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

FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, 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.

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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, 2019, 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

Hill Barth & King LLC has previously audited the Young Men's Christian Association of the Treasure Coast, Florida, Inc.'s December 31, 2018 financial statements. They expressed an unqualified opinion on those financial statements in their report dated May 31, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mari Huff C.P.A., P.A.
September 18, 2020

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.
Statement of Financial Position
As of December 31, 2019
(with comparative totals as of December 31, 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
Assets:				
Cash and cash equivalents	$ 140,031	$ 38,827	$ 178,858	$ 47,978
Accounts receivable	58,970	-	58,970	73,497
Grants receivable	19,431	-	19,431	9,447
Unconditional promises to give	-	13,374	13,374	43,903
Deferred expenses	83,718	-	83,718	98,987
Due to (from) endowment fund	(1,507,833)	1,507,833	-	-
Property and equipment, net	3,810,772	-	3,810,772	4,043,048
Deposits	7,543	-	7,543	4,277
Cash for endowment purposes	-	100,890	100,890	119,535
Total assets	**$ 2,612,632**	**$ 1,660,924**	**$ 4,273,556**	**$ 4,440,672**
Liabilities:				
Line of credit	$ 160,000	$ -	$ 160,000	$ 60,000
Accounts payable	272,637	-	272,637	228,782
Accrued expenses	198,241	-	198,241	72,117
Deferred revenue	127,062	-	127,062	178,396
Capital lease obligations	19,053	-	19,053	40,225
Total liabilities	**776,993**	**-**	**776,993**	**579,520**
Net assets				
Net assets, without restrictions	1,835,639	-	1,835,639	2,160,702
Net assets, with restrictions	-	1,660,924	1,660,924	1,700,450
Total net assets	1,835,639	1,660,924	3,496,563	3,861,152
Total liabilities and net assets	**$ 2,612,632**	**$ 1,660,924**	**$ 4,273,556**	**$ 4,440,672**

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, 2019

(with comparative totals for the year ended December 31, 2018)

	Without Restrictions	With Restrictions	2019 Total	2018 Total
Revenues, gains, and other support				
Program service fees	$ 2,285,949	$ -	$ 2,285,949	$ 2,334,954
Membership dues	979,627	-	979,627	932,799
Fundraising	734,816	-	734,816	769,528
Contributions and gifts	72,966	46,292	119,258	199,098
Grants	307,155	-	307,155	287,939
Other	29,967	-	29,967	79,351
Interest income	584	-	584	1,111
Loss on disposal of property and equipment	-	-	-	(29,705)
Total revenues, gains, and other support	**4,411,064**	**46,292**	**4,457,356**	**4,575,075**
Net assets released from restrictions				
Restrictions satisfied	**85,818**	**(85,818)**	**-**	**-**
Total net assets released from restrictions	**85,818**	**(85,818)**	**-**	**-**
Functional expenses				
Program services				
Aquatic	372,308	-	372,308	364,579
Sports and recreation	797,570	-	797,570	754,009
Child care and family life	2,542,938	-	2,542,938	2,273,619
Support Services				
Membership	389,508	-	389,508	530,890
Management and general	-	-	-	189,968
Fundraising	719,621	-	719,621	646,650
Total functional expenses	**4,821,945**	**-**	**4,821,945**	**4,759,715**
Change in net assets	**(325,063)**	**(39,526)**	**(364,589)**	**(184,640)**
Net assets, beginning of year	2,160,702	1,700,450	3,861,152	4,045,792
Net assets, end of year	**$ 1,835,639**	**$ 1,660,924**	**$ 3,496,563**	**$ 3,861,152**

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, 2019
(with comparative totals for the year ended December 31, 2018)

	Program Services				Support Services					
	Aquatics	Sports and Recreation	Child Care and Family Life	Total Program Services	Membership	Management and General	Fundraising	Total Support Services	2019 Total	2018 Total
Salaries	$ 144,239	$ 342,983	$ 996,625	$1,483,847	$ 117,266	$ 476,892	$ 75,245	$ 669,403	$ 2,153,250	$ 2,099,653
Employee benefits	10,985	23,400	121,036	155,421	9,968	71,816	3,519	85,303	240,724	199,023
Payroll taxes	10,847	25,957	73,087	109,891	8,835	35,361	5,979	50,175	160,066	158,030
Fees for services	5,823	34,396	36,310	76,529	-	164,006	153,400	317,406	393,935	488,111
Advertising and promotion	149	-	3,395	3,544	2,162	11,196	16,582	29,940	33,484	57,512
Office expenses and program supplies	31,918	35,625	229,451	296,994	3,474	156,230	119,687	279,391	576,385	543,498
Occupancy	6,650	13,181	1,228	21,059	-	244,340	1,930	246,270	267,329	259,444
Interest	-	-	-	-	-	5,068	-	-	-	2,789
Travel	899	662	3,214	4,775	-	8,168	21,689	29,857	34,632	33,310
Conferences and meetings	905	315	3,842	5,062	335	4,892	242	5,469	10,531	6,742
Payments to affiliates	-	-	-	-	-	66,913	-	66,913	66,913	77,287
Insurance	-	-	5,250	5,250	-	180,311	-	180,311	185,561	158,447
Scholarship	4,140	2,624	73,070	79,834	95,000	-	2,400	97,400	177,234	177,249
Dues, licenses, and other taxes	10,018	6,229	1,030	17,277	-	9,766	30,221	39,987	57,264	64,857
Information technology	-	-	-	-	-	115,639	7,041	122,680	122,680	117,311
Depreciation	-	-	-	-	-	336,889	-	336,889	336,889	316,452
Total expenses	**226,573**	**485,372**	**1,547,538**	**2,259,483**	**237,040**	**1,887,487**	**437,935**	**2,557,394**	**4,816,877**	**4,759,715**
Allocation of management and general costs	145,735	312,198	995,400	1,453,333	152,468	(1,887,487)	281,686	(1,453,333)	-	-
Total expenses	**$ 372,308**	**$ 797,570**	**$2,542,938**	**$3,712,816**	**$ 389,508**	**$ -**	**$ 719,621**	**$ 1,104,061**	**$ 4,816,877**	**$ 4,759,715**

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, 2019

Cash flows provided by operating activities:	
Cash received from members	$ 979,627
Cash received fom program activites	2,637,365
Cash received from fundraising activities	698,751
Cash from other operating activies	473,659
Cash paid to employees and suppliers	(4,673,138)
Interest received	584
Net cash provided by operating activities	**116,848**
Cash flows used in investing activities:	
Acquisition of property and equipment	(104,613)
Net cash used in investing activities	**(104,613)**
Cash flows provided by financing activities:	
Borrowings on line of credit	160,000
Payments on line of credit	(60,000)
Net cash provided by financing activities	**100,000**
Increase in cash and cash equivalents	112,235
Cash and cash equivalents, beginning of year	167,513
Cash and cash equivalents, end of year	**$ 279,748**
Reconciliation of Change in Net Assets to net cash provided by operating activities:	
Change in net assets	$ (364,589)
Depreciation	336,889
Change in:	
Accounts receivable	14,527
Grants receivable	(9,984)
Unconditional promises to give	30,529
Deferred expenses	15,269
Deposits	(3,266)
Accounts payable	43,855
Accrued expenses	126,124
Deferred revenue	(51,334)
Capital lease obligations	(21,172)
Net cash provided by operating activities	**$ 116,848**

See independent auditors' report and notes to the financial statements

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 is for 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 reports 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.

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 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 be 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, 2019 the Organization had uninsured deposits of $35,363.

Grants Receivable

The Organization recognizes income from reimbursement grants as of the date on which the contracted reimbursable expenses have been incurred. Any amounts not received by that date are reported as grants receivable and recognized as grant income.

Promises to Give and Contributions

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.

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

Contributed Services

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 contributed services in the financial statements. Other services that can be identified with certain amounts would be reflected in the financial statements as in-kind contributions.

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 all 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 weeks of PTO may be accrued for sick leave per employee.

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, 2017, 2018, and 2019.

Summarized Financial Information for 2018

The financial information for the year ended December 31, 2018, 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, 2018, from which the summarized information was derived.

Adoption of New Accounting Principles

Effective January 1, 2018, the Organization adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958) and *Health Care Entities* (Topic 954) – *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Implementation of ASU 2016-14 did not require reclassification or restatement of any opening balances related to the years presented. The Organization net assets previously reported as permanently restricted and temporarily restricted are now reported as net assets with donor restrictions. Likewise, the Organization net assets previously reported as unrestricted are now reported as net assets without donor restrictions.

Advertising

The Organization expenses advertising costs as they are incurred. Expenses for the year ended December 31, 2019 and 2018 were $33,484 and $57,512, respectively.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2019 and 2018 consist of the following:

	2019	2018
Land and land improvements	$ 410,406	$ 410,406
Buildings and recreation facilities	8,452,793	8,413,907
Furniture and equipment	1,382,241	1,316,514
Vehicles	190,637	190,637
	10,436,077	10,331,464
Accumulated depreciation	(6,625,305)	(6,288,416)
Property and equipment, net	$ 3,810,772	$ 4,043,048

For the years ended December 31, 2019 and 2018, the Organization recorded depreciation expense of $336,889 and $316,452, 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.

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, 2019 and 2018, deferred revenues were $127,062 and $178,396, respectively, and deferred expenses were $83,718 and $98,987, respectively.

NOTE 6: CONCENTRATION OF CREDIT RISK

For the years ended December 31, 2019 and 2018, the Organization had fundraising revenue from the Easter House event totaling $465,758 and $465,129, respectively, which comprises 10.4% and 10.1% 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, 2019 and 2018, 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, 2019 and 2018, the amounts of endowment funds utilized by the Organization were $1,507,833 and $1,489,188 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.

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, 2019, and 2018, deficiencies recorded by the Organization were $1,507,833 and $1,489,188, respectively. Endowment net assets as of December 31, 2019 and 2018, totaled $100,890 and $119,535, respectively. Balances were invested in a money market fund with an interest rate of .6% at December 31, 2019.

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.

NOTE 8: ENDOWMENT *(continued)*

Changes in endowment net assets were as follows for 2018 and 2019:

	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment net assets, December 31, 2017	$ (1,263,723)	$ 1,608,723	$ 345,000
Investment Income, net	1,111	-	1,111
Repayments	58,000	-	58,000
Amounts appropriated for expenditure	(284,576)	-	(284,576)
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

NOTE 9: LOCAL ORGANIZATION GRANTS

The YMCA 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, 2019 and 2018, the YMCA received grant funds from these sources approximately as follows:

	2019	2018
CSCSLC:		
Afterschool	$ 184,000	$ 178,000
Summer camp	72,000	44,000
CSCMC:		
Strong Familieis	68,000	67,000
YREADS wrap around	11,000	11,000
S.P.L.A.S.H.	12,000	11,000
Summer slide	-	11,000
TOTAL ORGANIZATION GRANTS	$ 347,000	$ 322,000

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: LINE OF CREDIT

As of December 31, 2019, and 2018, 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, 2019 was 4.01%. As of December 31, 2019, and 2018, balances totaling $160,000 and $60,000, respectively, were outstanding. Management believes the Organization is in compliance with all covenants as of December 31, 2019.

Total interest expense related to the line of credit for the years ended December 31, 2019, and 2018 was $2,484 and $2,789, respectively.

NOTE 12: 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, 2019, and 2018, 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.

NOTE 13: RELATED PARTY TRANSACTIONS

The Organization is affiliated with the National Council of Young Men's Christian Associations of the United States of America. For the years ended December 31, 2019, and 2018, the YMCA paid dues of $66,913 and $77,287, respectively.

NOTE 14: 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. The balance represents financial assets that are liquid and available within one year:

Financial assets:	
Cash and cash equivalents	$ 178,858
Accounts receivable	58,970
Grants receivable	19,431
Unconditional promises to give	13,374
Less: Unconditional promises to give, donor-restricted	(13,374)
Less: Donor-restricted cash	(38,827)
	218,432
Liquidity resources:	
Bank line of credit	40,000
Total financial assets available within one year	$ 258,432

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 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.

NOTE 15: UNCERTAINTIES, CONTINGENCIES, AND RISKS *(continued)*

COVID-19 Related Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple entities. While the disruption is currently expected to be temporary, there is considerable uncertainty around 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 possible terms of the PPP, the Organization may receive forgiveness of this loan if it spends the funds in accordance with the SBA forgiveness provisions.

One of the forgiveness provisions provides that at least 60% of the PPP funds must be spent on allowable payroll related costs during the eight week period following the loan origination date and no more than 40% of the PPP funds may be spent on allowable overhead costs as provided for by the CARES Act and the SBA PPP provisions. It is uncertain at this time if this loan will be fully or partially forgiven. If not forgiven, payments are deferred for six months following the loan origination date and the interest rate is stated at 1% per annum and will be accrued during the deferred payment period.

NOTE 17: SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition and disclosure through September 18, 2020, the date the financial statements were available to be issued.