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**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

**FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

Mari Huff C.P.A., P.A.
Certified Public Accountants
Stuart, Florida

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.
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Mari Huff C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER:
American Institute of Certified
Public Accountants

Florida Institute of Certified
Public Accountants

National Association of Certified
Valuators and Analysts

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Young Men's Christian Association of the Treasure Coast, Florida, Inc.
Stuart, Florida

Opinion

We have audited the accompanying financial statements of Young Men's Christian Association of the Treasure Coast, Florida, Inc (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Men's Christian Association of the Treasure Coast, Florida, Inc 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Young Men's Christian Association of the Treasure Coast, Florida, Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Young Men's Christian Association of the Treasure Coast, Florida, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Young Men's Christian Association of the Treasure Coast, Florida, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Young Men's Christian Association of the Treasure Coast, Florida, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

MARI HUFF CPA, PA

Mari Huff C.P.A., P.A.
May 2, 2022

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

Statement of Financial Position

As of December 31, 2021

(with comparative totals as of December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Assets:				
Current assets:				
Cash and cash equivalents	\$ 1,126,883	\$ 59,170	\$ 1,186,053	\$ 508,523
Accounts receivable, net	44,452	-	44,452	64,897
Grants receivable	71,820	-	71,820	25,084
Unconditional promises to give	-	8,900	8,900	962
Deferred expenses	41,373	-	41,373	122,967
Due from operating account	-	1,648,633	1,648,633	1,463,738
Property and equipment, net	3,299,564	-	3,299,564	3,574,393
Deposits	7,303	-	7,303	7,303
Cash endowment fund	-	151,367	151,367	101,237
Total current assets	4,591,395	1,868,070	6,459,465	5,869,104
Total assets	\$ 4,591,395	\$ 1,868,070	\$ 6,459,465	\$ 5,869,104
Liabilities:				
Current liabilities:				
Line of credit	\$ -	\$ -	\$ -	\$ 100,764
Payroll protection program funds	-	-	-	434,000
Accounts payable	24,576	-	24,576	64,544
Accrued expenses	109,095	-	109,095	107,181
Deferred revenue	240,382	-	240,382	214,246
Due to endowment fund	1,648,633	-	1,648,633	1,463,738
Total liabilities	2,022,686	-	2,022,686	2,384,473
Net assets:				
Net assets, without restrictions	2,568,709	-	2,568,709	1,836,119
Net assets, with restrictions	-	1,868,070	1,868,070	1,648,512
Total net assets	2,568,709	1,868,070	4,436,779	3,484,631
Total liabilities and net assets	\$ 4,591,395	\$ 1,868,070	\$ 6,459,465	\$ 5,869,104

See independent auditors' report and notes to the financial statements

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

Statement of Activities

For the Year Ended December 31, 2021

(with comparative totals for the year ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenues, gains, and other support				
Program service fees	\$ 2,477,514	\$ -	\$ 2,477,514	\$ 1,844,740
Membership dues	657,653	-	657,653	743,346
Fundraising	827,150	-	827,150	762,149
Contributions and gifts	72,658	30,000	102,658	126,846
Grants	387,991	-	387,991	420,651
PPP grant	879,400	-	879,400	-
Other	31,682	-	31,682	3,407
Interest income	131	-	131	348
Loss on disposal of property and equipment	(1,360)	-	(1,360)	-
Total revenues, gains, and other support	5,332,819	30,000	5,362,819	3,901,487
Functional expenses				
Program services				
Aquatic	385,693	-	385,693	246,177
Sports and recreation	560,991	-	560,991	451,355
Child care and family life	2,231,301	-	2,231,301	2,059,632
Support Services				
Membership	349,178	-	349,178	315,568
Fundraising	883,508	-	883,508	840,688
Total functional expenses	4,410,671	-	4,410,671	3,913,420
Change in net assets	922,148	30,000	952,148	(11,933)
Net assets, beginning of year	1,836,119	1,648,512	3,484,631	3,496,564
Transfer from operating	(189,558)	189,558	-	-
Net assets, end of year	\$ 2,568,709	\$ 1,868,070	\$ 4,436,779	\$ 3,484,631

See independent auditors' report and notes to the financial statements

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

Statement of Functional Expenses

For the Year Ended December 31, 2021

(with comparative totals for the year ended December 31, 2020)

	Program Services				Support Services				2021 Total	2020 Total
	Aquatics	Sports and Recreation	Child Care and Family Life	Total Program Services	Membership	Management and General	Fundraising	Total Support Services		
Salaries	\$ 145,561	\$ 253,252	\$ 879,748	\$1,278,561	\$ 92,411	\$ 451,694	\$ 13,871	\$ 557,976	\$ 1,836,537	\$ 1,623,887
Bad debt	-	-	-	-	-	585	-	585	585	-
Employee benefits	8,048	9,977	103,632	121,657	4,321	53,486	3,806	61,613	183,270	151,901
Payroll taxes	10,952	19,016	57,335	87,303	7,851	34,339	1,940	44,130	131,433	132,413
Fees for services	37,218	-	16,872	54,090	-	142,669	415,694	558,363	612,453	399,830
Advertising and promotion	-	-	4,570	4,570	345	47,730	45,981	94,056	98,626	58,559
Office expenses and program supplies	15,193	42,617	219,763	277,573	8,555	124,087	48,280	180,922	458,495	449,165
Occupancy	5,633	10,773	3,200	19,606	-	188,571	-	188,571	208,177	199,237
Interest	-	-	-	-	-	1,648	-	1,648	1,648	4,428
Travel	-	-	2,352	2,352	-	3,302	16	3,318	5,670	8,486
Conferences and meetings	1,785	-	899	2,684	93	4,154	-	4,247	6,931	3,073
Payments to affiliates	-	-	-	-	-	55,887	-	55,887	55,887	29,187
Insurance	-	-	3,688	3,688	-	146,881	-	146,881	150,569	152,866
Scholarship	4,140	2,628	85,046	91,814	102,000	-	3,000	105,000	196,814	196,814
Dues, licenses, and other taxes	9,590	8,083	461	18,134	-	9,156	60	9,216	27,350	40,652
Information technology	-	-	-	-	-	100,603	12,814	113,417	113,417	128,673
Depreciation	-	-	-	-	-	322,809	-	322,809	322,809	334,249
Total expenses	238,120	346,346	1,377,566	1,962,032	215,576	1,687,601	545,462	2,448,639	4,410,671	3,913,420
Allocation of management and general costs	147,573	214,645	853,735	1,215,953	133,602	(1,687,601)	338,046	(1,215,953)	-	-
Total expenses	\$ 385,693	\$ 560,991	\$2,231,301	\$3,177,985	\$ 349,178	\$ -	\$ 883,508	\$ 1,232,686	\$ 4,410,671	\$ 3,913,420

See independent auditors' report and notes to the financial statements

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

Statement of Cash Flows

For the Year Ended December 31, 2021

(with comparative totals for the year ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Cash flows provided by operating activities:				
Cash received from members	\$ 657,653	\$ -	\$ 657,653	\$ 743,346
Cash received fom program activites	2,820,768	-	2,820,768	2,173,063
Cash received from fundraising activities	934,880	-	934,880	810,084
Cash from other operating activities	883,057	30,000	913,057	557,903
Cash paid to employees and suppliers	(4,448,725)	-	(4,448,725)	(4,231,626)
Interest received	131	-	131	348
Net cash provided by operating activities	847,764	30,000	877,764	53,118
Cash flows used in investing activities:				
Acquisition of property and equipment	(49,340)	-	(49,340)	(97,870)
Net cash used in investing activities	(49,340)	-	(49,340)	(97,870)
Cash flows used in / provided by financing activities:				
Payments on line of credit	(100,764)	-	(100,764)	(59,236)
Payroll protection program proceeds	-	-	-	434,000
Net cash used in / provided by financing activities	(100,764)	-	(100,764)	374,764
Increase in cash, cash equivalents, and restricted cash	697,660	30,000	727,660	330,012
Transfers between funds	(50,498)	50,498	-	-
Cash and cash equivalents, beginning of year	479,721	130,039	609,760	279,748
Cash and cash equivalents, end of year	\$ 1,126,883	\$ 210,537	\$ 1,337,420	\$ 609,760
Reconciliation of Change in Net Assets				
to net cash provided by operating activities:				
Change in net assets	\$ 922,148	\$ 30,000	\$ 952,148	\$ (11,933)
Depreciation	322,809	-	322,809	334,249
Loss on sale of assets	1,360	-	1,360	-
Change in:				
Accounts receivable, net	20,445	-	20,445	(5,926)
Grants receivable	(46,736)	-	(46,736)	(5,653)
Unconditional promises to give	(7,938)	-	(7,938)	12,412
Deferred expenses	81,594	-	81,594	(39,249)
Deposits	-	-	-	240
Payroll protection program funds	(434,000)	-	(434,000)	-
Accounts payable	(39,968)	-	(39,968)	(208,093)
Accrued expenses	1,914	-	1,914	(91,060)
Deferred revenue	26,136	-	26,136	87,184
Capital lease obligations	-	-	-	(19,053)
Net cash provided by operating activities	\$ 847,764	\$ 30,000	\$ 877,764	\$ 53,118

See independent auditors' report and notes to the financial statements

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TREASURE COAST, FLORIDA, INC.

*Notes to Financial Statements
December 31, 2021 and 2020*

NOTE 1: NATURE OF THE ORGANIZATION

The Young Men's Christian Association of the Treasure Coast, Florida, Inc. (YMCA or the Organization) is a Florida not-for-profit corporation incorporated in 1977 under the laws of the State of Florida. The purpose of the YMCA is to render various community, social, and educational services in Martin, St. Lucie, Indian River and Okeechobee Counties in Florida.

The YMCA is a movement focused on the mission, "to put Judeo - Christian principles into practice through programs that build healthy spirit, mind and body for all." The YMCA is a cause-driven Organization that supports youth development, healthy living, and social responsibility. The YMCA embraces its financial assistance policy, which assures that no one will be turned away from programs or services because of financial need.

Funding for YMCA programs and services is derived from program fees and donations of cash, property and services by individuals and businesses. The YMCA also receives funding from United Way, Children's Services Council of St. Lucie County, Children's Services Council of Martin County, and Children's Services Council of Okeechobee County, as well as various other organizations and private foundations.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America and are in accordance with Financial Accounting Standards Board Accounting Standards Codification 958-205 *Not-for-Profit Entities Presentation of Financial Statements*. These financial statements are prepared on the accrual basis of accounting and report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Reclassifications

In order to conform to current period presentation, management may reclassify certain prior period financial statements amounts. These reclassifications have no known effect on these financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

*Notes to Financial Statements
December 31, 2021 and 2020*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-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 operation and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets that are board-designated for specific purposes.

Net Assets With Donor Restrictions – Net assets subject to donor – (or certain grantor) 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 those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization maintains deposits at local financial institutions located in Martin County, Florida. The Federal Deposit Insurance Corporation insures deposits up to \$250,000. At December 31, 2021 and 2020, the Organization had uninsured deposits of approximately \$380,000 and \$35,000, respectively.

Grants Receivable and Accounts Receivable

Grants receivable consist of amounts due for reimbursable grants. Accounts receivable consist primarily of amounts due for program service fees and membership dues. The allowance for uncollectible accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At December 31, 2021 and 2020, no allowance was deemed necessary. Accounts receivable are completely written off when deemed uncollectible.

Receivables from contracts with customers are reported as accounts receivable or grants receivable in the accompanying statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying statements of financial position.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. Administrative expenses are allocated to the programs based on the percentages of direct expenses related to each program.

**YOUNG MEN’S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

*Notes to Financial Statements
December 31, 2021 and 2020*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Revenue Recognition

Revenue from membership dues, program services, and grants are recognized when the performance obligations of providing the services are met. Payments for membership dues and program services are received at the start of the membership period; amounts received in advance are deferred to the applicable period. The Organization recognizes income from reimbursable grants as of the date on which the expenses have been incurred. Fundraising revenue, generally the Easter House Fundraiser, is recognized in the period in which the prize drawings take place.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions if the restrictions do not expire in the fiscal year in which the contributions are recognized. All other donor contributions are reported as increases in net assets without 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.

Property and Equipment

The Organization capitalizes property and equipment with an estimated useful life of more than one year and an original cost of \$1,000 or more. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair values. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the following useful lives:

Buildings and recreation facilities	3 – 40 years
Furniture and equipment	3 – 15 years
Vehicles	5 – 10 years

Accrued Compensation

The Organization records wages and related paid time off (PTO) as incurred. PTO for eligible employees is based on the amount earned, but not used, on each employee’s anniversary date. In accordance with the Organization’s policy, PTO for the purposes of vacation cannot be carried over to subsequent years, and a maximum of sixty-five days of PTO may be accrued for sick leave per employee.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

*Notes to Financial Statements
December 31, 2021 and 2020*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services and In-Kind Contributions

In order to operate various programs, the Organization relies on the donated time and services of volunteers. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of services that assist the Organization, but these services do not meet the criteria for recognition as donated services in the financial statements.

Contributed goods are recorded at fair value at the date of the donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended December 31, 2021 and 2020, respectively.

Income Taxes

The Organization is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation.

The Organization's Forms 990, Return of Organization Exempt from Income Tax are subject to examination by the IRS, generally for three years after they were filed which includes the years ended December 31, 2020, 2021 and 2020. No uncertain tax positions were identified or reported by the Organization for any open years based upon its analysis.

Summarized Financial Information for 2020

The financial information for the year ended December 31, 2020, presented for comparative purposes, is not intended to be a complete financial statement presentation. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Advertising

The Organization expenses advertising costs as they are incurred. Expenses for the years ended December 31, 2021 and 2020 were \$98,626 and \$58,559 respectively.

**YOUNG MEN’S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

*Notes to Financial Statements
December 31, 2021 and 2020*

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Land and land improvements	\$ 413,906	\$ 410,406
Buildings and recreation facilities	8,453,258	8,488,861
Furniture and equipment	1,180,710	1,444,005
Vehicles	183,637	190,637
	<u>10,231,511</u>	<u>10,533,909</u>
Accumulated depreciation	<u>(6,931,947)</u>	<u>(6,959,516)</u>
Property and equipment, net	<u>\$ 3,299,564</u>	<u>\$ 3,574,393</u>

For the years ended December 31, 2021 and 2020, the Organization recorded depreciation expense of \$322,809 and \$334,249, respectively.

NOTE 4: FAIR VALUE MEASUREMENT

FASB ASC 820 10, *Fair Value Measurements and Disclosures* defines fair value, establishes a framework to measure fair value within GAAP, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities which the Company has the ability to access.
- Level 2 inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

All of the Organization’s investment assets are classified within Level 1 because they are predominantly money market funds. No valuation techniques have been applied to any other asset or liability included on the Statement of Financial Position.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

*Notes to Financial Statements
December 31, 2021 and 2020*

NOTE 4: FAIR VALUE MEASUREMENT (continued)

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

- Cash and cash equivalents, certificates of deposits, current portion of pledges receivable, grants receivable, accounts payable. The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.
- Long-term unconditional promises to give. The fair value of promises to give that are due in more than one year are estimated by discounting expected future cash flows by a 1% rate of return.

NOTE 5: DEFERRED REVENUE AND EXPENSES

The YMCA provides funds for certain aspects of its operations through the Easter House Project. The program for each year is started in the previous calendar year and is not complete as of the balance sheet date. Therefore, the Board of Directors has elected to defer the related revenues and expenses for each year's Easter House Project until its completion. At December 31, 2021 and 2020, related deferred revenues were \$240,382 and \$145,658, respectively, and deferred expenses were \$41,373 and \$122,967, respectively.

The remainder of deferred revenue in the amounts of \$68,588 at December 31, 2020, primarily represents refundable grants received but not yet spent.

NOTE 6: CONCENTRATIONS

For the years ended December 31, 2021 and 2020, the Organization had fundraising revenue from the Easter House event totaling \$594,809 and \$490,439, respectively, which comprises 11.0% and 11.3% of revenue, respectively.

NOTE 7: RESTRICTIONS ON NET ASSETS

Donor restricted net assets consist mainly of endowment investments to be held indefinitely; the original amount of the endowment funds is \$1,800,000.

The invested balance for endowment purposes dropped below the original amounts contributed as a result of amounts withdrawn on a temporary basis with the verbal consent of the representative of a deceased donor who contributed the majority of the total endowment funds. As of December 31, 2021 and 2020, the amounts of endowment funds utilized by the Organization and to be repaid were \$1,648,633 and \$1,463,738 respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TREASURE COAST, FLORIDA, INC.

*Notes to Financial Statements
December 31, 2021 and 2020*

NOTE 8: ENDOWMENT

The Organization's endowments consist of one donor-restricted endowment funds established to further the mission and goals of the YMCA. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization operates under the Florida Uniform Prudent Management of Institution Funds Act (FUPMIFA). The Board of Directors of the Organization has interpreted the FUPMIFA as requiring the presentation 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, the Organization classifies as donor restricted net assets (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. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the FUPMIFA.

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to functions supported by its endowment while seeking to maintain purchasing power of the endowment assets over the long-term. The Organization's spending and investing policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy establishes prudent objectives for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the purchasing power of the endowment. In making its decisions, the Organization uses reasonable care, skill, and caution in considering the purposes of the Organization, the intent of the donors of the endowment, the terms of applicable instruments, the long-term and short-term needs of the Organization in carrying out its purposes, the general economic conditions, the possible effect of inflation or deflation, or other resources of the Organization, and perpetuation of the endowment.

From time to time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Organization to retain as a fund of perpetual duration. Endowment cash on hand as of December 31, 2021 and 2020, totaled \$151,367 and \$101,237, respectively. Balances were invested in a money market fund with an interest rate of .05% at December 31, 2021.

FUPMIFA, absent donor's written consent, allows the Board of Directors to authorize the release of a fund less than \$100,000 (up to a cap of \$250,000) with notification provided to the Attorney General of the State of Florida and approval of the circuit court of the county. The Organization did not undertake any such releases.

**YOUNG MEN’S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 8: ENDOWMENT (continued)

Changes in endowment assets were as follows for 2020 and 2021:

	<u>Totals</u>
Endowment assets, December 31, 2019	\$ 100,890
Investment Income, net	347
Endowment net assets, December 31, 2020	<u>101,237</u>
Investment Income, net	130
Endowment repayment	50,000
Endowment net assets, December 31, 2021	<u>\$ 151,367</u>

NOTE 9: LOCAL ORGANIZATION GRANTS

The YMCA primarily receives funding under grants from Children’s Services Council of St. Lucie County (CSCSLC) and Children’s Services Council of Martin County (CSCMC). During the years ended December 31, 2021 and 2020, the YMCA received grant funds for these programs approximately as follows:

	<u>2021</u>	<u>2020</u>
CSCSLC:		
Afterschool	\$ 129,148	\$ 82,000
Summer camp	36,515	72,000
CSCMC:		
O.S.T. (Out of School Time)	158,488	151,000
Okeechobee summer program	10,497	-
S.P.L.A.S.H.	3,050	2,500
Total Organization Grants	<u>\$ 337,698</u>	<u>\$ 307,500</u>

NOTE 10: OPERATING LEASES

During 1982, the YMCA entered into a long-term lease with Martin County, Florida for the use of a tract of land located in Stuart, Florida for the express purpose of constructing a multi-purpose facility. The term of the lease is ninety-nine (99) years for a nominal onetime payment of one dollar (\$1). The lease is renewable at the end of such lease term on a year-to-year basis.

During 2001, the YMCA entered into a long-term lease with Martin County, Florida for the use of a track of land in Indiantown, Florida for the express purpose of constructing a multipurpose facility. The term of the lease is eighty (80) years for a nominal onetime payment of ten dollars (\$10). The lease is not renewable.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

*Notes to Financial Statements
December 31, 2021 and 2020*

NOTE 10: OPERATING LEASES (continued)

During 2003, the YMCA entered into a long-term lease with the City of Port St. Lucie, Florida for the use of property in Port St. Lucie, Florida for the express purpose of furthering community and civic goals of the YMCA. The lease was renewed during 2013 for an additional ten years for a nominal payment of \$1,200 per year. The lease is renewable for an additional ten years.

NOTE 11: PENSION PLAN

The Organization has a noncontributory pension and retirement plan through the YMCA's national organization. The plan covers all eligible employees after two years of service and requires the Organization to contribute 8% of an employee's gross wages, with the employee not required to contribute. For the years ended December 31, 2021, and 2020, the YMCA contributed approximately \$64,636 and \$91,000 to the plan, respectively.

The Organization also maintains a tax deferred annuity (403b plan) for all eligible employees. The contributions are made semi-monthly and paid from eligible employees' salaries.

NOTE 12: LINE OF CREDIT

The Organization has a maximum \$200,000 line of credit with Seaside National Bank and Trust. The line is due on demand and the next formal closing is projected to be in November 2022. Interest is due monthly based on LIBOR plus 2.25%, has a minimum interest rate floor of 3.00% and is collateralized by substantially all business assets. The interest rate at December 31, 2021 was 3.00%. As of December 31, 2021 no balance was outstanding and for 2020, a balance of \$100,764 was outstanding. Management believes the Organization is in compliance with all covenants as of December 31, 2021.

Total interest expense related to the line of credit for the years ended December 31, 2021, and 2020 was \$1,522 and \$4,428, respectively.

NOTE 13: LIQUIDITY AND AVAILABILITY

The schedule below reflects the Organization financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include Board designated amounts that could be utilized if the Board approves the use.

**YOUNG MEN’S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.**

*Notes to Financial Statements
December 31, 2021 and 2020*

NOTE 13: LIQUIDITY AND AVAILABILITY (continued)

Financial assets that are liquid and available within one year of the date of the statements of financial position are comprised of the following:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 1,186,053	\$ 508,523
Cash for endowment purposes	151,367	101,237
Less: Donor-restricted cash	(59,170)	(38,827)
Less: Cash for endowment purposes	<u>(151,367)</u>	<u>(101,237)</u>
	1,126,883	469,696
Liquidity resources:		
Bank line of credit	<u>200,000</u>	<u>98,236</u>
Total financial assets available within one year	<u>\$ 1,326,883</u>	<u>\$ 567,932</u>

The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

NOTE 14: RELATED PARTY TRANSACTIONS

The Organization is affiliated with the National Council of Young Men’s Christian Association of the United States of America. For the years ended December 31, 2021, and 2020, the YMCA paid dues of \$55,887 and \$29,187, respectively.

NOTE 15: UNCERTAINTIES, CONTINGENCIES, AND RISKS

COVID-19 Related Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple entities. Considerable uncertainty continues to exist related to the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 16: LITIGATION

On December 9, 2021, two prior members filed a multi-count complaint against the Organization. In the opinion of management, the ultimate liability with respect to those claims is adequately covered by defenses and insurance, and accordingly, will not materially affect the financial position or the results of operations of the Organization.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
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*Notes to Financial Statements
December 31, 2021 and 2020*

NOTE 17: PAYROLL PROTECTION PLAN FUNDS

The Organization was awarded funds in the amount of \$434,000 from the Small Business Administration (SBA) pursuant to the Payroll Protection Program (PPP) as enacted by the CARES Act of 2020. The loan origination date was April 17, 2020. On May 4, 2021, the Organization received a second round of Payroll Protection Plan funds in the amount of \$445,400. The same terms for forgiveness apply to these funds as were applicable to the first round. Both of the Payroll Protection Program loans were forgiven on December 28, 2021 and were included in grant revenues for the year ending December 31, 2021.

NOTE 18: SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition and disclosure through May 2, 2022, the date the financial statements were available to be issued.