

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Financial Statements, Supplementary Financial Information  
and Reports as Required by the Comptroller General  
of the United States and the Uniform Guidance**

**December 31, 2020 and 2019  
(With Independent Auditor's Report Thereon)**

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Table of Contents**

	<b><u>Page</u></b>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statements of Financial Position	3 - 4
Statements of Activities	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 33
Supplementary Financial Information:	
Schedule of Expenditures of Federal Awards	34
Notes to Schedule of Expenditures of Federal Awards	35
Compliance and Internal Control:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36 - 37
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	38 - 39
Schedule of Findings and Questioned Costs	40 - 41



**Mayer Hoffman McCann P.C.**

13577 Feather Sound Drive, Suite 400 ■ Clearwater, FL 33762  
Main: 727.572.1400 ■ Fax: 727.571.1933 ■ [www.mhmcpa.com](http://www.mhmcpa.com)

## **Independent Auditor's Report**

The Board of Directors  
Young Men's Christian Association of the Suncoast, Inc.  
d/b/a YMCA of the Suncoast:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast (the "Organization"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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.

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 Suncoast, Inc. d/b/a YMCA of the Suncoast as of December 31, 2020 and 2019, and the changes in its net assets, its functional expenses and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Other Information*

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 29, 2021, on our consideration of Young Men's Christian Association of the Suncoast, Inc.'s internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Young Men's Christian Association of the Suncoast, Inc.'s internal control over financial reporting and compliance.

*Mayer Hoffman McCann P.C.*

April 29, 2021  
Clearwater, Florida

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Financial Position**

**December 31, 2020  
(With Comparative Totals for 2019)**

Assets	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Cash and cash equivalents (Note 16)	\$ 1,927,699	427,814	2,355,513	3,452,752
Restricted certificate of deposit (Note 7)	1,000,000	-	1,000,000	-
Accounts receivable:				
Trade, net	229,449	-	229,449	306,267
Grants	412,604	-	412,604	334,455
Other	11,547	-	11,547	17,363
Prepaid expenses	124,448	-	124,448	189,548
Contributions receivable (Notes 4, 7 and 19)	-	1,282,705	1,282,705	277,320
Investments, at market (Notes 3 and 15)	7,789,460	3,447,669	11,237,129	10,758,065
Land, buildings and equipment, net (Notes 5, 6, 7 and 9)	23,749,727	-	23,749,727	26,016,186
Total assets	<u>\$ 35,244,934</u>	<u>5,158,188</u>	<u>40,403,122</u>	<u>41,351,956</u>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,642,848	-	1,642,848	2,035,520
Deferred membership and program revenue	450,330	-	450,330	673,381
Deferred rental income (Note 8)	265,417	-	265,417	278,417
Line of credit - capital expansion (Note 7)	-	-	-	63,282
Obligation under capital leases (Note 9)	177,373	-	177,373	71,362
Insurance financing	24,954	-	24,954	45,372
Long-term debt (Note 6)	5,681,658	-	5,681,658	5,788,184
Obligation under interest rate swap agreement (Notes 6 and 15)	95,024	-	95,024	1,807
Total liabilities	8,337,604	-	8,337,604	8,957,325
Net assets:				
Without donor restrictions:				
Designated for general endowment (Note 12)	3,185,807	-	3,185,807	2,957,464
Designated for other purposes (Note 10)	7,890,471	-	7,890,471	8,267,734
Undesignated	15,831,052	-	15,831,052	17,354,693
	26,907,330	-	26,907,330	28,579,891
With donor restrictions (Notes 11 and 12)	-	5,158,188	5,158,188	3,814,740
Total net assets	26,907,330	5,158,188	32,065,518	32,394,631
Commitments, contingencies and related party transactions (Notes 9, 20 and 21)				
Total liabilities and net assets	<u>\$ 35,244,934</u>	<u>5,158,188</u>	<u>40,403,122</u>	<u>41,351,956</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Financial Position**

**December 31, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents (Note 16)	\$ 3,138,799	313,953	3,452,752
Accounts receivable:			
Trade, net	306,267	-	306,267
Grants	334,455	-	334,455
Other	17,363	-	17,363
Prepaid expenses	189,548	-	189,548
Contributions receivable (Notes 4, 7 and 19)	-	277,320	277,320
Investments, at market (Notes 3 and 15)	7,699,763	3,058,302	10,758,065
Land, buildings and equipment, net (Notes 5, 6, 7 and 9)	25,851,021	165,165	26,016,186
Total assets	\$ 37,537,216	3,814,740	41,351,956
<b>Liabilities and Net Assets</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 2,035,520	-	2,035,520
Deferred membership and program revenue	673,381	-	673,381
Deferred rental income (Note 8)	278,417	-	278,417
Line of credit - capital expansion (Note 7)	63,282	-	63,282
Obligation under capital leases (Note 9)	71,362	-	71,362
Insurance financing	45,372	-	45,372
Long-term debt (Note 6)	5,788,184	-	5,788,184
Obligation under interest rate swap agreement (Notes 6 and 14)	1,807	-	1,807
Total liabilities	8,957,325	-	8,957,325
Net assets:			
Without donor restrictions:			
Designated for general endowment (Note 12)	2,957,464	-	2,957,464
Designated for other purposes (Note 10)	8,267,734	-	8,267,734
Undesignated	17,354,693	-	17,354,693
	28,579,891	-	28,579,891
With donor restrictions (Notes 11 and 12)	-	3,814,740	3,814,740
Total net assets	28,579,891	3,814,740	32,394,631
Commitments, contingencies and related party transactions (Notes 9, 20 and 21)	-	-	-
Total liabilities and net assets	\$ 37,537,216	3,814,740	41,351,956

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Activities**

**Year Ended December 31, 2020  
(With Comparative Totals for 2019)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Operating support and revenue:				
Program services fees (Note 18)	\$ 7,550,192	-	7,550,192	13,111,522
Membership	6,755,492	-	6,755,492	10,852,821
Contributions	1,474,149	208,456	1,682,605	1,285,514
United Way	49,763	35,000	84,763	48,520
Grants	2,634,451	73,712	2,708,163	951,234
Special events, net	59,220	-	59,220	187,895
Rental income (Note 8)	13,000	-	13,000	13,000
Other	270,756	-	270,756	349,436
	18,807,023	317,168	19,124,191	26,799,942
Net assets released from restrictions:				
Satisfaction of use restrictions	395,609	(395,609)	-	-
Expiration of time restrictions	49,620	(49,620)	-	-
Total support and revenue	19,252,252	(128,061)	19,124,191	26,799,942
Operating expenses:				
Program services	15,253,232	-	15,253,232	21,961,290
Supporting services:				
Management and general	3,036,915	-	3,036,915	3,527,841
Development and fundraising	451,036	-	451,036	470,261
Total expenses before depreciation and amortization	18,741,183	-	18,741,183	25,959,392
Increase (decrease) in net assets from operations before depreciation and amortization	511,069	(128,061)	383,008	840,550
Depreciation and amortization expense	2,308,695	-	2,308,695	2,357,080
Decrease in net assets from operations	(1,797,626)	(128,061)	(1,925,687)	(1,516,530)
Other changes:				
Investment return (Note 3)	331,557	311,242	642,799	1,162,305
Contributions and grants for acquisition of capital assets	12,085	36,270	48,355	97,017
Contributions to endowment	20,415	145,162	165,577	8,943
Land lease contribution (Note 19)	-	1,144,000	1,144,000	-
Loss on sale of property and equipment	(310,940)	-	(310,940)	(12,053)
Change in fair value of interest rate swap and floor	(93,217)	-	(93,217)	(84,271)
Net assets released from restrictions:				
Satisfaction of land use restrictions	165,165	(165,165)	-	-
Increase (decrease) in net assets	(1,672,561)	1,343,448	(329,113)	(344,589)
Net assets, beginning of year	28,579,891	3,814,740	32,394,631	32,739,220
Net assets, end of year	\$ 26,907,330	5,158,188	32,065,518	32,394,631

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Activities**

**Year Ended December 31, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Operating support and revenue:			
Program services fees (Note 18)	\$ 13,111,522	-	13,111,522
Membership	10,852,821	-	10,852,821
Contributions	1,011,799	273,715	1,285,514
United Way	18,080	30,440	48,520
Grants	851,298	99,936	951,234
Special events, net	187,895	-	187,895
Rental income (Note 8)	13,000	-	13,000
Other	349,436	-	349,436
	26,395,851	404,091	26,799,942
Net assets released from restrictions:			
Satisfaction of use restrictions	761,713	(761,713)	-
Expiration of time restrictions	376,889	(376,889)	-
	27,534,453	(734,511)	26,799,942
Operating expenses:			
Program services	21,961,290	-	21,961,290
Supporting services:			
Management and general	3,527,841	-	3,527,841
Development and fundraising	470,261	-	470,261
	25,959,392	-	25,959,392
Total expenses before depreciation and amortization	25,959,392	-	25,959,392
Increase (decrease) in net assets from operations before depreciation and amortization	1,575,061	(734,511)	840,550
Depreciation and amortization expense	2,357,080	-	2,357,080
Decrease in net assets from operations	(782,019)	(734,511)	(1,516,530)
Other changes:			
Investment return (Note 3)	621,167	541,138	1,162,305
Contributions and grants for acquisition of capital assets	33,841	63,176	97,017
Contributions to endowment	1,455	7,488	8,943
Loss on sale of property and equipment	(12,053)	-	(12,053)
Change in fair value of interest rate swap	(84,271)	-	(84,271)
Net assets released from restrictions:			
Satisfaction of land use restrictions	473,311	(473,311)	-
	251,431	(596,020)	(344,589)
Increase (decrease) in net assets	251,431	(596,020)	(344,589)
Net assets, beginning of year	28,328,460	4,410,760	32,739,220
Net assets, end of year	\$ 28,579,891	3,814,740	32,394,631

See accompanying independent auditor's report and notes to financial statements.



**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Functional Expenses**

**Year Ended December 31, 2020  
(With Comparative Totals for 2019)**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>	
	<u>Family Programs</u>	<u>Management and General</u>	<u>Development and Fund Raising</u>	<u>2020</u>	<u>2019</u>
Salaries	\$ 8,301,473	1,876,099	187,422	10,364,994	14,649,568
Employee benefits (Note 14)	857,450	253,739	23,430	1,134,619	1,623,418
Payroll taxes	820,690	105,143	13,298	939,131	1,089,514
Total salaries and related expenses	9,979,613	2,234,981	224,150	12,438,744	17,362,500
Contractual and professional fees	201,650	425,169	99,864	726,683	767,730
Program subcontractor expense	67,300	-	-	67,300	189,830
Supplies	709,866	22,021	970	732,857	1,224,409
Telephone	67,351	20,614	2,290	90,255	74,100
Postage and shipping	5,516	5,965	5,374	16,855	18,821
Occupancy	2,648,694	56,019	5,874	2,710,587	3,385,609
Equipment expense	216,197	71,596	31,245	319,038	473,659
Printing / public relations	49,270	64,426	64,280	177,976	281,737
Travel and transportation	53,497	12,014	1,586	67,097	179,960
Conferences	48,144	15,400	176	63,720	245,631
Payment of dues	175,771	11,707	5,408	192,886	378,994
Awards and grants	15,250	11,750	-	27,000	35,304
Interest and financing costs (Note 17)	144,751	11,884	1,337	157,972	205,275
Insurance (Note 20)	525,511	59,775	6,642	591,928	521,567
Bad debt expense	84,875	-	-	84,875	124,239
Bank charges	252,524	11,492	1,840	265,856	461,870
In-kind expenses	2,135	-	-	2,135	16,949
Miscellaneous	5,317	2,102	-	7,419	11,208
Total expenses before depreciation and amortization	15,253,232	3,036,915	451,036	18,741,183	25,959,392
Depreciation and amortization	2,151,138	141,802	15,755	2,308,695	2,357,080
Total expenses - 2020	\$ 17,404,370	3,178,717	466,791	21,049,878	
Total expenses - 2019	\$ 24,168,951	3,661,584	485,937		28,316,472

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Functional Expenses**

**Year Ended December 31, 2019**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Family Programs</u>	<u>Management and General</u>	<u>Development and Fund Raising</u>	
Salaries	\$ 12,292,945	2,127,371	229,252	14,649,568
Employee benefits (Note 14)	1,267,107	329,244	27,067	1,623,418
Payroll taxes	929,009	144,167	16,338	1,089,514
<b>Total salaries and related expenses</b>	<b>14,489,061</b>	<b>2,600,782</b>	<b>272,657</b>	<b>17,362,500</b>
Contractual and professional fees	338,073	392,905	36,752	767,730
Program subcontractor expense	189,830	-	-	189,830
Supplies	1,193,249	29,142	2,018	1,224,409
Telephone	60,664	13,436	-	74,100
Postage and shipping	9,625	6,383	2,813	18,821
Occupancy	3,280,174	94,607	10,828	3,385,609
Equipment expense	343,563	96,532	33,564	473,659
Printing / public relations	95,758	95,506	90,473	281,737
Travel and transportation	155,901	20,501	3,558	179,960
Conferences	183,588	57,640	4,403	245,631
Payment of dues	355,000	18,506	5,488	378,994
Awards and grants	25,250	10,054	-	35,304
Interest and financing costs (Note 17)	192,625	12,650	-	205,275
Insurance (Note 20)	453,958	60,848	6,761	521,567
Bad debt expense	124,239	-	-	124,239
Bank charges	448,047	12,877	946	461,870
In-kind expenses	16,949	-	-	16,949
Miscellaneous	5,736	5,472	-	11,208
<b>Total expenses before depreciation and amortization</b>	<b>21,961,290</b>	<b>3,527,841</b>	<b>470,261</b>	<b>25,959,392</b>
Depreciation and amortization	2,207,661	133,743	15,676	2,357,080
<b>Total expenses</b>	<b>\$ 24,168,951</b>	<b>3,661,584</b>	<b>485,937</b>	<b>28,316,472</b>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statements of Cash Flows**

**Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
Cash flows from operating activities:		
Decrease in net assets	\$ (329,113)	(344,589)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,308,695	2,357,080
Bad debt expense	84,875	124,239
Noncash contributed use of land	(1,151,829)	(15,112)
Loss on disposal of property and equipment	310,940	12,053
Net appreciation on investments	(499,279)	(885,929)
Change in fair value of interest rate swap	93,217	84,271
Cash received from contributions and grants restricted for acquisition and improvement of capital assets	(48,355)	(97,017)
Change in operating assets and liabilities:		
Decrease (increase) in trade accounts receivable	76,818	(28,360)
Increase in grants receivable	(78,149)	(74,893)
Decrease (increase) in prepaid expenses	65,100	(49,297)
Decrease in contributions receivable	61,569	355,043
Decrease in other receivables	5,816	3,296
Increase (decrease) in accounts payable and accrued expenses	(413,090)	193,498
Decrease in deferred rental income	(13,000)	(13,000)
Decrease in deferred revenue	(223,051)	(5,915)
Net cash provided by operating activities	251,164	1,615,368
Cash flows from investing activities:		
Purchases of property and equipment	(557,763)	(1,041,736)
Proceeds from sale of property and equipment	450,000	-
Purchase of restricted certificate of deposit	(1,000,000)	-
Purchases of investments	(5,316,177)	(3,391,248)
Proceeds from sale of investments	5,336,392	3,886,883
Net cash used in investing activities	(1,087,548)	(546,101)
Cash flows from financing activities:		
Cash received from contributions and grants restricted for acquisition and improvement of capital assets	48,355	97,017
Net repayments on line of credit	(65,844)	(193,670)
Principal payments on long-term debt	(502,704)	(666,510)
Debt issuance costs paid	(98,274)	-
Proceeds received from issuance of long-term debt	422,601	-
Principal payments on capital lease obligations	(64,989)	(46,185)
Net cash used in financing activities	(260,855)	(809,348)
Net (decrease) increase in cash and cash equivalents	(1,097,239)	259,919
Cash and cash equivalents at beginning of year	3,452,752	3,192,833
Cash and cash equivalents at end of year	\$ 2,355,513	3,452,752
Supplemental disclosure:		
Cash paid for interest	\$ 160,741	205,425

**YOUNG MEN’S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements**

**December 31, 2020 and 2019**

**(1) Description of Organization**

Young Men’s Christian Association of the Suncoast, Inc., d/b/a YMCA of the Suncoast (the “Organization”), is a Florida not-for-profit corporation and a member of the Association of the National Council of the Young Men’s Christian Associations of the U.S.A. The Organization’s purpose is to advance the cause of strengthening community through youth development, healthy living and social responsibility. The YMCA is a powerful association of men, women, and children committed to bringing about lasting personal and social change. With a focus on nurturing the potential of every child and teen, improving the nation’s health and well-being and providing opportunities to give back and support neighbors, the YMCA enables youth, adults, families and communities to be healthy, confident, connected and secure. YMCA of the Suncoast is committed to providing programs which strengthen the communities of Pinellas, Pasco, Hernando and Citrus Counties, Florida. The accompanying financial statements include the Suncoast administrative office and the accounts of the Organization’s programs maintained at the following branches:

- Clearwater Family Branch YMCA
- Hernando County Family Branch YMCA
- High Point Family Branch YMCA - Closed during 2020
- North Pinellas Family Branch YMCA
- James P. Gills Family/West Pasco Branch YMCA
- Greater Ridgecrest Family Branch YMCA
- Greater Palm Harbor Family Branch YMCA
- Citrus Memorial Health Foundation Branch YMCA
- YMCA School Age Program Services

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

**(b) Financial Accounting Standards**

The Financial Accounting Standards Board (“FASB”) issued authoritative guidance establishing two levels of GAAP - authoritative and nonauthoritative - and making the Accounting Standards Codification (“ASC”) the source of authoritative, nongovernmental GAAP, except for rules and interpretive releases of the Securities and Exchange Commission. This guidance has been incorporated into ASC Topic 105, *Generally Accepted Accounting Principles*.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(c) Fair Value Measurement**

The Organization has adopted the provisions of ASC Topic 820, *Fair Value Measurement*. ASC Topic 820 requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices that are observable for the assets or liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

The carrying amount reported in the statements of financial position for cash and cash equivalents, accounts receivable, and accounts payable approximate fair value because of the immediate or short-term maturities of these financial instruments.

**(d) Cash and Cash Equivalents**

The Organization considers all money market funds and certificates of deposit, with original maturities of three months or less to be cash equivalents.

**(e) Net Assets**

***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are available for use at the discretion of the Organization's Board of Directors (the "Board") and/or management for general operating purposes. From time to time, the Organization's Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Organization's Board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organization's long-term financial viability.

***Net Assets With Donor Restrictions***

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained in perpetuity while permitting the Organization to spend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(f) Contributions**

The Organization recognizes contributions when cash or other assets or an unconditional promise to give is received. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local government contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as deferred program revenue in the statement of financial position.

**(g) Accounts Receivable**

Accounts receivable consists primarily of outstanding membership and program fees and amounts due under contracts with funders for services provided by the Organization. Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts (when applicable). The allowance for doubtful accounts is based on historical receivable collection experience. At December 31, 2020 and 2019, the allowance for doubtful accounts was approximately \$474,000 and \$401,000, respectively.

**(h) Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair values in the Organization's Statements of Financial Position.

Unrealized gains and losses are included in other changes in the Statements of Activities. Restrictions on investment earnings are reported as increases in net assets without donor restrictions if the restrictions expire or are otherwise satisfied in the fiscal year in which the earnings are recognized.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(i) Land, Buildings and Equipment**

Depreciation of buildings and equipment is computed using the straight-line method over the estimated useful lives of the related assets. Land, buildings and equipment are stated at cost, or if contributed, at fair value at the date of donation. The Organization capitalizes additions that equal or exceed \$1,500. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. The estimated useful lives of related asset classes are: 5 to 40 years for buildings and improvements and 3 to 10 years for furniture, equipment and vehicles.

Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset.

**(j) Revenue Recognition**

The Organization has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees.

Because the Organization's performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

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

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(j) Revenue Recognition - Continued**

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

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

**(k) Special Events Revenue and Expense**

The Organization reports special events revenue net of related expenses in the accompanying Statements of Activities. Special events revenue was \$123,495 and \$400,727 in 2020 and 2019, respectively. Special events expense was \$64,275 and \$212,832 in 2020 and 2019, respectively.

**(l) Income Taxes**

The Organization has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 and has been classified as an organization that is not a private foundation under Section 509(a).

The Organization applies ASC Topic 740, *Income Taxes*. ASC Topic 740 prescribes a recognition and measurement standard for uncertain tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. There is no material impact on the Organization's financial position or changes in net assets as a result of the application of this standard. The Organization's policy is to recognize interest and penalties associated with tax positions under this standard as a component of income tax expense, and none were recognized since there was no material impact of the overall application of this standard.

The tax years that remain subject to examination are 2017 through 2020 for all major tax jurisdictions.



**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(m) Functional Expense Allocations**

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Expenses directly attributable to a specific functional area of the Organization are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on either time spent by employees on each functional area or based on a square footage analysis for all indirect occupancy-related expenses.

**(n) Estimates in Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases or decreases in net assets during the period. Actual results could differ from those estimates.

**(o) Going Concern Evaluation**

On an annual basis, as required by ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Organization performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**(p) Reclassifications**

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 presentation.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(3) Investments**

At December 31, 2020 and 2019, the cost and market value of investments were as follows:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and cash equivalents	\$ 5,493,606	5,493,606	4,498,179	4,498,179
Fixed income	874,729	900,480	1,583,687	1,597,146
Equities	3,569,936	4,843,043	4,019,817	4,662,740
	<u>\$ 9,938,271</u>	<u>11,237,129</u>	<u>10,101,683</u>	<u>10,758,065</u>

At December 31, 2020 and 2019, none of the Organization's investments in corporate bonds or mutual funds are concentrated in a single entity or industry. In addition, the Organization's mutual fund investments represent shares in registered investment companies which own diversified portfolios. The mutual funds invest primarily in equity securities.

The following schedule summarizes investment return and other investment activity for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Investments at market, beginning of year	\$ 10,758,065	10,367,771
Investment return:		
Interest and dividends	181,915	317,232
Net realized and unrealized gains	499,279	885,929
Investment management fees	<u>(38,395)</u>	<u>(40,856)</u>
Total investment return	642,799	1,162,305
Deposits	757,199	360,128
Withdrawals	<u>(920,934)</u>	<u>(1,132,139)</u>
Net increase in investments	<u>479,064</u>	<u>390,294</u>
Investments at market, end of year	<u>\$ 11,237,129</u>	<u>10,758,065</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(4) Contributions Receivable**

Contributions receivable which are due in more than one year are recorded at estimated fair value by discounting future cash flows using current risk-free rates of return based on U.S. Treasury Securities yields with maturity dates similar to the expected contribution collection period. As of December 31, 2020 and 2019, the average discount rate was 2% in each year. Management evaluates the allowance for uncollectible contributions on an annual basis and makes adjustments to the allowance as deemed necessary.

Contributions receivable consist of the following at December 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Contributions restricted for the development of new facilities	\$ 34,720	54,778
Contributions restricted for endowment	92,641	112,500
Contribution restricted for United Way funded programs	22,500	16,270
Gross contributions receivable	149,861	183,548
Less:		
Allowance for uncollectible contributions	(7,157)	(6,284)
Unamortized discount	(3,999)	(4,332)
Net contributions receivable - cash	138,705	172,932
Land use contribution - Greater Ridgecrest	1,144,000	104,388
Total contributions receivable, net	\$ 1,282,705	277,320

Cash pledges are due to be collected as follows at December 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Cash amounts due in :		
Less than one year	\$ 70,744	67,784
One to five years	63,267	113,014
More than five years	15,850	2,750
	\$ 149,861	183,548

The land use contribution was originally received under a twenty year lease agreement which was renewed for an additional ten years and is more fully described in Note 19.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(5) Land, Buildings and Equipment**

Land, buildings and equipment at December 31, 2020 and 2019 consists of the following:

	<b>2020</b>	<b>2019</b>
Land and improvements	\$ 4,277,382	4,614,210
Buildings and improvements	40,651,731	42,269,998
Furniture, fixtures and equipment	6,769,001	6,769,758
Leasehold improvements	2,734,529	2,734,529
Construction-in-progress	75,890	144,284
	54,508,533	56,532,779
Less: accumulated depreciation	(30,758,806)	(30,516,593)
	<b>\$ 23,749,727</b>	<b>26,016,186</b>

Depreciation expense was \$2,234,282 and \$2,326,573 in 2020 and 2019, respectively.

In connection with the development of a new branch facility in Citrus County, Florida, the Organization received a contribution of land valued at \$830,000 in 2014. The donor of the land conveyed the property with the recorded stipulation that it be utilized solely as a facility operated by the YMCA according to its ordinary and customary use. This restriction limits the ability of the Organization to sell or encumber the property without the consent of the donor, his successors and assignees so long as any such entities exist.

**(6) Long-Term Debt**

***Bond Issue and Related Long-Term Debt***

In September 2012, the Organization received loan proceeds of \$10 million from the Pinellas County Industrial Development Authority (the "Authority"), in connection with the Authority's issuance of \$10 million of Industrial Development Refunding Revenue Bonds ("Bonds"). The Bonds were to be repaid by the Authority with payments collected from the Organization pursuant to a loan agreement and trust indenture. The loan agreement was issued for the purposes of refinancing obligations related to revenue bonds issued in 2002 and all outstanding bank loans, and restricted the use of loan proceeds to renovating, improving and equipping certain of the Organization's facilities. The loan was secured by real property.

The loan from the Authority required monthly payments of principal in amounts ranging from \$45,721 to \$60,608, plus interest through September 1, 2022, assuming exercise of a put option (otherwise maturity date will be September 1, 2027). The loan had a floating annual interest rate which was calculated as 81.4% of the sum the LIBOR Rate plus 1.60% multiplied by the bank's Margin Rate Factor and was adjusted monthly. The Organization entered into an interest rate swap agreement with a commercial bank to reduce the impact of the floating interest rate. The interest rate swap agreement is more fully described in a separate section of this note.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(6) Long-Term Debt - Continued**

In August 2020, the Organization refinanced the loan in the amount of \$5,880,000 with the same commercial bank. Under the terms of the new loan agreement, the loan bears interest at a variable rate of one month LIBOR plus 1.36% (1.504% at December 31, 2020) subject to a minimum interest rate of 2.11%. Principal and interest are payable monthly, with the remaining unpaid principal balance due upon maturity in August 2030. The commercial bank may elect to extend the maturity date an additional five years. The note is secured by the commercial mortgage and security agreement and assignment of rents, profits, and leases encumbering lands in Pasco County, Florida and Pinellas County, Florida. At December 31, 2020 and 2019, the outstanding balance on the loan was as follows:

	<b>2020</b>	<b>2019</b>
Long-term debt:		
Pinellas County Industrial Development Authority Bond Issue:		
Original loan due September 2022	\$ -	5,854,212
Refinanced loan due August 2030	5,774,109	-
	5,774,109	5,854,212
Less: unamortized debt issuance costs	92,451	66,028
Long-term debt, less unamortized debt issuance costs	\$ 5,681,658	5,788,184

The aggregate maturities of long-term debt for each of the years subsequent to December 31, 2020, are as follows:

<b>Year Ending December 31,</b>	
2021	\$ 321,394
2022	330,537
2023	339,940
2024	349,240
2025	359,547
Thereafter	4,073,451
	\$ 5,774,109

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(6) Long-Term Debt - Continued**

The loan agreement and the related trust indenture restrict certain of the Organization's activities, including the issuance of additional debt, and require the Organization to meet certain financial covenants. At December 31, 2020, the Organization was out of compliance with one of these covenants. The Organization obtained a waiver from the commercial bank, therefore, the noncompliance had no effect on the classification of the outstanding loan.

***Interest Rate Swap Agreement***

In connection with the Authority floating rate loan described above, the Organization entered into an interest rate swap agreement to fix the rate of interest on the debt at 2.87% effective until September 1, 2022. Net cash amounts paid or received under the agreement are recognized as an adjustment to interest expense.

In connection with the refinancing of the loan in August 2020, the commercial bank as party to the interest rate swap agreement, transferred the swap and extended the effective period of the swap through August 2030. The Organization's purpose in entering into this swap agreement was to hedge against the risk of interest rate increases on the related variable rate debt. Additionally, the interest rate swap agreement was amended to imbed an interest rate floor into the agreement to hedge against the risk of interest rate decreases below the 2.11% floor specified in the new loan agreement. The Organization's purpose in entering into an interest rate swap agreement with an imbedded floor was to restore the opportunity to benefit from a low interest rate environment. The interest rate swap agreement effectively changes the Organization's interest rate on its note payable from a variable rate of LIBOR plus 1.36% to a fixed rate of 2.77% at December 31, 2020. Under the interest rate floor agreement, the bank will offset the difference if the variable rate of the note falls below the floor strike rate of 2.11%.

The Organization accounts for the interest rate swap in accordance with ASC Topic 815, *Derivatives and Hedging*. ASC Topic 815 requires that all derivative instruments be recorded in the statement of financial position at fair value and that changes in fair value be reflected as a component of the Organization's change in net assets. Based upon an estimate provided by the financial institution, the fair value of the liability under the interest rate swap was \$304,117 and the fair value of the asset under the interest rate floor was \$209,093, resulting in a net obligation of \$95,024 as of December 31, 2020. The fair value of the asset under the interest rate swap agreement at December 31, 2019 was \$1,807. The interest rate swap is valued by the financial institution by discounting the present value of the future cash flows under the swap. The current yield curve of the floating rate on December 31, 2020 is utilized to project the future interest rates until the expiration of the swap. Due to the lack of quoted prices in active markets for identical swap agreements and the existence of inputs other than quoted prices that are observable for the swap agreement, management has determined that this financial instrument is a Level 2 fair value measurement in accordance with ASC Topic 820 (as presented in Note 15).

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(7) Line of Credit**

In connection with the development of a branch facility in Citrus County, Florida, the Organization had a revolving line of credit with a commercial bank which allowed the Organization to borrow up to \$2,480,000, through May 2018, at LIBOR plus 2.2% (3.91% at December 31, 2019). From May 2018 through May 2020 (the maturity date), the Organization could borrow up to \$2 million at the same rate. Any principal in excess of \$2 million as of May 2018 was immediately due and payable. Interest only payments on the outstanding principal amount were due monthly. Accrued and unpaid interest and the remaining outstanding principal balance was paid in full in June 2020. At December 31, 2019 the outstanding balance on the line of credit was \$65,844, with related unamortized issuance costs of \$2,562. The line of credit was secured by real property and project-related contributions receivable.

In June 2020 the Organization entered into a revolving line of credit with a commercial bank which allows the Organization to borrow up to \$1,000,000, through June 2021, at LIBOR plus 1.42% (2.17% at December 31, 2020). Interest shall accrue from the date of disbursement on the unpaid balance and shall continue to accrue until the line of credit is paid in full. The line of credit is secured by a \$1,000,000 certificate of deposit issued by a commercial bank.

At December 31, 2020 the outstanding balance on the line of credit was \$0, with related unamortized issuance costs of \$1,578.

**(8) Deferred Rental Income**

***School Board of Citrus County***

In 2016, the Organization entered into an agreement with the School Board of Citrus County, under which the County's schools will utilize the Organization's Citrus branch pool and facilities. The agreement calls for a twenty-five year term, with an option to extend the term before expiration. The Organization received a single payment of \$325,000 under the agreement which represents deferred rental income. The deferred rental income is being amortized over a twenty-five year period. Income recognition began in May 2016 when the Citrus facility was completed and the County began utilizing the space. Rental income recognized in both 2020 and 2019 was \$13,000.

**(9) Leases**

The Organization is obligated under capital leases for certain equipment that expire at various dates through 2026. At December 31, 2020 and 2019, the gross amount of equipment and related accumulated amortization recorded under the capital leases were as follows:

	2020	2019
Equipment	\$ 196,112	224,553
Less: accumulated amortization	(27,907)	(172,632)
Net book value	\$ 168,205	51,921

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(9) Leases - Continued**

The Organization leases certain facility space and equipment on a month-to-month basis under operating leases. Rent expense for all operating leases for the years ended December 31, 2020 and 2019 was \$154,726 and \$195,455, respectively.

The present value of future minimum capital lease payments as of December 31, 2020 is as follows:

Year Ending December 31,		
2021	\$	46,785
2022		39,600
2023		39,600
2024		39,600
2025		39,600
Thereafter		6,593
Total future minimum lease payments		211,778
Less: amount representing interest		34,405
Present value of minimum capital lease payments	\$	177,373

**(10) Net Assets Without Restrictions, Designated**

Net assets designated by the Board for purposes other than the endowment consist of the following at December 31, 2020 and 2019:

	2020	2019
Maintenance	\$ 494,703	319,875
Contingency	2,499,287	2,745,819
Debt reduction	4,268,048	4,311,354
Unemployment and other	628,433	890,686
	\$ 7,890,471	8,267,734



**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(11) Net Assets With Donor Restrictions**

Net assets with donor restrictions as of December 31, 2020 and 2019 relate to assets contributed by donors and other funding sources for specific purposes and time periods as follows:

	<b>2020</b>	<b>2019</b>
Subject to time restrictions:		
Pledges receivable	\$ 25,606	47,158
United Way allocations	22,500	16,270
	48,106	63,428
Subject to use restrictions:		
Unappropriated earnings on endowment restricted for specified branches	1,803,951	1,578,651
Use restrictions on land and building	1,144,000	269,553
Use restrictions for capital campaigns	166,427	130,157
Other designated gifts	261,387	183,796
	3,375,765	2,162,157
General endowment subject to the Organization's spending policy and appropriation	1,734,317	1,589,155
Total net assets with donor restrictions	\$ 5,158,188	3,814,740

**(12) Endowment**

The Organization manages an endowment which includes funds legally restricted by the donor as to the use of principal. The original contribution of \$1,000,000 was restricted by the donor in that the principal may not be expended, except under extraordinary circumstances. Earnings on endowment investments may be expended on maintenance of Organization facilities, construction of new facilities, and development of new programs. Investments in the amount of \$1,375,795, which included the \$1,000,000, were received from the Suncoast Family YMCA Foundation, Inc. Trust ("Trust") in 1992, upon the termination of the Trust. Under the terms of the transfer from the Trust, the amount conveyed by the Trust in excess of the \$1,000,000 corpus (\$375,795) may be expended for operations only upon the approval of 90% of the members of both the Board and the Endowment Committee. Only with court approval, however, shall the \$1,000,000 corpus be utilized. The balance of the endowment is available for expenditure upon the majority vote of the Board of the Organization. The Board and the Endowment Committee have established a goal to preserve the purchasing power of the endowment.

In 2013, the Organization established the Legacy Chairman's Round Table as a specific program through which donors may contribute to the endowment fund.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(12) Endowment - Continued**

Endowment fund investments are included in the investment portfolio described in Note 3.

The Organization's endowment includes both donor-restricted endowment funds, funds designated by the Board, to function as endowment funds, and donor-restricted funds for specific branches. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the *Florida Uniform Prudent Management of Institutional Funds Act* ("FUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; (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 restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the donor designations.

***Investment Return Objectives, Risk Parameters and Strategies***

The Organization's investment policy is based on providing security for the Organization. Therefore, the time horizon is very long-term. The goal is to provide funding from the endowment fund for programs giving priority to the use of the income for major maintenance, modernization, or expansion of buildings and facilities, extension of services, and developing and training professional leadership while maintaining the purchasing power of the portfolio and offsetting inflation.

The objectives call for disciplined, consistent management using current "prudent person" philosophy. The investment portfolio is to be diversified as to fixed income and equity holdings to provide risk reduction, a dependable source of income, and growth of principal. The equities portion may constitute up to 70% of the total fund with fixed income portion making up the remainder of the fund. The fund shall not invest in real estate.

Equity investments must be in United States corporations quoted on the New York or American stock exchange or the NASDAQ. Equity investments should be diversified both as to companies and industries to minimize risk other than normal market fluctuation. Equity investments in a single industry will not exceed 20% of the total. Equity investments in any one company shall not exceed 5% (at cost) or 10% (at market) of the equity portfolio. Mutual funds may be used in place of individual equities in an effort to minimize risk and maintain exposure to additional areas of the equity market. Manager discretion should be used within the management of the mutual funds to maximize return with the least possible amount of risk according to the prospectus of each fund.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(12) Endowment - Continued**

Bond investments (one year or longer) are limited to U.S. government and agency issues, mortgage instruments, and quality investment grade corporate bonds and preferred stocks (considered as a bond equivalent). Individual fixed income securities should be considered investment grade at the time of acquisition. Commercial paper should be rated A1, P1. Corporate issues must be in the top quality ratings of Moody's, Standard and Poor's, or other recognized credit services (BBB/BAA) or higher with good marketability. All investments in fixed income shall have a high degree of marketability and no individual investment shall exceed 7% of the total fixed income securities. Cash is considered fixed income. Bond funds may be used in place of individual bonds in an effort to minimize risk and maintain exposure to additional areas of the fixed income market. Fund investments should be investment grade. Manager discretion should be used within the management of the mutual funds to maximize return with the least possible amount of risk according to the prospectus of each fund. This may include exposure to some lower rated or non-rated securities up to but not to exceed 10% of the individual bond fund.

***Spending Policy***

Annually, the Board budgets an allocation from the endowment to support Organization operations. Allocations are based on current needs of the Organization and the desire to preserve the purchasing power of endowment assets. The amount to be distributed in a fiscal year may be 4% of the 3-year trailing average of the June 30<sup>th</sup> market value of the endowment portfolio. The Endowment Committee shall review and confirm, once annually, the amount of the distribution from the endowment fund. While it is expected that 4% will be the spending percentage, the Endowment Committee shall prepare a recommendation to the Board in the third quarter meeting of each calendar year for the following year and the percentage approved could be more or less than the 4%.

Endowment net asset composition by type of fund as of December 31, 2020 and 2019 is as follows:

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total Endowment Net Assets</b>
December 31, 2020:			
Board-designated endowment funds	\$ 3,185,807	-	3,185,807
Donor-restricted endowment funds	-	3,538,268	3,538,268
	\$ 3,185,807	3,538,268	6,724,075
December 31, 2019:			
Board-designated endowment funds	\$ 2,957,464	-	2,957,464
Donor-restricted endowment funds	-	3,167,806	3,167,806
	\$ 2,957,464	3,167,806	6,125,270

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(12) Endowment - Continued**

Changes in endowment net assets for the years ended December 31, 2020 and 2019 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance at December 31, 2018	\$ 2,512,473	2,720,682	5,233,155
Investment return:			
Investment income, net of fees	85,566	102,117	187,683
Net appreciation	438,607	439,021	877,628
Total investment return	524,173	541,138	1,065,311
Contributions	1,455	7,488	8,943
Appropriation of endowment earnings for expenditure	44,363	(44,363)	-
Distributions	(125,000)	(57,139)	(182,139)
Balance at December 31, 2019	2,957,464	3,167,806	6,125,270
Investment return:			
Investment income, net of fees	106,707	20,904	127,611
Net appreciation	209,079	290,338	499,417
Total investment return	315,786	311,242	627,028
Contributions	20,415	145,162	165,577
Appropriation of endowment earnings for expenditure	22,142	(22,142)	-
Distributions	(130,000)	(63,800)	(193,800)
Balance at December 31, 2020	<u>\$ 3,185,807</u>	<u>3,538,268</u>	<u>6,724,075</u>

The Organization's endowment fund includes gifts with donor imposed restrictions to benefit the Clearwater YMCA branch, the Hernando YMCA branch and the teen leaders program. These investments will continue to be overseen by the endowment committee.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(13) Liquidity and Availability of Resources**

The Organization is supported by both unrestricted and restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Board designates endowment earnings to fund long-term needs of the Organization and may be drawn upon with the approval of 90% of the members of both the Board and the Endowment Committee as described in Note 12. Additionally, the Board has designated certain net assets without donor restrictions that, while the Organization does not intend to spend for purposes other than those identified in Note 10, the amounts could be made available for current operations, if necessary.

As of December 31, 2020 and 2019, the Organization's financial assets available for general expenditure within one year were as follows:

	<b>2020</b>	<b>2019</b>
Financial assets:		
Cash and cash equivalents	\$ 2,355,513	3,452,752
Restricted certificate of deposit	1,000,000	-
Trade accounts receivable	229,449	306,267
Grants and other receivables	424,151	351,818
Contributions receivable	138,705	172,932
Investments	11,237,129	10,758,065
Total financial assets	15,384,947	15,041,834
Less amounts unavailable for general expenditure within one year due to:		
Long-term contributions receivable	(72,343)	(28,144)
Contractual or donor-imposed restrictions:		
Unappropriated earnings on endowment restricted for specified branches	(1,803,951)	(1,578,651)
Certificate of deposit restricted for collateral	(1,000,000)	-
Use restrictions for capital campaigns	(166,427)	(130,157)
Other donor imposed use restrictions	(261,387)	(183,796)
Net assets to be held in perpetuity	(1,734,317)	(1,589,155)
Subtotal before Board-designations	10,346,522	11,531,931
Board-designations:		
Quasi-endowment	(3,185,807)	(2,957,464)
Maintenance	(494,703)	(319,875)
Contingency	(2,499,287)	(2,745,819)
Debt reduction	(4,268,048)	(4,311,354)
Unemployment and other	(628,433)	(890,686)
Financial assets available to meet cash needs for general expenditures within one year	\$ (729,756)	306,733

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(14) Employee Benefit Plan**

The Organization participates in The YMCA Retirement Fund Retirement Plan, which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986 as amended, and the YMCA Retirement Fund Tax-Deferred Savings Plan, which is a retirement income account plan as defined in section 403(b)(9) of the Code. Both plans are sponsored by the Young Men's Christian Association Retirement Fund ("Fund"). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and eligible employees. As defined contribution plans, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded obligations.

In accordance with the agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage (12%) of the participating employee's salary. However, in June 2020, the Organization reduced its contribution to 1% due to the impact of the pandemic (as more fully described at Note 22) and restored the 12% contribution effective October 1, 2020. These amounts are paid by the Organization. Total contributions charged to retirement costs in 2020 and 2019 aggregated \$502,011 and \$908,320, respectively, of which \$101,479 and \$137,587 was unpaid at December 31, 2020 and 2019, respectively.

Participant contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to the YMCA Retirement Fund. There is no matching employer contribution in this plan.

**(15) Fair Value Measurements**

The Organization adopted ASC Topic 820, which provides a common definition of fair value, establishes a framework for measuring fair value under U.S. generally accepted accounting principles and requires additional disclosures about fair value.

Financial instruments measured at fair value are classified and disclosed in the following categories:

- Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are mutual funds, corporate bonds, bond funds, U.S. government obligations, and cash and cash equivalents.
- Level 2: Pricing inputs are other than quoted prices for identical investments in active markets, which are either directly or indirectly observable as of the reporting date, and the fair value is determined through the use of models or other valuation methodologies. The types of investments which are included in this category are mortgage-backed securities, municipal bonds, and certificates of deposit. Other observable inputs are also used in measuring the fair value of the interest rate swap agreement.
- Level 3: Valuation is based on unobservable inputs. At December 31, 2020 and 2019, the Organization did not hold assets or liabilities with Level 3 fair value measurements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(15) Fair Value Measurements - Continued**

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair value of assets and liabilities measured on a recurring basis at December 31, 2020 was as follows:

<u>Description</u>	<u>Assets Measured at Fair Value at December 31, 2020</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets:				
Cash and cash equivalents	\$ 5,493,606	5,493,606	-	-
Certificate of deposit	1,000,000	-	1,000,000	-
Equity mutual funds:				
Foreign large growth	779,871	779,871	-	-
Foreign large blend	392,938	392,938	-	-
Large growth	1,164,756	1,164,756	-	-
Large value	662,705	662,705	-	-
Mid-cap growth	316,959	316,959	-	-
Small value	340,520	340,520	-	-
Real estate	267,371	267,371	-	-
Miscellaneous sector	245,208	245,208	-	-
Allocation - 50% to 70% equity	672,715	672,715	-	-
Total equity mutual funds	4,843,043	4,843,043	-	-
Fixed income:				
Short-term bonds	283,136	283,136	-	-
Multisector bonds	320,996	320,996	-	-
Ultrashort bonds	283,329	283,329	-	-
U.S. government obligations	13,019	13,019	-	-
Total fixed income	900,480	900,480	-	-
Total assets	\$ 12,237,129	11,237,129	1,000,000	-
Liabilities:				
Obligation under interest rate swap	\$ 95,024	-	95,024	-
Total liabilities	\$ 95,024	-	95,024	-

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(15) Fair Value Measurements - Continued**

Fair value of assets measured on a recurring basis at December 31, 2019 was as follows:

<u>Description</u>	<u>Assets Measured at Fair Value at December 31, 2019</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets:				
Cash and cash equivalents	\$ 4,498,179	4,498,179	-	-
Equity mutual funds:				
Foreign large growth	590,662	590,662	-	-
Large blend	628,773	628,773	-	-
Large growth	647,461	647,461	-	-
Large value	645,397	645,397	-	-
Mid-cap growth	365,699	365,699	-	-
Mid-cap value	243,625	243,625	-	-
Multialternative	231,859	231,859	-	-
Real estate	272,145	272,145	-	-
Tactical allocation	245,206	245,206	-	-
Miscellaneous sector	203,830	203,830	-	-
Allocation - 50% to 70% equity	588,083	588,083	-	-
Total equity mutual funds	4,662,740	4,662,740	-	-
Fixed income:				
Corporate bonds	97,099	97,099	-	-
Short-term bonds	284,952	284,952	-	-
Intermediate-term bonds	303,658	303,658	-	-
Multisector bonds	150,574	150,574	-	-
Ultrashort bonds	576,986	576,986	-	-
U.S. government obligations	183,877	183,877	-	-
Total fixed income	1,597,146	1,597,146	-	-
Total assets	10,758,065	10,758,065	-	-
Liabilities:				
Obligation under interest rate swap	1,807	-	1,807	-
Total liabilities	\$ 1,807	-	1,807	-

**(16) Concentration of Credit Risk**

The Organization maintains several deposit accounts with what management believes to be a high credit quality financial institution. The total of these balances exceeded federal insurance limits by approximately \$1,057,000 as of December 31, 2020.



**YOUNG MEN’S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(17) Interest Cost**

Interest cost charged to operations in 2020 and 2019 was approximately \$158,000 and \$205,000, respectively.

**(18) Fees and Grants from Early Learning Coalitions**

The Organization has current contracts with Early Learning Coalition (“ELC”) of Pinellas County, Inc., ELC of Pasco and Hernando Counties, Inc., and ELC of the Nature Coast, Inc. The contracts with ELC of Pinellas County, Inc. ELC of Pasco and Hernando Counties, Inc. and ELC of the Nature Coast, Inc. expire on June 30, 2021. Management expects all contracts to be extended upon expiration. ELC provides a significant amount of funding for the Organization’s school age before and after school and summer camp programs. The revenue received from the aforementioned contracts was \$1,781,582 and \$1,414,991 for 2020 and 2019, respectively.

**(19) Land Lease and Improvements**

In August 2000, the Organization entered into a lease agreement with Pinellas County, Florida (the “County”) for a 14.3 acre parcel of land. The lease requires annual lease payments of \$1 and had an original term of twenty years. In August 2020, the lease agreement was renewed for an additional ten year term. One additional ten year renewal option is available. U.S. generally accepted accounting principles require that the County’s lease commitment be recorded as a contribution with donor restrictions. Accordingly, the Organization has recorded a contribution which represents the present value of the excess of the aggregate fair rental value of the land lease over below market rent payments due over the remaining term of the lease.

Recognition of the fair value of the lease including the additional contribution during 2020 as a result of the extension of the lease is summarized as follows:

Fair value of land use contribution at December 31, 2018	\$ 201,494
Recognition of fair value of contributed land lease	15,112
Recognition of rent expense for the year ended December 31, 2019	<u>(112,218)</u>
Fair value of land use contribution at December 31, 2019	104,388
Recognition of additional contribution for renewed lease term	1,144,000
Recognition of fair value of contributed land lease	7,830
Recognition of rent expense for the year ended December 31, 2020	<u>(112,218)</u>
Fair value of land use contribution at December 31, 2020	<u><u>\$ 1,144,000</u></u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(20) Related Party Transactions**

In 2020 and 2019, the Organization conducted business with entities affiliated with certain members of its governing board.

During both 2020 and 2019, members of the governing board represented the Organization as independent insurance agents in obtaining insurance coverage and received commissions from their respective companies.

In 2020 and 2019, the Organization provided consulting services to smaller YMCA organizations under a contract with YMCA of the USA (National Council of Young Men's Christian Association of the United States of America). Total revenues for 2020 and 2019 were \$109,675 and \$161,117, respectively.

**(21) Contingencies**

The Organization has been notified of potential claims arising in the ordinary course of its operations. Management believes that any liability incurred in connection with these claims would be nominal in amount and limited to the deductible under the Organization's insurance policies.

**(22) Risks and Uncertainties**

The novel coronavirus ("COVID-19") spread rapidly across the world in the first quarter of 2020 and was declared a pandemic by the World Health Organization in March 2020. The government and private sector responses to contain its spread began to adversely affect the broader economy and business in general in March 2020 and those impacts will likely affect operations through the remainder of 2021, although such effects may vary significantly. The Organization's operations were significantly impacted, including mandated closure of gyms, fitness centers and other indoor venues beginning in March 2020 due to health and safety laws, rules, and regulations with respect to social distancing and larger gatherings. Future closures of the Organization's programming and related activities are dependent on applicable government requirements and are subject to ongoing modifications dependent on changes in COVID-19 cases. The duration and extent of the pandemic and its effects over longer terms cannot be reasonably estimated as of the date the financial statements were available for issuance. The risks and uncertainties resulting from the pandemic that may affect the results of operating activities, cash flows and financial condition include the nature and duration of the curtailment of program activities and the long-term effect on funding from government grants and contracts.

The pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result, there has been heightened market risk and the Organization's investment portfolio has incurred significant volatility in fair value since March 2020. Because the values of the Organization's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in future periods, if any, and the related impact on the Organization's liquidity cannot be determined at this time.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(23) Noncash Investing and Financing Activities**

In 2020, the Organization financed the acquisition of new equipment under a capital lease obligation in the amount of \$171,000.

**(24) Subsequent Events**

The Organization has evaluated subsequent events through April 29, 2021, the date the financial statements were available for issuance.

On March 23, 2021, the Organization was awarded a Paycheck Protection Program ("PPP") loan in the amount of \$2,707,723 from the U.S. Small Business Administration ("SBA"). Under the terms of the PPP loan program, the Organization expects that the majority of the loan proceeds will be forgiven and recognized as a federal grant in 2021. Any remaining loan proceeds not used for qualifying expenses during the required coverage period will bear interest at 1% and require repayment in 2 years.

**SUPPLEMENTARY FINANCIAL INFORMATION**

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Schedule of Expenditures of Federal Awards**

**Year Ended December 31, 2020**

Federal/State Agency Pass-Through Entity Federal Program	CFDA Number	Contract/Grant Number	Total Expenditures	Transfers to Subrecipients
<b>U.S. Department of Housing and Urban Development</b>				
Passed-through Pinellas County:				
<i>CDBG - Entitlement Grants Cluster:</i>				
Community Development Block Grants/Entitlement Grants	14.218	CD19YOPS CD20YOPS	\$ 158,288 56,517	-
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	CDCV19YMCA	<u>52,037</u>	<u>-</u>
<b>Subtotal - U.S. Department of Housing and Urban Development</b>			266,842	-
<b>U.S. Department of Treasury</b>				
Passed-through Citrus County:				
Coronavirus Relief Fund	21.019 *	n/a	24,950	-
Passed-through Pasco County:				
Coronavirus Relief Fund	21.019 *	n/a	45,000	-
Passed-through Pinellas County:				
Coronavirus Relief Fund	21.019 *	n/a	<u>518,000</u>	<u>-</u>
<b>Subtotal - U.S. Department of Treasury</b>			587,950	-
<b>U.S. Department of Health and Human Services:</b>				
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	90FPSG0008-01-00	127,421	67,299
Passed-through YUSA:				
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	5 NU38OT000299-02-00	7,000	-
Passed-through Early Learning Coalition of Pinellas County:				
<i>CCDF Cluster:</i>				
COVID-19 - Child Care and Development Block Grant	93.575 *	Phase III Phase IV ESS	243,390 72,500 56,000	- - -
Passed-through Early Learning Coalition of the Nature Coast:				
<i>CCDF Cluster:</i>				
COVID-19 - Child Care and Development Block Grant	93.575 *	Phase III Phase IV	91,770 27,500	- -
Passed-through Early Learning Coalition of Pasco and Hernando Counties:				
<i>CCDF Cluster:</i>				
COVID-19 - Child Care and Development Block Grant	93.575 *	Phase II Phase III Phase IV	20,800 81,800 54,501	- - -
<b>Subtotal - U.S. Department of Health and Human Services</b>			<u>782,682</u>	<u>67,299</u>
<b>Total Federal Expenditures</b>			\$ <u>1,637,474</u>	<u>67,299</u>

\* Major federal program

**YOUNG MEN’S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Schedule of Expenditures of Federal Awards**

**Year Ended December 31, 2020**

**(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast under programs of the federal government for the year ended December 31, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast.

**(2) Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**(3) Other**

The accompanying Schedule includes federal expenditures awarded by pass-through agencies. Expenditures of certain federal programs were awarded to Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast by more than one pass-through agency or under more than one contract. Total federal expenditures by federal program for the year ended December 31, 2020 were as follows:

<u>Federal Program</u>	<u>CFDA Number</u>	<u>Total Expenditures</u>
<i>CDBG - Entitlement Grants Cluster:</i>		
Community Development Block Grants/Entitlement Grants	14.218	\$ 266,842
Coronavirus Relief Fund	21.019	587,950
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	127,421
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation’s Health	93.421	7,000
<i>CCDF Cluster:</i>		
COVID-19 - Child Care and Development Block Grant	93.575	648,261
		<u>\$ 1,637,474</u>

## **COMPLIANCE AND INTERNAL CONTROL**



**Independent Auditor’s Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

The Board of Directors  
Young Men’s Christian Association of the Suncoast, Inc.  
d/b/a YMCA of the Suncoast:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast’s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization’s internal control.

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

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



## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Mayer Hoffman McCann P.C.*

April 29, 2021  
Clearwater, Florida



**Independent Auditor’s Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

The Board of Directors  
Young Men’s Christian Association of the Suncoast, Inc.  
d/b/a YMCA of the Suncoast:

**Report on Compliance for Each Major Federal Program**

We have audited Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast’s compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast’s major federal programs for the year ended December 31, 2020. Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of Young Men’s Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast’s compliance.

## Opinion on Major Federal Programs

In our opinion, Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2020.

## Report on Internal Control Over Compliance

Management of Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Mayer Hoffman McCann P.C.*

May 27, 2021  
Clearwater, Florida

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Schedule of Findings and Questioned Costs**

**Year Ended December 31, 2020**

**(A) Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast expresses an unmodified opinion.
6. Audit findings, if any, relative to the major federal award programs for Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast are reported in Part C of this schedule.
7. The programs tested as major federal programs were:
  - Coronavirus Relief Fund (CFDA No. 21.019)
  - CCDF Cluster:*
  - COVID-19 – Child Care and Development Block Grant (CFDA No. 93.575)
8. The threshold for distinguishing Types A and B programs was \$750,000 for major federal programs.
9. Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast was not determined to be a low-risk auditee.

**(B) Findings - Audit of Financial Statements**

None.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Schedule of Findings and Questioned Costs - Continued**

**(C) Findings and Questioned Costs - Major Federal Award Programs**

None.

**(D) Other Issues**

A Summary Schedule of Prior Audit Findings is not required because Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast was not subject to Uniform Guidance in 2019.