YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TREASURE COAST, FLORIDA, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2023

Mari Huff C.P.A., P.A.
Certified Public Accountants
Stuart, Florida

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.
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Mari Huff C.P.A., P.A.
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER:
American Institute of Certified
Public Accountants

Florida Institute of Certified
Public Accountants

National Association of Certified
Valuators and Analysts

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Young Men's Christian Association of the Treasure Coast, Florida, Inc.
Stuart, Florida

Opinion

We have audited the accompanying financial statements of Young Men's Christian Association of the Treasure Coast, Florida, Inc (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Men's Christian Association of the Treasure Coast, Florida, Inc as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Young Men's Christian Association of the Treasure Coast, Florida, Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Young Men's Christian Association of the Treasure Coast, Florida, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

701 S. Colorado Avenue, Suite 2 ♦ Stuart, FL 34994 ♦ Phone 772-888-2042 ♦ Fax 772-872-6526

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Young Men's Christian Association of the Treasure Coast, Florida, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Young Men's Christian Association of the Treasure Coast, Florida, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

MARI HUFF CPA, PA

Mari Huff C.P.A., P.A.
April 17, 2024

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TREASURE COAST, FLORIDA, INC.

Statement of Financial Position
As of December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Assets:			
Cash and cash equivalents	$ 1,360,037	$ 44,170	$ 1,404,207
Accounts receivable, net	124,587	-	124,587
Grants receivable	25,591	-	25,591
Prepaid insurance	19,550	-	19,550
Unconditional promises to give	-	3,899	3,899
Deferred expenses	58,642	-	58,642
Due from operating account	-	1,544,544	1,544,544
Property and equipment, net	3,658,722	-	3,658,722
Deposits	7,678	-	7,678
Cash endowment fund	-	255,457	255,457
Operating lease right-of-use assets	53,045	-	53,045
Finance lease right-of-use assets	35,004	-	35,004
Total assets	**$ 5,342,856**	**$ 1,848,070**	**$ 7,190,926**
Liabilities:			
Accounts payable	$ 122,043	$ -	$ 122,043
Accrued expenses	110,684	-	110,684
Deferred revenue	234,336	-	234,336
Due to endowment fund	1,544,544	-	1,544,544
Operating lease right-of-use liability	53,045	-	53,045
Finance lease right-of-use liability	35,004	-	35,004
Total liabilities	**2,099,656**	**-**	**2,099,656**
Net assets:			
Net assets, without restrictions	3,243,200	-	3,243,200
Net assets, with restrictions	-	1,848,070	1,848,070
Total net assets	3,243,200	1,848,070	5,091,270
Total liabilities and net assets	**$ 5,342,856**	**$ 1,848,070**	**$ 7,190,926**

See independent auditor's report and notes to the financial statements

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.
Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Program service fees	$ 2,370,816	$ -	$ 2,370,816
Membership dues	896,532	-	896,532
Fundraising	886,248	-	886,248
Contributions and gifts	216,123	-	216,123
Grants	974,545	-	974,545
Miscellaneous revenues	24,258	-	24,258
Interest income	38,015	3,708	41,723
Rental income	2,800	-	2,800
Loss on disposal of property and equipment	(30,920)	-	(30,920)
Total revenues, gains, and other support	**5,378,417**	**3,708**	**5,382,125**
Net assets released from restrictions			
Restrictions satisfied	**8,626**	**(8,626)**	**-**
Total net assets released from restrictions	**8,626**	**(8,626)**	**-**
Functional expenses			
Program services			
Aquatic	499,354	-	499,354
Sports and recreation	739,036	-	739,036
Child care and family life	2,617,064	-	2,617,064
Support Services			
Membership	443,495	-	443,495
Fundraising	920,912	-	920,912
Total functional expenses	**5,219,861**	**-**	**5,219,861**
Total operating income	**167,182**	**(4,918)**	**162,264**
Change in net assets	**167,182**	**(4,918)**	**162,264**
Net assets, beginning of year	3,076,018	1,852,988	4,929,006
Net assets, end of year	**$ 3,243,200**	**$ 1,848,070**	**$ 5,091,270**

See independent auditor's report and notes to the financial statements

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services				Support Services				
	Aquatics	Sports and Recreation	Child Care and Family Life	Total Program Services	Membership Development	Management and General	Fundraising	Total Support Services	Total
Salaries	$ 226,410	$ 335,116	$1,180,617	$1,742,143	$ 121,047	$ 480,292	$ 13,750	$ 615,089	$ 2,357,232
Bad debt	-	-	-	-	-	32	-	32	32
Employee benefits	2,118	10,605	62,617	75,340	2,233	81,607	5,416	89,256	164,596
Payroll taxes	(2,103)	25,209	84,189	107,295	10,886	65,989	1,143	78,018	185,313
Fees for services	10,819	4,191	9,604	24,614	-	186,386	407,428	593,814	618,428
Advertising and promotion	40	-	1,284	1,324	314	20,171	35,014	55,499	56,823
Office expenses and program supplies	47,577	22,900	110,622	181,099	25,058	186,766	67,296	279,120	460,219
Occupancy	368	27,041	7,400	34,809	-	234,659	1,200	235,859	270,668
Interest	-	-	-	-	-	5,076	-	5,076	5,076
Travel	-	19	529	548	220	14,648	-	14,868	15,416
Conferences and meetings	519	-	2,534	3,053	-	46,323	-	46,323	49,376
Payments to affiliates	-	-	-	-	-	91,982	-	91,982	91,982
Insurance	-	-	-	-	-	226,272	-	226,272	226,272
Scholarship	4,140	2,624	83,050	89,814	102,000	-	1,000	103,000	192,814
Dues, licenses, and other taxes	4,839	8,486	2,187	15,512	-	13,388	5,175	18,563	34,075
Information technology	-	-	-	-	-	128,387	6,115	134,502	134,502
Amortization	-	-	-	-	-	37,439	-	37,439	37,439
Depreciation	-	-	-	-	-	319,598	-	319,598	319,598
Total expenses	**294,727**	**436,191**	**1,544,633**	**2,275,551**	**261,758**	**2,139,015**	**543,537**	**2,944,310**	**5,219,861**
Allocation of management and general costs	204,627	302,845	1,072,431	1,579,903	181,737	(2,139,015)	377,375	(1,579,903)	-
Total expenses	**$ 499,354**	**$ 739,036**	**$2,617,064**	**$3,855,454**	**$ 443,495**	**$ -**	**$ 920,912**	**$ 1,364,407**	**$ 5,219,861**

See independent auditor's report and notes to the financial statements

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF THE TREASURE COAST, FLORIDA, INC.
Statement of Cash Flows
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Cash flows provided by / used in operating activities:			
Cash received from members	$ 896,532	$ -	$ 896,532
Cash received from program activates	2,734,901	-	2,697,462
Cash received from fundraising activities	911,499	-	911,499
Cash from other operating activities	1,435,501	(8,626)	1,426,875
Cash paid to employees and suppliers	(5,190,699)	-	(5,190,699)
Interest received	38,015	3,708	41,723
Net cash provided by / used in operating activities	**825,749**	**(4,918)**	**783,392**
Cash flows used in investing activities:			
Acquisition of property and equipment	(491,600)	-	(491,600)
Net cash used in investing activities	**(491,600)**	**-**	**(491,600)**
Cash flows used in financing activities:			
Payments on finance lease right-of-use assets	(37,439)	-	-
Net cash used in financing activities	**(37,439)**	**-**	**-**
Change in cash, cash equivalents, and restricted cash	296,710	(4,918)	291,792
Transfers between funds	(102,797)	102,797	-
Cash and cash equivalents, beginning of year	1,166,124	201,748	1,367,872
Cash and cash equivalents, end of year	**$ 1,360,037**	**$ 299,627**	**$ 1,659,664**
Reconciliation of Change in Net Assets to net cash provided by / used in operating activities:			
Change in net assets	$ 167,182	$ (4,918)	$ 162,264
Depreciation	319,598	-	319,598
Amortization	37,439	-	-
Loss on sale of assets	30,920	-	30,920
Change in:			
Accounts receivable, net	4,248	-	4,248
Grants receivable	226,580	-	226,580
Prepaid insurance	(19,550)	-	(19,550)
Unconditional promises to give	4,919	-	4,919
Deferred expenses	1,298	-	1,298
Accounts payable	82,600	-	82,600
Accrued expenses	(53,438)	-	(53,438)
Deferred revenue	23,953	-	23,953
Net cash provided by / used in operating activities	**$ 825,749**	**$ (4,918)**	**$ 783,392**

See independent auditor's report and notes to the financial statements

NOTE 1: NATURE OF THE ORGANIZATION

The Young Men' s Christian Association of the Treasure Coast, Florida, Inc. (YMCA or the Organization) is a Florida not-for-profit corporation incorporated in 1977 under the laws of the State of Florida. The purpose of the YMCA is to render various community, social, and educational services in Martin, St. Lucie, Indian River and Okeechobee Counties in Florida.

The YMCA is a movement focused on the mission, "to put Judeo - Christian principles into practice through programs that build healthy spirit, mind and body for all." The YMCA is a cause-driven Organization that supports youth development, healthy living, and social responsibility. The YMCA embraces its financial assistance policy, which assures that no one will be turned away from programs or services because of financial need.

Funding for YMCA programs and services is derived from program fees and donations of cash, property and services by individuals and businesses. The YMCA also receives funding from United Way, Children's Services Council of St. Lucie County, Children's Services Council of Martin County, and Children's Services Council of Okeechobee County, as well as various other organizations and private foundations.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America and are in accordance with Financial Accounting Standards Board Accounting Standards Codification 958-205 *Not-for-Profit Entities Presentation of Financial Statements*. These financial statements are prepared on the accrual basis of accounting and report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Adoption of FASB ASC 326: Financial Instruments - Credit Losses

In June 2016, the FASB issued guidance ASU 2016-13*: Financial Instruments – Credit Losses* (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization maintains deposits at local financial institutions located in Martin County, Florida. The Federal Deposit Insurance Corporation insures accounts up to $250,000 per depositor. At December 31, 2023, the Organization had uninsured deposits of approximately $1.3 million.

Grants Receivable and Accounts Receivable

Grants receivable consist of amounts due for reimbursable grants. Accounts receivable consist primarily of amounts due for program service fees and membership dues. Receivables from contracts with customers are reported as accounts receivable or grants receivable in the accompanying statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying statements of financial position.

Allowance for Credit Losses

The allowance estimate is derived from a review of the Organization's historical losses based on the ageing of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's account receivables have remained constant since the Organization's inception. At December 31, 2023, the allowance for doubtful accounts was $1,570.

Prepaid Insurance

The Organization prepays certain expenses and recognizes the expenses as the benefits are received. These prepaid expenses are reflected as current assets and will be recognized as expenses within the following year as the benefits are received. Prepaid insurance as of December 31, 2023 was $19,550.

Unconditional Promises to Give

Unconditional promises to give are amounts that are expected to be collected within one year and recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Property and Equipment

The Organization capitalizes property and equipment with an estimated useful life of more than one year and an original cost of $1,000 or more. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair values. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the following useful lives:

Buildings and recreation facilities	5 – 40 years
Furniture and equipment	3 – 15 years
Vehicles	5 – 10 years

Accrued Compensation

The Organization records wages and related paid time off (PTO) as incurred. PTO for eligible employees is based on the amount earned, but not used, on each employee's anniversary date. In accordance with the Organization's policy, PTO for the purposes of vacation cannot be carried over to subsequent years, and a maximum of sixty-five days of PTO may be accrued for sick leave per employee.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-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 operation and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets that are board-designated for specific purposes.

Net Assets With Donor Restrictions – Net assets subject to donor – (or certain grantor) 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 those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue and Revenue Recognition

Revenue from membership dues, program services, and grants are recognized when the performance obligations of providing the services are met. Payments for membership dues and program services are received at the start of the membership period; amounts received in advance are deferred to the applicable period. The Organization recognizes income from reimbursable grants as of the date on which the expenses have been incurred. Fundraising revenue, generally the Easter House Fundraiser, is recognized in the period in which the prize drawings take place.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions if the restrictions do not expire in the fiscal year in which the contributions are recognized. All other donor contributions are reported as increases in net assets without 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.

Donated Services and In-Kind Contributions

In order to operate various programs, the Organization relies on the donated time and services of volunteers. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of services that assist the Organization, but these services do not meet the criteria for recognition as donated services in the financial statements.

Contributed goods are recorded at fair value at the date of the donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended December 31, 2023.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. Administrative expenses are allocated to the programs based on the percentages of direct expenses related to each program.

Advertising

The Organization expenses advertising costs as they are incurred. Expenses for the year ended December 31, 2023 were $56,822.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Income Taxes

The Organization is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation.

The Organization's Forms 990, Return of Organization Exempt from Income Tax are subject to examination by the IRS, generally for three years after they were filed which includes the years ended December 31, 2022, 2021 and 2020. No uncertain tax positions were identified or reported by the Organization for any open years based upon its analysis.

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of December 31:

	2023	2022
Current receivable	$ 126,157	$ 130,373
Less allowance for doubtful accounts	(1,570)	(1,538)
Accounts receivable, net	$ 124,587	$ 128,835

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023 consisted of the following:

Land and land improvements	$ 837,118
Buildings and recreation facilities	8,755,635
Furniture and equipment	924,019
Vehicles	240,342
	10,757,114
Accumulated depreciation	(7,098,392)
Property and equipment, net	$ 3,658,722

For the year ended December 31, 2023, the Organization recorded depreciation expense of $319,598.

NOTE 5: DEFERRED REVENUE AND EXPENSES

The YMCA provides funds for certain aspects of its operations through the Easter House Project. The program for each year is started in the previous calendar year and is not complete as of the balance sheet date. Therefore, the Board of Directors has elected to defer the related revenues and expenses for each year' s Easter House Project until its completion. At December 31, 2023, related deferred revenue was $234,336, and deferred expense was $58,642.

NOTE 6: ENDOWMENT

The Organization's endowment consists of one donor-restricted endowment fund established to further the mission and goals of the YMCA. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization operates under the Florida Uniform Prudent Management of Institution Funds Act (FUPMIFA). The Board of Directors of the Organization has interpreted the FUPMIFA as requiring the presentation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor restricted net assets (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. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the FUPMIFA.

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to functions supported by its endowment while seeking to maintain purchasing power of the endowment assets over the long-term. The Organization's spending and investing policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy establishes prudent objectives for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the purchasing power of the endowment. In making its decisions, the Organization uses reasonable care, skill, and caution in considering the purposes of the Organization, the intent of the donors of the endowment, the terms of applicable instruments, the long-term and short-term needs of the Organization in carrying out its purposes, the general economic conditions, the possible effect of inflation or deflation, or other resources of the Organization, and perpetuation of the endowment.

FUPMIFA, absent the donor's written consent, allows the Board of Directors to authorize the release of a fund less than $100,000 (up to a cap of $250,000) with notification provided to the Attorney General of the State of Florida and approval of the circuit court of the county. The Organization did not undertake any such releases.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the FUPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature exist in the donor-restricted endowment fund, which together have an original gift value of $1,800,000, a current fair value of $255,457, and $1,360,037 available from the operating fund creating a net deficiency of $184,506 as of December 31, 2023.

NOTE 6: ENDOWMENT *(continued)*

The deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. Endowment balances were invested in a money market fund with an interest rate of 3.53% at December 31, 2023. The Organization is currently transferring $50,000 per year to restore the original endowment balance.

Changes in endowment assets were as follows for 2023:

Endowment net assets, December 31, 2022	$ 201,748
Investment Income, net	3,709
Endowment repayment	50,000
Endowment net assets, December 31, 2023	$ 255,457

NOTE 7: LINE OF CREDIT

The Organization has a maximum $200,000 line of credit with Seaside National Bank and Trust. The line is due on demand. Interest is due monthly and has a minimum interest rate of 3.00%. The line of credit is collateralized by substantially all business assets. The interest rate at December 31, 2023 was 8.50%. As of December 31, 2023 no balance was outstanding. Management believes the Organization is in compliance with all covenants as of December 31, 2023.

No interest expense related to the line of credit was recorded for the year ended December 31, 2023.

NOTE 8: ACCRUED EXPENSES

Accrued expenses consisted of the following as of December 31, 2023:

Credit due to customers	$ 31,211
Accrued payroll and taxes	79,473
Total accrued expenses	$ 110,684

NOTE 9: LEASES

Leases are classified as either finance or operating capital leases, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized as profit or loss on a straight-line basis over the lease term. For leases over 12 months the update allows the Organization to use a risk-free rate as the discount rate for all leases if a discount rate is not implicit in the lease.

NOTE 9: LEASES *(continued)*

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

Operating leases

During 1982, the YMCA entered into a long-term lease with Martin County, Florida for the use of a tract of land located in Stuart, Florida for the express purpose of constructing a multi-purpose facility. The term of the lease is ninety-nine (99) years for a nominal one-time payment of one dollar ($1). The lease is renewable at the end of such lease term on a year-to-year basis.

During 2001, the YMCA entered into a long-term lease with Martin County, Florida for the use of a tract of land in Indiantown, Florida for the express purpose of constructing a multipurpose facility. The term of the lease is eighty (80) years for a nominal one-time payment of ten dollars ($10). The lease is not renewable.

During 2003, the YMCA entered into a long-term lease with the City of Port St. Lucie, Florida for the use of property in Port St. Lucie, Florida for the express purpose of furthering community and civic goals of the YMCA. The lease was first renewed during 2013 for an additional ten years. In August 2023, the lease was renewed for a second time for an additional ten years with a nominal payment of $4,400 per year. The lease is renewable for an additional ten years.

The Organization signed a sixty-month lease in April 2020, for multiple copiers and printers. The lease calls for monthly payments of $789 per month plus tax.

Financing leases

The Organization leases various prices of equipment under a capital financing lease that expires in 2024 and 2025. The lease agreement does not include any material residual value guarantees or restrictive covenants.

NOTE 9: LEASES *(continued)*

The following summarizes the line items in the balance sheet which include amounts for operating and financing leases as of December 31, 2023:

Operating lease right-of-use assets	$ 53,045
Capital lease right-of-use assets	$ 35,004
Current portion of capital operating lease liabilities:	$ 14,484
Long term portion of capital operating lease liabilities	38,561
	53,045
Current portion of capital finance lease liabilities	27,794
Long term portion of capital finance lease liabilities	7,210
	35,004
Total lease liabilities	$ 88,049

The components of lease expenses that are included in the statement of activities for the year ending December 31, 2023 was as follows:

Operating lease:	
Operating lease cost	$ 14,484
Finance lease:	
Capital lease cost (Amortization)	$ 37,439
Capital lease cost (Interest)	$ 5,076

The following summarizes the cash flow information related to leases for the year ended December 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	$ 14,484
Capital cash flows for operating leases	$ 42,515

Weighted average lease term and discount rate as of December 31, 2023 were as follows:

Weighted average remaining lease term	5 Years
Weighted average discount rate	1.83%

NOTE 9: LEASES *(continued)*

The maturities of lease liabilities as of December 31, 2023, were as follows:

	Operating Lease	Finance Lease
2024	$ 14,484	$ 27,794
2025	7,761	7,629
2026	4,400	-
2027	4,400	-
2028	4,400	-
2027 and thereafter	22,000	-
Total lease payments	57,445	35,423
Less: interest	(4,400)	(419)
Present value of lease liability	$ 53,045	$ 35,004

NOTE 10: RESTRICTIONS ON NET ASSETS

Donor restricted net assets consist mainly of endowment investments to be held indefinitely; the original amount of the endowment fund is $1,800,000.

As of December 31, 2023, the amount of endowment fund utilized by the Organization was $1,544,544. During the year ended December 31, 2023, $58,627 was repaid by the operating fund.

NOTE 11: LOCAL ORGANIZATION GRANTS

The YMCA primarily receives funding under grants from Children's Services Council of St. Lucie County (CSCSLC) and Children's Services Council of Martin County (CSCMC).

During the year ended December 31, 2023, the YMCA received grant funds for these programs approximately as follows:

CSCSLC:	
Afterschool	$ 211,028
Summer camp	122,724
CSCMC:	
O.S.T. (Out of School Time)	12,283
S.P.L.A.S.H.	7,200
Total Organization Grants	$ 353,235

NOTE 12: SPECIAL EVENTS

The Organization's net income from fundraising events consisted of the following for the year ended December 31, 2023:

	Revenues	Expenses	Net
Easter House	$ 694,183	$ 587,990	$ 106,193
Various Campaign	192,065	67,296	124,769
Total	$ 886,248	$ 655,286	$ 230,962

NOTE 13: DISAGGREGATION OF REVENUES FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Organization's revenue earned from contracts with customers based on the timing of satisfaction of performance obligations for the year ended December 31, 2023:

Performance obligations satisfied at a point in time	$ 240,381
Performance obligations satisfied over time	3,267,348
Total revenues from contracts with customers	$ 3,507,729

NOTE 14: CONCENTRATIONS

For the year ended December 31, 2023, the Organization had gross fundraising revenue from the Easter House event totaling $694,183, which comprises 13% of revenues.

NOTE 15: PENSION PLAN

The Organization has a noncontributory pension and retirement plan through the YMCA's national organization. The plan covers all eligible employees after two years of service and requires the Organization to contribute 8% of an employee's gross wages, with the employee not required to contribute. For the year ended December 31, 2023, the YMCA contributed approximately $60,000 to employee accounts.

The Organization also maintains a tax deferred annuity (403b plan) for all eligible employees. The contributions are made semi-monthly and paid from eligible employees' salaries.

NOTE 16: LIQUIDITY AND AVAILABILITY

The schedule below reflects the Organization financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date.

Amounts that are not available also include Board designated amounts that could be utilized if the Board approves the use.

NOTE 16: LIQUIDITY AND AVAILABILITY *(continued)*

Financial assets that are liquid and available within one year of the date of the statements of financial position are comprised of the following:

Cash and cash equivalents	$ 1,404,207
Cash for endowment purposes	255,457
Accounts receivable	124,587
Grants receivable	25,591
Unconditional promises to give	3,899
Less: Unconditional promises to give, donor-restricted	(3,899)
Less: Donor-restricted cash	(44,170)
Less: Cash for endowment purposes	(255,457)
Total financial assets available within one year	$ 1,510,215

Liquidity resources:	
Bank line of credit	$ 200,000

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

NOTE 17: RELATED PARTY TRANSACTIONS

The Organization is affiliated with the National Council of Young Men's Christian Association of the United States of America. For the year ended December 31, 2023, the YMCA paid dues of $91,982.

NOTE 18: LITIGATION

On December 9, 2021, two prior members filed a multi-count complaint against the Organization. In the opinion of management, the ultimate liability with respect to those claims is adequately covered by defenses and insurance, and accordingly, will not materially affect the financial position or the results of operations of the Organization.

NOTE 19: SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition and disclosure through April 17, 2024, the date the financial statements were available to be issued.