

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

TAMPA METROPOLITAN AREA YOUNG
MEN'S CHRISTIAN ASSOCIATION, INC.

September 30, 2020

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INDEPENDENT AUDITORS' REPORT

Governance Board
Tampa Metropolitan Area Young Men’s Christian Association, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Tampa Metropolitan Area Young Men’s Christian Association, Inc. (the “Association”) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 the Association as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Tampa Metropolitan Area Young Men's Christian Association, Inc.'s 2019 financial statements, and our report dated January 16, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 our report dated January 14, 2021, on our consideration of the Association'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 the Association's internal control over financial reporting and compliance.

Tampa, Florida
January 14, 2021



Tampa Metropolitan Area Young Men's Christian Association, Inc.

STATEMENT OF FINANCIAL POSITION

September 30, 2020

(With comparative totals for the year ended September 30, 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents (note A11)	\$ 129,347	\$ 3,285,005
Investments (notes A4, B and C)	8,261,054	8,205,447
Grants receivable (note A5)	354,342	323,058
Contributions receivable, net (notes A6 and D)	1,641,478	2,671,936
Other receivables	125,425	268,334
Prepaid expenses and other assets	589,370	568,074
Land, buildings and equipment (notes A7, A8 and E)	<u>42,611,027</u>	<u>44,725,084</u>
TOTAL ASSETS	<u>\$ 53,712,043</u>	<u>\$ 60,046,938</u>
LIABILITIES AND NET ASSETS		
Trade accounts payable and accrued expenses	\$ 1,904,901	\$ 1,934,812
Line of credit (note F3)	1,512,806	1,512,806
Unearned membership dues (note A12)	72,725	111,242
Unearned revenue (note A13)	324,477	660,893
Promissory note (note G)	12,287,500	12,900,000
Notes payable (note H)	1,986,343	2,161,154
Capital lease obligations (note I)	<u>820,622</u>	<u>951,817</u>
Total liabilities	<u>18,909,374</u>	<u>20,232,724</u>
Net assets (note J)		
Without donor restrictions	31,985,714	36,260,306
With donor restrictions	<u>2,816,955</u>	<u>3,553,908</u>
Total net assets	<u>34,802,669</u>	<u>39,814,214</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 53,712,043</u>	<u>\$ 60,046,938</u>

The accompanying notes are an integral part of this statement.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended September 30, 2020
(With comparative totals for the year ended September 30, 2019)

	Net Assets		September 30,	September 30,
	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Public support and revenue				
Public support				
Contributions	\$ 2,858,824	\$ 863,130	\$ 3,721,954	\$ 3,841,866
Grant revenue	2,178,436	-	2,178,436	1,881,480
Special events - net	187,413	34,615	222,028	1,004,883
United Way allocations	52,447	-	52,447	148,925
Total public support	<u>5,277,120</u>	<u>897,745</u>	<u>6,174,865</u>	<u>6,877,154</u>
Other revenue				
Program service fees	7,676,048	-	7,676,048	11,005,793
Membership dues	14,998,701	-	14,998,701	19,363,936
Investment income (note B)	653,866	4,929	658,795	375,688
Sales to members	278,620	-	278,620	452,165
Miscellaneous revenue	41,015	-	41,015	82,370
Total other revenue	<u>23,648,250</u>	<u>4,929</u>	<u>23,653,179</u>	<u>31,279,952</u>
Net assets released from restrictions	<u>1,639,627</u>	<u>(1,639,627)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>30,564,997</u>	<u>(736,953)</u>	<u>29,828,044</u>	<u>38,157,106</u>
Expenses				
Program services				
Adult wellness	6,190,357	-	6,190,357	7,813,521
Childcare and family	19,017,780	-	19,017,780	20,986,170
Comprehensive youth development	3,905,179	-	3,905,179	4,271,902
Total program services	<u>29,113,316</u>	<u>-</u>	<u>29,113,316</u>	<u>33,071,593</u>
Supporting services				
Management and general	4,467,509	-	4,467,509	4,726,869
Fundraising	1,258,764	-	1,258,764	752,407
Total supporting services	<u>5,726,273</u>	<u>-</u>	<u>5,726,273</u>	<u>5,479,276</u>
Total expenses	<u>34,839,589</u>	<u>-</u>	<u>34,839,589</u>	<u>38,550,869</u>
Change in net assets	(4,274,592)	(736,953)	(5,011,545)	(393,763)
Net assets at beginning of year (note J2)	<u>36,260,306</u>	<u>3,553,908</u>	<u>39,814,214</u>	<u>40,207,977</u>
Net assets at end of year	<u>\$ 31,985,714</u>	<u>\$ 2,816,955</u>	<u>\$ 34,802,669</u>	<u>\$ 39,814,214</u>

The accompanying notes are an integral part of this statement.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

STATEMENT OF CASH FLOWS

For the year ended September 30, 2020
(With comparative totals for the year ended September 30, 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ (5,011,545)	\$ (393,763)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	4,000,162	4,001,467
Loss on disposal of equipment	9,207	2,586
Realized and unrealized gains on investments	(568,354)	(262,766)
Contributions restricted for investment in long-term assets	(863,130)	(1,774,986)
Changes in operating assets and liabilities		
Receivables	237,060	180,907
Prepaid expenses and other assets	(21,296)	(7,269)
Accounts payable and accrued expenses	(29,911)	341,770
Unearned membership dues	(38,517)	(43,008)
Unearned revenue	(336,416)	90,276
Total adjustments	<u>2,388,805</u>	<u>2,528,977</u>
Net cash (used) provided by operating activities	<u>(2,622,740)</u>	<u>2,135,214</u>
Cash flows from investing activities		
Cash payments for the purchase of equipment and capital improvements	(1,574,515)	(5,785,950)
Sale (purchase) of investments, net	<u>512,747</u>	<u>(62,835)</u>
Net cash used by investing activities	<u>(1,061,768)</u>	<u>(5,848,785)</u>
Cash flows from financing activities		
Collection of contributions restricted for investment in long-term assets	1,768,153	2,067,859
Proceeds from line of credit, net	-	1,512,806
Payments on promissory note	(612,500)	(1,050,000)
Payments on note payable, net	(174,811)	(217,543)
Payments on capital lease obligations	<u>(451,992)</u>	<u>(344,223)</u>
Net cash provided by financing activities	<u>528,850</u>	<u>1,968,899</u>
Net decrease in cash and cash equivalents	(3,155,658)	(1,744,672)
Cash, cash equivalents, and restricted cash at beginning of year	<u>3,285,005</u>	<u>5,029,677</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 129,347</u>	<u>\$ 3,285,005</u>

The accompanying notes are an integral part of this statement.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

STATEMENT OF CASH FLOWS - CONTINUED

For the year ended September 30, 2020
(With comparative totals for the year ended September 30, 2019)

	<u>2020</u>	<u>2019</u>
Supplemental disclosures of cash flow information		
Cash paid during the period		
Interest	<u>\$ 273,702</u>	<u>\$ 548,255</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing and financing activities		
Equipment obtained under capital lease obligations	<u>\$ 320,797</u>	<u>\$ 310,395</u>

The accompanying notes are an integral part of this statement.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2020
(With comparative totals for the year ended September 30, 2019)

	Program Services				Supporting Services			Total Year Ended September 30, 2020	Total Year Ended September 30, 2019
	Adult Wellness	Childcare and Family	Comprehensive Youth Development	Total Program	Management and General	Fund Raising	Total Support		
Salaries	\$ 2,901,123	\$ 8,129,909	\$ 1,815,545	\$ 12,846,577	\$ 2,565,519	\$ 465,428	\$ 3,030,947	\$ 15,877,524	\$ 17,648,175
Employee benefits	182,111	675,779	170,288	1,028,178	267,925	61,691	329,616	1,357,794	1,632,132
Payroll taxes	308,400	850,974	190,835	1,350,209	160,651	45,513	206,164	1,556,373	1,675,159
Total salaries and related expenses	3,391,634	9,656,662	2,176,668	15,224,964	2,994,095	572,632	3,566,727	18,791,691	20,955,466
Contract services	50,185	1,222,814	979,796	2,252,795	539,474	52,637	592,111	2,844,906	2,846,355
Supplies	185,970	712,146	297,874	1,195,990	31,563	17,273	48,836	1,244,826	1,731,496
Telephone	84,209	280,647	14,820	379,676	79,784	-	79,784	459,460	366,060
Postage and shipping	619	21,906	803	23,328	18,249	2,707	20,956	44,284	77,661
Occupancy	879,569	2,918,223	199,902	3,997,694	-	348	348	3,998,042	4,530,685
Maintenance	471,232	145,816	20,511	637,559	139,340	900	140,240	777,799	918,799
Printing	4,108	14,958	2,127	21,193	500,951	11,011	511,962	533,155	783,915
Travel	16,202	157,323	45,906	219,431	24,450	4,118	28,568	247,999	408,854
Conference and meetings	28,434	83,623	56,975	169,032	51,621	60,859	112,480	281,512	488,637
National support and other dues	972	370,967	2,301	374,240	-	3,091	3,091	377,331	483,954
Awards and grants	-	25,015	3,472	28,487	6,000	-	6,000	34,487	35,920
Insurance	-	72,454	1,417	73,871	42,473	-	42,473	116,344	117,516
Bad debt expense	-	-	-	-	-	522,704	522,704	522,704	131,139
Miscellaneous	1,131	45,398	4,795	51,324	39,509	10,484	49,993	101,317	124,690
Subtotal	5,114,265	15,727,952	3,807,367	24,649,584	4,467,509	1,258,764	5,726,273	30,375,857	34,001,147
Depreciation and amortization	964,337	2,948,171	87,654	4,000,162	-	-	-	4,000,162	4,001,467
Interest and financing	111,755	341,657	10,158	463,570	-	-	-	463,570	548,255
Subtotal	1,076,092	3,289,828	97,812	4,463,732	-	-	-	4,463,732	4,549,722
Total expenses	\$ 6,190,357	\$ 19,017,780	\$ 3,905,179	\$ 29,113,316	\$ 4,467,509	\$ 1,258,764	\$ 5,726,273	\$ 34,839,589	\$ 38,550,869

The accompanying notes are an integral part of this statement.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A brief description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Organization

The Tampa Metropolitan Area Young Men's Christian Association, Inc.'s (the "Association"), mission: To put Judeo-Christian principles into practice through programs that build healthy spirit, mind and body for all.

The accompanying financial statements include the Association's administrative office and the accounts of the Association's programs maintained in its following branches:

Bob Gilbertson Central City Family Branch
Bob Sierra Family Branch
Bob Sierra Youth & Family Center
Camp Cristina Branch
Campo Family Branch
Sulphur Springs
Downtown Branch
Dade City Family Branch
East Pasco Branch
South Tampa Family Branch
North Brandon Family Branch
New Tampa Family Branch
Northwest Hillsborough Family Branch
Plant City Family Branch
The Spurlino Family YMCA at Big Bend Road
The First Tee of Tampa Bay (two sites)
YMCA Childcare Services Branch
YMCA Express at West Park Village
Early Headstart

2. Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts of the Association are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes.

The Association follows the provisions of FASB Accounting Standards Codification Topic 958 "Not-for-Profit Entities" ("ASC 958"). This requires the Association to distinguish between contributions that increase net assets without donor restrictions and net assets with donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair value.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Association utilizes the net assets without restrictions and net assets with restrictions groupings to account for its resources. Contributions, grants receivable, and pledges receivable are presented in these groupings as applicable, in the accompanying financial statements. ASC 958 requires a statement of financial position, a statement of activities, statement of functional expense, and a statement of cash flows for not-for-profit organizations.

The assets, liabilities and net assets of the Association are reported in self-balancing fund groups as follows:

- Net Assets without Donor Restrictions - Accounts for all resources over which the Governance Board has discretionary control in carrying on the Association's operations.
- Net Assets with Donor Restrictions - Accounts for all pledges and contributions restricted to specific Association projects most of which consist of specific programs or capital projects at the branches. Contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions. All contributions are available for unrestricted use unless specifically restricted by the donor. Also accounts for all pledges and contributions restricted into perpetuity. Terms of these donations require the funds to be segregated from the Association's operating fund. Earnings will be released to the Association for general operations.

3. New Accounting Pronouncements

During 2020, the Association adopted ASU 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made* as well as ASU 2014-09 *Revenue from Contracts with Customers*. The Association adopted ASU 2018-08 and ASU 2014-09 using the retrospective method. The adoption of these standards did not result in significant changes to the Association's accounting policies or impact its financial position, result of operations, or cash flows. As such, prior period financial statements were not restated and there was no cumulative effect adjustment upon adoption.

4. Investments

Investments consist of mutual funds and money market funds and are presented at fair value.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Grants Receivable and Revenue

Grants receivable relate to support received from federal, state, and local grants. None of the amounts receivable at September 30, 2020 are deemed to be uncollectible. Therefore, no provision for uncollectible accounts has been made in the accompanying financial statements.

Revenue from federal, state, and local grants is recorded based upon performance obligations specified by the terms of the grantor allotment which generally provide that revenue is earned when the allowable costs of the specific grant provisions have been incurred.

Revenue is subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required. Management does not believe that any disallowance that may occur as a result of these audits would have a material impact on the financial statements. The Schedule of Expenditures of Federal Awards provides information by federal grant for the year ended September 30, 2020.

6. Contributions Receivable

Contributions receivable represent unconditional promises to give by donors and are reflected in the financial statements at their net realizable value. The allowance is based on prior years' experience and management's analysis of specific promises made.

7. Land, Buildings and Equipment

Land, buildings and equipment are recorded at either cost or fair value at the date of receipt of donation. The Association follows the practice of capitalizing, at costs, all expenditures for property and equipment in excess of \$2,000 and a useful life of three years. The Association's policy is to test land, building and equipment for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. There were no events or changes in circumstances indicating that the carrying amounts may not be recoverable at September 30, 2020.

8. Depreciation and Amortization

Depreciation and amortization are recorded based on the cost of the underlying assets over the estimated useful lives, principally on a straight-line basis. Furniture and equipment are depreciated over their estimated useful lives (primarily three to seven years). Buildings and leasehold improvements are depreciated or amortized over their estimated useful lives (primarily fifteen to thirty years).

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Donated Services

No amounts have been recorded for donated services, since no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in the Association's program services and its fund-raising campaign.

10. Gift In-Kind

The Association is the recipient of materials and rental facilities of approximately \$5,800 for the year ended September 30, 2020, which have been recorded in the accompanying statement of functional expenses as supplies and occupancy expenses, as well as in the accompanying statement of activities as contributions.

11. Cash and Cash Equivalents

Cash equivalents consist of highly liquid short-term money market instruments or certificates of deposit with an original maturity of three months or less. Financial instruments that potentially subject the Association to concentrations of credit risk consist of cash and cash equivalents. The Association manages this risk through the use of high credit worth financial institutions. Interest bearing and non-interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor at each financial institution. Occasionally, deposits exceed the amounts insured by the FDIC. The Association has not experienced any losses from its deposits. Highly liquid debt instruments with original maturities of three months or less that are included as part of the investment portfolio are excluded from cash equivalents as they are commingled with longer-term investments.

12. Unearned Membership Dues

The Association's members pay membership fees in advance for annual, semi-annual, or quarterly membership. Certain prepaid memberships were received but not earned as of September 30, 2020. Included in the accompanying financial statements are \$72,725 of unearned membership fees at September 30, 2020.

13. Unearned Revenue

Unearned revenue includes income received in advance of \$190,000 in 2013 for a 50 year cell tower lease on the property of one of the Association's branches. Approximately \$163,000 has not been earned as of September 30, 2020. Unearned revenue also includes payments received in advance of approximately \$161,000 for programs such as sports leagues and after school care.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

14. Functional Allocation of Expenses

The statement of functional expense presents expenses by function and by natural classification. Expenses directly attributable to a specific function area of the Association are reported as expenses of those functional areas.

All expenses attributable to a branch are charged to program expenses. These expenses are then allocated between the Adult Wellness, Childcare and Family, and Comprehensive Youth program classifications based on the percentage of membership revenue received from the adult, children and family, and youth membership categories.

Expenses that are attributable to the Administrative office that benefit multiple functional areas have been allocated across programs, general and administrative, and fundraising expenses. The basis used for allocation of these expenses depends on the nature of the underlying expense. The methods used are based on the proportion of employee time involved, square footage, and usage.

Expenses allocated based on the proportion of employee time involved include salaries and wages, payroll taxes, and employee benefits. Expenses allocated on the basis of square footage used include occupancy and maintenance expenses. Expenses allocated on the basis of usage include printing and postage related expenses.

The Association has three primary program activities listed below:

Adult Wellness

As a community leader in health and wellness, the Association understands the importance of physical activity and a balanced diet. The Association helps improve the community's health and wellbeing by providing a variety of programs and activities that promote wellness, reduce risk of chronic disease and help others manage and reclaim their health. These include the Pedaling for Parkinson's, EnhanceFitness senior fitness and arthritis management program, Y Weight, LIVESTRONG at the YMCA for cancer survivors, SilverSneakers for active older adults, and the Y's Diabetes Prevention Program.

Childcare and Family

The Association cares for the total child, ensuring they leave with everyday tools to prepare them for learning and succeeding in a school environment. The Before and After School Enrichment (BASE) programs help kids discover who they want to be. Kids build their self-esteem and learn how to be responsible, self-reliant, and inclusive with people who are from different backgrounds all while keeping their bodies and brains active and engaged. Trained and experienced staff engage students in project-based learning with a focus on STEAM (Science, Technology, Engineering, Art, and Math), cultural arts and service learning. Children also participate in an evidence-based physical fitness and health curriculum which includes free healthy snacks.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Comprehensive Youth Development

The Association provides opportunities for tens of thousands of youth to cultivate the values, skills, and relationships that lead to positive behaviors, better health and educational achievement. The Association works to close the achievement gap through evidence-based programs that improve students' educational readiness, engagement and outcomes, while helping them grow emotionally and physically, too. Additionally, through youth sports, day camps, and teen leadership programs, kids and teens learn valuable qualities needed to succeed in school and life. The Association believes a confident kid today creates contributing and engaged adults tomorrow.

15. Use of Estimates

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 amount of revenues and expenses during the reporting period. The most sensitive estimates affecting the financial statements are the collectability of pledges and the useful lives of capital assets. Actual results could differ from these estimates.

16. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended September 30, 2019, from which the summarized information was derived. Certain amounts from the September 30, 2019 financial statements have been reclassified to conform to the September 30, 2020 presentation.

17. Income Taxes

The Association is a non-profit agency under the laws of the State of Florida and is exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. The Association believes that it has no liability for taxes with respect to business income. However, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Association follows Accounting Standards Codification Topic 740, "Income Taxes" ("ASC 740"). A component of this standard prescribes a recognition and measurement threshold of 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. The Association's policy is to recognize interest and penalties associated with tax positions under this standard as a component of tax expense, and none was recognized since there was no material impact of the application of this standard for the year ended September 30, 2020. The Association's information returns are open to IRS examination for the 2017 tax year and all subsequent periods.

18. Special Events

The Association conducts special events for the purpose of raising money for annual operations. The Association had special events revenue of approximately \$356,000 and related expenses of approximately \$134,000 during the year ended September 30, 2020.

NOTE B - INVESTMENTS

Investments include the following as of September 30, 2020:

Equities	\$ 4,735,096
Fixed income	3,171,205
Money market funds	232,275
Community Foundation of Tampa Bay	<u>122,478</u>
Total investments	<u>\$ 8,261,054</u>

Investment income for the year ended September 30, 2020 is summarized as follows:

Interest and dividends	\$ 144,879
Investment fees paid	(54,438)
Realized and unrealized gains	<u>568,354</u>
Total investment income	<u>\$ 658,795</u>

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Association has adopted the FASB Accounting Standards Codification Topic. 820, "Fair Value Measurements" ("ASC 820") which establishes a framework for using fair value to measure assets and liabilities and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be).

Under ASC 820, a fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance. ASC 820 requires disclosures that stratify statement of financial position amounts measured at fair value based on inputs the Association used to derive fair value measurements.

These strata include:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Association-specific data.

The following table presents financial assets and liabilities measured at fair value on a recurring basis as of at September 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets				
Equities	\$ 4,735,096	\$ -	\$ -	\$ 4,735,096
Fixed income	3,171,205	-	-	3,171,205
Money market	232,275	-	-	232,275
Beneficial interest in assets held by others	-	-	122,478	122,478
	<u>\$ 8,138,576</u>	<u>\$ -</u>	<u>\$ 122,478</u>	<u>\$ 8,261,054</u>

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following illustrates a roll forward for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the year ended September 30, 2020:

<u>Assets</u>	
Beneficial interest in assets held by others at September 30, 2019	\$ 123,063
Additions	-
Investment income	5,239
Distributions	<u>(5,824)</u>
Beneficial interest in assets held by others at September 30, 2020	<u><u>\$ 122,478</u></u>

NOTE D - CONTRIBUTIONS RECEIVABLE

Contributions receivable, net represent unconditional promises to give by donors from various fundraising campaigns by the Association. During 2020, the Association maintained several capital campaigns for the purpose of raising contributions for investments in long-term assets.

Contributions receivable, less discount and allowances, at September 30, 2020 are summarized as follows:

	<u>Annual Campaign</u>	<u>Capital Campaigns</u>	<u>Total</u>
Total contributions receivable	\$ 221,119	\$ 1,760,000	\$ 1,981,119
Less allowance for uncollectible amounts	(16,426)	(260,000)	(276,426)
Less discount for present value (2.65%)	<u>-</u>	<u>(63,215)</u>	<u>(63,215)</u>
Net contributions receivable	<u><u>\$ 204,693</u></u>	<u><u>\$ 1,436,785</u></u>	<u><u>\$ 1,641,478</u></u>

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE D - CONTRIBUTIONS RECEIVABLE - Continued

Anticipated collection periods of contributions receivable at September 30, 2020 are summarized as follows:

2021	\$ 981,119
2022	500,000
2023	<u>500,000</u>
	1,981,119
Allowance for uncollectible pledges	(276,426)
Present value discount	<u>(63,215)</u>
	<u><u>\$ 1,641,478</u></u>

NOTE E - LAND, BUILDINGS AND EQUIPMENT

A summary of land, buildings and equipment at September 30, 2020 is as follows:

Land	\$ 7,490,587
Buildings and improvements	76,985,194
Furniture and equipment	9,200,585
Capital leased equipment	1,821,053
Construction in progress	<u>313,580</u>
	95,810,999
Less accumulated depreciation	<u>(53,199,972)</u>
Total land, building and equipment	<u><u>\$ 42,611,027</u></u>

Depreciation expense was \$4,000,162 for the year ended September 30, 2020.

NOTE F - COMMITMENTS

1. Pension Plans

Substantially all full time Association employees are participants in a retirement plan administered by the Young Men's Christian Association Retirement Fund (the Plan). The Plan is a defined contribution plan and requires a contribution of 12% of participants' salaries. This requirement was reduced to 1% through December 31, 2020 in response to the COVID-19 pandemic (see Note L). To be eligible to be enrolled in the Plan, participants must have completed 1,000 hours of service during each of any two 12-month periods, beginning with date of hire. These two years do not have to be consecutive. Participants must be at least 21 years of age.

Once participants are eligible, they will be enrolled in the plan and immediately vested. Total expense was approximately \$752,000 for the year ended September 30, 2020.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE F - COMMITMENTS – Continued

2. Operating Leases

A portion of the Association's operations are conducted in facilities under leases classified as operating leases. In addition, certain equipment is also leased under operating leases. The following is a schedule by years of approximate minimum rental payments for such operating leases expiring at various dates through 2025:

<u>Year ending September 30,</u>	
2021	\$ 547,000
2022	415,000
2023	163,000
2024	77,000
2025	<u>3,000</u>
Net minimum payments required	<u>\$ 1,205,000</u>

Rent expense for the year ended September 30, 2020 was approximately \$705,000.

3. Line of Credit

In September 2018, the Association entered into an agreement for a \$2,100,000 line of credit from Regions Bank. The agreement bears interest at a rate equal to the London Interbank Offered Rate (LIBOR one month), which was 1.48% at September 30, 2020, plus 2.15% and is secured by contributions receivable and property of the Association. There was an outstanding balance of \$1,512,806 for the year ended September 30, 2020.

4. National Support

The Association is a member of the YMCA of the USA. The Association pays approximately 1% of earned revenue subject to financial support and not to exceed a maximum threshold established by the YMCA of the USA for national support. The national support expense was approximately \$346,000 for the year ended September 30, 2020. The amount is included in national support on the statement of functional expenses.

NOTE G - PROMISSORY NOTE

The Association was obligated under a promissory note in the amount of \$23,400,000 in favor of the Hillsborough County Industrial Development Authority (the "Authority") in conjunction with the Authority's issuance of \$23,400,000 in Hillsborough County Industrial Development Authority Variable Rate Demand Revenue Bonds (Tampa Metropolitan Area Young Men's Christian Association, Inc. Project) Series 2000 (the "Bonds") issued on June 28, 2000, to finance the cost of acquisition, construction, renovation, and equipping of certain YMCA facilities to be located in Hillsborough County, Florida.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE G - PROMISSORY NOTE – Continued

The bond proceeds were loaned to the Association under a loan agreement between the Authority and the Association. The Authority, through a trust indenture between the Authority and the Bank of New York (the "Trustee"), assigned its rights under the loan agreement and the promissory note to the Trustee as security for the bonds, which was secured by a letter of credit in an amount sufficient to pay the outstanding principal and interest on, or purchase price of the bonds, not to exceed \$23,736,575.

On May 15, 2013, the Association entered into a Revenue Refunding Bond ("Financing Agreement") with the Authority and Regions Capital Advantage, Inc. ("Bondholder") to repay and retire the outstanding principal on the Bonds described above with the issuance of an industrial revenue bond in the amount of \$16,400,000. At the same time, the Association entered into a loan agreement with Regions Bank for a loan of \$16,400,000. The Financing Agreement bears interest at a fixed rate of 2.65% and is secured by contributions receivable and property of the Association. Principal payments were deferred through June 1, 2016, therefore, the Association began making principal payments during the year ended September 30, 2016. Interest payments are due and payable monthly through maturity on May 1, 2029.

The Financing Agreement contains certain financial and non-financial covenants, whereby the Association is required to meet certain key financial ratios. The Association did not fulfill all of the requirements related to these financial covenants at September 30, 2020. The Bondholder has agreed to a temporary waiver period ending September 30, 2021 and has issued a letter stating that it will not exercise its rights as a result of the covenant violation.

In response to the Covid-19 pandemic (see Note L), the Association received a 6-month payment deferral beginning May 2020 with payments resuming November 2020. During this deferment, interest continued to accrue but no payments were made. The aggregate amount of principal and interest that would have otherwise been payable on the note are due May 1, 2022. Accrued interest on the note is approximately \$167,000 at September 30, 2020.

Bond principal maturities are as follows:

Year ending September 30.

2021	\$ 1,145,837
2022	1,858,339
2023	1,250,004
2024	1,250,004
2025	1,333,336
Thereafter	<u>5,449,980</u>
	<u>\$ 12,287,500</u>

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE H - NOTES PAYABLE

On May 9, 2016, the Association entered into a commercial loan agreement with Regions Bank to finance construction in process to renovate the Bob Sierra branch. The Association drew \$1,500,000 on the loan. Principal payments began March 2017 which range from \$8,675 to \$10,208 plus 3.9% interest with a balloon payment due May 2025 for the remaining unpaid principal and interest.

The loan is secured by real property and has a balance of \$1,196,522 at September 30, 2020.

On September 24, 2018, the Association entered into a commercial loan agreement with Regions Bank to finance construction in process at the South County branch. The Association drew \$1,000,000 on the loan. Principal payments began October 2018 and range from \$10,313 to \$13,624 plus 4.65% interest ending in September 2025. The loan is secured by real property and has a balance of \$789,821 at September 30, 2020.

In response to the Covid-19 pandemic (see Note L), the Association received a 3-month payment deferral on each of these loans. The payment deferral began in May 2020 and payments resumed as scheduled in August 2020. Interest accrued on the loans during the payment deferral is due at the respective loan's maturity. Accrued interest on the loans totaled approximately \$22,000 at September 30, 2020.

Principal maturities are as follows:

<u>Year ending September 30,</u>	
2021	\$ 256,236
2022	262,589
2023	269,244
2024	276,215
2025	283,518
Thereafter	<u>638,541</u>
	<u>\$ 1,986,343</u>

NOTE I - CAPITAL LEASES

The Association leases fitness equipment and buses which are accounted for as capital leases. The following is a schedule of leased equipment under capital leases at September 30, 2020:

Leased equipment	\$ 1,821,053
Less accumulated depreciation	<u>(993,319)</u>
	<u>\$ 827,734</u>

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE I - CAPITAL LEASES – Continued

Minimum lease payments under capital leases at September 30, 2020 and for each of the next five years and in the aggregate, are as follows:

<u>Year ending September 30,</u>	
2021	\$ 291,114
2022	247,840
2023	239,204
2024	87,312
2025	<u>23,787</u>
Total minimum payments required	889,257
Less amount representing interest	<u>(68,635)</u>
Net minimum payments required	<u>\$ 820,622</u>

NOTE J - NET ASSETS

1. Net Assets without Donor Restrictions

Net assets without donor restrictions are net assets not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. These net assets are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

From time to time the board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

The Association's net assets without donor restrictions consists of the following at September 30,:

Undesignated	<u>\$ 4,119,105</u>
Property and equipment	<u>27,516,562</u>
Internally designated	
First Tee program	170,047
Investments	<u>180,000</u>
Total internally designated	<u>350,047</u>
Total net assets without donor restrictions	<u>\$ 31,985,714</u>

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - NET ASSETS – Continued

2. Net Assets with Donor Restrictions

Net assets with donor restrictions are net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Association to meet the stipulations, that may become undesignated by the passage of time, or that require net assets to be permanently maintained, thereby restricting the use of principal. Once donor-imposed restrictions are satisfied, the net assets are then released and reclassified to net assets without donor restrictions.

The Organization's net assets with donor restrictions consists of the following at September 30,:

Net assets subject to expenditure for a specified purpose	
Adult wellness	\$ 26,172
Comprehensive youth development	592,274
Childcare and family and other programs	<u>205,026</u>
Total net assets subject to expenditure for a specified purpose	<u>823,472</u>
Net assets subject to the passage of time	
Pledges receivable - annual giving campaign	221,119
Pledges receivable - capital campaign	1,420,359
Special events not yet occurred	<u>34,615</u>
Total net assets subject to the passage of time	<u>1,676,093</u>
Endowments invested in perpetuity	<u>317,390</u>
Total net assets with donor restrictions	<u><u>\$ 2,816,955</u></u>

The balance of net assets with donor restrictions at September 30, 2019 has been increased by approximately \$114,000 for net assets that are restricted in perpetuity, which were previously reported as net assets without donor restrictions.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE J - NET ASSETS – Continued

3. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions are as follows:

Net assets released due to purpose or period restrictions accomplished	
Adult wellness	\$ 9,731
Comprehensive youth development	65,749
Childcare and family and other programs	<u>2,925</u>
Total net assets released due to purpose or period restrictions accomplished	<u>78,405</u>
Net assets released due to the passage of time	
Collections on pledges	<u>1,556,019</u>
Net assets released due to earnings on endowments	
Distributions received from endowments restricted in perpetuity	<u>5,203</u>
Total net assets released from restrictions	<u><u>\$ 1,639,627</u></u>

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE K - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association's financial assets available within one year of the date of the consolidated financial statements of financial position for general expenditure are as follows:

Cash and cash equivalents	\$ 129,347
Current portion of pledges receivable	981,119
Grants receivable	354,342
Accounts receivable	125,425
Investments	<u>8,261,054</u>
Total financial assets available within one year	<u>9,851,287</u>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted cash with donor purpose restrictions	823,472
Pledge receivables for capital campaign	760,000
Investments restricted in perpetuity	317,390
Required reserve for promissory note	<u>6,000,000</u>
Total amounts unavailable for general expenditures within one year	<u>7,900,862</u>
Total financial assets available to management for expenditure within one year	<u><u>\$ 1,950,425</u></u>

The Association maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Association invests excess cash with a financial institution.

Additionally, the Association is required to have at least \$6,000,000 in available cash and cash equivalents, including investments, by a covenant associated with the Association's promissory note.

To help manage unanticipated liquidity needs, the Association has a committed line of credit of \$2,100,000 with a balance of \$1,512,806 at September 30, 2020. The line of credit is collateralized by the Association's outstanding pledges receivable. The Association can only draw up to 80% of the pledge receivable balance and must pay the line back as pledges are collected. Additionally, the Association has internally designated net assets without donor restrictions that, while the Association does not intend to spend these for purposes other than identified, the amounts could be made available for current operations if necessary.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2020

NOTE L - RISKS AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China and has since spread to other countries, including the United States of America. In March 2020, COVID-19 was declared a pandemic by the World Health Organization. In addition, the United States of America and the State of Florida have declared a state of emergency in response to the pandemic. The Association's fundraising and programs have been impacted due to the temporary closure of its branches, cancellation of special events, closure of schools, social distancing initiatives, and financial impact on the community. It is expected that these impacts may continue for some time, and the full financial impact cannot be reasonably estimated at this time.

NOTE M - SUBSEQUENT EVENTS

The Association has evaluated events and transactions occurring subsequent to September 30, 2020 as of January 14, 2021, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TAMPA METROPOLITAN AREA YOUNG MEN'S
CHRISTIAN ASSOCIATION, INC.

September 30, 2020

Tampa Metropolitan Area Young Men's Christian Association, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended September 30, 2020

Federal Grantor / Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Expenditures	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services				
<u>Indirect Program</u>				
Early Childhood Development				
Passed-through Hillsborough County				
Board of Commissioners				
Head Start	16-0824	93.600	\$ 1,031,484	\$ 656,155
Total U.S. Department of Health and Human Services			1,031,484	656,155
U.S. Department of Housing and Urban Development				
<u>Indirect Program</u>				
Strengthens Communities				
Passed-through Hillsborough County				
Board of Commissioners				
	11-1138	14.218	13,325	-
Total U.S. Department of Housing and Urban Development			13,325	-
U.S. Department of Homeland Security				
<u>Indirect Program</u>				
Emergency Food and Shelter National Board Program				
Passed-through United Way				
Pasco County				
	169200-051	97.024	8,820	-
Total U.S. Department of Homeland Security			8,820	-
Total expenditures of federal awards			\$ 1,053,629	\$ 656,155

The accompanying notes are an integral part of this schedule.

Tampa Metropolitan Area Young Men's Christian Association, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2020

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Tampa Metropolitan Area Young Men's Christian Association, Inc. (the "Association") and is presented on the accrual basis of accounting. The information in this 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 the Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Association.

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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Association has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE B - CONTINGENCIES

These federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Association's continued participation in specific programs. The amounts, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Association expects such amounts, if any, to be immaterial.

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

TAMPA METROPOLITAN AREA YOUNG MEN'S
CHRISTIAN ASSOCIATION, INC.

September 30, 2020



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

Governance Board
Tampa Metropolitan Area Young Men's Christian Association, Inc.

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 Tampa Metropolitan Area Young Men's Christian Association, Inc. (the "Association") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

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

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



Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Benicio, Gordiner & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida
January 14, 2021

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

TAMPA METROPOLITAN AREA YOUNG MEN'S
CHRISTIAN ASSOCIATION, INC.

September 30, 2020



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

Governance Board
 Tampa Metropolitan Area Young Men’s Christian Association, Inc.

Report on Compliance for Each Major Federal Program

We have audited Tampa Metropolitan Area Young Men’s Christian Association, Inc.’s (the “Association”) (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Association’s major federal programs for the year ended September 30, 2020. The Association’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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Association’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 the Association’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 each major federal program. However, our audit does not provide a legal determination of the Association’s compliance.



Opinion on Each Major Federal Program

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the Association 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 the Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 the Association'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.



Tampa, Florida
January 14, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

TAMPA METROPOLITAN AREA YOUNG MEN'S
CHRISTIAN ASSOCIATION, INC.

September 30, 2020

Tampa Metropolitan Area Young Men's Christian Association, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

 yes X none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major programs

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

 yes X none reported

Type of auditors' report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 yes X no

Identification of major federal programs:

CFDA Number

Name of Federal Program

93.600

Head Start

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

\$ 750,000

Auditee qualified as low-risk auditee under provisions of the Uniform Guidance?

 X yes no

Section II - Financial Statement Findings

No matters were reported for the year ended September 30, 2020 and there were no prior year audit findings to be reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported for the year ended September 30, 2020 and there were no prior year audit findings to be reported.

Section IV - Other Issues

No summary schedule of prior year audit findings is required because there were no prior year audit findings related to federal programs.