



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

**FINANCIAL STATEMENTS
DECEMBER 31, 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

We have audited the accompanying financial statements of Young Men's Christian Association of the Treasure Coast, Florida, Inc. (the "Organization") (a nonprofit Florida corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditors' Responsibility (continued)

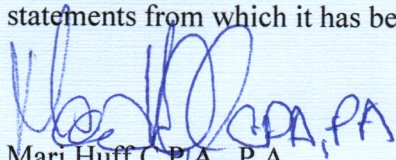
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Young Men's Christian Association of the Treasure Coast, Florida, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financials statements in our report dated September 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Mari Huff C.P.A., P.A.

May 25, 2021

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

Statement of Financial Position

As of December 31, 2020

(with comparative totals as of December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Assets:				
Cash and cash equivalents	\$ 425,948	\$ 82,575	\$ 508,523	\$ 178,858
Accounts receivable	64,896	-	64,896	58,970
Grants receivable	25,084	-	25,084	19,431
Unconditional promises to give	-	962	962	13,374
Deferred expenses	122,967	-	122,967	83,718
Due to (from) endowment fund	(1,463,738)	1,463,738	-	-
Property and equipment, net	3,574,393	-	3,574,393	3,810,772
Deposits	7,303	-	7,303	7,543
Cash for endowment purposes	-	101,237	101,237	100,890
Total assets	\$ 2,756,853	\$ 1,648,512	\$ 4,405,365	\$ 4,273,556
Liabilities:				
Line of credit	\$ 100,764	\$ -	\$ 100,764	\$ 160,000
Payroll protection program funds	434,000	-	434,000	-
Accounts payable	64,544	-	64,544	272,637
Accrued expenses	107,181	-	107,181	198,241
Deferred revenue	214,246	-	214,246	127,062
Capital lease obligations	-	-	-	19,053
Total liabilities	920,735	-	920,735	776,993
Net assets				
Net assets, without restrictions	1,836,118	-	1,836,118	1,835,639
Net assets, with restrictions	-	1,648,512	1,648,512	1,660,924
Total net assets	1,836,118	1,648,512	3,484,630	3,496,563
Total liabilities and net assets	\$ 2,756,853	\$ 1,648,512	\$ 4,405,365	\$ 4,273,556

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, 2020

(with comparative totals for the year ended December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenues, gains, and other support				
Program service fees	\$ 1,844,740	\$ -	\$ 1,844,740	\$ 2,285,949
Membership dues	743,346	-	743,346	979,627
Fundraising	762,149	-	762,149	734,816
Contributions and gifts	121,261	-	126,846	119,258
Grants	420,651	-	420,651	307,155
Other	8,992	-	3,407	29,967
Interest income	348	-	348	537
Total revenues, gains, and other support	3,901,487	-	3,901,487	4,457,356
Net assets released from restrictions				
Restrictions satisfied - improvements completed	12,412	(12,412)	-	-
Total net assets released from restrictions	12,412	(12,412)	-	-
Functional expenses				
Program services				
Aquatic	246,177	-	246,177	372,308
Sports and recreation	451,355	-	451,355	797,570
Child care and family life	2,059,632	-	2,059,632	2,542,938
Support Services				
Membership	315,568	-	315,568	389,508
Fundraising	840,688	-	840,688	719,621
Total functional expenses	3,913,420	-	3,913,420	4,821,945
Change in net assets	479	(12,412)	(11,933)	(364,589)
Net assets, beginning of year	1,835,639	1,660,924	3,496,563	3,861,152
Net assets, end of year	\$ 1,836,118	\$ 1,648,512	\$ 3,484,630	\$ 3,496,563

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, 2020

(with comparative totals for the year ended December 31, 2019)

	Program Services				Support Services				2020 Total	2019 Total
	Aquatics	Sports and Recreation	Child Care and Family Life	Total Program Services	Membership	Management and General	Fundraising	Total Support Services		
Salaries	\$ 97,596	\$ 188,159	\$ 808,961	\$1,094,716	\$ 74,549	\$ 388,229	\$ 66,393	\$ 529,171	\$ 1,623,887	\$ 2,153,250
Employee benefits	7,098	8,291	83,326	98,715	3,927	47,784	1,475	53,186	151,901	240,724
Payroll taxes	7,228	14,338	55,091	76,657	6,511	44,179	5,066	55,756	132,413	160,066
Fees for services	3,266	7,888	16,216	27,370	-	114,144	258,316	372,460	399,830	393,935
Advertising and promotion	75	-	8,582	8,657	3,400	13,129	33,373	49,902	58,559	33,484
Office expenses and program supplies	14,780	36,810	175,981	227,571	1,598	121,700	98,296	221,594	449,165	576,384
Occupancy	6,251	12,019	13,011	31,281	-	165,836	2,120	167,956	199,237	267,329
Interest	-	-	-	-	-	4,428	-	4,428	4,428	5,068
Travel	102	146	1,848	2,096	128	2,712	3,550	6,390	8,486	34,633
Conferences and meetings	-	-	1,340	1,340	81	1,652	-	1,733	3,073	10,531
Payments to affiliates	-	-	-	-	-	29,187	-	29,187	29,187	66,913
Insurance	-	-	4,500	4,500	-	148,366	-	148,366	152,866	185,561
Scholarship	4,140	2,626	85,048	91,814	102,000	-	3,000	105,000	196,814	177,234
Dues, licenses, and other taxes	9,396	4,617	497	14,510	-	4,952	21,190	26,142	40,652	57,264
Information technology	-	-	-	-	-	109,438	19,235	128,673	128,673	122,680
Depreciation	-	-	-	-	-	334,249	-	334,249	334,249	336,889
Total expenses	149,932	274,894	1,254,401	1,679,227	192,194	1,529,985	512,014	2,234,193	3,913,420	4,821,945
Allocation of management and general costs	96,245	176,461	805,231	1,077,937	123,374	(1,529,985)	328,674	(1,077,937)	-	-
Total expenses	\$ 246,177	\$ 451,355	\$2,059,632	\$2,757,164	\$ 315,568	\$ -	\$ 840,688	\$ 1,156,256	\$ 3,913,420	\$ 4,821,945

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, 2020

Cash flows provided by operating activities:

Cash received from members	\$ 743,346
Cash received from program activities	2,173,063
Cash received from fundraising activities	810,084
Cash from other operating activities	557,903
Cash paid to employees and suppliers	(4,231,626)
Interest received	348
Net cash provided by operating activities	<u>53,118</u>

Cash flows used in investing activities:

Acquisition of property and equipment	<u>(97,870)</u>
Net cash used in investing activities	<u>(97,870)</u>

Cash flows provided by financing activities:

Payments on line of credit	(59,236)
Payroll protection program proceeds	<u>434,000</u>
Net cash provided by financing activities	<u>374,764</u>

Increase in cash, cash equivalents, and restricted cash	330,012
Cash and cash equivalents (including restricted cash of \$139,717), beginning of year	<u>279,748</u>
Cash and cash equivalents (including restricted cash of \$183,812), end of year	<u><u>\$ 609,760</u></u>

Reconciliation of Change in Net Assets

to net cash provided by operating activities:

Change in net assets	\$ (11,933)
Depreciation	334,249
Change in:	
Accounts receivable	(5,926)
Grants receivable	(5,653)
Unconditional promises to give	12,412
Deferred expenses	(39,249)
Deposits	240
Accounts payable	(208,093)
Accrued expenses	(91,060)
Deferred revenue	87,184
Capital lease obligations	<u>(19,053)</u>
Net cash provided by operating activities	<u><u>\$ 53,118</u></u>

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, 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, 2020 and 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Pronouncements Adopted

In 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) which is a comprehensive new revenue recognition standard that supersedes existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity should recognize revenue when (or as) the entity satisfies a performance obligation. Not-for-profit entities must consider whether certain arrangements are fully or partially subject to Topic 606. Examples include, but are not limited to memberships, sponsorships, grants and contracts. Further, judgment is required to bifurcate transactions between contribution and exchange components. The Organization has adopted this ASU as of and for the year ended December 31, 2020.

In 2018, the FASB issued ASU 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Made to address difficulty and diversity in practice among not-for-profit entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Topic 958, Not-for-Profit Entities or as exchanges (reciprocal transactions) subject to Topic 606 and (2) determining between conditional and unconditional contributions. This ASU applies to all entities that receive or make contributions. The term used in the presentation of financial statements to label revenue (for example, contribution, grant, donation) that is accounted for within Topic 958 is not a factor for determining whether an agreement is within the scope of that guidance. The Organization has adopted this ASU as of and for the year ended December 31, 2020.

Analysis of various provisions of the adopted ASUs resulted in no significant changes in the way the Organization recognizes revenue. The presentation and disclosures of revenue have been enhanced in accordance with the ASUs.

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 that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

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

*Notes to Financial Statements
December 31, 2020 and 2019*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2020 and 2019, 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, 2020 and 2019, 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.

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.

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

Notes to Financial Statements

December 31, 2020 and 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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. We record donated professional services 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, 2020 and 2019, respectively.

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.

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, 2020 and 2019*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2018, 2019, 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 2019

The financial information for the year ended December 31, 2019, 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, 2019, from which the summarized information was derived.

Advertising

The Organization expenses advertising costs as they are incurred. Expenses for the year ended December 31, 2020 and 2019 were \$58,559 and \$33,484 respectively.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Land and land improvements	\$ 410,406	\$ 410,406
Buildings and recreation facilities	8,488,862	8,452,793
Furniture and equipment	1,444,005	1,382,241
Vehicles	190,637	190,637
	<u>10,533,910</u>	<u>10,436,077</u>
Accumulated depreciation	(6,959,517)	(6,625,305)
Property and equipment, net	<u>\$ 3,574,393</u>	<u>\$ 3,810,772</u>

For the years ended December 31, 2020 and 2019, the Organization recorded depreciation expense of \$334,249 and \$336,889, respectively.

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

*Notes to Financial Statements
December 31, 2020 and 2019*

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.

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, 2020 and 2019, related deferred revenues were \$145,658 and \$117,062, respectively, and deferred expenses were \$122,967 and \$83,718, respectively.

The remainder of deferred revenue in the amounts of \$68,588 and \$10,000 at December 31, 2020 and December 31, 2019, respectively, primarily represents grants received but not yet spent.

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

*Notes to Financial Statements
December 31, 2020 and 2019*

NOTE 6: CONCENTRATION OF CREDIT RISK

For the years ended December 31, 2020 and 2019, the Organization had fundraising revenue from the Easter House event totaling \$490,439 and \$465,758, respectively, which comprises 11.3% and 10.4% of revenue, respectively.

NOTE 7: RESTRICTIONS ON NET ASSETS

Donor restricted net assets consist of endowment investments to be held indefinitely. As of December 31, 2020 and 2019, the original amount contributed to the endowment fund was approximately \$1,631,000.

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, 2020 and 2019, the amounts of endowment funds utilized by the Organization were \$1,507,486 and \$1,507,833 respectively.

NOTE 8: ENDOWMENT

The Organization's endowments consist of three donor-restricted endowment funds established for a variety of purposes. 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.

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

*Notes to Financial Statements
December 31, 2020 and 2019*

NOTE 8: ENDOWMENT (continued)

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. As of December 31, 2020, and 2019, deficiencies recorded by the Organization were \$1,507,486 and \$1,507,833, respectively. Endowment net assets as of December 31, 2020 and 2019, totaled \$101,237 and \$100,890, respectively. Balances were invested in a money market fund with an interest rate of .6% at December 31, 2020.

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.

Changes in endowment net assets were as follows for 2019 and 2020:

	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment net assets, December 31, 2018	\$ (1,489,188)	\$ 1,608,723	\$ 119,535
Investment Income, net	584	-	584
Amounts appropriated for expenditure	(19,229)	-	(19,229)
Endowment net assets, December 31, 2019	(1,507,833)	1,608,723	100,890
Investment Income, net	347	-	347
Endowment net assets, December 31, 2020	<u>\$ (1,507,486)</u>	<u>\$ 1,608,723</u>	<u>\$ 101,237</u>

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

*Notes to Financial Statements
December 31, 2020 and 2019*

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, 2020 and 2019, the YMCA received grant funds for these programs approximately as follows:

	<u>2020</u>	<u>2019</u>
CSCSLC:		
Afterschool	\$ 82,000	\$ 137,000
Summer camp	72,000	72,000
CSCMC:		
O.S.T. (Out of School Time)	151,000	-
Strong Families	-	68,000
YREADS	-	11,000
S.P.L.A.S.H.	2,500	12,000
Total Organization Grants	<u>\$ 307,500</u>	<u>\$ 300,000</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.

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, 2020, and 2019, the YMCA contributed approximately \$91,000 and \$85,000 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.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
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Notes to Financial Statements

December 31, 2020 and 2019

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, 2020 was 3%. As of December 31, 2020 and 2019, balances totaling \$100,764 and \$160,000, respectively, were outstanding. Management believes the Organization is in compliance with all covenants as of December 31, 2020.

Total interest expense related to the line of credit for the years ended December 31, 2020, and 2019 was \$4,428 and \$5,068, 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. Financial assets that are liquid and available within one year of the date of the statements of financial position are comprised of the following:

	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 508,523	\$ 178,858
Cash for endowment purposes	101,237	100,890
Accounts receivable	64,896	58,970
Grants receivable	25,084	19,431
Unconditional promises to give	962	13,374
Less: Unconditional promises to give, donor-restricted	(962)	(13,374)
Less: Donor-restricted cash	(82,575)	(38,827)
Less: Cash for endowment purposes	(101,237)	(100,890)
	<u>515,928</u>	<u>218,432</u>
Liquidity resources:		
Bank line of credit	98,236	40,000
Total financial assets available within one year	<u>\$ 614,164</u>	<u>\$ 258,432</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.

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*Notes to Financial Statements
December 31, 2020 and 2019*

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, 2020, and 2019, the YMCA paid dues of \$29,187 and \$66,913, respectively.

NOTE 15: UNCERTAINTIES, CONTINGENCIES, AND RISKS

Contingencies

The Organization may be subject to various legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, the ultimate liability with respect to those claims is adequately covered by defenses or insurance, and accordingly, will not materially affect the financial position or the results of operations of the Organization. In addition, there are no known or foreseeable legal claims that exist as of the date of this report.

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: 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 and, under the terms of the PPP, the Organization can receive forgiveness of this loan if it spent the funds in accordance with the SBA forgiveness provisions.

The Payroll Protection Program loan was subsequently forgiven in May 2021 and will be treated as revenue in the year ending December 31, 2021.

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.

NOTE 17: SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition and disclosure through May 25, 2021, the date the financial statements were available to be issued.