

WILLIAMSTOWN YOUTH
CENTER, INC.

FINANCIAL STATEMENTS

June 30, 2021 and 2020

WILLIAMSTOWN YOUTH CENTER, INC.
FINANCIAL STATEMENTS
June 30, 2021 and 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7 – 17



Sawyer, LLC

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Williamstown Youth Center, Inc.
66 School Street
Williamstown, Massachusetts 01267

I have audited the accompanying financial statements of Williamstown Youth Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

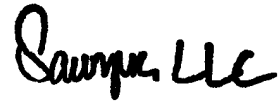
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Williamstown Youth Center, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

August 20, 2021

A handwritten signature in black ink that reads "Sawyer, LLC". The signature is written in a cursive, flowing style.

Sawyer, LLC
North Adams, MA

WILLIAMSTOWN YOUTH CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

ASSETS

	2021	2020
Current assets:		
Cash and cash equivalents	\$ 270,381	\$ 107,991
Accounts receivable, less allowance for doubtful accounts of \$4,243 and \$9,954 in 2021 and 2020	1,904	634
Prepaid expenses	5,081	6,156
Total current assets	277,366	114,781
Non-current assets:		
Cash restricted to maintenance reserve	13,971	433
Long-term investments	1,022,685	798,197
Contributions receivable, net (note 5)	106,617	115,826
Property and equipment	4,223,578	4,223,578
Less: accumulated depreciation	914,793	800,579
Net property and equipment	3,308,785	3,422,999
Total non-current assets	4,452,058	4,337,455
Total assets	\$ 4,729,424	\$ 4,452,236

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 6,395	\$ 8,086
Deferred revenue	58,786	711
Current portion of long term debt	-	27,308
Total current liabilities	65,181	36,105
Long-term debt	56,374	34,392
Commitments and contingencies	-	-
Total liabilities	121,555	70,497
Net assets:		
Without donor restrictions:		
Undesignated	3,862,058	3,755,553
Designated for maintenance reserve	498,069	378,444
Total without donor restrictions	4,360,127	4,133,997
With donor restrictions	247,742	247,742
Total net assets	4,607,869	4,381,739
Total liabilities and fund balances	\$ 4,729,424	\$ 4,452,236

The accompanying notes are an integral part of these financial statements.

WILLIAMSTOWN YOUTH CENTER, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended June 30, 2021 and 2020

	2021			2020		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Support						
Contributions:						
Williamstown Community Chest	\$ 56,000	\$ -	\$ 56,000	\$ 57,500	\$ -	\$ 57,500
Gifts	5,791	-	5,791	61,726	-	61,726
Economic Injury Disaster Advance	61,700	-	61,700	10,000	-	10,000
Board fundraiser	2,615	-	2,615	4,535	-	4,535
Program revenues						
Contracted services	126,444	-	126,444	77,000	-	77,000
Programs	142,247	-	142,247	220,442	-	220,442
Membership dues	4,694	-	4,694	15,025	-	15,025
Rentals	2,925	-	2,925	10,690	-	10,690
Solar credits	29,554	-	29,554	12,145	-	12,145
Investment income						
Dividends and interest on investments, net fees	29,780	-	29,780	27,725	-	27,725
Unrealized/realized gains and losses on investments	194,707	-	194,707	4,794	-	4,794
Interest on temporary investments	124	-	124	351	-	351
 Total revenue	 \$ 656,581	 \$ -	 \$ 656,581	 \$ 501,933	 \$ -	 \$ 501,933
 Net assets releases from restriction	 -	 -	 -	 62,671	 (62,671)	 -
	<u>\$ 656,581</u>	<u>\$ -</u>	<u>\$ 656,581</u>	<u>\$ 564,604</u>	<u>\$ (62,671)</u>	<u>\$ 501,933</u>
 Expenses:						
Program services	322,173	-	322,173	414,793	-	414,793
Management and general	103,927	-	103,927	113,575	-	113,575
Fundraising	4,351	-	4,351	679	-	679
 Total expenses	 \$ 430,451	 \$ -	 \$ 430,451	 \$ 529,047	 \$ -	 \$ 529,047
 Change in net assets	 226,130	 -	 226,130	 35,557	 (62,671)	 (27,114)
Net assets, July 1	<u>\$ 4,133,997</u>	<u>\$ 247,742</u>	<u>\$ 4,381,739</u>	<u>\$ 4,098,440</u>	<u>\$ 310,413</u>	<u>\$ 4,408,853</u>
Net assets, June 30	<u>\$ 4,360,127</u>	<u>\$ 247,742</u>	<u>\$ 4,607,869</u>	<u>\$ 4,133,997</u>	<u>\$ 247,742</u>	<u>\$ 4,381,739</u>

The accompanying notes are an integral part of these financial statements.

WILLIAMSTOWN YOUTH CENTER, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 226,130	\$ (27,114)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	114,214	114,672
(Gain) loss on forgiveness of debt	(61,700)	-
(Gain) loss on investments	(194,707)	(4,794)
(Increase) decrease in contributions receivable	9,209	73,376
(Increase) decrease in accounts receivable	(1,270)	(134)
Decrease (increase) in prepaid expenses	1,075	1,583
Increase (decrease) in accounts payable	(1,691)	6,597
(Decrease) increase in deferred revenue	58,075	(45,047)
Net cash provided by operations	149,335	119,139
Cash flows from investing activities:		
Purchase of investments	(35,536)	(82,593)
Proceeds from sale of investments	5,755	4,868
Net cash used by investing activities	(29,781)	(77,725)
Cash flows from financing activities:		
Proceeds from long term borrowings	56,374	61,700
Amortization of unamortized loan discount	-	1,225
Principal payments on long term borrowings	-	(62,500)
Net cash used by financing activities	56,374	425
Net increase (decrease) in cash	175,928	41,839
Cash and cash equivalents and restricted cash- July 1	108,424	66,585
Cash and cash equivalents and restricted cash - June 30	\$ 284,352	\$ 108,424
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid during the year for interest	\$ -	\$ -
Gain on forgiveness of debt	\$ 61,700	\$ -

The accompanying notes are an integral part of these financial statements.

WILLIAMSTOWN YOUTH CENTER, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 For the years ended June 30, 2021 and 2020

	2021				2020			
	<i>Support Services</i>				<i>Support Services</i>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 154,130	\$ 53,271	\$ -	\$ 207,401	\$ 208,369	\$ 53,269	\$ -	\$ 261,638
Payroll taxes	12,174	4,207	-	16,381	16,392	4,191	-	20,583
Benefits	3,687	3,110	-	6,797	4,600	2,474	-	7,074
Programs	3,542	-	-	3,542	39,299	-	-	39,299
Insurance	18,486	1,396	600	20,482	19,986	1,664	679	22,329
Utilities	3,255	5,412	-	8,667	2,491	4,464	-	6,955
Depreciation	114,214	-	-	114,214	114,672	-	-	114,672
Office	-	18,896	-	18,896	-	21,534	-	21,534
Repairs & maintenance	10,547	-	-	10,547	6,511	-	-	6,511
Fundraising	-	-	3,751	3,751	-	-	-	-
Accounting	-	17,635	-	17,635	-	24,753	-	24,753
Payroll processing fees	2,103	-	-	2,103	2,438	-	-	2,438
Advertising	35	-	-	35	35	-	-	35
Interest expense	-	-	-	-	-	1,226	-	1,226
Bad debt expense	-	-	-	-	-	-	-	-
Total expenses	<u>\$ 322,173</u>	<u>\$ 103,927</u>	<u>\$ 4,351</u>	<u>\$ 430,451</u>	<u>\$ 414,793</u>	<u>\$ 113,575</u>	<u>\$ 679</u>	<u>\$ 529,047</u>

The accompanying notes are an integral part of these financial statements.

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Williamstown Youth Center, Inc. (the Center), a Massachusetts Corporation is a publicly supported not-for-profit organization exempt from income taxes under Section 501 (a) of the Internal Revenue Code 501 (c)(3). The Corporation was formed to provide recreational activities for the youth of Williamstown.

A Summary of the Center's significant accounting policies follows:

Basis of Presentation and Accounting

The accompanying financial statements have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America which require the Center to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expensed for any purpose in performing the objectives of the Center. These net assets may be used at the discretion of the Center's management and Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other restrictions are perpetuity in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without restrictions in the statement of activities. Restricted contributions in which the restrictions are met in the same year are reported as without donor restrictions

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 on assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

Cash and Cash Equivalents

The Center maintains its cash in bank deposit accounts which, at times may exceed federally insured limits. The Center has not experienced any losses in such accounts. The Center believes it is not exposed to any significant credit risk on cash and cash equivalents. Cash and cash equivalents include certificates of deposits with a maturity of less than 90 days, deposits in bank accounts, and brokerage money market accounts.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Realized and unrealized gains and losses are reported in the statement of activities.

Property and equipment

The Center capitalizes all expenditures in excess of \$1,000 for property and equipment cost. Property and equipment is carried at cost less accumulated depreciation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method as follows:

Asset Group	Lives
Building	40 – 50 years
Building improvements	5 – 10 years
Equipment	5 – 10 years
Vehicles	5 years

Construction in Progress: Costs associated with on-going projects are accumulated until completion. The completed asset is then depreciated over its estimated useful life once placed in service.

Revenue

Contributions, including unconditional promises to give (i.e., contributions receivable), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of fund raising activity. Contributions received with donor-imposed restrictions that are met in the same year as received are reported

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

as revenues of the net assets without donor restrictions class. A reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

Contributions of assets other than cash are recorded at their estimated fair value. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets without donor restrictions category.

Contributions of cash or other assets to be used to acquire land, buildings and equipment with donor stipulations are reported as revenues of the net assets with donor restrictions asset category; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

The Center receives membership revenue, program revenue and other revenue. Program revenue is recognized under each separate program.

Membership is required to participate in any programs. Each family is charged \$60 for membership and the membership is valid for one year. Membership revenue is recognized evenly over the year. Amounts not yet earned by the end of the fiscal year are reported as deferred income.

Program revenue is fully recognized as the respective programs are held. Early receipts for summer camp programs are recorded as deferred revenue.

Program Services

A description of the Center's program services are as follows:

Art Programs – The Center partners with local artists and organizations – Berkshire Dance Theater, MCLA's Arts Administration Program, and the Williams College Museum of Art being three examples – to provide instruction as well as free studio experience for any young person with an interest in the arts.

Sports Program – For decades, the Center has offered a variety of programs in team and individual sports. Today they are the parent organization or partner of in-house and travel programs in team sports such as soccer, basketball, lacrosse, and volleyball; in addition to partnering with local institutions (such as Jiminy Peak Resort and the Williams College Athletic Department) to provide instruction in individual sports like swimming and diving, skiing, track and field, and tennis.

Before School Program – The Center operates a before school program from 7:00a.m. – 8:30 a.m. each weekday. Kids are welcome to join them for a light breakfast (cereal and fruit), games, homework help, and more.

After School Program – Every day the Center provides area kids with a safe, well-supervised place to do homework, play games, explore art activities, or simply hang out with friends. Staff and volunteers, including Williams College students, are on hand daily to mentor younger

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

people as they work on study, athletic, and social skills. The Center is an attractive and safe place where kids can play.

All Day Programs – The Center opens its doors from 8 – 5:30 on snow days, all-day school staff development days, and school vacations, including an eight-week summer camp.

Adult Programs- The Center hosts programs for adults, including painting, movement, and yoga classes designed specifically for adults.

Prepaid Expenses

It is the Center’s policy to capitalize payroll and other related costs related to summer programs and expense these costs when the program is held.

Functional Allocation of Expenses

The costs of providing program and support activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated, based upon management’s estimates, among the programs and supporting activities benefited.

Advertising Expense

Advertising expenses are for employment recruitment and to promote programs. Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2021, and 2020 was \$35 and \$35, respectively.

2. CONCENTRATIONS

The Center received approximately 19% and 15% of its revenue and support from contracts with the Town of Williamstown for the years ended June 30, 2021 and 2020, respectively. These contracts must be applied for on an annual basis. All of contribution receivable is due from Williams College as of June 30, 2021 and 2020, respectively.

In the current year, a significant number of contributions were provided by a few major contributors. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term. The Center’s market is concentrated in the Williamstown, Massachusetts, and geographical area.

At June 30, 2021 and 2020, the carrying amount of the Center’s deposits with financial institutions was \$284,352 and \$108,424, respectively and the depository balances were \$278,908 and \$130,349, respectively. All the depository balances were FDIC insured.

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

3. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

In February 2016, the FASB issued ASU 2017-02, Leases (Topic 842), which supersedes FASB ASC Topic 840, Leases (Topic 840) and provides principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. Lessor accounting is mostly unchanged from the current model, but updated to align with certain changes to the lessee accounting model and the new revenue recognition standard. The ASU is effective for most nonprofit organizations for fiscal years beginning after December 15, 2021. The impact of adopting this ASU on the Agency’s financial statements for subsequent periods has not yet been determined.

4. CASH AND EQUIVALENTS

Cash and cash equivalents include all cash held in accounts with a maturity of less than three months.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same amounts shown in the statement of cash flows.

	2021	2020
Cash and cash equivalents	\$ 270,381	\$ 107,991
Restricted cash	13,971	433
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	\$ 284,352	\$ 108,424

Amounts included in restricted cash represent those required to be held in escrow by contractual agreement until all parties are satisfied when transfer of ownership has occurred.

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30, 2021 and 2020 are included in net assets with donor restrictions. These unconditional promises to give are to be received by the Center for years subsequent to June 30, 2021.

	<u>2021</u>	<u>2020</u>
Receivable In:		
Less than 1 year	\$ 15,000	\$ 15,000
1 year to 5 years	75,000	75,000
6 years and thereafter	<u>45,000</u>	<u>60,000</u>
Sub-total	135,000	150,000
Less: Discounts to net present value	(28,383)	(34,174)
Less: Allowance for estimated uncollectible pledges	<u>-</u>	<u>-</u>
Net contributions receivable	<u><u>\$ 106,617</u></u>	<u><u>\$ 115,826</u></u>

Unconditional promises to give are primarily from individuals and corporations and are reflected at present value of estimated future cash flows using a discount rate of 5.0% for June 30, 2021 and 2020.

The total outstanding balance or \$135,000, represents pledges from a private college under an agreement to make the final payment in 2030.

6. INVESTMENTS

As of June 30, 2021 and 2020 investments consist of the following:

	2021			2020		
	Cost	Fair value (Carrying value)	Unrealized Gain(loss)	Cost	Fair value (Carrying value)	Unrealized Gain(loss)
Money Market	\$ 2,143	\$ 2,143	\$ -	\$ 870	\$ 870	\$ -
Mutual Funds						
Equity	295,730	424,274	128,544	277,124	288,840	11,716
Fixed Income	217,652	225,843	8,191	205,362	211,847	6,485
Exchange Trade						
Equity	196,215	293,267	97,052	195,911	219,776	23,865
Fixed Income	<u>74,336</u>	<u>77,158</u>	<u>2,822</u>	<u>72,737</u>	<u>76,864</u>	<u>4,127</u>
	<u><u>\$ 786,076</u></u>	<u><u>\$ 1,022,685</u></u>	<u><u>\$ 236,609</u></u>	<u><u>\$ 752,004</u></u>	<u><u>\$ 798,197</u></u>	<u><u>\$ 46,193</u></u>

The fair values of investment securities are based on quoted market prices for those investments.

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

Investment return is summarized as follows:

	2021	2020
Dividends and interest on securities	\$ 35,535	\$ 32,593
Unrealized gains (losses)	190,415	(2,381)
Realized gains (losses)	4,292	7,175
Investment advisor fees	(5,755)	(4,868)
Total investment return	\$ 224,487	\$ 32,519

7. FAIR VALUE MEASUREMENTS

FASB 157 establishes the framework for measuring fair value, and expands disclosures about fair value measurements. The fair value hierarchy 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 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of fair value hierarchy under FASB 157 are described below:

Basis of Fair Value Measurement:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly

Level 3 – Prices or valuations that require inputs that are significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement

The following information is presented for financial instruments which are recorded in the financial statements as of June 30, 2021 and 2020.

Description	6/30/2021	Level 1	Level 2	Level 3
Money market	\$ 2,143	\$ 2,143	\$ -	\$ -
Exchange trade securities	370,425	370,425	-	-
Mutual funds	650,117	650,117	-	-
	\$ 1,022,685	\$ 1,022,685	\$ -	\$ -

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

Description	6/30/2020	Level 1	Level 2	Level 3
Money market	\$ 870	\$ 870	\$ -	\$ -
Exchange trade securities	296,640	296,640	-	-
Mutual funds	500,687	500,687	-	-
	<u>\$ 798,197</u>	<u>\$ 798,197</u>	<u>\$ -</u>	<u>\$ -</u>

8. PREPAID EXPENSES

As of June 30, 2021 and 2020, prepaid expenses are as follows:

	2021	2020
Electricity credits	\$ -	\$ 1,255
Insurance	5,081	4,901
Total	<u>\$ 5,081</u>	<u>\$ 6,156</u>

9. PLANT, PROPERTY, AND EQUIPMENT, NET

A summary of assets and accumulated depreciation is as follows:

	2021	2020
Building and building improvements	\$3,839,984	\$3,839,984
Building solar project	359,477	359,477
Furniture, fixtures & equipment	20,436	20,436
Computer equipment	3,681	3,681
	<u>4,223,578</u>	<u>4,223,578</u>
Less: Accumulated depreciation	<u>914,793</u>	<u>800,579</u>
	<u>\$3,308,785</u>	<u>\$3,422,999</u>

10. LOANS PAYABLE

Paycheck Protection Program - On April 14, 2020, the Center was granted a loan from Adams Community Bank in the aggregate amount of \$61,700, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Center applied for and had been notified the \$61,700 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected in the SUPPORT AND REVENUE in the accompanying statement of changes in net assets.

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

Second Draw Paycheck Protection Program - On January 25, 2021, the Center was granted a loan from Adams Community Bank in the aggregate amount of \$56,374, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act. The loan is subject to a note and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. No determination has been made as to whether the Center will be eligible for forgiveness, in whole or in part. The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest beginning 10 months from the end of the Covered period. The “Covered Period” means the period beginning on the date of disbursement of the loan and ending any point between 8-weeks and 24 weeks after the date of disbursement of the loan. The loan may be repaid at any time with no payment penalty. Any remaining balance of this note that the Lender determines cannot be forgiven under the program rules shall be due and payable in full on January 5, 2026.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2021 and 2020:

	2021	2020
Building fund renovations	\$ 176,664	\$ 170,525
Time restriction-pledges receivable	71,078	77,217
	\$ 247,742	\$ 247,742

12. NET ASSETS RELEASE OF RESTRICTIONS

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

Purpose restrictions accomplished:	2021	2020
Drama program	\$ -	\$ 171
Solar panel debt finance	-	62,500
	\$ -	\$ 62,671

13. RETIREMENT PLAN

The Center adopted a SIMPLE IRA retirement plan on September 1, 2005, which provides for matching of employee retirement contributions of up to 3% of the lesser of each employee’s salary or \$10,500 (\$13,000 for employees 50 or older). Total Center contributions were \$2,024 and \$1,352 for the years ended June 30, 2021 and 2020, respectively.

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

14. TAX EXEMPT STATUS

The Center is recognized as an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code but can be subject to tax on unrelated trade or business income; accordingly, there is no income tax provision.

The Center adopted Financial Accounting Standards Board (“FASB”) Accounting Standard Codification 740 effective January 1, 2009. For the years ended June 30, 2021 and 2020, The Center has determined it did not have a material tax liability for uncertain tax positions.

The 2018, 2019, and 2020 federal Return of Organization Exempt from Income Tax (Form 990) for the Center is subject to examination by the IRS, generally for three years after they were filed.

15. AVAILABILITY AND LIQUIDITY

The following represents the Center’s financial assets available to meet general expenditures within one year of June 30:

Financial assets at year end	<u>2021</u>	<u>2020</u>
Cash	\$ 270,381	\$ 107,991
Accounts receivable	1,904	634
Investments	<u>1,022,685</u>	<u>798,197</u>
Total financial assets	<u>1,294,970</u>	<u>906,822</u>
Less amounts not available to be used within one year		
Board designated net assets	498,069	378,444
Net assets with donor restrictions	<u>247,742</u>	<u>247,742</u>
Total amounts not available within one year	<u>745,811</u>	<u>626,186</u>
Financial assets available to meet general expenditures within one year:	<u>\$ 549,159</u>	<u>\$ 280,636</u>

The Center reviews its cash position on a regular basis to ensure that adequate funds are on hand to meet expenses. If funds are needed for expenses, management can request the Board to undesignated previously designated assets. In addition, management can review discretionary spending to meet certain cash needs. As of June 30, 2021 and 2020, management believes the Center has no liquidity issues.

WILLIAMSTOWN YOUTH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

16. COMMITMENTS

Land Lease: The land lease agreement with the Town of Williamstown will require the Center to pay \$1 a year. The lease commencement date of February 6, 2012 and a termination date of February 5, 2062 with an option to renew for an additional twenty-five to fifty years.

Maintenance Reserve: The land lease requires the Center to establish a maintenance reserve fund for the payment of maintenance and repair costs for the premises per article 7.2 of the lease agreement. The Center is required to make an initial deposit of \$50,000 in the fund and make regular additions to achieve a balance of \$519,000 by 2032. After 2014, the minimum required balance in the fund shall be \$100,000, subject to the 2032 balance goal of \$519,000. Expenditures from the maintenance reserve fund of a) more than \$10,000 for a single item and b) more than \$25,000 during a Lease year shall require the prior, written approval of Town. The balance in the maintenance reserve fund as of June 30, 2021 and 2020 is \$498,069 and \$378,444, respectively.

17. SUBSEQUENT EVENTS

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through August 20, 2021, the date the financial statements were available to be issued.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity and the Center's business in various ways:

- A reduction in the youth attendance and staff.
- Limited capacity summer camp program
- The first PPP loan was forgiven during FY 21, \$61,700. They have also applied for a PPP2 loan that has been approved for \$56,374.

The details of all of the arrangements that might be available and the period throughout which they will remain available are continuing to evolve and remain subject to uncertainty. We are continuing to assess the implications for the Center when these arrangements are no longer available. Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the Center might experience further negative results, and liquidity restraints and incur additional impairments on its assets in 2022. The exact impact on our activities for the remainder of 2022 and thereafter cannot be predicted.