

**Financial Statements**



**Ferry Beach Park Association**

**December 31, 2020**

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**Ferry Beach Park Association**

**December 31, 2020**

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## **Independent Accountants' Review Report**

**To the Board of Directors  
Ferry Beach Park Association  
Saco, Maine**

We have reviewed the accompanying financial statements of Ferry Beach Park Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited Ferry Beach Park Association's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 6, 2020. We have not performed any auditing procedures since that date. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Purdy Power + Company*

Professional Association

**Portland, Maine**  
**March 8, 2021**

## Statement of Financial Position

### Ferry Beach Park Association

As of December 31, 2020

(with comparative totals for December 31, 2019)

	(Reviewed) <u>2020</u>	(Audited) <u>2019</u>
<b>Current Assets</b>		
Cash	\$ 293,904	\$ 215,838
Investments	498,583	434,206
Inventory	11,559	19,314
Prepaid expenses	4,906	291
<b>Total Current Assets</b>	<u>808,952</u>	<u>669,649</u>
<b>Property and Equipment</b> , net of accumulated depreciation	<u>2,203,124</u>	<u>2,299,699</u>
<b>Total Assets</b>	<u>\$ 3,012,076</u>	<u>\$ 2,969,348</u>
<b>Current Liabilities</b>		
Accounts payable	\$ -	\$ 6,295
Accrued expenses	4,628	4,984
Accrued wages	25,605	35,617
Beach bonds	32,700	-
Accrued interest	6,407	6,407
Deposits	41,379	41,788
Current portion of long-term debt	55,348	52,389
<b>Total Current Liabilities</b>	<u>166,067</u>	<u>147,480</u>
<b>Long-Term Debt</b>		
Debt - less current portion	679,317	581,640
Debt issuance costs, net of accumulated amortization	(2,744)	(3,018)
<b>Total Long-Term Debt</b>	<u>676,573</u>	<u>578,622</u>
<b>Total Liabilities</b>	842,640	726,102
<b>Net Assets</b>		
Without donor restrictions	2,169,436	2,243,246
With donor restrictions	-	-
<b>Total Net Assets</b>	<u>2,169,436</u>	<u>2,243,246</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,012,076</u>	<u>\$ 2,969,348</u>

See independent accountants' review report and notes to financial statements.

## Statement of Activities

### Ferry Beach Park Association

For the Year Ended December 31, 2020

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

	(Reviewed) 2020			(Audited) 2019
	Without donor restrictions	With donor restrictions	Total	Total
<b>Revenues and Other Support</b>				
Contributions	\$ 270,024	\$ -	\$ 270,024	\$ 76,715
Sustaining donors and memberships	59,207	-	59,207	71,987
Conference income	216,004	-	216,004	1,116,574
Special event income	20,344	-	20,344	14,186
Interest and dividend income	7,170	-	7,170	8,459
Paycheck Protection Program loan forgiveness	129,600	-	129,600	0
Other income	9,585	-	9,585	37,380
Net assets released from restrictions	-	-	-	-
<b>Total Revenues and Other Support</b>	<u>711,934</u>	<u>-</u>	<u>711,934</u>	<u>1,325,301</u>
<b>Expenses</b>				
Program services	673,395	-	673,395	1,210,317
Management and general	132,379	-	132,379	194,756
Fundraising	43,257	-	43,257	75,947
<b>Total Expenses</b>	<u>849,031</u>	<u>-</u>	<u>849,031</u>	<u>1,481,020</u>
<b>Revenues Under Expenses</b>	(137,097)	-	(137,097)	(155,719)
<b>Other Income (Expenses)</b>				
Realized/unrealized gain on investments	57,987	-	57,987	66,112
Gain (Loss) on disposal of fixed assets	5,300	-	5,300	(4,553)
<b>Total Other Income</b>	<u>63,287</u>	<u>-</u>	<u>63,287</u>	<u>61,559</u>
<b>Decrease in Net Assets</b>	(73,810)	-	(73,810)	(94,160)
Net assets at beginning of year	<u>2,243,246</u>	<u>-</u>	<u>2,243,246</u>	<u>2,337,406</u>
<b>Net Assets at End of Year</b>	<u>\$ 2,169,436</u>	<u>\$ -</u>	<u>\$ 2,169,436</u>	<u>\$ 2,243,246</u>

See independent accountants' review report and notes to financial statements.

## Statement of Functional Expenses

### Ferry Beach Park Association

For the Year Ended December 31, 2020

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

	(Reviewed) 2020				(Audited) 2019
	Program Services	Management & General	Fundraising	Total	Total
<b>Expenses</b>					
Salaries and wages	\$ 295,862	\$ 71,007	\$ 27,614	\$ 394,483	\$ 649,061
Payroll taxes	22,409	5,378	2,092	29,879	44,459
Bank and merchant fees	3,202	-	800	4,002	15,608
Computer systems	9,149	538	1,076	10,763	2,292
Conference and meetings	3,263	363	-	3,626	3,829
Conference program expenses	7,711	-	-	7,711	27,466
Depreciation	80,300	20,075	-	100,375	95,201
Employee benefits	39,604	9,505	3,696	52,805	66,549
Employee training	-	-	-	-	598
Food and supplies	38,960	838	2,095	41,893	197,659
Fundraising	-	-	250	250	1,480
Insurance	21,106	2,426	728	24,260	31,083
Interest expense	25,038	2,226	556	27,820	32,133
Lease	7,385	1,303	-	8,688	7,981
Maintenance, linens, and bedding	55,411	1,131	-	56,542	127,265
Marketing and advertising	6,151	879	1,757	8,787	12,285
Miscellaneous	11,555	3,081	770	15,406	35,863
Utilities	27,784	5,021	670	33,475	57,464
Postage	650	-	650	1,300	1,017
Professional fees	1,900	7,602	-	9,502	8,645
Restricted donations	-	-	-	-	41,322
Security	7,403	-	-	7,403	10,824
Telephone	8,552	1,006	503	10,061	10,936
<b>Total Expenses</b>	<b>\$ 673,395</b>	<b>\$ 132,379</b>	<b>\$ 43,257</b>	<b>\$ 849,031</b>	<b>\$ 1,481,020</b>

See independent accountants' review report and notes to financial statements.

## Statement of Cash Flows

### Ferry Beach Park Association

For the Year Ended December 31, 2020

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

	(Reviewed) <u>2020</u>	(Audited) <u>2019</u>
<b>Operating Activities</b>		
Decrease in net assets	\$ (73,810)	\$ (94,160)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	100,375	95,201
Amortization of debt issuance costs	274	274
Realized/unrealized gains on investments	(57,987)	(66,112)
Donated investments	(2,506)	-
Gain (Loss) on disposition of assets	(5,300)	4,553
(Increase) decrease in operating assets:		
Accounts receivable	-	24,114
Contributions and bequest receivable	-	8,400
Inventories	7,755	(13,481)
Prepaid expenses	(4,615)	4,264
Increase (decrease) in operating liabilities:		
Accounts payable	(6,295)	1,997
Accrued expenses	(356)	2,281
Accrued wages	(10,012)	8,009
Beach bonds	32,700	-
Deposits	(409)	7,553
<b>Net Cash Used by Operating Activities</b>	<u>(20,186)</u>	<u>(17,107)</u>
<b>Investing Activities</b>		
Purchase of investments	(25,948)	(30,752)
Sale of investments	22,064	25,533
Proceeds from sale of property and equipment	20,000	-
Purchase of property and equipment	(18,500)	(210,569)
<b>Net Cash Used by Investing Activities</b>	<u>(2,384)</u>	<u>(215,788)</u>
<b>Financing Activities</b>		
Proceeds from long-term debt	150,000	-
Principal payments on long-term debt	(49,364)	(55,687)
<b>Net Cash Provided (Used) by Financing Activities</b>	<u>100,636</u>	<u>(55,687)</u>
<b>Increase (Decrease) in Cash</b>	<u>78,066</u>	<u>(288,582)</u>
Cash at beginning of year	<u>215,838</u>	<u>504,420</u>
<b>Cash at End of Year</b>	<u>\$ 293,904</u>	<u>\$ 215,838</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the year for interest	<u>\$ 27,820</u>	<u>\$ 32,133</u>

See independent accountants' review report and notes to financial statements.



## Notes to Financial Statements

# Ferry Beach Park Association

### Note A - Summary of Significant Accounting Policies

#### **Organization**

Ferry Beach Park Association, (the Association) is a retreat and conference center located in Saco, Maine, which was founded in 1901. The land was founded by Quillen Shinn, a Universalist minister. Ferry Beach awakens hearts to explore, grow, and renew the spirit of universal love. They accomplish their mission through activities related to: culture and the arts, education, spirituality, care for the earth, personal growth, and social justice and social action. Ferry Beach Park Association sponsors conferences and retreats, and is supported primarily through public and member contributions, as well as conference fees and rental income.

#### **Basis of Presentation**

The accompanying financial statements include a statement of financial position, a statement of activities, a statement of functional expenses and a statement of cash flows. The Association is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions - Represents those resources that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants), and can be used for any purpose designated by the Association's governing board.

Net Assets With Donor Restrictions - Represents resources and the portion of net assets resulting from contributions and other inflows of assets whose use is subject to donor-imposed restrictions.

#### **Contributions**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

#### **Estimates**

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

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note A - Summary of Significant Accounting Policies - Continued

##### **Revenue Recognition**

The financial statements of the Association have been prepared on the accrual basis of accounting. Revenues received are recorded as revenue without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

In accordance with ASC 606, the Association recognizes revenue when it satisfies a performance obligation by transferring control of a promised good or service, in an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services.

In accordance with FASB ASC 606-10-50-14, the Association has elected not to disclose certain information about its remaining performance obligations, as such obligations relate to contracts with an original expected duration of one year or less.

##### **Cash and Cash Equivalents**

The Association considers cash in bank and all other highly liquid investments with an original maturity of less than three months, other than those amounts reported as investments, to be cash and cash equivalents for purposes of the Statement of Cash Flows. The Association maintains its cash in accounts with federally insured banks. At times, the balances in these accounts may exceed federally insured limits. The Association has not experienced any losses in such accounts and does not believe they are exposed to any significant credit risks.

##### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Accounts are considered uncollectible based on the timing of the receipt of payment and other circumstances which may affect the ability of the customers to meet their obligations. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management has estimated there was no allowance for doubtful accounts necessary for the year ended December 31, 2020.

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note A - Summary of Significant Accounting Policies - Continued

##### Contributions and Bequest Receivable

Contributions and bequest receivable represent unconditional promises to give and are expected to be collected in one year or less. Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. It is the Association's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Management has estimated there was no allowance for doubtful accounts necessary for the year ended December 31, 2020.

##### Inventories

Inventory consists of store merchandise such as clothing, toiletries, and souvenirs sold in the Association's giftshop and kitchen items including food, beverages, and meal preparation items used in the Association's dining hall. The inventory is recorded at the lower of cost or net realizable value with the cost determined on a first-in first-out (FIFO) basis.

##### Investments

The Association reports its investments in marketable securities with readily determinable fair values and all debt securities at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

##### Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over appropriate estimated useful lives as follows:

	<u>Years</u>
Buildings	30-40
Equipment	3-15
Improvements	5-40

Expenditures for repairs and maintenance are expensed when incurred and betterments over \$1,000 are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related depreciation allowances, and any gain or loss is recognized. Depreciation expense for the years ended December 31, 2020 and 2019 was \$100,375 and 95,201, respectively.

##### Advertising

Advertising costs are charged to expense when incurred. Advertising expense was \$8,787 and \$12,285 for the years ended December 31, 2020 and 2019, respectively.

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note A - Summary of Significant Accounting Policies - Continued

##### Deposits

The Association allows guests to pay deposits for conferences, room rentals, and camps for the upcoming fiscal year. These deposits are generally refundable and are considered deferred revenue. This revenue is recorded in the period it is earned.

##### Debt Issuance Costs

The Association has adopted FASB ASC 835-30, *Simplifying the Presentation of Debt Issuance Costs*. Accordingly, it is the Association's policy to record these costs as interest expense ratably over the corresponding loan period. The expense associated with amortizing these costs was \$274 in the year ended December 31, 2020. Accumulated amortization of deferred finance charges was \$2,056 as of December 31, 2020.

##### Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting functions of the Association. Those expenses include salaries, payroll taxes and employee benefits, utilities, food and supplies, and certain other costs. Salaries and payroll taxes and benefits are allocated based on estimates of time and effort. Utilities and related expenses are allocated based on building usage. Other costs are based on management's estimate of the appropriate allocations for each expense.

##### Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by net asset class and functional expenses by program. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

##### Pending Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, *Leases* (Topic 842). This new standard will provide users of the financial statements a more accurate picture of the assets and the long-term financial obligations of organizations that lease. The standard is for a dual-model approach: a lessee will account for most existing capital leases as Type A leases, and most existing operating leases as Type B leases. Both will be reported on the balance sheet of the organization for leases with a term exceeding 12 months. Lessors will see some changes too, largely made to align with the revised lease model. For nonpublic organizations, the new leasing standard will apply for fiscal years beginning after December 15, 2021. The standard requires retroactive application to previously issued financial statements, if presented. Management is currently evaluating the impact of adoption on its financial statements.

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note B - Investments

The investment balance as of December 31, 2020 was \$498,583. Investment fees are included with investment income in the statement of activities. Investment fees for the year ended December 31, 2020 were \$3,261.

Investments are composed of:

Designated by Board for endowment	\$ <u>498,583</u>
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Investments consist of various securities and are stated at fair value as of December 31, 2020 as follows:

Bank sweep	\$ 47,011
Exchange traded funds	<u>451,572</u>
	<u>\$ 498,583</u>

Investment returns from these investments for the year ended December 31, 2020 are summarized as follows:

Interest and dividend income	\$ 7,146
Net realized and unrealized gain on investments	<u>57,987</u>
	<u>\$ 65,133</u>

#### Note C - Fair Value Measurements

Ferry Beach Park Association applies a framework for measuring fair values under generally accepted accounting principles and applies to all financial instruments that are measured and reported at fair value.

The framework for measuring fair value of financial asset and liabilities includes a hierarchy of three levels for observable independent market inputs and unobservable market assumptions. A description of the inputs used in the valuation of assets and liabilities under this hierarchy is as follows:

Level 1 – Quoted prices are available in active markets, such as the New York or American Stock Exchange markets, for identical investments as of the reporting date. Level 1 also includes U.S. Treasury and federal agency securities and mortgage-backed securities traded by brokers or dealers in active markets.

Level 2 – Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair values are obtained from third party pricing services that may use models or other valuation methodologies to derive market value. These may be investments traded in less active dealer or broker markets.

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note C - Fair Value Measurements

Level 3 – Pricing inputs are unobservable for investments and valuations are derived from other methodologies not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities. The types of investments in this category would generally include debt and equity securities issued by private entities and partnerships.

The following summarizes fair values of investment assets by levels within the fair value hierarchy at December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Bank sweep	\$ 47,011	\$ -	\$ -	\$ 47,011
Exchange traded funds	<u>451,572</u>	<u>-</u>	<u>-</u>	<u>451,572</u>
Total investments	<u>\$ 498,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498,583</u>

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment based on the lowest level of input that is significant to the fair value measurement. All assets have been valued using a market approach. There have been no changes in valuation techniques and related inputs.

#### Note D - Endowment Fund

The Association has an endowment fund established for general purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted funds are recorded at fair value and the principal recorded as net assets with donor restrictions. Earnings and losses on these funds are considered restricted or unrestricted depending on donor intentions and are recorded as such.

The State of Maine has adopted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). In accordance with UPMIFA, the Association classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund and (d) any remaining portion of the donor-restricted endowment until such amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note D - Endowment Fund - Continued

In accordance with UPMIFA, the Association 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 the Association, and (7) the Association's investment policies.

The Association has a spending policy of appropriating for distribution each year up to five percent of its board-designated endowment fund's fair value, as of the preceding fiscal year-end in which the distribution is planned. The purpose of the fund is to provide an income stream to support the operations of the Association. The principle of the fund may not be spent without authorization by a three-quarters majority of attending membership of the meeting.

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

	Without Donor <u>Restriction</u>	With Donor <u>Restriction</u>	<u>Total</u>
Donor-designated endowment	\$ -	\$ -	\$ -
Board-designated endowment	<u>498,583</u>	<u>-</u>	<u>498,583</u>
Total	<u>\$ 498,583</u>	<u>\$ -</u>	<u>\$ 498,583</u>

Changes in endowment net assets for the year ended December 31, 2020 are as follows:

	Without Donor <u>Restriction</u>	With Donor <u>Restriction</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 434,206	\$ -	\$ 434,206
Contributions received	2,506	-	2,506
Investment return:			
Investment income, net	3,884	-	3,884
Realized and unrealized gain	<u>57,987</u>	<u>-</u>	<u>57,987</u>
Total investment return	<u>65,133</u>	<u>-</u>	<u>65,133</u>
Endowment net assets, end of year	<u>\$ 498,583</u>	<u>\$ -</u>	<u>\$ 498,583</u>

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note E - Property and Equipment

Property and equipment consisted of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 7,761	\$ 7,761
Equipment	113,489	113,489
Vehicles	-	24,500
Building and improvements	<u>3,443,620</u>	<u>3,425,120</u>
	3,564,870	3,570,870
Less: accumulated depreciation	<u>1,361,746</u>	<u>1,271,171</u>
	<u>\$ 2,203,124</u>	<u>\$ 2,299,699</u>

#### Note F - Paycheck Protection Program Loan

During the year ended December 31, 2020, Ferry Beach Park Association received a loan through the U.S. SBA (Small Business Administration) Paycheck Protection Program (PPP), established as part of the 2020 CARES Act. The \$129,600 promissory note is forgiven if the loan is used for payroll, rent, mortgage interest, or utilities incurred over the twenty four week period starting from the day the funds were received from the lender (with at least 60% of the loan being used for payroll). In addition, the Association must maintain staffing and 75% of salaries as assessed individually, subject to certain exemptions.

In November of 2020, Ferry Beach Park Association received notification of forgiveness from the SBA. Accordingly, the Association has recognized the entire balance of \$129,600 as contribution revenue on the accompanying Statement of Activities for the year ended December 31, 2020.

#### Note G - Line of Credit

The Association has an available line of credit with a maximum amount available for borrowing of \$100,000, secured by real estate, at the Wall Street Journal prime rate plus one percent. The prime rate at December 31, 2020 was 3.25%. There was no outstanding balance at December 31, 2020.



## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note H - Long-Term Debt

Long-term debt consists of the following:

	<u>2020</u>	<u>2019</u>
Note payable to Thomas Allison with fixed interest of 4% due in annual principal payments of \$6,666 plus interest through 2026.	\$ 40,006	\$ 46,672
Note payable to Thomas Allison with fixed interest of 5% due in annual principal payments of \$7,500 plus interest through 2032.	90,000	97,500
Note payable to Thomas Allison with fixed interest of 5% due in annual principal payments of \$5,000 through 2031.	55,000	60,000
Note payable due in monthly installments of \$4,244 including principal and interest at a variable rate of 4.90% at December 2020. The interest rate adjusts to the Federal Home Loan Bank 5/20 Amortization Advance Index Rate plus 3%. The loan is secured by the Association's property at 21 Ferry Avenue, Saco, Maine.	399,659	429,857
Economic Injury Disaster Loan due in monthly installments of \$641 including principal and interest at a variable rate of 2.75% starting in July 2021. The loan is secured by the Association's property at 21 Ferry Avenue, Saco, Maine.	<u>150,000</u>	<u>-</u>
Total long-term debt	<u>734,665</u>	<u>634,029</u>
Less: current portion	<u>55,348</u>	<u>52,389</u>
Long-term debt, net of current portion	679,317	581,640
Unamortized debt issuance costs	<u>2,744</u>	<u>3,018</u>
Long-term debt, net of unamortized debt issuance costs	<u>\$ 676,573</u>	<u>\$ 578,622</u>

Required future annual principal payments on long-term debt are as follows:

2021	\$ 55,348
2022	57,716
2023	58,676
2024	59,660
2025	61,591
Thereafter	<u>441,674</u>
	<u>\$ 734,665</u>

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note I - Net Assets Without Donor Restrictions

##### Board Designated Net Assets

The Board of Directors has designated a portion of its net assets for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Endowment fund - Board designated for general purposes	\$ 498,583	\$ 434,206

#### Note J - Liquidity and Availability

Financial assets consist of the Association's cash and cash equivalents and investments. The following reflects the Association's financial assets as of December 31, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the Statement of Financial Position.

Financial assets available to meet cash needs for general expenditures within one year consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Financial assets, at year-end	\$ 792,487	\$ 650,044
Less those unavailable for general expenditures within one year, due to:		
<i>Contractual or donor-imposed restrictions:</i>		
Designated by Association for future needs	<u>(498,583)</u>	<u>(434,206)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 293,904</u>	<u>\$ 215,838</u>

The Association's financial assets available to meet cash needs for general expenditures within one year represents funding for ongoing operational requirements in 2021. The Association is substantially supported by contributions from donations solicited and contributions received, as well as conference income. The Association actively manages its cash flow to ensure funds are available for general expenditures, liabilities, and other obligations as they come due. Although the Association does not intend to spend from its quasi-endowment fund or other board designated funds listed above, amounts from these funds can be appropriated if necessary. As more fully described in Note G, the Association also has availability under the line of credit of \$100,000, should an unanticipated liquidity need be identified.

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note K - Lease Commitments

The Association leases office and kitchen equipment under various operating leases. Lease expense for these leases was \$8,688 for the year ended December 31, 2020. Future annual rental commitments are as follows:

2021	\$	2,976
2022		639
2023		639
2024		160

#### Note L - Income Taxes

The Association qualifies as an organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and files a Form 990 tax return. With few exceptions, the Association is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2017 due to statute of limitations. The Association has adopted the provisions of FASB ASC, *Income Taxes*. Management of the Association believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

#### Note M - Revenue Recognition

##### Disaggregation of Revenue

The following table shows the Association's contract revenue disaggregated according to service type/ revenue stream and the timing of transfer of goods or services:

##### *Revenue Recognized at a Point in Time:*

Store Sales	\$	11,755
Special Events		<u>20,344</u>
Total Revenue Recognized at a Point in Time		32,099

##### *Revenue Recognized over Time*

Summer Conferences		184,754
Contractual Groups		7,988
Off Season Conferences		19,722
Annual Memberships		5,205
Room Rentals		<u>3,540</u>
Total Revenue Recognized Over Time		<u>221,209</u>
Total Contract Revenue	\$	<u><u>253,308</u></u>

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note M - Revenue Recognition - Continued

##### Contract Assets and Contract Liabilities

In accordance with FASB ASC 606-10-50, the Association has considered the need to record contract assets and contract liabilities from contracts with its customers. The Association has no contract assets and no contract liabilities as of December 31, 2020 and December 31, 2019, respectively.

##### Receivable

The Company has no accounts receivable from contracts with customers as of December 31, 2020 and December 31, 2019, respectively.

##### Performance Obligations

The Association generates revenue at a point in time from the sale of products to customers at its store, as well as from an annual auction and other special events. Revenue is recognized at the point of sale.

The Association generates revenue from one day, weekend, and week-long conferences and retreats. Revenue is recognized over time, as the program is provided by the Association and the benefit received by the customer. Some of the Association's contracts for conferences and retreats include multiple performance obligations. For these contracts, revenue is recognized as the distinct goods and services are provided and received. The transaction price is allocated to the separate performance obligations based on the contract terms.

The Association generates revenue from the sale of annual memberships to customers. Revenue is recognized ratably over the contract term of a single calendar year.

The Association generates revenue from the short-term rental of certain of its property. Revenue is recognized as the customer uses the property provided by the organization.

The Association recognizes revenue from its hourly fee arrangements as services are rendered, and from its fixed fee contracts as it makes progress towards satisfying the obligations detailed in the relevant contracts.

For conferences and retreats, a deposit is due when the reservation is made and the final payment is due when the individual or group arrives for the event.

Management has determined that there are no significant warranties or return, refund, or discount obligations related to contracts with its customers.

## Notes to Financial Statements - Continued

### Ferry Beach Park Association

#### Note M - Revenue Recognition - Continued

##### Significant Judgments

Contract transaction price includes the Association's judgment of variable consideration. Variable consideration is broadly defined and includes incentives, price concessions, rebates and refunds, as well as if the amount to be received is contingent on the occurrence of a future event. Based on available information, management must include an estimate of any variable consideration when determining the contract transaction price, using either the "expected value" or the "most likely amount" approach.

The Association has considered a number of factors in determining that applying ASC 606 to a portfolio of similar contracts will not result in a materially different outcome compared to individually accounting for the contracts.

##### Financing Components

The Association's contracts with customers contain no significant financing components.

#### Note N - Retirement Plan

The Association has established a SIMPLE IRA retirement plan for its full-time staff. Under this arrangement, the Association matches each participants' contribution up to a maximum match of 3% of the participants' compensation. Employer matching contributions during the year ended December 31, 2020 amounted to \$10,653.

#### Note O - Contingencies

Ferry Beach Park Association and its operations and investments have been significantly impacted by the COVID-19 pandemic. The Association has established numerous policies and procedures to ensure the safety of its staff and the community that it serves. Management continues to evaluate and respond to the pandemic and its impact on the ability to provide services on an ongoing basis.

## **Notes to Financial Statements - Continued**

### **Ferry Beach Park Association**

#### **Note P - Subsequent Events**

Subsequent to year-end, Ferry Beach Park Association received another PPP loan, containing the same general loan terms as the Association's 2020 PPP loan. For any portion of the \$181,440 not forgiven, repayment over sixty months at 1% interest will commence following the loan's covered period and an additional ten month deferral.

Management has made an evaluation of subsequent events to and including March 8, 2021, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.