

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF
THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)**

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2019 AND 2018



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**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
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YEARS ENDED DECEMBER 31, 2019 AND 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Young Men's Christian Association of the Inland Northwest
Spokane, Washington

We have audited the accompanying combined financial statements of Young Men's Christian Association of the Inland Northwest (YMCA) and Young Men's Christian Association of the Inland Northwest Endowment Fund (the Endowment Fund) (nonprofit organizations), which comprise the combined statements of financial position as of December 31, 2019 and 2018, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

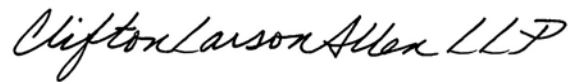
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether 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 combined 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 combined financial statements.

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

Board of Directors
Young Men's Christian Association of the Inland Northwest

Opinion

In our opinion, based on our audits, the combined financial statements referred to above present fairly, in all material respects, the financial position of Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



CliftonLarsonAllen LLP

Spokane, Washington
June 18, 2020

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,883,587	\$ 3,173,323
Accounts Receivable, Net of Allowance for Doubtful Accounts	421,554	243,650
Pledges Receivable, Net of Discount and Allowance for Doubtful Accounts	125,437	114,657
Grants Receivable	84,587	63,809
Inventory, at Cost	23,841	22,803
Certificates of Deposit	941,171	924,810
Prepaid Expenses	98,889	135,021
Total Current Assets	4,579,066	4,678,073
LAND, BUILDINGS, AND EQUIPMENT, Net	20,182,299	21,353,023
OTHER ASSETS		
Long-Term Pledges Receivable, Net of Discount and Allowance for Doubtful Accounts	324,475	400,000
Other Assets	381,440	489,522
Investments	1,870,272	1,612,061
Investment in LLCs	10,263,151	10,549,995
Total Other Assets	12,839,338	13,051,578
Total Assets	\$ 37,600,703	\$ 39,082,674

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2019 AND 2018**

	2019	2018
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,438,556	\$ 1,295,993
Line of Credit	766,093	879,094
Accrued Bond Interest	165,130	175,911
Charitable Gift Annuity Payable	3,267	3,426
Deferred Revenue	611,975	745,475
Current Portion of Capital Lease	141,432	274,123
Current Maturities of Long-Term Debt	1,465,889	1,450,247
Total Current Liabilities	4,592,342	4,824,269
Capital Lease, Net of Current Maturities	-	141,432
Long-Term Debt, Net of Current Maturities	7,611,603	9,077,494
Total Liabilities	12,203,945	14,043,195
NET ASSETS		
Without Donor Restrictions:		
Undesignated	892,936	1,053,245
Board Designated for:		
<i>Association Reserve</i>	891,743	864,823
<i>Bond Debt Service</i>	682,435	739,559
<i>Endowment</i>	1,540,823	1,294,478
Invested in Property, Plant, and Equipment	20,931,272	20,659,550
Total Without Donor Restrictions	24,939,209	24,611,655
With Donor Restrictions:		
Restricted by Purpose or Time:		
<i>Camp Scholarships</i>	62,400	81,100
<i>Camp Goodtimes</i>	85,471	48,200
Restricted in Perpetuity - Endowment	309,678	298,524
Total With Donor Restrictions	457,549	427,824
Total Net Assets	25,396,758	25,039,479
Total Liabilities and Net Assets	\$ 37,600,703	\$ 39,082,674

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Public Support:			
Contributions	\$ 782,083	\$ 226,054	\$ 1,008,137
United Way Allocations	57,900	-	57,900
Total Public Support	<u>839,983</u>	<u>226,054</u>	<u>1,066,037</u>
Revenue:			
Membership Dues	11,509,889	-	11,509,889
Program Fees	5,087,878	-	5,087,878
Government Funded Programs	1,606,100	-	1,606,100
Sales to the Public	380,569	-	380,569
Leasing	31,803	-	31,803
Other Rentals	380,279	-	380,279
Realized Gain on Sale of Investments	36,097	-	36,097
Unrealized Gain on Investments	225,314	-	225,314
Investment and Miscellaneous Income	615,080	-	615,080
Special Events	113,820	-	113,820
Net Change in Charitable Trust	(526)	-	(526)
Total Revenue	<u>19,986,303</u>	<u>-</u>	<u>19,986,303</u>
 Total Public Support and Revenue	 20,826,286	 226,054	 21,052,340
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	196,329	(196,329)	-
EXPENSES			
Program Services	16,917,328	-	16,917,328
Supporting Services:			
Administrative and General	2,301,621	-	2,301,621
Fundraising	192,279	-	192,279
Total Expenses	<u>19,411,228</u>	<u>-</u>	<u>19,411,228</u>
CHANGES IN NET ASSETS BEFORE DEPRECIATION	1,611,387	29,725	1,641,112
DEPRECIATION	<u>1,283,833</u>	<u>-</u>	<u>1,283,833</u>
CHANGES IN NET ASSETS	327,554	29,725	357,279
Net Assets - Beginning of Year	<u>24,611,655</u>	<u>427,824</u>	<u>25,039,479</u>
NET ASSETS - END OF YEAR	<u>\$ 24,939,209</u>	<u>\$ 457,549</u>	<u>\$ 25,396,758</u>

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	Without Donor Restriction	With Donor Restriction	Total
PUBLIC SUPPORT AND REVENUE			
Public Support:			
Contributions	\$ 2,271,019	\$ 251,768	\$ 2,522,787
United Way Allocations	59,800	-	59,800
Total Public Support	2,330,819	251,768	2,582,587
Revenue:			
Membership Dues	10,055,639	-	10,055,639
Program Fees	4,864,628	-	4,864,628
Government Funded Programs	1,574,929	-	1,574,929
Sales to the Public	385,149	-	385,149
Leasing	9,630	-	9,630
Other Rentals	226,793	-	226,793
Realized Gain on Sale of Investments	41,744	-	41,744
Unrealized Loss on Investments	(172,422)	-	(172,422)
Investment and Miscellaneous Income	551,365	-	551,365
Special Events	100,319	-	100,319
Gain on Sale of Assets	2,489	-	2,489
Net Change in Charitable Trust	(522)	-	(522)
Total Revenue	17,639,741	-	17,639,741
Total Public Support and Revenue	19,970,560	251,768	20,222,328
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	198,511	(198,511)	-
EXPENSES			
Program Services	15,751,873	-	15,751,873
Supporting Services:			
Administrative and General	2,161,934	-	2,161,934
Fundraising	227,343	-	227,343
Total Expenses	18,141,150	-	18,141,150
CHANGES IN NET ASSETS BEFORE DEPRECIATION	2,027,921	53,257	2,081,178
DEPRECIATION	1,272,977	-	1,272,977
CHANGES IN NET ASSETS	754,944	53,257	808,201
Net Assets - Beginning of Year	23,856,711	374,567	24,231,278
NET ASSETS - END OF YEAR	\$ 24,611,655	\$ 427,824	\$ 25,039,479

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	Program Services	Buildings	Supporting Services		Total Expenses
			Administrative and General	Fundraising	
Salaries	\$ 8,722,159	\$ 890,591	\$ 1,161,453	\$ 111,374	\$ 10,885,577
Payroll Taxes and Insurance	1,197,358	145,615	180,964	20,290	1,544,227
Retirement Plan Contributions	276,693	41,833	83,190	3,351	405,067
Total Salaries and Related Expense	10,196,210	1,078,039	1,425,607	135,015	12,834,871
Professional Fees and Contract Services	87,662	209,855	480,796	12,499	790,812
Supplies	539,160	676,594	10,179	6,237	1,232,170
Food and Beverages	385,946	665	10,648	831	398,090
Telephone and Postage	117,268	16,414	25,451	6,047	165,180
Off-Premises Rental	199,565	-	3,983	1,192	204,740
Equipment, Repair and Rental	28,462	122,372	45,963	98	196,895
Printing and Promotion	27,371	267	66,125	13,234	106,997
Conferences and Training	36,130	2,707	52,078	25	90,940
Travel	80,764	15,570	9,861	1,436	107,631
Agency Dues	245,874	897	3,383	-	250,154
Miscellaneous	334,340	122,404	43,847	4,623	505,214
Occupancy (Rent, Utilities, Maintenance, and Repairs)	486,177	1,338,515	537	386	1,825,615
Insurance	104,974	64,392	22,835	-	192,201
Other Taxes	33,165	23	6	-	33,194
Interest	12,214	464,310	-	-	476,524
Total	12,915,282	4,113,024	2,201,299	181,623	19,411,228
Allocated Building Costs	4,002,046	(4,113,024)	100,322	10,656	-
Total	16,917,328	-	2,301,621	192,279	19,411,228
Depreciation	1,267,864	-	15,969	-	1,283,833
Total Expenses	<u>\$ 18,185,192</u>	<u>\$ -</u>	<u>\$ 2,317,590</u>	<u>\$ 192,279</u>	<u>\$ 20,695,061</u>

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	Program Services	Buildings	Supporting Services		Total Expenses
			Administrative and General	Fundraising	
Salaries	\$ 8,013,420	\$ 903,933	\$ 1,120,542	\$ 130,879	\$ 10,168,774
Payroll Taxes and Insurance	1,121,325	160,467	176,762	22,166	1,480,720
Retirement Plan Contributions	275,009	40,341	75,658	5,426	396,434
Total Salaries and Related Expense	9,409,754	1,104,741	1,372,962	158,471	12,045,928
Professional Fees and					
Contract Services	112,946	132,963	430,204	22,857	698,970
Supplies	529,851	604,037	11,656	8,575	1,154,119
Food and Beverages	368,238	1,247	11,927	2,843	384,255
Telephone and Postage	101,914	14,769	29,457	4,606	150,746
Off-Premises Rental	209,712	-	2,515	800	213,027
Equipment, Repair and Rental	102,103	109,820	27,816	-	239,739
Printing and Promotion	49,663	1,302	53,657	8,731	113,353
Conferences and Training	43,003	3,833	43,291	50	90,177
Travel	77,437	14,324	12,285	2,103	106,149
Agency Dues	228,933	598	136	-	229,667
Miscellaneous	292,958	97,041	41,159	7,148	438,306
Occupancy (Rent, Utilities, Maintenance, and Repairs)	407,876	1,202,378	1,644	336	1,612,234
Insurance	92,512	63,894	21,279	-	177,685
Other Taxes	29,392	53	43	-	29,488
Interest	23,466	433,841	-	-	457,307
Total	12,079,758	3,784,841	2,060,031	216,520	18,141,150
Allocated Building Costs	3,672,115	(3,784,841)	101,903	10,823	-
Total	15,751,873	-	2,161,934	227,343	18,141,150
Depreciation	1,253,956	-	19,021	-	1,272,977
Total Expenses	<u>\$ 17,005,829</u>	<u>\$ -</u>	<u>\$ 2,180,955</u>	<u>\$ 227,343</u>	<u>\$ 19,414,127</u>

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Public Support and Revenue	\$ 20,413,847	\$ 18,878,904
Cash Paid to Suppliers and Employees	(18,362,283)	(17,541,088)
Interest Received	98,491	91,972
Interest Paid	(487,305)	(468,656)
Net Cash Provided by Operating Activities	<u>1,662,750</u>	<u>961,132</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Land, Buildings, and Equipment	(113,110)	(955,963)
Proceeds from Sale of Land, Buildings, and Equipment	-	2,489
Purchases of Certificate of Deposit	(957,531)	(924,914)
Proceeds from Maturity of Certificate of Deposit	941,170	914,572
Purchase of Investments	(492,466)	(456,753)
Proceeds from Sale of Investments	495,667	438,293
Net Cash Provided (Used) by Investing Activities	<u>(126,270)</u>	<u>(982,276)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Capital Lease	(262,870)	(262,870)
Proceeds from Line of Credit	-	939,094
Payments on Line of Credit	(113,001)	(60,000)
Payments on Long-Term Debt	(1,461,499)	(1,352,135)
Proceeds from Contributions Restricted for Permanent Endowment	11,154	14,278
Net Cash Used by Financing Activities	<u>(1,826,216)</u>	<u>(721,633)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(289,736)	(742,777)
Cash and Cash Equivalents - Beginning of Year	<u>3,173,323</u>	<u>3,916,100</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,883,587</u>	<u>\$ 3,173,323</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Land, Building, and Equipment Acquired through Note Payable	<u>\$ -</u>	<u>\$ 1,045,907</u>
In-Kind Contribution of Land, Building, and Equipment	<u>\$ -</u>	<u>\$ 900,000</u>

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in Net Assets	\$ 357,279	\$ 808,201
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,283,833	1,272,977
Unrealized (Gain) Loss on Investments	(225,314)	172,422
Gain on Sale of Land, Buildings, and Equipment	-	(2,489)
Realized Gain on Sale of Investments	(36,097)	(41,744)
Occupancy Expense from Investment in LLC	286,843	269,183
In-Kind Contributions of Land, Building, and Equipment	-	(900,000)
Contributions Restricted for Long-Term Purposes	(11,154)	(14,278)
(Increase) Decrease in Assets:		
Accounts Receivable	(177,904)	31,845
Pledges Receivable	64,745	(514,657)
Grants Receivable	(20,778)	24,211
Inventory	(1,039)	11,383
Prepaid Expenses	36,131	28,853
Other Assets	108,082	(209,553)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	142,563	43,052
Accrued Bond Interest	(10,781)	(11,349)
Charitable Gift Annuity Payable	(159)	(163)
Deferred Revenue	(133,500)	(6,762)
Net Cash Provided by Operating Activities	\$ 1,662,750	\$ 961,132

See accompanying Notes to Combined Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 NATURE OF OPERATIONS

Nature of Operations

Young Men's Christian Association of the Inland Northwest (YMCA) is a provider of youth and family programs and services in eastern Washington and northern Idaho. Young Men's Christian Association of the Inland Northwest Endowment Fund (the Endowment Fund) supports YMCA and its youth and family programs based on donor designations. These entities are collectively referred to as YMCA.

YMCA's mission is to put Christian principles into practice that build healthy spirit, mind, and body for all. 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.

We advance our cause of strengthening community through program activities impacting youth development, healthy living, and social responsibility.

Youth Development – Our YMCA is committed to nurturing the potential of every child and teen. We believe that all kids deserve the opportunity to discover who they are and what they can achieve. That is why we help young people cultivate the values, skills, and relationships that lead to positive behaviors, better health, and educational achievement. Our YMCA programs offer a range of experiences that enrich cognitive, social, physical, and emotional growth. This is reflected on our Combining Statement of Functional Expenses under Youth Development which includes Early Learning, Before and After School Child Care, and Teen programs. It also includes Camp Reed programs under Corporate Programs and early learning programs at Eastern Washington University under Managed Facilities.

Healthy Living – The YMCA is a leading voice on health and well-being. We bring families closer together, encourage good health, and foster connections through fitness, sports, fun, and shared interests. As a result, people in our community are receiving the support, guidance, and resources they need to achieve greater health in spirit, mind, and body. This is particularly important as our nation struggles with an obesity crisis, families struggle with work/life balance, and individuals search for personal fulfillment. This is reflected on our Combining Statement of Functional Expenses under Membership Development which includes Aquatics, Health & Wellness, Chronic Disease Prevention & Management, Membership, and Sports programs, and also under Managed Facilities which includes City of Spokane Valley outdoor pools programs.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 NATURE OF OPERATIONS (CONTINUED)

Nature of Operations (Continued)

Social Responsibility – Our YMCA believes in giving back and supporting our neighbors. We have been listening and responding to our community's most critical social needs. YMCA programs deliver training, resources, and support that empower our neighbors to effect change, bridge gaps, and overcome obstacles. We engage YMCA members, participants, and volunteers in activities that strengthen our community and pave the way for future generations to thrive. This includes our Retired and Senior Volunteer Programs (RSVP) reflected under Corporate Programs on our Combining Statement of Functional Expenses.

As part of our mission our programs are accessible, affordable, and open to all faiths, backgrounds, abilities, and income levels. We provide financial assistance to people who otherwise may not have been able to afford to participate.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The combined financial statements have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of Presentation

The YMCA records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, bond debt service, and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

YMCA reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of combined financial statements in conformity with U.S. GAAP 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 combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Combined Financial Statements

The combined financial statements include the financial statements of YMCA and the Endowment Fund. These are separately incorporated entities, each with its own board of directors that are combined for reporting purposes. Amounts due between these organizations were eliminated during preparation of the combined financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months at the date of acquisition and money market funds.

Certificates of Deposit

Certificates of deposit are stated as cost plus accrued interest which approximates fair value.

Impairment of Long-Lived Assets

YMCA, using its best estimates based on reasonable and supportable assumptions and projections, reviews assets for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable. Impaired assets are recorded at the lower of cost or fair value.

Revenue Recognition

The YMCA has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees, community room rental, and government contract revenues.

Because the YMCA's performance obligations relate to contracts with a duration of less than one year, the YMCA 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.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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 10 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 YMCA offers a variety of programs including family, child care, day camp, resident camp, teen, scholastic, fitness, aquatics, health, immigration, and international 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.

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 YMCA expects to be entitled to in exchange for those services. All the YMCA's revenue 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-month period from the membership start date.

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

Community room rental fees: Community rooms and spaces are rented out to not for profit organizations, community groups, governmental entities, members and others and are generally paid in advance. Deposits are generally received at the time the reservation is made.

Community room and space rental fee revenues are recognized ratably over the period the service is provided on a straight-line basis. Deposits, advances, and upfront payments are contract liabilities and are recorded as other deferred revenue upon receipt. Included in accounts receivables are contract assets for unbilled services and receivables for billed unpaid services.

Government Contract Revenues: The YMCA has contracts with city, state, and federal agencies to provide a variety of program services to the public based on contract requirements. Such contracts from government agencies are recorded as revenue as performance obligations are satisfied, which is generally when the related expenditures are incurred over the period the service is provided.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Advances are recorded as deferred revenue from government contracts upon receipt. Included in government receivables are contract assets for unbilled services and receivables for billed unpaid services.

For government receivables, the allowance for doubtful accounts is determined by a monthly and semi-annual review of account balances, including the age of the balance, historical collection experience, and specific identification of uncollectible accounts. Uncollectible receivables are charged to the allowance. An expense is recorded at the time the allowance is adjusted.

Concentration of Credit Risk

Financial instruments, which potentially subject YMCA to concentrations of credit risk, consist of cash and cash equivalents.

YMCA maintains its cash in bank deposit accounts at financial institutions. The bank accounts, at times, may be in excess of the Federal Deposit Insurance Corporation insurance limit.

Receivables

Accounts and grants are recorded net of an allowance for doubtful accounts. Accounts are written off in the period they are determined to be uncollectible. Contributions are shown net of uncollectible pledges in the combined statements of activities. As of December 31, 2019 and 2018, the allowance for doubtful accounts was \$160,012 and \$40,199, respectively.

Inventory

Inventory is recorded using the lower of FIFO cost (first-in, first-out) or market.

Investments

YMCA accounts for investments in accordance with the provisions of *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the combined statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land, Buildings, and Equipment

Purchases of land, buildings, and equipment are recorded at cost. A threshold of \$1,500 is used as the basis for asset capitalization. Maintenance, repairs, and minor additions are expensed as incurred. Depreciation is computed primarily using the straight-line method. The useful lives for depreciation purposes range from 3 to 15 years for vehicles and equipment and 10 to 40 years for buildings.

Contributions and Pledges

The YMCA records unconditional promises to give (pledges) as receivables and contributions within the appropriate net asset category based on the existence or absence of donor-imposed restrictions. The YMCA recognizes conditional promises to give when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

YMCA reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restriction. Absent explicit donor stipulations about how long those long-lived assets must be maintained, YMCA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

As of December 31, 2019 and 2018 the YMCA has uncollected unconditional pledges totaling \$449,912 and \$514,657, respectively. Expected receipts as of December 31, 2019 are as follows:

	Pledges Receivable	Allowance for Uncollectible Pledges	Net
Less Than One Year	\$ 125,437	\$ -	\$ 125,437
One to Four Years	324,475	-	324,475
Total	<u>\$ 449,912</u>	<u>\$ -</u>	<u>\$ 449,912</u>

Contributed Assets and Services

Materials, land, buildings, equipment, and other assets received as donations are recorded and reflected in the accompanying combined financial statements at their estimated fair market values at the date they are received.

Unemployment Reserve

YMCA is self-insured for unemployment claims. YMCA accrued approximately .4% of total wages as a liability at December 31, 2019 and 2018. The balance of the liability was \$378,845 and \$342,885 at December 31, 2019 and 2018, respectively.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited.

Sales Taxes

YMCA excludes from revenue any sales taxes collected from customers and remitted to governmental authorities.

Income Taxes

YMCA and the Endowment Fund are nonprofit corporations exempt under Internal Revenue Code Section 501(c)(3) from taxes on all income except that generated from its debt-financed leased facilities. There was no income tax liability in 2019 or 2018. Management evaluated YMCA's tax positions and concluded that YMCA had taken no uncertain tax positions that require adjustment to the combined financial statements to comply with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10.

Change in Accounting Principle

In 2019, the Company early adopted Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic 606, *Revenues from Contracts with Customers*, which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. There was no material impact on the Company's financial position and results of operations upon adoption of the new standard.

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08 related to the accounting for contributions received and contributions made. This update applies to both resource recipients and resource providers and assists in evaluating whether a transfer of assets is an exchange transaction or a contribution and also assists with distinguishing between conditional and unconditional contributions. Distinguishing between contributions and exchange transactions determines which guidance should be applied. For contributions, the guidance in Subtopic 958-605 should be followed and for exchange transactions, Topic 606 should be followed. The financial statements reflect the application for ASU 2018-08.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement Effective in Future Accounting Periods

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which is a comprehensive lease accounting standard that requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. The guidance is required to be applied by the Organization for the year ended December 31, 2022; however, early application is permitted. The Organization is currently evaluating the impact this guidance will have on its financial statements.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2019, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2019. Management has performed their analysis through June 18, 2020, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the novel coronavirus (COVID-19) a Public Health Emergency of International Concern. Later, on March 11, 2020, the World Health Organization made the assessment that COVID-19 was a global health pandemic. Measures taken by federal, state, and local officials to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses, resulting in an economic slowdown.

The outbreak of COVID-19 has also caused disruption in operations for institutions of social service agencies. In an effort to minimize the spread of COVID-19 at its facilities, the YMCA, in March, suspended all in person programs and transitioned to online instruction for the balance of the spring, and cancelled or converted many programs or activities that were slated for the summer to online formats. The YMCA primarily provides in-person programming, thus the outbreak of COVID-19 may adversely impact the ability of the YMCA to conduct its operations and/or the cost of operations.

The global outbreak of COVID-19 continues to rapidly evolve, and the ultimate impact of the pandemic is highly uncertain. While the YMCA expects that the COVID-19 outbreak may adversely impact the organization's fiscal year 2020 results, the YMCA cannot at this time accurately predict the full extent to which the COVID-19 outbreak will affect the YMCA's finances and operations.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events (Continued)

Other adverse consequences of COVID-19 or any other similar outbreaks in the future may include a decline in demand for in-person programming, increased operating costs, and/or a decline in revenues and contributions resulting from fewer available programs due to social distancing mandates, as well as a decline in investment values. The YMCA continues to monitor developments and the directives of federal, state, and local officials to determine what additional precautions and procedures need to be implemented by the YMCA. See Note 15 for management's plans.

The YMCA has secured a real estate secured 12-year term loan with Washington Trust Bank for \$11.5 million with a loan effective date of June 18, 2020. See Note 9.

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure that is without donor or other restrictions limiting their use within one year of the balance sheet date comprise the following:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 914,500	\$ 1,338,224
Certificates of Deposit	941,170	924,810
Accounts Receivable	421,554	243,650
Pledges Receivable	125,437	114,657
Endowment Appropriations	68,000	50,000
Total	<u>\$ 2,470,661</u>	<u>\$ 2,671,341</u>

The Endowment Fund consists of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Endowment Fund is subject to an annual spending rate of 4.0% as described in Note 13. Although the Endowment Fund does not intend to spend from the board-designated portion of the endowment (other than amounts appropriated for general expenditure as part of the endowment board's annual budget approval and appropriation), these amounts could be made available if necessary. As of December 31, 2019 and 2018, the board-designated portion of the endowment was \$1,540,824 and \$1,294,478, respectively.

As part of YMCA's liquidity management plan, management invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. The YMCA board may also designate a portion of any operating surplus to its Association Reserve. As of December 31, 2019 and 2018, the board-designated portion of the Reserve was \$891,743 and \$864,823, respectively.

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NOTE 4 LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 2,658,027	\$ 2,658,027
Buildings and Improvements	26,868,215	26,796,248
Tenant Improvements	705,059	705,059
Equipment and Furnishings	5,203,292	5,162,150
Vehicles	239,533	239,533
Total	<u>35,674,126</u>	<u>35,561,017</u>
Less: Accumulated Depreciation	15,491,827	14,207,994
Total	<u>\$ 20,182,299</u>	<u>\$ 21,353,023</u>

NOTE 5 INVESTMENTS

Investments, stated at fair value, consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Cash Funds	\$ 47,621	\$ 36,660
U.S. Government Bonds	183,919	184,258
Equity Securities	630,915	536,312
Mutual Funds	904,734	758,433
Corporate Bonds	103,083	96,398
Total	<u>\$ 1,870,272</u>	<u>\$ 1,612,061</u>

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy defined by FASB ASC 820 are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. Level 2 measurements include those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures.

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NOTE 5 INVESTMENTS (CONTINUED)

Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.

Level 3 – Pricing inputs include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value. Level 3 instruments include those that may be more structured or otherwise tailored to YMCA's needs.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. YMCA's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Cash Funds: Valued at quoted market prices and are considered a Level 1 input item.

U.S. Government and Corporate Bonds: Valued based on yields currently available on comparable securities of issuers with similar credit ratings and are considered a Level 2 input item. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Mutual Funds: Valued at quoted market prices which represent the net asset value of shares held by YMCA at year-end and are considered a Level 1 input item.

Equity Securities: Valued at the closing price reported in the active market in which the individual security is traded and are considered a Level 1 input item.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while YMCA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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NOTE 5 INVESTMENTS (CONTINUED)

The following tables disclose by level, within the fair value hierarchy, YMCA's assets measured and reported on the combined statements of financial position at fair value on a recurring basis as of December 31:

	2019			
	Level 1	Level 2	Level 3	Total
Cash Funds	\$ 47,621	\$ -	\$ -	\$ 47,621
U.S. Government Bonds:	-	183,919	-	183,919
Equity Securities	630,915	-	-	630,915
Mutual Funds	904,734	-	-	904,734
Corporate Bonds	-	103,083	-	103,083
Total	\$ 1,583,270	\$ 287,002	\$ -	\$ 1,870,272

	2018			
	Level 1	Level 2	Level 3	Total
Cash Funds	\$ 36,660	\$ -	\$ -	\$ 36,660
U.S. Government Bonds:	-	184,258	-	184,258
Equity Securities	536,312	-	-	536,312
Mutual Funds	758,433	-	-	758,433
Corporate Bonds	-	96,398	-	96,398
Total	\$ 1,331,405	\$ 280,656	\$ -	\$ 1,612,061

NOTE 6 INVESTMENTS IN LLCs

YMCA is a member in Central Y Owner, LLC along with Young Women's Christian Association of Spokane (YWCA). YMCA and YWCA each own a 50% interest in the LLC. The purpose of the LLC is to hold the Central Y building and real property for program use by YMCA and YWCA.

YMCA is accounting for its investment in the LLC by the equity method of accounting under which YMCA's share of the net income or loss of the LLC is recognized as income or loss in YMCA's combined statements of activities. The income or loss is deducted from or added to occupancy expenses related to use of the Central Y facility (see Note 14, Commitments).

The audited financial statements of the LLC included the following as of December 31:

	2019	2018
Revenue	\$ 411,819	\$ 463,809
Net Loss	(532,625)	(490,703)
Total Assets	18,205,967	18,738,547
Total Liabilities	38,544	38,500
Members' Equity	18,167,423	18,700,047

YMCA and YWCA of Spokane guarantee liabilities of the LLC.

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NOTE 7 RELATED PARTY TRANSACTIONS

YMCA had the following related party receivables as of December 31:

	<u>2019</u>	<u>2018</u>
Accounts Receivable, Central Y Owner, LLC	<u>\$ -</u>	<u>\$ 2,060</u>

Related party rent expense paid to Central Y Owner, LLC was \$270,012 and \$300,012 for the years ended December 31, 2019 and 2018, respectively.

NOTE 8 ASSETS HELD IN CHARITABLE TRUSTS

YMCA administers various charitable gift annuities. A charitable gift annuity provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Endowment Fund's use. The portion of the trust attributable to the present value of the future benefits to be received by YMCA is recorded in the combined statements of activities as unrestricted contributions in the period the trust is established. There were no contributions for the years ended December 31, 2019 and 2018.

Assets held in charitable trusts consisted of the following types of investments as of December 31:

	<u>2019</u>	<u>2018</u>
Cash	\$ 149	\$ 590
Mutual Funds	<u>6,940</u>	<u>6,247</u>
Assets at Fair Market Value	<u>\$ 7,089</u>	<u>\$ 6,837</u>

The assets held in charitable trusts are included in investments on YMCA's combined statements of financial position.

The state of Washington under RCW 48.38.020 requires charities to obtain a certificate of exemption to issue charitable gift annuities. RCW 48.38.020 requires the charity to maintain a separate reserve fund equal to 110% of the actuarially determined liability balance. The reserve fund amount is calculated every December 31 and must be performed by an independent third party. The current reserve fund requirement as determined by the actuary is \$3,593 and \$3,769 at December 31, 2019 and 2018, respectively. The RCW allows the organization to use its existing Gift Annuity Pool as the reserve fund to meet this requirement.

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NOTE 9 LONG-TERM DEBT

The terms of the bonds and notes payable are as follows as of December 31:

<u>Description</u>	<u>2019</u>		<u>2018</u>	
	<u>Current</u>	<u>Long-Term</u>	<u>Balance</u>	<u>Balance</u>
Washington State Housing Finance Commission Nonprofit Revenue Bonds, interest rates varying between 4.25% and 5.4%, maturing at varying years ranging from 2003 to 2029; collateralized by the assets of the YMCA. The Commission also requires that the YMCA comply with various reporting covenants.	\$ 240,000	\$ 2,875,000	\$ 3,115,000	\$ 3,345,000
Lease payable, BANCLEASING, LLC originating March 2017, monthly payments beginning in July 2017 of \$25,961, including interest at 4.075%, maturing in June 2020	141,432	-	141,432	415,555
Note Payable, Paramount Ltd, originating December 14, 2016, monthly payments beginning January 2017 of \$4,453, including interest at 3.5%, maturing December 2021.	50,584	52,417	103,001	151,835
Washington State Housing Finance Commission Nonprofit Revenue Bonds, interest at a variable rate of 2.18% at December 31, 2019, based on the Securities Industry and Financial Markets Association index, maturing at July 1, 2021; collateralized by the assets of the YMCA. The Commission also required that the YMCA comply with various reporting covenants.*	860,000	840,000	1,700,000	2,560,000
Washington State Housing Finance Commission Nonprofit Revenue Bonds, interest at 5.005%, maturing July 1, 2033; collateralized by the assets of the YMCA. The Commission also requires that the YMCA comply with various reporting covenants.	225,000	2,975,000	3,200,000	3,425,000
Note Payable, Helander LTD, originating December 2018, monthly payments beginning January 2019 of \$10,595, including interest at 4%, maturing December 2029.	\$ 90,305	\$ 869,186	\$ 959,491	\$ 1,045,906
Total	<u>\$ 1,607,321</u>	<u>\$ 7,611,603</u>	<u>\$ 9,218,924</u>	<u>\$ 10,943,296</u>

* These bonds were restructured during 2011 to mature July 1, 2021; previously the maturity date was July 1, 2018.

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NOTE 9 LONG-TERM DEBT (CONTINUED)

Future maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Notes Payable</u>	<u>Capital Leases</u>	<u>Totals</u>
2020	\$ 1,465,889	\$ 141,432	\$ 1,607,321
2021	1,466,510	-	1,466,510
2022	592,925	-	592,925
2023	611,914	-	611,914
2024	631,003	-	631,003
Thereafter	4,309,251	-	4,309,251
Total	<u>\$ 9,077,492</u>	<u>\$ 141,432</u>	<u>\$ 9,218,924</u>

Minimum payments under capital lease obligations are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 143,169
Less: Interest	<u>(1,737)</u>
Total Principal	141,432
Less: Current Portion	<u>(141,432)</u>
Total	<u>\$ -</u>

Cost and accumulated depreciation as of December 31, 2019 of equipment under capital lease obligations were \$841,330 and \$684,161, respectively. Cost and accumulated depreciation as of December 31, 2018 of equipment under capital lease obligations were \$841,330 and \$420,665, respectively.

YMCA entered into an uncollateralized line of credit agreement with Washington Trust Bank on November 26, 2018 in the amount of \$960,000. The line of credit expires on November 26, 2020. The YMCA had outstanding borrowings of \$766,093 and \$879,094 at December 31, 2019 and 2018, respectively. Interest on such borrowings is equal to 4.375%.

The bonds payable and line of credit agreements contain certain loan covenants which include those pertaining to debt service coverage, debt to net worth and capital expenditures restrictions. The YMCA was not in compliance with certain covenants and obtained a waiver.

The bonds payable agreements, Helander LTD note payable and Paramount LTD note payable were all refinanced subsequent to year-end. The new loan is through Washington Trust Bank and will originate in June of 2020, with monthly payments beginning on July 18, 2020 of \$96,255. The loan will mature in June of 2032.

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NOTE 10 EMPLOYEE BENEFIT PLAN

YMCA participates in a defined contribution, individual account, money purchase retirement plan which is administered by Young Men's Christian Association Retirement Fund (the Retirement Fund) (a separate corporation). The Plan is for the benefit of all professional and support staff of YMCA.

On July 1, 2002, YMCA adopted a Special Agreement noncontributory participation plan whereby YMCA contributes a percentage of participating employees' salaries to the Retirement Fund monthly. For 2019 and 2018 the rate was 8%. Total YMCA contributions charged to retirement costs were \$405,072 and \$396,438 for 2019 and 2018, respectively.

The Retirement Fund is operated as a church pension plan and is a nonprofit, tax-exempt New York State corporation (1922). Participation is available to all duly organized or reorganized YMCAs in the United States of America. As a defined contribution plan, the Retirement Fund has no unfunded benefit obligations.

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NOTE 11 PROGRAM EXPENSES – YEAR ENDED DECEMBER 31, 2019

	Operating Units				Retired and Senior Volunteer Program	Total
	Membership Development	Youth Development	YMCA Camp Reed	Managed Facilities		
Salaries	\$ 4,749,939	\$ 2,420,032	\$ 369,588	\$ 1,113,371	\$ 69,229	\$ 8,722,159
Payroll Taxes and Insurance	602,445	361,183	59,511	156,167	18,052	1,197,358
Retirement Plan Contributions	155,158	73,526	10,236	35,522	2,251	276,693
Total Salaries and Related Expenses	<u>5,507,542</u>	<u>2,854,741</u>	<u>439,335</u>	<u>1,305,060</u>	<u>89,532</u>	<u>10,196,210</u>
Professional Fees and Contract Services	35,427	19,684	23,646	6,000	2,905	87,662
Supplies	204,968	134,902	64,826	133,112	1,352	539,160
Food and Beverages	10,296	200,456	115,418	59,227	549	385,946
Telephone and Postage	90,850	20,540	2,581	1,352	1,945	117,268
Off-Premises Rental	168,593	11,002	-	19,155	815	199,565
Equipment, Repair and Rental	9,947	3,873	7,440	5,310	1,892	28,462
Printing and Promotion	14,697	2,339	3,920	583	5,832	27,371
Conference and Training	15,928	3,898	9,120	3,332	3,852	36,130
Travel	8,784	60,888	3,027	6,441	1,624	80,764
Agency Dues	159,038	51,154	15,342	18,569	1,771	245,874
Miscellaneous	246,521	56,015	21,023	9,867	914	334,340
Occupancy (Rent, Utilities, Maintenance, and Repairs)	296,617	108,901	922	79,737	-	486,177
Insurance	48,113	18,702	28,128	8,349	1,682	104,974
Other Taxes	29,959	321	-	2,885	-	33,165
Interest	12,214	-	-	-	-	12,214
Program Totals Before Allocated Expenses	<u>6,859,494</u>	<u>3,547,416</u>	<u>734,728</u>	<u>1,658,979</u>	<u>114,665</u>	<u>12,915,282</u>
Expenses Allocated from Other Functions:						
Administration/Fundraising	1,664,663	625,087	173,594	-	20,116	2,483,460
Community Involvement Center/Buildings	4,756,445	160,513	340,175	-	12,777	5,269,910
Total Allocated Expenses	<u>6,421,108</u>	<u>785,600</u>	<u>513,769</u>	<u>-</u>	<u>32,893</u>	<u>7,753,370</u>
Total Functional Expenses	<u>\$ 13,280,602</u>	<u>\$ 4,333,016</u>	<u>\$ 1,248,497</u>	<u>\$ 1,658,979</u>	<u>\$ 147,558</u>	<u>\$ 20,668,652</u>

Program expenses and administration/fundraising allocation exclude the Endowment Fund expenses of \$26,409. Total entity expenses were \$20,695,061.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
NOTES TO COMBINED FINANCIAL STATEMENTS
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NOTE 11 PROGRAM EXPENSES (CONTINUED) – YEAR ENDED DECEMBER 31, 2018

	Operating Units					Retired and Senior Volunteer Program	Total
	Membership Development	Youth Development	Camp Reed	Managed Facilities			
Salaries	\$ 4,203,218	\$ 2,316,976	\$ 365,305	\$ 1,066,369	\$ 61,552	\$ 8,013,420	
Payroll Taxes and Insurance	533,721	354,332	61,370	156,823	15,079	1,121,325	
Retirement Plan Contributions	147,972	74,637	11,169	36,586	4,645	275,009	
Total Salaries and Related Expenses	<u>4,884,911</u>	<u>2,745,945</u>	<u>437,844</u>	<u>1,259,778</u>	<u>81,276</u>	<u>9,409,754</u>	
Professional Fees and Contract Services	62,048	21,409	23,509	5,138	841	112,945	
Supplies	181,029	126,855	67,609	154,191	167	529,851	
Food and Beverages	10,345	192,536	106,556	58,709	92	368,238	
Telephone and Postage	76,983	19,094	3,251	1,248	1,338	101,914	
Off-Premises Rental	180,107	11,035	-	18,570	-	209,712	
Equipment, Repair and Rental	39,548	4,978	7,366	46,566	3,647	102,105	
Printing and Promotion	32,184	3,535	7,544	4,526	1,875	49,664	
Conferences and Training	20,544	5,943	7,241	3,767	5,509	43,004	
Travel	8,892	57,882	3,070	5,754	1,838	77,436	
Agency Dues	147,379	47,622	13,669	18,501	1,761	228,932	
Miscellaneous	204,643	52,185	18,272	9,914	7,943	292,957	
Occupancy (Rent, Utilities, Maintenance, and Repairs)	274,458	106,756	212	26,449	-	407,875	
Insurance	40,128	15,636	26,784	8,986	978	92,512	
Other Taxes	26,358	383	-	2,651	-	29,392	
Interest	23,466	-	-	-	-	23,466	
Program Totals Before Allocated Expenses	<u>6,213,023</u>	<u>3,411,794</u>	<u>722,927</u>	<u>1,624,748</u>	<u>107,265</u>	<u>12,079,757</u>	
Expenses Allocated from Other Functions:							
Administration/Fundraising	1,612,813	591,801	159,020	-	16,902	2,380,536	
Community Involvement Center/Buildings	4,404,886	161,676	346,580	-	12,929	4,926,071	
Total Allocated Expenses	<u>6,017,699</u>	<u>753,477</u>	<u>505,600</u>	<u>-</u>	<u>29,831</u>	<u>7,306,607</u>	
Total Functional Expenses	<u>\$ 12,230,722</u>	<u>\$ 4,165,271</u>	<u>\$ 1,228,527</u>	<u>\$ 1,624,748</u>	<u>\$ 137,096</u>	<u>\$ 19,386,364</u>	

Program expenses and administration/fundraising allocation exclude the Endowment Fund expenses of \$27,763. Total entity expenses were \$19,414,127.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
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NOTE 12 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors in the years ended December 31.

	2019	2018
Purpose Restrictions Accomplished:		
Camp Reed	\$ 102,607	\$ 104,400
Camp Goodtimes	93,722	94,111
Total	\$ 196,329	\$ 198,511

NOTE 13 FUNDS HELD FOR ENDOWMENT

YMCA follows Uniform Prudent Management of Institutional Funds Act (UPMIFA) and its own governing documents. The board of directors of YMCA and the Endowment Fund has interpreted UPMIFA 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, YMCA classifies as net assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, YMCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of YMCA, and (7) YMCA's investment policies.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or UPMIFA required YMCA to retain as a fund of perpetual duration. YMCA had no deficiencies of this nature at December 31, 2019 and 2018.

Endowment Investment and Spending Policies

The Endowment Fund has adopted investment and spending policies, approved by its board of directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its funds while seeking to maintain the purchasing power of the endowment assets over the long-term. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor specified period as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that equal inflation plus 5% while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
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DECEMBER 31, 2019 AND 2018**

NOTE 13 FUNDS HELD FOR ENDOWMENT (CONTINUED)

Endowment Investment and Spending Policies (Continued)

To satisfy its long-term rate of return objective, the endowment relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and from current yield (interest and dividends). Asset allocation guidelines and the investment manager structure should ensure adequate diversification in order to reduce the volatility of investment returns. The spending policy calculates the amount of money annually distributed from the Endowment Fund's assets. The current spending policy is to distribute an amount not to exceed 4% of the average value of the total endowment portfolio over the preceding three-year period.

Endowment fund net asset composition by type of fund is as follows at December 31:

	2019		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 309,678	\$ 309,678
Board-Designated Funds	1,540,823	-	1,540,823
Total	<u>\$ 1,540,823</u>	<u>\$ 309,678</u>	<u>\$ 1,850,501</u>

	2018		
	Without Donor Restriction	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 298,524	\$ 298,524
Board-Designated Funds	1,294,478	-	1,294,478
Total	<u>\$ 1,294,478</u>	<u>\$ 298,524</u>	<u>\$ 1,593,002</u>

Change in Endowment Net Assets

	Board- Designated Unrestricted	With Donor Restriction	Total
Endowment Net Assets - January 1, 2018	\$ 1,420,428	\$ 284,246	\$ 1,704,674
Contributions	15,297	14,278	29,575
Investment Return:			
Investment Income	66,327	-	66,327
Net Gain on Investments:			
Realized/Unrealized Loss	(129,811)	-	(129,811)
Appropriations for Expenditure	(77,763)	-	(77,763)
Endowment Net Assets - December 31, 2018	1,294,478	298,524	1,593,002
Contributions	-	11,154	11,154
Investment Return:			
Investment Income	66,037	-	66,037
Net Gain on Investments:			
Realized/Unrealized Gain	260,717	-	260,717
Appropriations for Expenditure	(80,409)	-	(80,409)
Endowment Net Assets - December 31, 2019	<u>\$ 1,540,823</u>	<u>\$ 309,678</u>	<u>\$ 1,850,501</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
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DECEMBER 31, 2019 AND 2018**

NOTE 14 COMMITMENTS

YMCA leases approximately 47,000 square feet of space within the Central Y facility from Central Y Owner, LLC, a related party (see Note 4). The lease began in May 2009 and will continue until December 2037. In addition, YMCA leases space within the Central Y facility from the YWCA under a separate lease agreement. YMCA also leases corporate office space and south facility space from unrelated parties. YMCA agreed to extend the lease for corporate office space for an additional 5 years (existing lease expires in December 2019). Total minimum lease payments for the five years following December 31, 2019 and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 367,773
2021	292,450
2022	223,193
2023	228,771
2024	162,071
Thereafter	154
Total	<u>\$ 1,274,412</u>

The Central Y Owner, LLC lease agreement was amended in 2015 to reduce base rent payments to \$1 per month. YMCA's portion of the operating costs of Central Y Owner, LLC has been reported as occupancy expense on the statement of functional expenses.

YMCA entered into agreements for software licenses, minimum payments for the five years following December 31, 2019 and thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 133,921
2021	153,000
2022	154,700
2023	166,500
2024	169,200
Total	<u>\$ 777,321</u>

NOTE 15 COVID-19 AND MANAGEMENT'S PLAN

The outbreak of COVID-19 has caused disruption in operations. In March 2020, in an effort to minimize the spread of COVID-19 and in accordance with orders by governments of states in which it operates, the YMCA closed its facility branches, suspended all in-person programs, and transitioned to online instruction for the balance of the spring.

While the YMCA feels this disruption will be temporary, continued suspension and/or reduction of in-person programs in 2020 may adversely impact demand for programs, capacity to fundraise operating and capital contributions, and the ability of the YMCA to conduct its operations and/or the cost of operations.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
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DECEMBER 31, 2019 AND 2018**

NOTE 15 COVID-19 AND MANAGEMENT'S PLAN (CONTINUED)

In response to the closures and suspension of programs and in anticipation of longer-term effects of the disruptions, management implemented operational cost-savings measures and placed approximately 80% of its staff on stand-by employment status soon after the Governor's order went into effect.

As of the date of this report, the YMCA has re-opened its branch facilities as well as some early learning and school age child care programs with restrictions established by state governments and local health authorities. It has elected to resume limited resident camp programming, but postpone traditional resident camp programs until 2021. The YMCA has also refinanced its existing debt totaling approximately \$9 million and secured an additional \$2.5 million in financed capital. See Note 9 for terms on the refinance.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Young Men's Christian Association of the Inland Northwest
Spokane, Washington

We have audited the combined financial statements of Young Men's Christian Association of the Inland Northwest and Young Men's Christian Association of the Inland Northwest Endowment Fund (nonprofit organizations) as of and for the years ended December 31, 2019 and 2018, and have issued our report thereon dated June 18, 2020, which contained an unmodified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information, included on pages 34 through 42, is presented for the purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Spokane, Washington
June 18, 2020

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

ASSETS	Current Fund	Land, Buildings, and Equipment Acquisitions	Capital Campaign Fund	Bond Fund	Endowment Fund	Interagency Eliminations	Total All Funds
Cash and Cash Equivalents	\$ 1,695,966	\$ 85,729	\$ 27,864	\$ 1,074,028	\$ -	\$ -	\$ 2,883,587
Accounts Receivable, Net of Allowance for Doubtful Accounts	421,554	-	-	-	-	-	421,554
Pledges Receivable, Net of Discount and Allowance for Doubtful Accounts	16,087	-	433,750	-	75	-	449,912
Grants Receivable	84,587	-	-	-	-	-	84,587
Due from Other Funds	245,776	-	-	-	2,598	(248,374)	-
Inventory, at Cost	20,169	3,672	-	-	-	-	23,841
Investments	7,089	-	-	-	1,863,183	-	1,870,272
Certificates of Deposit	-	-	-	941,171	-	-	941,171
Investment in LLCs	-	10,263,151	-	-	-	-	10,263,151
Prepaid Expenses	34,118	-	-	64,771	-	-	98,889
Other Assets	-	381,440	-	-	-	-	381,440
Land, Building, and Equipment, Less Accumulated Depreciation	-	20,182,299	-	-	-	-	20,182,299
Total Assets	\$ 2,525,346	\$ 30,916,291	\$ 461,614	\$ 2,079,970	\$ 1,865,856	\$ (248,374)	\$ 37,600,703
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 1,438,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,438,556
Line of Credit	-	-	766,093	-	-	-	766,093
Accrued Bond Interest	-	-	-	165,130	-	-	165,130
Charitable Gift Annuity Payable	3,267	-	-	-	-	-	3,267
Deferred Revenue	611,975	-	-	-	-	-	611,975
Capital Lease	-	141,432	-	-	-	-	141,432
Notes Payable and Long-Term Debt	1,062,492	-	-	8,015,000	-	-	9,077,492
Due to Other Funds	233,021	-	-	-	15,353	(248,374)	-
Total Liabilities	3,349,311	141,432	766,093	8,180,130	15,353	(248,374)	12,203,945
NET ASSETS (DEFICIT)	(823,965)	30,774,859	(304,479)	(6,100,160)	1,850,503	-	25,396,758
Total Liabilities and Net Assets	\$ 2,525,346	\$ 30,916,291	\$ 461,614	\$ 2,079,970	\$ 1,865,856	\$ (248,374)	\$ 37,600,703

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

ASSETS	<u>Current Fund</u>	<u>Land, Buildings, and Equipment Acquisitions</u>	<u>Capital Campaign Fund</u>	<u>Bond Fund</u>	<u>Endowment Fund</u>	<u>Interagency Eliminations</u>	<u>Total All Funds</u>
Cash and Cash Equivalents	\$ 1,561,140	\$ 85,729	\$ 25,274	\$ 1,498,755	\$ 2,425	\$ -	\$ 3,173,323
Accounts Receivable, Net of Allowance for Doubtful Accounts	243,650	-	-	-	-	-	243,650
Pledges Receivable, Net of Discount and Allowance for Doubtful Accounts	14,657	-	500,000	-	-	-	514,657
Grants Receivable	63,809	-	-	-	-	-	63,809
Due from Other Funds	598,960	-	-	-	-	(598,960)	-
Inventory, at Cost	19,132	3,671	-	-	-	-	22,803
Investments	6,836	-	-	-	1,605,225	-	1,612,061
Certificates of Deposit	-	-	-	924,810	-	-	924,810
Investment in LLCs	-	10,549,995	-	-	-	-	10,549,995
Prepaid Expenses	56,600	-	-	78,421	-	-	135,021
Related Party Notes Receivable	-	-	-	-	-	-	-
Other Assets	-	489,522	-	-	-	-	489,522
Land, Building, and Equipment, Less Accumulated Depreciation	-	21,353,023	-	-	-	-	21,353,023
Total Assets	<u><u>\$ 2,564,784</u></u>	<u><u>\$ 32,481,940</u></u>	<u><u>\$ 525,274</u></u>	<u><u>\$ 2,501,986</u></u>	<u><u>\$ 1,607,650</u></u>	<u><u>\$ (598,960)</u></u>	<u><u>\$ 39,082,674</u></u>
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts Payable and Accrued Expenses	\$ 1,295,920	\$ -	\$ 73	\$ -	\$ -	\$ -	\$ 1,295,993
Line of Credit	-	-	879,094	-	-	-	879,094
Accrued Bond Interest	-	-	-	175,911	-	-	175,911
Charitable Gift Annuity Payable	3,426	-	-	-	-	-	3,426
Deferred Revenue	745,475	-	-	-	-	-	745,475
Capital Lease	-	415,555	-	-	-	-	415,555
Notes Payable and Long-Term Debt	1,197,741	-	-	9,330,000	-	-	10,527,741
Due to Other Funds	584,312	-	-	-	14,648	(598,960)	-
Total Liabilities	<u><u>3,826,874</u></u>	<u><u>415,555</u></u>	<u><u>879,167</u></u>	<u><u>9,505,911</u></u>	<u><u>14,648</u></u>	<u><u>(598,960)</u></u>	<u><u>14,043,195</u></u>
NET ASSETS (DEFICIT)	<u><u>(1,262,090)</u></u>	<u><u>32,066,385</u></u>	<u><u>(353,893)</u></u>	<u><u>(7,003,925)</u></u>	<u><u>1,593,002</u></u>	<u><u>-</u></u>	<u><u>25,039,479</u></u>
Total Liabilities and Net Assets	<u><u>\$ 2,564,784</u></u>	<u><u>\$ 32,481,940</u></u>	<u><u>\$ 525,274</u></u>	<u><u>\$ 2,501,986</u></u>	<u><u>\$ 1,607,650</u></u>	<u><u>\$ (598,960)</u></u>	<u><u>\$ 39,082,674</u></u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	Membership Development	Youth Development	Managed Facilities	Corporate Programs	Capital Campaign	Bond Fund	Endowment Fund	Total
PUBLIC SUPPORT AND REVENUE								
Public Support:								
Contributions	\$ 311,134	\$ 269,780	\$ -	\$ 366,019	\$ 50,050	\$ -	\$ 11,154	\$ 1,008,137
United Way Allocations	-	57,900	-	-	-	-	-	57,900
Total Public Support	<u>311,134</u>	<u>327,680</u>	<u>-</u>	<u>366,019</u>	<u>50,050</u>	<u>-</u>	<u>11,154</u>	<u>1,066,037</u>
Revenue:								
Membership Dues	11,509,889	-	-	-	-	-	-	11,509,889
Program Fees	1,190,927	2,636,809	549,823	710,319	-	-	-	5,087,878
Government Funded Programs	880	928,643	546,547	130,030	-	-	-	1,606,100
Sales to the Public	61,129	20,717	192,363	106,360	-	-	-	380,569
Leasing	31,803	-	-	-	-	-	-	31,803
Other Rentals	91,238	-	-	289,041	-	-	-	380,279
Realized Gain on Sale of Investments	-	-	-	-	-	-	36,097	36,097
Unrealized Loss on Investments	-	-	-	693	-	-	224,621	225,314
Investment and Miscellaneous Income	22,869	8,687	428,611	55,849	-	33,027	66,037	615,080
Special Events, Net	-	32,498	-	81,322	-	-	-	113,820
Net Change in Charitable Trust	-	-	-	(526)	-	-	-	(526)
Total Revenue	<u>12,908,735</u>	<u>3,627,354</u>	<u>1,717,344</u>	<u>1,373,088</u>	<u>-</u>	<u>33,027</u>	<u>326,755</u>	<u>19,986,303</u>
Total Public Support and Revenue	13,219,869	3,955,034	1,717,344	1,739,107	50,050	33,027	337,909	21,052,340
EXPENSES								
Program Services	6,859,493	3,547,415	1,658,981	849,393	-	-	-	12,915,282
Community Involvement Center/Buildings	4,742,775	160,513	-	352,952	-	13,670	-	5,269,910
Supporting Services:								
Administrative and General	1,552,276	569,587	-	169,318	-	-	26,409	2,317,590
Fundraising	129,838	47,643	-	14,162	636	-	-	192,279
Total Expenses	<u>13,284,382</u>	<u>4,325,158</u>	<u>1,658,981</u>	<u>1,385,825</u>	<u>636</u>	<u>13,670</u>	<u>26,409</u>	<u>20,695,061</u>
CHANGES IN NET ASSETS	<u>\$ (64,513)</u>	<u>\$ (370,124)</u>	<u>\$ 58,363</u>	<u>\$ 353,282</u>	<u>\$ 49,414</u>	<u>\$ 19,357</u>	<u>\$ 311,500</u>	<u>\$ 357,279</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Membership Development	Youth Development	Managed Facilities	Corporate Programs	Capital Campaign	Bond Fund	Endowment Fund	Total
PUBLIC SUPPORT AND REVENUE								
Public Support:								
Contributions	\$ 420,402	\$ 260,550	\$ -	\$ 352,260	\$ 1,460,000	\$ -	\$ 29,575	\$ 2,522,787
United Way Allocations	-	59,800	-	-	-	-	-	59,800
Total Public Support	420,402	320,350	-	352,260	1,460,000	-	29,575	2,582,587
Revenue:								
Membership Dues	10,055,639	-	-	-	-	-	-	10,055,639
Program Fees	1,070,858	2,536,047	547,912	709,811	-	-	-	4,864,628
Government Funded Programs	4,210	924,745	522,009	123,965	-	-	-	1,574,929
Sales to the Public	73,286	34,484	188,080	89,299	-	-	-	385,149
Leasing	9,630	-	-	-	-	-	-	9,630
Other Rentals	109,967	160	-	116,666	-	-	-	226,793
Realized Gain on Sale of Investments	-	-	-	88	-	-	41,656	41,744
Unrealized Loss on Investments	-	-	-	(956)	-	-	(171,466)	(172,422)
Investment and Miscellaneous Income	29,544	15,347	384,995	19,107	12,500	23,545	66,327	551,365
Special Events, Net	-	44,534	-	55,785	-	-	-	100,319
Gain on Sale of Assets	2,489	-	-	-	-	-	-	2,489
Net Change in Charitable Trust	-	-	-	(522)	-	-	-	(522)
Total Revenue	11,355,623	3,555,317	1,642,996	1,113,243	12,500	23,545	(63,483)	17,639,741
Total Public Support and Revenue	11,776,025	3,875,667	1,642,996	1,465,503	1,472,500	23,545	(33,908)	20,222,328
EXPENSES								
Program Services	6,213,025	3,411,794	1,624,748	830,192	-	-	-	12,079,759
Community Involvement Center/Buildings	4,390,501	161,677	-	359,508	-	14,385	-	4,926,071
Supporting Services:								
Administrative and General	1,458,788	535,284	-	159,119	-	-	27,763	2,180,954
Fundraising	147,369	54,075	-	16,073	9,826	-	-	227,343
Total Expenses	12,209,683	4,162,830	1,624,748	1,364,892	9,826	14,385	27,763	19,414,127
CHANGES IN NET ASSETS	<u>\$ (433,658)</u>	<u>\$ (287,163)</u>	<u>\$ 18,248</u>	<u>\$ 100,611</u>	<u>\$ 1,462,674</u>	<u>\$ 9,160</u>	<u>\$ (61,671)</u>	<u>\$ 808,201</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	<u>Membership Development</u>	<u>Youth Development</u>	<u>Corporate Programs</u>	<u>Corporate Support</u>	<u>Managed Facilities</u>	<u>Endowment Fund</u>	<u>Total Expenses</u>
Salaries	\$ 5,565,192	\$ 2,420,032	\$ 509,353	\$ 1,277,629	\$ 1,113,371	\$ -	\$ 10,885,577
Payroll Taxes and Insurance	735,692	361,183	89,470	201,715	156,167	-	1,544,227
Retirement Plan Contributions	192,642	73,526	16,796	86,581	35,522	-	405,067
Total Salaries and Related Expenses	6,493,526	2,854,741	615,619	1,565,925	1,305,060	-	12,834,871
Professional Fees and							
Contract Services	221,490	19,684	41,233	499,037	6,000	3,368	790,812
Supplies	850,688	134,902	91,481	21,987	133,112	-	1,232,170
Food and Beverages	10,745	200,456	116,183	11,106	59,227	373	398,090
Telephone and Postage	105,416	20,540	4,526	33,205	1,352	141	165,180
Off-Premises Rental	168,593	11,002	815	5,175	19,155	-	204,740
Equipment, Repair and Rental	117,106	3,873	18,142	52,464	5,310	-	196,895
Printing and Promotion	14,965	2,339	9,752	78,939	583	419	106,997
Conferences and Training	18,437	3,898	13,170	52,103	3,332	-	90,940
Travel	16,249	60,888	12,756	11,297	6,441	-	107,631
Agency Dues	159,843	51,154	17,205	3,383	18,569	-	250,154
Miscellaneous	368,543	56,015	22,318	27,938	9,867	20,533	505,214
Occupancy	1,434,701	108,901	62,047	140,194	79,737	35	1,825,615
Insurance	110,513	18,702	29,810	23,287	8,349	1,540	192,201
Other Taxes	29,982	321	-	6	2,885	-	33,194
Interest	471,311	-	5,213	-	-	-	476,524
Interbranch Administrative							
Support, Corporate	1,740,733	653,652	202,562	(2,596,947)	-	-	-
Interbranch Administrative Support, Membership Development	(160,513)	160,513	-	-	-	-	-
Total	12,172,328	4,361,581	1,262,832	(70,901)	1,658,979	26,409	19,411,228
Depreciation	1,092,202	1,873	118,857	70,901	-	-	1,283,833
Total Functional Expenses	<u>\$ 13,264,530</u>	<u>\$ 4,363,454</u>	<u>\$ 1,381,689</u>	<u>\$ -</u>	<u>\$ 1,658,979</u>	<u>\$ 26,409</u>	<u>\$ 20,695,061</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	<u>Membership Development</u>	<u>Youth Development</u>	<u>Corporate Programs</u>	<u>Corporate Support</u>	<u>Managed Facilities</u>	<u>Endowment Fund</u>	<u>Total Expenses</u>
Salaries	\$ 5,035,980	\$ 2,316,976	\$ 492,966	\$ 1,256,483	\$ 1,066,369	\$ -	\$ 10,168,774
Payroll Taxes and Insurance	681,659	354,332	88,445	199,461	156,823	-	1,480,720
Retirement Plan Contributions	184,097	74,637	20,028	81,086	36,586	-	396,434
Total Salaries and Related Expenses	5,901,736	2,745,945	601,439	1,537,030	1,259,778	-	12,045,928
Professional Fees and							
Contract Services	179,058	21,409	34,935	455,026	5,138	3,404	698,970
Supplies	759,699	126,855	85,163	28,211	154,191	-	1,154,119
Food and Beverages	10,838	192,536	107,402	14,433	58,709	337	384,255
Telephone and Postage	89,811	19,094	4,590	35,978	1,248	25	150,746
Off-Premises Rental	180,107	11,035	-	3,315	18,570	-	213,027
Equipment, Repair and Rental	122,023	4,978	26,208	39,964	46,566	-	239,739
Printing and Promotion	33,486	3,535	9,418	62,165	4,526	223	113,353
Conferences and Training	23,381	5,943	13,745	43,341	3,767	-	90,177
Travel	12,669	57,882	15,089	14,755	5,754	-	106,149
Agency Dues	147,978	47,622	15,430	136	18,501	-	229,667
Miscellaneous	301,169	52,185	26,733	26,222	9,914	22,083	438,306
Occupancy	1,275,802	106,756	64,368	138,764	26,449	95	1,612,234
Insurance	102,096	15,636	27,762	21,609	8,986	1,596	177,685
Other Taxes	26,411	383	-	43	2,651	-	29,488
Interest	451,727	-	5,580	-	-	-	457,307
Interbranch Administrative							
Support, Corporate	1,690,326	620,243	184,376	(2,494,945)	-	-	-
Interbranch Administrative Support, Membership Development	(161,677)	161,677	-	-	-	-	-
Total	11,146,640	4,193,714	1,222,238	(73,953)	1,624,748	27,763	18,141,150
Depreciation	1,068,808	1,873	128,343	73,953	-	-	1,272,977
Total Functional Expenses	<u>\$ 12,215,448</u>	<u>\$ 4,195,587</u>	<u>\$ 1,350,581</u>	<u>\$ -</u>	<u>\$ 1,624,748</u>	<u>\$ 27,763</u>	<u>\$ 19,414,127</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION DETAIL — LAND, BUILDINGS, AND EQUIPMENT
DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	Fixed Assets				
	Balance December 31, 2018	Acquisitions	Dispositions	Balance December 31, 2019	
Land	\$ 2,658,027	\$ -	\$ -	\$ 2,658,027	
Buildings and Building Improvements	26,796,247	71,968	-	26,868,215	
Tenant Improvements	705,059	-	-	705,059	
Furniture, Fixtures, and Equipment	5,162,150	41,142	-	5,203,292	
Vehicles	239,533	-	-	239,533	
Total Fixed Assets	<u>\$ 35,561,016</u>	<u>\$ 113,110</u>	<u>\$ -</u>	<u>\$ 35,674,126</u>	
	Accumulated Depreciation				
	Balance December 31, 2018	Depreciation for Year	Dispositions	Balance December 31, 2019	Depreciated Value December 31, 2019
Land	\$ -	\$ -	\$ -	\$ -	\$ 2,658,027
Buildings and Building Improvements	9,045,623	740,597	-	9,786,220	17,081,995
Tenant Improvements	558,495	78,660	-	637,155	67,904
Furniture, Fixtures, and Equipment	4,385,721	453,236	-	4,838,957	364,335
Vehicles	218,155	11,340	-	229,495	10,038
Total Accumulated Depreciation	<u>\$ 14,207,994</u>	<u>\$ 1,283,833</u>	<u>\$ -</u>	<u>\$ 15,491,827</u>	<u>\$ 20,182,299</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION DETAIL — ACCOUNTS PAYABLE
AND ACCRUED EXPENSES
DECEMBER 31, 2019 AND 2018
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

	2019	2018
ACCOUNTS PAYABLE AND ACCRUED EXPENSES		
Current Funds without Restriction:		
Accounts Payable, Trade	\$ 531,977	\$ 673,361
Payroll and Withholding Taxes	444,490	420,684
Accrued Wages	246,648	-
Accrued Vacation	181,919	182,127
Other Payables	33,522	19,821
Total Accounts Payable and Accrued Expenses	\$ 1,438,556	\$ 1,295,993

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE INLAND NORTHWEST
(A NONPROFIT ORGANIZATION)
CHARITABLE GIFT ANNUITY STATEMENT
DECEMBER 31, 2019
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

The Washington State Office of the Insurance Commissioner requires that YMCA and its charitable gift annuities be reported separately from the affiliated Endowment in accordance with RCW 48.28.020(2)(a) and that YMCA provide report detail reflecting the separate entities. To comply with this requirement, a modified report is offered as follows:

	YMCA with CGA Included and Endowment Excluded	Endowment	Total
Income:			
Without Donor Restriction	\$ 20,695,860	\$ 326,755	\$ 21,022,615
With Donor Restriction	18,571	11,154	29,725
Total Income	<u>20,714,431</u>	<u>337,909</u>	<u>21,052,340</u>
Expenses:			
Without Donor Restriction	20,614,651	80,410	20,695,061
With Donor Restriction	-	-	-
Total Expenses	<u>20,614,651</u>	<u>80,410</u>	<u>20,695,061</u>
Net Change in Assets 2019	99,780	257,499	357,279
Net Assets 2018	<u>23,446,477</u>	<u>1,593,002</u>	<u>25,039,479</u>
Net Assets 2019	<u>\$ 23,546,257</u>	<u>\$ 1,850,501</u>	<u>\$ 25,396,758</u>
Net Assets 2019:			
Without Donor Restriction	\$ 23,398,386	\$ 1,540,823	\$ 24,939,209
With Donor Restriction	147,871	309,678	457,549
Net Assets 2019	<u>\$ 23,546,257</u>	<u>\$ 1,850,501</u>	<u>\$ 25,396,758</u>

