THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

REPORT ON AUDITS OF FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

Table of Contents

Templeton
ACCOUNTANTS & ADVISORS

Independent Auditor's Report

To the Board of Directors of
The Young Men's Christian Association
of the Palm Beaches, Inc.

Opinion

We have audited the accompanying financial statements of The Young Men's Christian Association of the Palm Beaches, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years 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 The Young Men's Christian Association of the Palm Beaches, Inc. as of December 31, 2024 and 2023, 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.

Basis for Opinion

We conducted our audits 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 The Young Men's Christian Association of the Palm Beaches, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 The Young Men's Christian Association of the Palm Beaches, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 The Young Men's Christian Association of the Palm Beaches, 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 The Young Men's Christian Association of the Palm Beaches, 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.

Templeton & Company, LLP

West Palm Beach, Florida
May 30, 2025

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,220,832	$ 4,844,863
Investments	8,065,164	7,091,963
Accounts and grants receivable	54,171	544,671
Unconditional promises to give net, current portion	2,058,958	1,373,500
Prepaid expenses	323	668
Total current assets	14,399,448	13,855,665
Unconditional promises to give, net	1,148,681	1,475,093
Property and equipment, net	1,246,858	847,277
Right-of-use assets - operating leases	22,449	88,795
Other assets	15,628	15,628
Total assets	$ 16,833,064	$ 16,282,458
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 41,188	$ 66,390
Contracts payable	-	513,731
Accrued expenses	30,239	184,513
Refundable advance	610,000	-
Current portion of lease liability - operating leases	22,449	67,536
Total current liabilities	703,876	832,170
Lease liability - operating leases, noncurrent	-	21,259
Total liabilities	703,876	853,429
Net assets:		
Without donor restrictions	12,068,453	11,839,294
With donor restrictions	4,060,735	3,589,735
Total net assets	16,129,188	15,429,029
Total liabilities and net assets	$ 16,833,064	$ 16,282,458

See accompanying notes to financial statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrctions	Total
Revenues and other support:						
Contributions, net	$ 406,307	$ 950,242	$ 1,356,549	$ 2,453,681	$ 769,577	$ 3,223,258
Program and other fees	340,349	-	340,349	277,882	-	277,882
Membership dues	242,548	-	242,548	231,813	-	231,813
Special events, net of direct expenses	191,425	-	191,425	152,854	-	152,854
Net investment return	517,973	-	517,973	424,855	-	424,855
In-kind support	32,654	-	32,654	66,688	-	66,688
Net assets released from restrictions	479,242	(479,242)	-	288,901	(288,901)	-
Total revenues and other support	2,210,498	471,000	2,681,498	3,896,674	480,676	4,377,350
Expenses:						
Program services:						
Wellness	272,860	-	272,860	239,913	-	239,913
Aquatics	826,740	-	826,740	627,298	-	627,298
Sports and recreation	1,909	-	1,909	1,525	-	1,525
Camp	64,081	-	64,081	259,707	-	259,707
Childcare	-	-	-	229	-	229
Total program services	1,165,590	-	1,165,590	1,128,672	-	1,128,672
Supporting services:						
Management and general	364,563	-	364,563	297,521	-	297,521
Fundraising	486,686	-	486,686	499,743	-	499,743
Total expenses	2,016,839	-	2,016,839	1,925,936	-	1,925,936
Change in net assets from operating activiites	193,659	471,000	664,659	1,970,738	480,676	2,451,414
Nonoperating activities:						
Gain on sales of equipment	35,500	-	35,500	-	-	-
Change in net assets	229,159	471,000	700,159	1,970,738	480,676	2,451,414
Net assets - beginning of year, as restated	11,839,294	3,589,735	15,429,029	9,868,556	3,109,059	12,977,615
Net assets - end of year	$ 12,068,453	$ 4,060,735	$ 16,129,188	$ 11,839,294	$ 3,589,735	$ 15,429,029

See accompanying notes to financial statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024

	Program Services					Supporting Services			
	Wellness	Aquatics	Sports and Recreation	Camp	Total	Management and General	Fundraising	Total	Total Expenses
Personnel costs:									
Salaries and payroll taxes	$ 164,271	$ 512,990	$ 1,145	$ 30,165	$ 708,571	$ 357,799	$ 128,930	$ 486,729	$ 1,195,300
Benefits	23,950	77,280	158	6,816	108,204	6,123	11,992	18,115	126,319
Total personnel costs	188,221	590,270	1,303	36,981	816,775	363,922	140,922	504,844	1,321,619
Advertising and printing	6,857	20,778	48	2,023	29,706	-	21,169	21,169	50,875
Contract services	-	243	-	-	243	-	-	-	243
Depreciation	697	2,115	5	14,559	17,376	-	-	-	17,376
Employee development	1,379	5,353	56	136	6,924	-	-	-	6,924
Food and beverage	4,438	13,732	31	-	18,201	-	-	-	18,201
Insurance	6,051	14,462	25	10,382	30,920	-	820	820	31,740
Maintenance and repairs	6,172	2,717	4	-	8,893	210	-	210	9,103
National field support	7,084	21,806	55	-	28,945	341	-	341	29,286
Office and other	20,628	59,196	173	-	79,997	90	2,595	2,685	82,682
Professional fees	6,454	19,554	45	-	26,053	-	162,240	162,240	188,293
Program supplies	3,177	7,234	12	-	10,423	-	-	-	10,423
Rental expenses	17,772	55,088	124	-	72,984	-	20	20	73,004
Taxes and licenses	263	797	2	-	1,062	-	-	-	1,062
Telephone	1,505	4,558	11	-	6,074	-	-	-	6,074
Travel and conferences	1,442	6,615	10	-	8,067	-	608	608	8,675
Vehicle expense	720	2,222	5	-	2,947	-	-	-	2,947
Bad debt	-	-	-	-	-	-	158,312	158,312	158,312
Total expenses	$ 272,860	$ 826,740	$ 1,909	$ 64,081	$ 1,165,590	$ 364,563	$ 486,686	$ 851,249	$ 2,016,839

See accompanying notes to financial statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

	Program Services						Supporting Services			
	Wellness	Aquatics	Sports and Recreation	Camp	Child Care	Total	Management and General	Fundraising	Total	Total Expenses
Personnel costs:										
Salaries and payroll taxes	$ 145,533	$ 377,642	$ 678	$ 174,173	$ 207	$ 698,233	$ 255,296	$ 182,226	$ 437,522	$ 1,135,755
Benefits	11,457	31,944	60	14,043	12	57,516	16,737	27,478	44,215	101,731
Total personnel costs	156,990	409,586	738	188,216	219	755,749	272,033	209,704	481,737	1,237,486
Advertising and printing	6,569	17,176	42	9,561	8	33,356	-	23,549	23,549	56,905
Contract services	-	-	-	9,099	-	9,099	-	-	-	9,099
Depreciation	711	1,860	5	18,275	1	20,852	-	-	-	20,852
Employee development	1,391	3,191	3	954	1	5,540	-	-	-	5,540
Food and beverage	701	1,833	4	211	-	2,749	-	-	-	2,749
Insurance	6,063	12,655	23	16,132	-	34,873	-	-	-	34,873
Maintenance and repairs	1,546	3,828	8	203	-	5,585	48	-	48	5,633
National field support	10,486	28,592	64	1,067	-	40,209	1,660	-	1,660	41,869
Office and other	21,597	53,955	128	1,593	-	77,273	92	2,546	2,638	79,911
Professional fees	6,097	15,942	39	-	-	22,078	23,688	162,218	185,906	207,984
Program supplies	2,363	8,890	310	8,868	-	20,431	-	-	-	20,431
Rental expenses	20,880	56,884	133	-	-	77,897	-	-	-	77,897
Taxes and licenses	372	974	2	48	-	1,396	-	-	-	1,396
Telephone	2,254	5,894	14	-	-	8,162	-	-	-	8,162
Travel and conferences	1,544	5,014	10	-	-	6,568	-	103	103	6,671
Vehicle expense	349	1,024	2	5,480	-	6,855	-	-	-	6,855
Bad debt	-	-	-	-	-	-	-	101,623	101,623	101,623
Total expenses	$ 239,913	$ 627,298	$ 1,525	$ 259,707	$ 229	$ 1,128,672	$ 297,521	$ 499,743	$ 797,264	$ 1,925,936

See accompanying notes to financial statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 700,159	$ 2,451,414
Adjustments to reconcile change in net assets		
to net cash provided by (used in) operating activities:		
Depreciation	17,376	20,852
Gain on sales of equipment	(35,500)	-
Net realized and unrealized gain on investments	(165,040)	(17,504)
Noncash contributions of securities	-	(202,162)
Noncash contributions of property and equipment	(32,654)	(64,840)
Contributions received for long-term purposes	(950,242)	(769,577)
Change in amortized discount on unconditional promises to give	52,607	159,691
Changes in operating assets and liabilities:		
Accounts and grants receivable	437,893	(668,897)
Unconditional promises to give, net	(359,046)	(1,596,229)
Prepaid expenses	345	34,815
Accounts payable	(25,202)	54,382
Accrued expenses	(154,274)	21,510
Refundable advance	610,000	-
Net cash provided by (used in) operating activities	96,422	(576,545)
Cash flows from investing activities:		
Purchases of investments	(818,153)	(2,075,199)
Proceeds from sale of investments	9,992	248,481
Proceeds from sales of equipment	35,500	-
Construction costs paid	(898,034)	(105,851)
Net cash used in investing activities	(1,670,695)	(1,932,569)
Cash flows from financing activities:		
Contributions received for long-term purposes	950,242	769,577
Net cash provided by financing activities	950,242	769,577
Decrease in cash and cash equivalents	(624,031)	(1,739,537)
Cash and cash equivalents at beginning of year	4,844,863	6,584,400
Cash and cash equivalents at end of year	$ 4,220,832	$ 4,844,863
Supplemental cash flow disclosure:		
In-kind donation of construction costs	$ 32,654	$ 64,840

See accompanying notes to financial statements.

Note 1 – Description of Organization

The Young Men's Christian Association of the Palm Beaches, Inc. (the YMCA or Organization) is a Florida not-for-profit entity, founded in Palm Beach County in 1917 and reincorporated in 1946. The YMCA was organized to promote the spiritual, mental, social and physical welfare of all people, especially for residents of Palm Beach County, Florida. The YMCA is a member of the YMCA of the USA, a world-wide not-for-profit organization. Each member organization of the YMCA of the USA is autonomous.

<u>Description of program services</u>

The following are the descriptions of the program services provided by the YMCA:

Wellness - Provides aerobic instruction, rehabilitative programs, and a fitness facility for its members and guests. The fitness facility includes personal training, weight training, aerobic machines, and group exercise classes. Programs such as tae kwon do and yoga are offered, in addition to the traditional group exercise classes.

Aquatics - Provides swim lessons for individuals from infants to senior citizens, water aerobics, aquatic safety training, lap swimming, and an adaptive swim program for people with disabilities.

Sports and recreation - Provides group and youth sports training, emphasizing teamwork and cooperation, developing good values, and allows young players to enjoy sports in a positive and fun environment. Programs provide basic instruction in team sports such as soccer, basketball, and golf instruction.

Camp – Provides day camp and Y Summer Camp recreational activities. Day Camp is provided for preschool and elementary school aged children during the summer and winter and spring holidays. Children are exposed to the more creative, entertaining, and recreational activities than generally found during the school year. Y Summer Camp offers a time where children can develop new friendships, explore creativity, and experience new opportunities by engaging in team or individual sports, show their artistic side by participating in arts and crafts, or join in field trips to parks and museums.

Note 2 – Summary of Significant Accounting Policies

<u>Basis of presentation</u>

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

<u>Net assets</u>

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions

Net assets not subject to donor-imposed restrictions which may be expended for any purpose in performing the primary objectives of the YMCA. The net assets may be used at the discretion of the YMCA's management and Board of Directors.

Net assets with donor restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time period has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

Note 2 – Summary of Significant Accounting Policies, Continued

Net assets, continued

The Organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by releasing the net assets from net assets with donor restrictions to net assets without donor restrictions.

Net assets restricted for acquisition of property or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified assets are placed in service by the Organization, unless the donor provided more specific directions about the period of its use.

Measure of operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the YMCA's ongoing programs and interest and dividends earned on investments. Non-operating activities are limited to other activities considered to be of a more unusual or infrequent nature.

Support and revenue recognition

The Organization recognizes revenue from grants and contracts in accordance with Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which the resource provider is receiving commensurate value in return for the resources transferred, (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies the guidance under ASC 606.

If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Revenue from grants and contracts is recognized when earned, that is, generally as the related costs are incurred under the terms of the grant or contract agreements. Amounts expended in advance of reimbursements, if any, are reported as government grants receivable. Grants and contributions that are considered to be conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. Donor restricted conditional grants and contributions that are recognized and used within the same reporting period are reported as without donor restrictions. Amounts received in advance of the conditions being met are recorded as refundable advances in the statement of financial position. The YMCA had a refundable advance from a grant award in the amount of $610,000 at December 31, 2024.

Contributions, including unconditional promises (pledges) to give, are recognized as revenue in the period the contribution or promise is received or made. All contributions are available for unrestricted use unless specifically restricted by the donor.

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are received, or ownership of other assets is transferred to the Organization. Bequests are recorded as support at the time the Organization has an established right to the bequest and proceeds are measurable.

Performance obligations are determined based on the nature of the services provided by the Organization.

Note 2 – Summary of Significant Accounting Policies, Continued

Support and revenue recognition, continued

Revenue for performance obligations satisfied at a point in time is generally recognized when services are provided and the Organization does not believe it is required to provide additional goods or service related to those services.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Organization reports donations of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained; the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated goods include contributions of noncash items. Donated services are reported as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The estimated amount of donated services rendered to the YMCA for the years ended December 31, 2024 and 2023, was $32,654 and $66,688, respectively, which is reported as in-kind support in the statements of activities. The donated services are reported in property and equipment in the statements of financial position in the amount of $32,654 and $64,840 as of December 31, 2024 and 2023, respectively, and in management and general expenses in the statement of activities in the amount of $1,848 for the year ended December 31, 2023.

Many individuals volunteer their time and perform a variety of tasks that assist the YMCA with specific assistance programs, campaign solicitations, and various committee assignments, but such services are not recorded, because there is no objective basis available to measure the value of such services.

Cash and cash equivalents

Cash and cash equivalents are defined as short-term, highly-liquid investments that are both readily convertible to cash and having original maturities of three months or less. They include petty cash and checking accounts. The Organization maintains its cash and cash equivalents in bank accounts, which may exceed federally insured limits. The Organization has not experienced any losses on such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2024 and 2023, the Organization had accounts exceeding federally insured limits of approximately $3,845,000 and $4,460,000, respectively, including certificates of deposit.

Investments

Investments include common stocks, mutual and money market funds, fixed income securities, and short-term U.S. Treasury securities. The carrying amount of investments approximates their fair value.

Accounts and grants receivable

Accounts receivable are stated at their unpaid balances, less an allowance for credit losses, when considered necessary. Management did not consider an allowance necessary at December 31, 2024 and 2023.

Promises to give

Unconditional promises to give are recognized as support in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Unconditional promises to give that are expected to be collected in one year or less are recorded at net realizable value.

Note 2 – Summary of Significant Accounting Policies, Continued

Promises to give, continued

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, and are discounted using interest rates approximating fair value at the date of the gift. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management estimates an allowance for uncollectible pledges based on current economic conditions, historical trends, and current and past experience with the donor base. As of December 31, 2024 and 2023, the YMCA has an allowance for uncollectible pledges in the amount of $137,500 and $95,000, respectively.

Donated property and equipment

Donations of property and equipment are reported as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated assets 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 YMCA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The YMCA reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. The YMCA received donated legal services in the amount of $32,654 during the year ended December 31, 2024, and received donated services for construction in progress in the amount of $64,840 during the year ended December 31, 2023.

Property and equipment

Property and equipment is stated at cost and is depreciated using the straight-line method over periods of 3 to 40 years. Additions and betterments which have an economic useful life that extends beyond 12 months and a cost of $5,000 or more are capitalized.

Impairment of long-lived assets

The carrying value of the YMCA's long-lived assets is reviewed to determine if facts or circumstances suggest that the assets may be impaired or that the remaining useful, depreciable life may need to be changed. The YMCA considers internal and external factors related to each asset, including future asset utilization and business climate. If these factors and the projected undiscounted cash flows of the asset over the remaining life indicate that the asset will not be recoverable, the carrying value will be adjusted down to the estimated fair value, if less than book value.

Fair value of financial instruments

Cash and cash equivalents, accounts and grants receivable, accounts payable, contracts payable, and accrued expenses are reflected in the financial statements at their carrying value which approximates fair value because of the short-term maturity of these instruments.

Special events, net of direct expenses

The YMCA conducts special events for the purpose of raising money for annual operations. Special events are recorded when the event takes place. The YMCA had revenues of $342,061 less related direct expenses of $150,636 for the year ended December 31, 2024, and special events revenues of $249,474 less related direct expenses of $96,620 for the year ended December 31, 2023.

Note 2 – Summary of Significant Accounting Policies, Continued

Advertising

The YMCA generally uses print and online forms of advertising to promote its programs and community outreach events. Advertising costs are expensed as incurred. Advertising related expenses were $50,875 and $56,905 for the years ended December 31, 2024 and 2023, respectively, and are included in advertising and printing in the accompanying statements of functional expenses.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

Leases

The Organization determines whether an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Organization's leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. For operating leases, lease expense is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization accounts for its lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments are recognized in operating expenses in the period in which the obligation for those payments is incurred.

Income taxes

The YMCA is a tax-exempt, not-for-profit corporation under Internal Revenue Code (IRC) Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The YMCA files tax returns in the U.S. federal jurisdiction and is no longer subject to U.S. federal tax examinations for years before 2021.

Functional allocation of expenses

The costs of providing the services the YMCA offers are summarized on a functional basis in the accompanying statements of activities and statements of functional expenses. Expenses that can be identified with a specific program or supporting service are charged directly to that program or supporting service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied.

- Occupancy costs (depreciation, insurance, maintenance and repairs, and utilities) are allocated on a basis of the total costs for each program or supporting activity occupying each building space.

Note 2 – Summary of Significant Accounting Policies, Continued

Functional allocation of expenses, continued

- Telephone, postage, supplies, equipment rental, and other expenses that cannot be directly identified are allocated on a basis of the total costs for each program or supporting activity.

Annually, or more often when new programs are added, the bases on which costs are allocated are evaluated.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the YMCA.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The YMCA generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Note 3 – Availability and Liquidity

Financial assets available for general expenditures within one year of December 31, 2024 and 2023 are as follows:

	2024	2023
Financial assets:		
Cash and cash equivalents	$ 4,220,832	$ 4,844,863
Investments	8,065,164	7,091,963
Accounts and grants receivable	54,171	544,671
Unconditional promises to give (without donor restrictions)	154,061	174,903
Total financial assets	12,494,228	12,656,400
Less: amounts not available to be used within one year:		
Net assets with donor restrictions	4,060,735	3,589,735
Amount available for general expenditures within one year	$ 8,433,493	$ 9,066,665

The YMCA's goal is generally to maintain financial assets to meet its annual operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including cash equivalents.

Note 4 – Investments

A summary of investments as of December 31, 2024 and 2023, is presented as follows:

	2024	2023
Common stocks	$ 301,308	$ -
Mutual fund	-	10,089
Money market fund	4,443,783	2,186,923
Fixed income	3,320,073	2,502,020
U.S. Treasury securities	-	2,392,931
Total investments, at fair value	$ 8,065,164	$ 7,091,963

Note 4 – Investments, Continued

The following is a summary of net investment return for the years ended December 31, 2024 and 2023 follows:

	2024	2023
Interest and dividend income	$ 352,933	$ 407,351
Unrealized and realized gains, net	165,040	17,504
Net investment return	$ 517,973	$ 424,855

Investment advisory fees paid by the YMCA were $12,269 and $11,466 for the years ended December 31, 2024 and 2023, respectively, and are netted against net investment return in the accompanying statements of activities.

Note 5 – Fair Value Measurement

Accounting guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The valuation under this approach does not entail a significant degree of judgment.

Level 2 – Pricing inputs are other than quoted prices in active markets which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models and other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments which are generally included in this category include venture capital investments in equity or equity-oriented securities of privately held entities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The YMCA's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

All of the Organization's investments were within the Level 1 hierarchy as of December 31, 2024 and 2023.

Note 6 – Unconditional Promises to Give

Unconditional promises to give consist of the following at December 31, 2024 and 2023:

	2024	2023
Programming pledges	$ -	$ 920
Annual fund	154,061	95,000
Capital campaign pledges	3,048,376	3,007,364
Endowment pledges	350,000	-
Unconditional promises to give before unamortized discount	3,552,437	3,103,284
Less: unamortized discount	(212,298)	(159,691)
Less: allowance for uncollectible pledges	(132,500)	(95,000)
Net unconditional promises to give	$ 3,207,639	$ 2,848,593

Note 6 – Unconditional Promises to Give, Continued

	2024	2023
Amounts due in:		
Less than one year	$ 2,191,458	$ 1,468,500
One to five years	1,010,979	-
Greater than five years	350,000	1,634,784
Total	$ 3,552,437	$ 3,103,284

The YMCA applies discount rates of 4.22% to 4.49% for its pledges with terms in excess of one year.

Note 7 – Property and Equipment

The following is a summary of property and equipment as of December 31, 2024 and 2023:

	2024	2023
Equipment	$ 130,391	$ 265,257
Accumulated depreciation	(119,043)	(236,533)
	11,348	28,724
Construction in progress	1,235,510	818,553
	$ 1,246,858	$ 847,277

Construction in progress represents costs incurred to construct new facilities (see Note 12 and Note 14). Depreciation expense totaled $17,376 and $20,852, respectively, for the years ended December 31, 2024 and 2023.

Note 8 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31, 2024 and 2023:

	2024	2023
Specific purpose:		
Capital campaign and improvements	$ 4,060,735	$ 3,589,735
Total	$ 4,060,735	$ 3,589,735

Note 9 – Net Assets Released from Restrictions

Net assets are released from donor restrictions by incurring costs or expenses satisfying the restricted purposes or by the occurrence of events as specified by the donors. Net assets were released from restrictions for the years ended December 31, 2024 and 2023 for the following purpose:

	2024	2023
Satisfaction of purpose restrictions:		
Capital campaign and improvements	$ 220,000	$ 34,210
Programs	259,242	254,691
Total	$ 479,242	$ 288,901

Note 10 – Retirement Plan

Clerical and professional staff members who meet specified requirements participate in a defined contribution retirement plan administered by the YMCA Retirement Fund. Contributions totaling $62,316 and $51,425 for 2024 and 2023, respectively, are included in benefits in the statements of functional expenses. Such contributions were made to the YMCA Retirement Fund based on 12% of the participating employees' salaries.

Note 11 – Related Party Transactions

The YMCA paid $29,286 and $41,869 for the years ended December 31, 2024 and 2023, respectively, to the YMCA of the USA. The amounts are based on a percentage of certain revenue and support.

Note 12 – Leases

On January 12, 2021, the YMCA signed a lease agreement with Palm Beach County, Florida (the County) to lease approximately five (5) acres of undeveloped land within Lake Lytal Park for relocating the YMCA's programs and operations. The initial lease term is for fifty (50) years with one fifty (50) year extension option. The YMCA shall reimburse the County up to 50% of the cost of design and permitting of infrastructure improvements, not to exceed a predetermined amount. The County lease requires an annual base rental payment of $10. The County lease requires the YMCA to commence construction of new facilities in three phases within a ten year period. The County lease also requires the YMCA to raise funding for the new facilities in the in the amount of $7,500,000 by November 30, 2023, $16,500,000 by November 30, 2026, and $21,500,000 by November 30, 2030. Either party shall have the right to terminate the lease in the event the fundraising amounts are not met.

The Organization also leases certain recreational facilities under a non-cancelable operating lease agreement with a lease term expiring in April 2025.

Operating lease expense is recorded within rental expenses in the accompanying statements of functional expenses. Lease expense related to the Organization's non-cancelable operating leases for the years ended December 31, 2024 and 2023, totaled $67,536 for both years. The Organization's operating leases did not contain any variable lease components for the years ended December 31, 2024 and 2023.

The following presents supplemental disclosure associated with the Organization's cash flow information related to operating leases for the years ended December 31, 2024 and 2023:

	2024	2023
Operating activities:		
Cash paid for amounts included in the measurement of lease liabilities	$ 67,536	$ 67,536

The following table presents the weighted average lease term (in years) and discount rate of the Organization's operating leases as of December 31, 2024 and 2023:

	2024	2023
Weighted average remaining lease term (in years)	0.33	1.42
Weighted average discount rate	2.25%	2.25%

The following table presents a maturity analysis of the Organization's lease liability as of December 31, 2024:

Year Ending December,	
2025	$ 22,512
Total minimum lease payments	22,512
Less: imputed interest	(63)
Present value of minimum lease payments	$ 22,449

Note 13 – Management Agreement

In August 2023, the Organization executed a management agreement with the District Board of Trustees of Palm Beach State College (the College) to operate and manage the College's Wellness Center. Terms of the management agreement call for the College to engage the YMCA to manage and provide health and wellness services to the College's faculty and staff as well as the YMCA's members and participants. The YMCA is to make all day to day management decisions of running the Wellness Center. The YMCA incurs no costs or expenses for occupancy of the College's Wellness Center and receives no fees for providing services to the College's faculty and staff. The management agreement is automatically extended monthly unless either the College or Organization provides written notice not to extend the term.

Note 14 – Commitments

Construction

The YMCA is undergoing construction projects related to relocating the YMCA's programs and operations to the land within Lake Lytal Park (see Note 12). Management estimates the total costs for the first phase project, a community center, to be approximately $19,900,000. The first phase project will be funded with a construction loan of up to $8,000,000, governmental grant awards of approximately $2,250,000, and capital campaign contributions. Management anticipates the construction loan will be finalized during the summer of 2025. As of December 31, 2024, the YMCA has executed contracts related to the construction projects of approximately $1,400,000 with remaining commitments of approximately $700,000.

Grantor agencies

The YMCA receives grants and other forms of reimbursement from various agencies. Those activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management believes that all of the expenditures are properly recorded and that the liability, if any, for any reimbursement which may arise as the result of audits would not be material.

Note 15 – Subsequent Events

Management evaluated activity of the YMCA subsequent to December 31, 2024 through May 30, 2025, the date the financial statements were available to be issued, for events that require recognition in the financial statements or disclosure in the notes thereto.