.

YMCA maintains its cash in bank deposit accounts at financial institutions. The bank accounts, at times, may be in excess of the Federal Deposit Insurance Corporation insurance limit.

Receivables

Accounts and grants are recorded net of an allowance for doubtful accounts. Accounts are written off in the period they are determined to be uncollectible. Contributions are shown net of uncollectible pledges in the combined statements of activities. Management has evaluated the balances and determined that no allowance was necessary at December 31, 2021 and 2020.

The CARES Act provides an employee retention credit ("CARES Employee Retention Credit"), which is a refundable tax credit against certain employment taxes. During the fiscal year ended December 31, 2021 the YMCA recorded a \$1,548,212 government receivable for the third quarter of 2021 and related revenue in the statement of activities. The 2021 Form 941-X Adjusted Employer's Quarterly Federal Tax Return or Claim for Refunded for the third quarter was filed in April of 2022.

Inventory

Inventory is recorded using the lower of FIFO cost (first-in, first-out) or market.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

YMCA accounts for investments in accordance with the provisions of *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the combined statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Land, Buildings, and Equipment

Purchases of land, buildings, and equipment are recorded at cost. A threshold of \$1,500 is used as the basis for asset capitalization. Maintenance, repairs, and minor additions are expensed as incurred. Depreciation is computed primarily using the straight-line method. The useful lives for depreciation purposes range from 3 to 15 years for vehicles and equipment and 10 to 40 years for buildings.

Contributions and Pledges

The YMCA records unconditional promises to give (pledges) as receivables and contributions within the appropriate net asset category based on the existence or absence of donor-imposed restrictions. The YMCA recognizes conditional promises to give when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

YMCA reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restriction. Absent explicit donor stipulations about how long those long-lived assets must be maintained, YMCA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

As of December 31, 2021 and 2020 the YMCA has uncollected unconditional pledges totaling \$237,541 and \$10,350,525, respectively. Expected receipts as of December 31, 2021 are as follows:

	Pledges Receivable	Allowance for Uncollectible Pledges	Net
Less Than One Year	\$ 69,191	\$ -	\$ 69,191
One to Four Years	168,350	-	168,350
Total	\$ 237,541	\$ -	\$ 237,541

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Pledges (Continued)

During the year ending December 31, 2020, the YMCA received a one-time unrestricted pledge of \$10,000,000, which makes up approximately 45% of total revenue. The pledge has been recorded as a current asset at December 31, 2020 and the funds were received in January of 2021.

Contributed Assets and Services

Materials, land, buildings, equipment, and other assets received as donations are recorded and reflected in the accompanying combined financial statements at their estimated fair market values at the date they are received.

Unemployment Reserve

YMCA is self-insured for unemployment claims. YMCA accrued approximately .4% of total wages as a liability at December 31, 2021 and 2020. The balance of the liability was \$196,480 and \$189,980 at December 31, 2021 and 2020, respectively.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited.

Sales Taxes

YMCA excludes from revenue any sales taxes collected from customers and remitted to governmental authorities.

Income Taxes

YMCA and the Endowment Fund are nonprofit corporations exempt under Internal Revenue Code Section 501(c)(3) from taxes on all income except that generated from its debt-financed leased facilities. There was no income tax liability in 2021 or 2020. Management evaluated YMCA's tax positions and concluded that YMCA had taken no uncertain tax positions that require adjustment to the combined financial statements to comply with Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 740-10*.

New Accounting Pronouncement Effective in Future Accounting Periods

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which is a comprehensive lease accounting standard that requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. The guidance is required to be applied by the Organization for the year ended December 31, 2022; however, early application is permitted. The Organization is currently evaluating the impact this guidance will have on its financial statements.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2021, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2021. Management has performed their analysis through May 4, 2022, the date the financial statements were available to be issued.

The global outbreak of COVID-19 continues to cause disruption and impact economies and organizations worldwide. The YMCA continues to adapt to measures taken by federal, state and local officials to contain the spread of the virus. Certain restrictions have been lifted state and nation wide as the virus has been limited. While the YMCA expects the economy to recover, future variants and restrictions are unknown of any continued impact cannot be accurately predicted at this time.

Subsequent to December 31, 2021, the YMCA purchased a fifteen-acre property on the South Hill in Spokane, Washington. Board Designated cash in the amount of \$3,400,000 was used to purchase the property and the YMCA has the ability to purchase an adjacent three acres for \$146,000.

NOTE 3 LIQUIDITY AND AVAILABILITY

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

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 5,600,251	\$ 557,249
Certificates of Deposit	228,483	227,579
Accounts Receivable	191,887	280,801
Pledges Receivable	69,191	5,103,650
Endowment Appropriations	<u>62,000</u>	<u>56,000</u>
Total	<u>\$ 6,151,812</u>	<u>\$ 6,225,279</u>

The Endowment Fund consists of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

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NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Endowment Fund is subject to an annual spending rate of 4.0% as described in Note 13. Although the Endowment Fund does not intend to spend from the board-designated portion of the endowment (other than amounts appropriated for general expenditure as part of the endowment board's annual budget approval and appropriation), these amounts could be made available if necessary. As of December 31, 2021 and 2020, the board-designated portion of the endowment was \$1,868,275 and \$1,675,546, respectively.

As part of YMCA's liquidity management plan, management invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. The YMCA board may also designate a portion of any operating surplus to its Association Reserve. As of December 31, 2021 and 2020, the board-designated portion of the Reserve was \$841,511 and \$885,354, respectively.

NOTE 4 LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 2,658,027	\$ 2,658,027
Buildings and Improvements	26,899,695	26,876,620
Tenant Improvements	729,432	718,821
Equipment and Furnishings	5,039,064	5,224,039
Vehicles	<u>244,645</u>	<u>239,533</u>
Total	35,570,863	35,717,040
Less: Accumulated Depreciation	<u>17,094,545</u>	<u>16,506,569</u>
Total	<u>\$ 18,476,318</u>	<u>\$ 19,210,471</u>

NOTE 5 INVESTMENTS

Investments, stated at fair value, consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Cash Funds	\$ 35,667	\$ 43,197
U.S. Government Bonds	162,203	127,762
Equity Securities	872,066	826,960
Mutual Funds	1,074,778	950,164
Corporate Bonds	<u>77,585</u>	<u>77,968</u>
Total	<u>\$ 2,222,299</u>	<u>\$ 2,026,051</u>

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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NOTE 5 INVESTMENTS (CONTINUED)

The three levels of the fair value hierarchy defined by FASB ASC 820 are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 measurements include those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures.

Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.

Level 3 – Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to YMCA's needs.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. YMCA's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

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.

Cash Funds: Valued at quoted market prices and are considered a Level 1 input item.

U.S. Government and Corporate Bonds: Valued based on yields currently available on comparable securities of issuers with similar credit ratings and are considered a Level 2 input item. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Mutual Funds: Valued at quoted market prices which represent the net asset value of shares held by YMCA at year-end and are considered a Level 1 input item.

Equity Securities: Valued at the closing price reported in the active market in which the individual security is traded and are considered a Level 1 input item.

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NOTE 5 INVESTMENTS (CONTINUED)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while YMCA 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 a different fair value measurement at the reporting date.

The following tables disclose by level, within the fair value hierarchy, YMCA's assets measured and reported on the combined statements of financial position at fair value on a recurring basis as of December 31:

	2021			
	Level 1	Level 2	Level 3	Total
Cash Funds	\$ 35,667	\$ -	\$ -	\$ 35,667
U.S. Government Bonds	-	162,203	-	162,203
Equity Securities	872,066	-	-	872,066
Mutual Funds	1,074,778	-	-	1,074,778
Corporate Bonds	-	77,585	-	77,585
Total	\$ 1,982,511	\$ 239,788	\$ -	\$ 2,222,299

	2020			
	Level 1	Level 2	Level 3	Total
Cash Funds	\$ 43,197	\$ -	\$ -	\$ 43,197
U.S. Government Bonds	-	127,762	-	127,762
Equity Securities	826,960	-	-	826,960
Mutual Funds	950,164	-	-	950,164
Corporate Bonds	-	77,968	-	77,968
Total	\$ 1,820,321	\$ 205,730	\$ -	\$ 2,026,051

NOTE 6 INVESTMENTS IN LLCs

YMCA is a member in Central Y Owner, LLC along with Young Women's Christian Association of Spokane (YWCA). YMCA and YWCA each own a 50% interest in the LLC. The purpose of the LLC is to hold the Central Y building and real property for program use by YMCA and YWCA.

YMCA is accounting for its investment in the LLC by the equity method of accounting under which YMCA's share of the net income or loss of the LLC is recognized as income or loss in YMCA's combined statements of activities. The income or loss is deducted from or added to occupancy expenses related to use of the Central Y facility (see Note 14, Commitments).

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NOTE 6 INVESTMENTS IN LLCS (CONTINUED)

The audited financial statements of the LLC included the following as of December 31:

	<u>2021</u>	<u>2020</u>
Revenue	\$ 420,660	\$ 466,897
Net Loss	(576,325)	(524,996)
Total Assets	17,122,540	17,679,289
Total Liabilities	56,438	36,862
Members' Equity	17,066,102	17,642,427

YMCA and YWCA of Spokane guarantee liabilities of the LLC.

NOTE 7 RELATED PARTY TRANSACTIONS

YMCA had the following related party receivables as of December 31:

	<u>2021</u>	<u>2020</u>
Accounts Receivable, Central Y Owner, LLC	<u>\$ 5,438</u>	<u>\$ 7,289</u>
Accounts Payable, Central Y Owner, LLC	<u>\$ -</u>	<u>\$ 22,500</u>

Related party rent expense paid to Central Y Owner, LLC was \$270,012 for both of the years ended December 31, 2021 and 2020.

NOTE 8 ASSETS HELD IN CHARITABLE TRUSTS

YMCA administers various charitable gift annuities. A charitable gift annuity provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Endowment Fund's use. The portion of the trust attributable to the present value of the future benefits to be received by YMCA is recorded in the combined statements of activities as unrestricted contributions in the period the trust is established. There were no contributions for the years ended December 31, 2021 and 2020.

Assets held in charitable trusts consisted of the following types of investments as of December 31:

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,639	\$ 1,543
Mutual Funds	5,537	5,727
Assets at Fair Market Value	<u>\$ 7,176</u>	<u>\$ 7,270</u>

The assets held in charitable trusts are included in investments on YMCA's combined statements of financial position.

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NOTE 8 ASSETS HELD IN CHARITABLE TRUSTS (CONTINUED)

The state of Washington under RCW 48.38.020 requires charities to obtain a certificate of exemption to issue charitable gift annuities. RCW 48.38.020 requires the charity to maintain a separate reserve fund equal to 110% of the actuarially determined liability balance. The reserve fund amount is calculated every December 31 and must be performed by an independent third party. The current reserve fund requirement as determined by the actuary is \$2,115 and \$2,215 at December 31, 2021 and 2020, respectively. The RCW allows the organization to use its existing Gift Annuity Pool as the reserve fund to meet this requirement.

NOTE 9 LONG-TERM DEBT

The terms of the bonds and notes payable are as follows as of December 31:

<u>Description</u>	<u>2021</u>		<u>2020</u>
	<u>Current</u>	<u>Long-Term</u>	<u>Balance</u>
Note Payable, Washington Trust Bank originating June 2020, monthly payments beginning in July 2020 of \$96,255, including interest at 3.150%, maturing June 2032.	\$ 825,518	\$ 9,870,300	\$ 10,695,818
Note Payable, Paramount Ltd, originating December 14, 2016, monthly payments beginning January 2017 of \$4,453, including interest at 3.5%, maturing December 2021.	-	-	51,446
Total	<u>\$ 825,518</u>	<u>\$ 9,870,300</u>	<u>\$ 10,695,818</u>

Future maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Notes Payable</u>
2022	\$ 825,518
2023	852,272
2024	879,099
2025	908,385
2026	937,845
Thereafter	6,292,699
Total	<u>\$ 10,695,818</u>

The YMCA has an uncollateralized line of credit agreement with Washington Trust Bank in the amount of \$515,093. The line of credit expires on November 26, 2022. The YMCA had outstanding borrowings of \$490,093 and \$665,093 at December 31, 2021 and 2020, respectively. Interest on such borrowings is equal to 3.95%.

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NOTE 9 LONG-TERM DEBT (CONTINUED)

The notes payable and line of credit agreements contain certain loan covenants which include those pertaining to debt service coverage, debt to net worth and reserve account requirements.

In February and May of 2021, the Organization received proceeds in the amount of \$1,847,800 and \$1,847,800, respectively, to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP Loans may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act.

The Organization has classified these loans as PPP grants for accounting purposes. The Organization recognized \$3,695,600 of grant income related to these agreements during the year ended December 31, 2021, which represents the portion of the PPP Loan funds for which the performance barriers have been met. As of December 31, 2021, the Organization has satisfied the performance barriers attributable to the PPP Loan proceeds. The SBA has formally forgiven all of the Organization's obligation under these PPP Loans during 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 10 EMPLOYEE BENEFIT PLAN

YMCA participates in a defined contribution, individual account, money purchase retirement plan which is administered by Young Men's Christian Association Retirement Fund (the Retirement Fund) (a separate corporation). The Plan is for the benefit of all professional and support staff of YMCA.

On July 1, 2002, YMCA adopted a Special Agreement noncontributory participation plan whereby YMCA contributes a percentage of participating employees' salaries to the Retirement Fund monthly. The rate for 2021 was 8%. During May 2020, the contribution rate was reduced temporarily from 8% to 1% through December 2020. Total YMCA contributions charged to retirement costs were \$371,290 and \$182,554 for 2021 and 2020, respectively.

The Retirement Fund is operated as a church pension plan and is a nonprofit, tax-exempt New York State corporation (1922). Participation is available to all duly organized or reorganized YMCAs in the United States of America. As a defined contribution plan, the Retirement Fund has no unfunded benefit obligations.

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NOTE 11 PROGRAM EXPENSES – YEAR ENDED DECEMBER 31, 2021

	Operating Units				Retired and Senior Volunteer Program	Total
	Membership Development	Youth Development	YMCA Camp Reed	Managed Facilities		
Salaries	\$ 3,343,170	\$ 2,049,551	\$ 356,164	\$ 771,512	\$ 65,343	\$ 6,585,740
Payroll Taxes and Insurance	483,356	333,262	58,076	112,282	16,220	1,003,196
Retirement Plan Contributions	135,142	83,077	11,712	30,582	5,400	265,913
Total Salaries and Related Expenses	<u>3,961,668</u>	<u>2,465,890</u>	<u>425,952</u>	<u>914,376</u>	<u>86,963</u>	<u>7,854,849</u>
Professional Fees and Contract Services	51,929	9,095	10,968	4,979	9,628	86,599
Supplies	99,611	96,099	44,548	55,639	2,062	297,959
Food and Beverages	2,423	136,828	57,349	30,354	102	227,056
Telephone and Postage	101,688	23,176	4,484	1,414	2,026	132,788
Off-Premises Rental	90,230	6,477	-	30,240	250	127,197
Equipment, Repair and Rental	6,719	5,417	10,417	13,303	300	36,156
Printing and Promotion	10,243	44	9,293	7,161	5,001	31,742
Conference and Training	9,861	4,949	6,821	2,285	2,454	26,370
Travel	5,630	32,682	5,493	1,629	882	46,316
Agency Dues	87,363	40,393	10,906	18,792	1,728	159,182
Miscellaneous	113,451	35,774	12,791	4,403	608	167,027
Occupancy (Rent, Utilities, Maintenance, and Repairs)	305,494	108,761	648	53,131	-	468,034
Insurance	50,933	31,828	30,048	10,874	2,293	125,976
Other Taxes	3,409	237	-	3,009	-	6,655
Program Totals Before Allocated Expenses	<u>4,900,652</u>	<u>2,997,650</u>	<u>629,718</u>	<u>1,151,589</u>	<u>114,297</u>	<u>9,793,906</u>
Expenses Allocated from Other Functions:						
Administration/Fundraising	1,464,385	694,033	201,862	-	17,357	2,377,637
Community Involvement Center/Buildings	3,269,928	140,939	332,584	-	9,062	3,752,513
Total Allocated Expenses	<u>4,734,313</u>	<u>834,972</u>	<u>534,446</u>	<u>-</u>	<u>26,419</u>	<u>6,130,150</u>
Total Functional Expenses	<u>\$ 9,634,965</u>	<u>\$ 3,832,622</u>	<u>\$ 1,164,164</u>	<u>\$ 1,151,589</u>	<u>\$ 140,716</u>	<u>\$ 15,924,056</u>

Program expenses and administration/fundraising allocation exclude the Endowment Fund expenses of \$31,374. Total entity expenses were \$15,955,430.

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NOTE 11 PROGRAM EXPENSES (CONTINUED) – YEAR ENDED DECEMBER 31, 2020

	Operating Units				Retired and Senior Volunteer Program	Total
	Membership Development	Youth Development	Camp Reed	Managed Facilities		
Salaries	\$ 2,808,602	\$ 2,195,091	\$ 232,633	\$ 620,943	\$ 73,888	\$ 5,931,157
Payroll Taxes and Insurance	412,866	350,628	38,602	82,268	17,172	901,536
Retirement Plan Contributions	68,801	35,031	4,920	14,188	1,277	124,217
Total Salaries and Related Expenses	<u>3,290,269</u>	<u>2,580,750</u>	<u>276,155</u>	<u>717,399</u>	<u>92,337</u>	<u>6,956,910</u>
Professional Fees and Contract Services	22,182	9,660	1,625	8,730	2,334	44,531
Supplies	90,245	71,424	36,673	45,387	3,404	247,133
Food and Beverages	2,034	127,056	13,934	29,197	-	172,221
Telephone and Postage	93,779	19,398	2,773	992	1,660	118,602
Off-Premises Rental	116,436	3,775	-	22,155	628	142,994
Equipment, Repair and Rental	2,171	1,105	502	48,539	300	52,617
Printing and Promotion	2,870	40	2,099	2,133	1,882	9,024
Conferences and Training	6,627	3,556	792	2,052	11	13,038
Travel	2,775	9,509	2,351	1,493	427	16,555
Agency Dues	111,799	35,188	10,639	13,735	1,248	172,609
Miscellaneous	199,961	29,772	5,596	5,478	4,017	244,824
Occupancy (Rent, Utilities, Maintenance, and Repairs)	276,858	110,116	398	13,016	-	400,388
Insurance	48,568	23,799	28,554	8,706	1,995	111,622
Other Taxes	15,827	193	-	2,873	-	18,893
Interest	1,737	-	-	-	-	1,737
Program Totals Before Allocated Expenses	<u>4,284,138</u>	<u>3,025,341</u>	<u>382,091</u>	<u>921,885</u>	<u>110,243</u>	<u>8,723,698</u>
Expenses Allocated from Other Functions:						
Administration/Fundraising	1,481,577	551,662	146,817	-	17,803	2,197,859
Community Involvement Center/Buildings	3,639,461	145,178	323,952	-	9,855	4,118,446
Total Allocated Expenses	<u>5,121,038</u>	<u>696,840</u>	<u>470,769</u>	<u>-</u>	<u>27,658</u>	<u>6,316,305</u>
Total Functional Expenses	<u>\$ 9,405,176</u>	<u>\$ 3,722,181</u>	<u>\$ 852,860</u>	<u>\$ 921,885</u>	<u>\$ 137,901</u>	<u>\$ 15,040,003</u>

Program expenses and administration/fundraising allocation exclude the Endowment Fund expenses of \$27,384. Total entity expenses were \$15,067,387.

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NOTE 12 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors in the years ended December 31.

	2021	2020
Purpose Restrictions Accomplished:		
Camp Reed	\$ 30,000	\$ -
Camp Goodtimes	80,050	78,716
Total	\$ 110,050	\$ 78,716

NOTE 13 FUNDS HELD FOR ENDOWMENT

YMCA follows Uniform Prudent Management of Institutional Funds Act (UMIDA) and its own governing documents. The board of directors of YMCA and the Endowment Fund has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, YMCA classifies as net assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, 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 YMCA, and (7) YMCA's investment policies.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or UPMIFA required YMCA to retain as a fund of perpetual duration. YMCA had no deficiencies of this nature at December 31, 2021 and 2020.

Endowment Investment and Spending Policies

The Endowment Fund has adopted investment and spending policies, approved by its board of directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its funds while seeking to maintain the purchasing power of the endowment assets over the long-term. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that equal inflation plus 5% while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

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NOTE 13 FUNDS HELD FOR ENDOWMENT (CONTINUED)

Endowment Investment and Spending Policies (Continued)

To satisfy its long-term rate of return objective, the endowment relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and from current yield (interest and dividends). Asset allocation guidelines and the investment manager structure should ensure adequate diversification in order to reduce the volatility of investment returns. The spending policy calculates the amount of money annually distributed from the Endowment Fund's assets. The current spending policy is to distribute an amount not to exceed 4% of the average value of the total endowment portfolio over the preceding three-year period.

Endowment fund net asset composition by type of fund is as follows at December 31:

	2021		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 333,050	\$ 333,050
Board-Designated Funds	1,868,275	-	1,868,275
Total	<u>\$ 1,868,275</u>	<u>\$ 333,050</u>	<u>\$ 2,201,325</u>

	2020		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 326,373	\$ 326,373
Board-Designated Funds	1,675,546	-	1,675,546
Total	<u>\$ 1,675,546</u>	<u>\$ 326,373</u>	<u>\$ 2,001,919</u>

Change in Endowment Net Assets

	Board- Designated Unrestricted	With Donor Restriction	Total
Endowment Net Assets - January 1, 2020	\$ 1,540,823	\$ 309,678	\$ 1,850,501
Contributions	-	16,695	16,695
Investment Return:			
Investment Income	42,888	-	42,888
Net Gain on Investments:			
Realized/Unrealized Gain	187,218	-	187,218
Appropriations for Expenditure	(95,383)	-	(95,383)
Endowment Net Assets - December 31, 2020	1,675,546	326,373	2,001,919
Contributions	20,000	6,677	26,677
Investment Return:			
Investment Income	68,182	-	68,182
Net Gain on Investments:			
Realized/Unrealized Gain	191,921	-	191,921
Appropriations for Expenditure	(87,374)	-	(87,374)
Endowment Net Assets - December 31, 2021	<u>\$ 1,868,275</u>	<u>\$ 333,050</u>	<u>\$ 2,201,325</u>

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NOTE 14 COMMITMENTS

YMCA leases approximately 47,000 square feet of space within the Central Y facility from Central Y Owner, LLC, a related party (see Note 4). The lease began in May 2009 and will continue until December 2037. In addition, YMCA leases space within the Central Y facility from the YWCA under a separate lease agreement. YMCA also leases corporate office space and south facility space from unrelated parties. YMCA agreed to extend the lease for corporate office space for an additional 5 years (existing lease expired in December 2019). Total minimum lease payments for the 5 years following December 31, 2021 and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 439,195
2023	428,924
2024	351,889
2025	190,062
2026	194,808
Thereafter	300,868
Total	<u>\$ 1,905,746</u>

The Central Y Owner, LLC lease agreement was amended in 2015 to reduce base rent payments to \$1 per month. YMCA's portion of the operating costs of Central Y Owner, LLC has been reported as occupancy expense on the statement of functional expenses.

YMCA entered into agreements for software licenses, minimum payments for the five years following December 31, 2021 and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 221,891
2023	239,754
2024	202,444
2025	4,064
Total	<u>\$ 668,153</u>

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	Current Fund	Land, Buildings, and Equipment Acquisitions	Capital Campaign Fund	Debt Fund	Endowment Fund	Interagency Eliminations	Total All Funds
ASSETS							
Cash and Cash Equivalents	\$ 10,183,461	\$ 45,998	\$ 34,010	\$ 2,918,386	\$ -	\$ -	\$ 13,181,855
Accounts Receivable, Net of Allowance for Doubtful Accounts	191,887	-	-	-	-	-	191,887
Pledges Receivable, Net of Discount and Allowance for Doubtful Accounts	11,430	-	225,842	-	269	-	237,541
Grants Receivable	1,636,545	-	-	-	-	-	1,636,545
Due from Other Funds	24,272	8,000	1,500	1,700,000	1,580	(1,735,352)	-
Inventory, at Cost	23,063	3,669	-	-	-	-	26,732
Investments	7,176	-	-	-	2,215,123	-	2,222,299
Certificates of Deposit	-	-	-	228,483	-	-	228,483
Investment in LLCs	-	9,697,780	-	-	-	-	9,697,780
Prepaid Expenses	123,090	-	-	69,129	-	-	192,219
Other Assets	-	210,884	-	-	-	-	210,884
Land, Building, and Equipment, Less Accumulated Depreciation	-	18,476,318	-	-	-	-	18,476,318
Total Assets	\$ 12,200,924	\$ 28,442,649	\$ 261,352	\$ 4,915,998	\$ 2,216,972	\$ (1,735,352)	\$ 46,302,543
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 1,132,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,132,368
Line of Credit	-	-	490,093	-	-	-	490,093
Charitable Gift Annuity Payable	1,923	-	-	-	-	-	1,923
Deferred Revenue	400,978	-	-	-	-	-	400,978
Notes Payable and Long-Term Debt	-	-	-	10,695,818	-	-	10,695,818
Due to Other Funds	1,712,179	-	-	7,526	15,647	(1,735,352)	-
Total Liabilities	3,247,448	-	490,093	10,703,344	15,647	(1,735,352)	12,721,180
NET ASSETS (DEFICIT)	8,953,476	28,442,649	(228,741)	(5,787,346)	2,201,325	-	33,581,363
Total Liabilities and Net Assets	\$ 12,200,924	\$ 28,442,649	\$ 261,352	\$ 4,915,998	\$ 2,216,972	\$ (1,735,352)	\$ 46,302,543

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ASSETS	<u>Current Fund</u>	<u>Land, Buildings, and Equipment Acquisitions</u>	<u>Capital Campaign Fund</u>	<u>Debt Fund</u>	<u>Endowment Fund</u>	<u>Interagency Eliminations</u>	<u>Total All Funds</u>
Cash and Cash Equivalents	\$ 320,941	\$ 89,910	\$ 31,294	\$ 2,915,551	\$ -	\$ -	\$ 3,357,696
Accounts Receivable, Net of Allowance for Doubtful Accounts	280,801	-	-	-	-	-	280,801
Pledges Receivable, Net of Discount and Allowance for Doubtful Accounts	10,020,358	-	330,092	-	75	-	10,350,525
Grants Receivable	70,167	-	-	-	-	-	70,167
Due from Other Funds	105,466	-	-	1,700,000	1,682	(1,807,148)	-
Inventory, at Cost	34,806	3,669	-	-	-	-	38,475
Investments	7,270	-	-	-	2,018,781	-	2,026,051
Certificates of Deposit	-	-	-	227,579	-	-	227,579
Investment in LLCs	-	9,994,295	-	-	-	-	9,994,295
Prepaid Expenses	26,956	-	-	75,713	-	-	102,669
Other Assets	-	269,524	-	-	-	-	269,524
Land, Building, and Equipment, Less Accumulated Depreciation	-	19,210,471	-	-	-	-	19,210,471
Total Assets	<u>\$ 10,866,765</u>	<u>\$ 29,567,869</u>	<u>\$ 361,386</u>	<u>\$ 4,918,843</u>	<u>\$ 2,020,538</u>	<u>\$ (1,807,148)</u>	<u>\$ 45,928,253</u>
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 1,128,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,128,926
Line of Credit	-	-	665,093	-	-	-	665,093
Charitable Gift Annuity Payable	2,013	-	-	-	-	-	2,013
Deferred Revenue	340,984	-	-	-	-	-	340,984
Notes Payable and Long-Term Debt	51,446	-	-	11,296,185	-	-	11,347,631
Due to Other Funds	1,781,003	-	-	7,526	18,619	(1,807,148)	-
Total Liabilities	<u>3,304,372</u>	<u>-</u>	<u>665,093</u>	<u>11,303,711</u>	<u>18,619</u>	<u>(1,807,148)</u>	<u>13,484,647</u>
NET ASSETS (DEFICIT)	<u>7,562,393</u>	<u>29,567,869</u>	<u>(303,707)</u>	<u>(6,384,868)</u>	<u>2,001,919</u>	<u>-</u>	<u>32,443,606</u>
Total Liabilities and Net Assets	<u>\$ 10,866,765</u>	<u>\$ 29,567,869</u>	<u>\$ 361,386</u>	<u>\$ 4,918,843</u>	<u>\$ 2,020,538</u>	<u>\$ (1,807,148)</u>	<u>\$ 45,928,253</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
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	Membership Development	Youth Development	Managed Facilities	Corporate Programs	Capital Campaign	Debt Fund	Endowment Fund	Total
PUBLIC SUPPORT AND REVENUE								
Public Support:								
Contributions	\$ 299,272	\$ 149,333	\$ -	\$ 209,176	\$ 75,100	\$ -	\$ 26,677	\$ 759,558
United Way Allocations	-	56,000	-	-	-	-	-	56,000
Government Grants	84,056	1,260,237	615,490	5,385,381	-	-	-	7,345,164
Total Public Support	<u>383,328</u>	<u>1,465,570</u>	<u>615,490</u>	<u>5,594,557</u>	<u>75,100</u>	<u>-</u>	<u>26,677</u>	<u>8,160,722</u>
Revenue:								
Membership Dues	4,709,587	-	-	-	-	-	-	4,709,587
Program Fees	714,992	1,683,053	227,103	391,242	-	-	-	3,016,390
Sales to the Public	30,311	20,376	201,960	90,541	-	-	-	343,188
Other Rentals	64,360	-	-	42,034	-	-	-	106,394
Realized Gain on Sale of Investments	-	-	-	-	-	-	127,683	127,683
Unrealized Gain (Loss) on Investments	-	-	-	(190)	-	-	64,226	64,036
Investment and Miscellaneous Income	11,444	2,746	232,295	62,495	-	3,739	68,170	380,889
Special Events, Net	-	41,741	-	134,792	-	-	-	176,533
Gain on Sale of Assets	-	-	-	8,000	-	-	-	8,000
Net Change in Charitable Trust	-	-	-	(235)	-	-	-	(235)
Total Revenue	<u>5,530,694</u>	<u>1,747,916</u>	<u>661,358</u>	<u>728,679</u>	<u>-</u>	<u>3,739</u>	<u>260,079</u>	<u>8,932,465</u>
Total Public Support and Revenue	5,914,022	3,213,486	1,276,848	6,323,236	75,100	3,739	286,756	17,093,187
EXPENSES								
Program Services	4,900,653	2,997,650	1,151,588	744,015	-	-	-	9,793,906
Community Involvement Center/Buildings	3,263,343	140,939	-	341,646	-	6,584	-	3,752,512
Supporting Services:								
Administrative and General	1,520,751	558,021	-	165,880	-	-	31,374	2,276,026
Fundraising	90,007	33,027	-	9,818	134	-	-	132,986
Total Expenses	<u>9,774,754</u>	<u>3,729,637</u>	<u>1,151,588</u>	<u>1,261,359</u>	<u>134</u>	<u>6,584</u>	<u>31,374</u>	<u>15,955,430</u>
CHANGES IN NET ASSETS	<u>\$ (3,860,732)</u>	<u>\$ (516,151)</u>	<u>\$ 125,260</u>	<u>\$ 5,061,877</u>	<u>\$ 74,966</u>	<u>\$ (2,845)</u>	<u>\$ 255,382</u>	<u>\$ 1,137,757</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
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(SEE INDEPENDENT AUDITORS' REPORT)

	Membership Development	Youth Development	Managed Facilities	Corporate Programs	Capital Campaign	Debt Fund	Endowment Fund	Total
PUBLIC SUPPORT AND REVENUE								
Public Support:								
Contributions	\$ 287,408	\$ 230,294	\$ -	\$ 10,118,993	\$ 885	\$ -	\$ 16,695	\$ 10,654,275
United Way Allocations	-	56,000	-	-	-	-	-	56,000
Government Grants	18,947	-	523,719	242,084	-	-	-	784,750
Total Public Support	306,355	286,294	523,719	10,361,077	885	-	16,695	11,495,025
Revenue:								
Membership Dues	6,657,814	-	-	-	-	-	-	6,657,814
Program Fees	331,659	1,345,839	239,568	48,163	-	-	-	1,965,229
Government Fees	-	1,113,075	12,562	-	-	-	-	1,125,637
Sales to the Public	27,585	12,156	197,093	44,100	-	-	-	280,934
Other Rentals	50,543	-	-	33,837	-	-	-	84,380
Realized Gain on Sale of Investments	-	-	-	-	-	-	59,557	59,557
Unrealized Gain on Investments	-	-	-	409	-	-	127,661	128,070
Investment and Miscellaneous Income	5,893	3,553	52,693	53,996	-	19,597	42,888	178,620
Special Events, Net	-	27,067	-	111,153	-	-	-	138,220
Gain on Sale of Assets	-	-	-	-	-	-	-	-
Net Change in Charitable Trust	-	-	-	749	-	-	-	749
Total Revenue	7,073,494	2,501,690	501,916	292,407	-	19,597	230,106	10,619,210
Total Public Support and Revenue	7,379,849	2,787,984	1,025,635	10,653,484	885	19,597	246,801	22,114,235
EXPENSES								
Program Services	4,284,138	3,025,341	921,885	492,334	-	-	-	8,723,698
Community Involvement Center/Buildings	3,563,772	145,178	-	333,807	-	75,689	-	4,118,446
Supporting Services:								
Administrative and General	1,393,376	511,281	-	151,984	-	-	27,384	2,084,025
Fundraising	95,599	35,079	-	10,427	113	-	-	141,218
Total Expenses	9,336,885	3,716,879	921,885	988,552	113	75,689	27,384	15,067,387
CHANGES IN NET ASSETS	\$ (1,957,036)	\$ (928,895)	\$ 103,750	\$ 9,664,932	\$ 772	\$ (56,092)	\$ 219,417	\$ 7,046,848

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(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Membership Development</u>	<u>Youth Development</u>	<u>Corporate Programs</u>	<u>Corporate Support</u>	<u>Managed Facilities</u>	<u>Endowment Fund</u>	<u>Total Expenses</u>
Salaries	\$ 3,883,408	\$ 2,049,551	\$ 489,397	\$ 1,178,613	\$ 771,512	\$ -	\$ 8,372,481
Payroll Taxes and Insurance	582,810	333,262	86,613	221,402	112,282	-	1,336,369
Retirement Plan Contributions	153,498	83,077	21,609	82,524	30,582	-	371,290
Total Salaries and Related Expenses	4,619,716	2,465,890	597,619	1,482,539	914,376	-	10,080,140
Professional Fees and							
Contract Services	185,804	9,095	29,943	533,232	4,979	2,990	766,043
Supplies	358,972	96,099	79,353	12,828	55,639	-	602,891
Food and Beverages	2,456	136,828	57,724	3,163	30,354	-	230,525
Telephone and Postage	116,968	23,176	6,510	53,281	1,414	19	201,368
Off-Premises Rental	90,230	6,477	250	3,156	30,240	-	130,353
Equipment, Repair and Rental	61,013	5,417	21,174	32,251	13,303	-	133,158
Printing and Promotion	10,243	44	14,683	84,469	7,161	-	116,600
Conferences and Training	14,071	4,949	9,371	25,323	2,285	-	55,999
Travel	10,967	32,682	13,248	2,004	1,629	-	60,530
Agency Dues	88,097	40,393	12,634	96	18,792	-	160,012
Miscellaneous	179,091	35,774	13,399	24,717	4,403	26,311	283,695
Occupancy	1,333,891	108,761	43,295	141,413	53,131	65	1,680,556
Insurance	124,692	31,828	32,341	27,256	10,874	1,989	228,980
Other Taxes	3,547	237	-	3	3,009	-	6,796
Interest	366,167	-	12,052	-	-	-	378,219
Interbranch Administrative							
Support, Corporate	1,504,599	713,091	225,238	(2,442,928)	-	-	-
Interbranch Administrative Support, Membership Development	(140,939)	140,939	-	-	-	-	-
Total	8,929,585	3,851,680	1,168,834	(17,197)	1,151,589	31,374	15,115,865
Depreciation	696,766	1,873	123,729	17,197	-	-	839,565
Total Functional Expenses	<u>\$ 9,626,351</u>	<u>\$ 3,853,553</u>	<u>\$ 1,292,563</u>	<u>\$ -</u>	<u>\$ 1,151,589</u>	<u>\$ 31,374</u>	<u>\$ 15,955,430</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Membership Development</u>	<u>Youth Development</u>	<u>Corporate Programs</u>	<u>Corporate Support</u>	<u>Managed Facilities</u>	<u>Endowment Fund</u>	<u>Total Expenses</u>
Salaries	\$ 3,388,988	\$ 2,195,091	\$ 378,977	\$ 1,184,823	\$ 620,943	\$ -	\$ 7,768,822
Payroll Taxes and Insurance	524,580	350,628	68,228	212,997	82,268	-	1,238,701
Retirement Plan Contributions	82,014	35,031	8,343	42,978	14,188	-	182,554
Total Salaries and Related Expenses	3,995,582	2,580,750	455,548	1,440,798	717,399	-	9,190,077
Professional Fees and							
Contract Services	158,177	9,660	12,104	454,212	8,730	2,706	645,589
Supplies	425,214	71,424	54,690	17,629	45,387	-	614,344
Food and Beverages	2,125	127,056	13,934	1,459	29,197	91	173,862
Telephone and Postage	109,211	19,398	4,434	49,968	992	41	184,044
Off-Premises Rental	116,436	3,775	628	3,748	22,155	-	146,742
Equipment, Repair and Rental	53,847	1,105	7,567	23,734	48,539	-	134,792
Printing and Promotion	2,915	40	3,981	40,667	2,133	-	49,736
Conferences and Training	7,370	3,556	1,303	26,538	2,052	-	40,819
Travel	7,165	9,509	8,285	4,540	1,493	-	30,992
Agency Dues	112,321	35,188	11,947	8,295	13,735	-	181,486
Miscellaneous	380,451	29,772	36,692	17,627	5,478	22,644	492,664
Occupancy	1,237,118	110,116	35,438	138,595	13,016	75	1,534,358
Insurance	112,441	23,799	30,549	24,140	8,706	1,827	201,462
Other Taxes	15,857	194	-	22	2,873	-	18,946
Interest	393,382	-	8,404	-	-	-	401,786
Interbranch Administrative							
Support, Corporate	1,531,672	570,315	170,186	(2,272,173)	-	-	-
Interbranch Administrative Support, Membership Development	(145,178)	145,178	-	-	-	-	-
Total	8,516,106	3,740,835	855,690	(20,201)	921,885	27,384	14,041,699
Depreciation	880,886	1,873	122,728	20,201	-	-	1,025,688
Total Functional Expenses	<u>\$ 9,396,992</u>	<u>\$ 3,742,708</u>	<u>\$ 978,418</u>	<u>\$ -</u>	<u>\$ 921,885</u>	<u>\$ 27,384</u>	<u>\$ 15,067,387</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION DETAIL — LAND, BUILDINGS, AND EQUIPMENT
DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Fixed Assets				
	Balance December 31, 2020	Acquisitions	Dispositions	Balance December 31, 2021	
Land	\$ 2,658,027	\$ -	\$ -	\$ 2,658,027	
Buildings and Building Improvements	26,876,620	23,075	-	26,899,695	
Tenant Improvements	718,821	10,611	-	729,432	
Furniture, Fixtures, and Equipment	5,224,039	51,726	(236,701)	5,039,064	
Vehicles	239,533	20,000	(14,888)	244,645	
Total Fixed Assets	<u>\$ 35,717,040</u>	<u>\$ 105,412</u>	<u>\$ (251,589)</u>	<u>\$ 35,570,863</u>	
	Accumulated Depreciation				
	Balance December 31, 2020	Depreciation for Year	Dispositions	Balance December 31, 2021	Depreciated Value December 31, 2021
Land	\$ -	\$ -	\$ -	\$ -	\$ 2,658,027
Buildings and Building Improvements	10,531,272	735,524	-	11,266,796	15,632,899
Tenant Improvements	667,945	16,125	-	684,070	45,362
Furniture, Fixtures, and Equipment	5,069,285	83,116	(251,589)	4,900,812	138,252
Vehicles	238,067	4,800	-	242,867	1,778
Total Accumulated Depreciation	<u>\$ 16,506,569</u>	<u>\$ 839,565</u>	<u>\$ (251,589)</u>	<u>\$ 17,094,545</u>	<u>\$ 18,476,318</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION DETAIL — ACCOUNTS PAYABLE
AND ACCRUED EXPENSES
DECEMBER 31, 2021 AND 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	2021	2020
ACCOUNTS PAYABLE AND ACCRUED EXPENSES		
Current Funds without Restriction:		
Accounts Payable, Trade	\$ 376,367	\$ 398,026
Payroll and Withholding Taxes	247,906	232,057
Accrued Wages	285,094	208,168
Accrued Vacation	194,643	263,709
Other Payables	28,358	26,966
Total Accounts Payable and Accrued Expenses	\$ 1,132,368	\$ 1,128,926

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
CHARITABLE GIFT ANNUITY STATEMENT
DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

The Washington State Office of the Insurance Commissioner requires that YMCA and its charitable gift annuities be reported separately from the affiliated Endowment in accordance with RCW 48.28.020(2)(a) and that YMCA provide report detail reflecting the separate entities. To comply with this requirement, a modified report is offered as follows:

	YMCA with CGA Included and Endowment <u>Excluded</u>	<u>Endowment</u>	<u>Total</u>
Income:			
Without Donor Restriction	\$ 16,688,167	\$ 280,103	\$ 16,968,270
With Donor Restriction	118,240	6,677	124,917
Total Income	<u>16,806,407</u>	<u>286,780</u>	<u>17,093,187</u>
Expenses:			
Without Donor Restriction	15,868,056	87,374	15,955,430
With Donor Restriction	-	-	-
Total Expenses	<u>15,868,056</u>	<u>87,374</u>	<u>15,955,430</u>
Net Change in Assets 2021	938,351	199,406	1,137,757
Net Assets 2020	<u>30,441,687</u>	<u>2,001,919</u>	<u>32,443,606</u>
Net Assets 2021	<u>\$ 31,380,038</u>	<u>\$ 2,201,325</u>	<u>\$ 33,581,363</u>
Net Assets 2021:			
Without Donor Restriction	\$ 31,276,143	\$ 1,868,275	\$ 33,144,418
With Donor Restriction	103,895	333,050	436,945
Net Assets 2021	<u>\$ 31,380,038</u>	<u>\$ 2,201,325</u>	<u>\$ 33,581,363</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Young Men's Christian Association of the Inland Northwest
Spokane, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Young Men's Christian Association of the Inland Northwest (YMCA) and Young Men's Christian Association of the Inland Northwest Endowment Fund (the Endowment Fund) (nonprofit organizations) which comprise the combined statements of financial position as of December 31, 2021 and 2020, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements and have issued our report thereon dated May 4, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the YMCA and the Endowment Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YMCA and the Endowment Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the YMCA and the Endowment Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the YMCA and the Endowment Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the YMCA and the Endowment Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the YMCA and the Endowment Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Spokane, Washington
May 4, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Young Men's Christian Association of the Inland Northwest
Spokane, Washington

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Young Men's Christian Association of the Inland Northwest (YMCA) and Young Men's Christian Association of the Inland Northwest Endowment Fund's (the Endowment Fund) (nonprofit organizations) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of YMCA and the Endowment Fund's major federal programs for the year ended December 31, 2021. YMCA and the Endowment Fund's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, YMCA and the Endowment Fund complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of YMCA and the Endowment Fund and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of YMCA and the Endowment Fund's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to YMCA and the Endowment Fund's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on YMCA and the Endowment Fund's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about YMCA and the Endowment Fund's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 YMCA and the Endowment Fund's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of YMCA and the Endowment Fund's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of YMCA and the Endowment Fund's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Board of Directors
Young Men's Christian Association of the Inland Northwest

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Spokane, Washington
May 4, 2022

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are
not considered to be material weakness(es)? _____ yes X none reported

Noncompliance material to financial statements
noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are
not considered to be material weakness(es)? _____ yes X none reported

Type of auditors’ report issued on
compliance for major programs: *Unmodified*

Any audit findings that are required to be
reported in accordance with 2 CFR section
200.516(a) are reported in this schedule? _____ yes X no

Identification of major programs:

*Assistance Listing
Number(s)*

Name of Federal Program or Cluster

84.425D

Education Stabilization Fund

21.019

Coronavirus Relief Fund

Dollar threshold used to distinguish between
type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee? _____ yes X no

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
DEPARTMENT OF EDUCATION				
Passed through WA Office Superintendent of Public Instruction (WAOSPI) Community-Based Organizations (CBO) Grants	84.425	91-6001112	\$ -	\$ 250,000
Total Department of Education			-	250,000
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Passed through Corporation for National and Community Services (CNCS) Retired Seniors Volunteer Program	94.002		-	102,724
Total Corporation for National and Community Service			-	102,724
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Aging & Long Term Care of Eastern Washington (ALTCEW) COVID 19 Group Exercise Virtual Program Support TITLE IIIB CARES Supportive Services	93.044	91-1017706	-	4,616
COVID 19 Group Exercise Virtual Program Support TITLE IIIC CARES Nutrition	93.045	91-1017706	-	15,854
COVID 19 Powerful Tools for Caregivers Program Support TITLE IIIE CARES Family Caregiver Support Services Subtotal	93.052	91-1017706	-	190 20,660
Passed through Washington State Department of Children, Youth & Families (DCYF) COVID 19 DCYF Spokane County CARES Spring 2021 Childcare COVID Grants DCYF WA State School Age Incentive Grants Subtotal	93.575 93.575	82-3847397 82-3847397	- -	156,600 41,068 197,668
Passed through Centers for Disease Control and Prevention (ELC) & FEMA - Distributed by WA State Health Care Authority & Better Health Together COVID 19 CDC ELC & FEMA - COVID Care Coordination Services Subtotal	93.323	90-0997482	-	59,658 277,986
DEPARTMENT OF TREASURY				
Passed through Spokane County/Community Minded Enterprises (SC/CME) COVID 19 Spokane County CARES Act Provider Grants	21.019	91-0827958 (SC); 91-1764236 (CME)	-	185,995
COVID 19 Spokane County CARES Act Childcare Financial Assistance Subtotal	21.019	91-0827958 (SC); 91-1764236 (CME)	-	3,226 189,221
Passed Through Spokane County COVID 19 Spokane County CARES COVID Supplies/HEPA Subtotal	21.019	91-0827958	-	10,805 10,805
Total Department of Treasury			-	200,026

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Passed through WAOSPI				
Child and Adult Care Food Program (CACFP)	10.558		\$ -	\$ 49,739
Child and Adult Care Food Program (CACFP Cash in Lieu CIL)	10.558		-	4,626
Summer Food Service Program (SFSP)	10.559		-	19,879
CACFP EOC Emergency Operations Funds Program	10.558		-	10,918
Subtotal			-	85,162
 Total Department of Agriculture			-	85,162
 Total Expenditures of Federal Awards			\$ -	\$ 915,898

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the YMCA under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the YMCA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Example Entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Coronavirus Relief Fund 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The YMCA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.