

**YOUNG MEN'S CHRISTIAN ASSOCIATION  
OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Financial Statements**

**December 31, 2023 and 2022  
(With Independent Auditors' Report Thereon)**

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

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## **Independent Auditors' Report**

The Board of Directors  
Young Men's Christian Association of the Suncoast, Inc.  
d/b/a YMCA of the Suncoast:

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast (the "Organization"), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of Young Men's Christian Association of the Suncoast, Inc. d/b/a YMCA of the Suncoast as of December 31, 2023 and 2022, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Organization'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 Organization'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.

*Mayer Hoffman McCune P.C.*

April 25, 2024  
St. Petersburg, Florida

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Financial Position**

**December 31, 2023  
(With Comparative Totals for 2022)**

Assets	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
			<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 7,996,273	1,144,947	9,141,220	8,045,564
Accounts receivable:				
Trade, net	351,936	-	351,936	496,217
Grants	612,557	13,645	626,202	811,325
Other	12,586	-	12,586	14,691
Prepaid expenses	176,289	-	176,289	125,934
Contributions receivable, net	766,775	894,656	1,661,431	2,236,225
Investments, at market	10,721,888	3,908,178	14,630,066	11,999,346
Operating lease right-of-use assets	44,884	-	44,884	70,621
Land, buildings and equipment, net	19,989,450	-	19,989,450	20,371,350
Other assets	19,607	-	19,607	19,309
	<u>40,692,245</u>	<u>5,961,426</u>	<u>46,653,671</u>	<u>44,190,582</u>
<b>Total assets</b>	<b>\$ 40,692,245</b>	<b>5,961,426</b>	<b>46,653,671</b>	<b>44,190,582</b>
<b>Liabilities and Net Assets</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,797,015	-	1,797,015	1,509,767
Deferred membership and program revenue	667,169	-	667,169	628,214
Refundable advances	54,172	-	54,172	345,451
Deferred rental income	226,417	-	226,417	239,417
Operating lease liabilities	65,309	-	65,309	98,403
Finance lease liabilities	84,422	-	84,422	118,064
	<u>2,894,504</u>	<u>-</u>	<u>2,894,504</u>	<u>2,939,316</u>
<b>Total liabilities</b>	<b>2,894,504</b>	<b>-</b>	<b>2,894,504</b>	<b>2,939,316</b>
Net assets:				
Without donor restrictions:				
Designated for general endowment	4,713,216	-	4,713,216	5,191,051
Designated for other purposes	8,637,401	-	8,637,401	7,701,200
Undesignated	24,447,124	-	24,447,124	22,888,552
	<u>37,797,741</u>	<u>-</u>	<u>37,797,741</u>	<u>35,780,803</u>
<b>Total net assets</b>	<b>37,797,741</b>	<b>5,961,426</b>	<b>43,759,167</b>	<b>41,251,266</b>
<b>Total liabilities and net assets</b>	<b>\$ 40,692,245</b>	<b>5,961,426</b>	<b>46,653,671</b>	<b>44,190,582</b>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Financial Position**

**December 31, 2022**

<b>Assets</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Cash and cash equivalents	\$ 7,203,926	841,638	8,045,564
Accounts receivable:			
Trade, net	496,217	-	496,217
Grants	811,325	-	811,325
Other	14,691	-	14,691
Prepaid expenses	125,934	-	125,934
Contributions receivable	1,125,067	1,111,158	2,236,225
Investments, at market	8,481,679	3,517,667	11,999,346
Operating lease right-of-use assets	70,621	-	70,621
Land, buildings and equipment, net	20,371,350	-	20,371,350
Other assets	19,309	-	19,309
	<u>\$ 38,720,119</u>	<u>5,470,463</u>	<u>44,190,582</u>
<b>Liabilities and Net Assets</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 1,509,767	-	1,509,767
Deferred membership and program revenue	628,214	-	628,214
Refundable advances	345,451	-	345,451
Deferred rental income	239,417	-	239,417
Operating lease liabilities	98,403	-	98,403
Obligation under capital leases	118,064	-	118,064
	<u>2,939,316</u>	<u>-</u>	<u>2,939,316</u>
Net assets:			
Without donor restrictions:			
Designated for general endowment	5,191,051	-	5,191,051
Designated for other purposes	7,701,200	-	7,701,200
Undesignated	22,888,552	-	22,888,552
	<u>35,780,803</u>	<u>-</u>	<u>35,780,803</u>
With donor restrictions	<u>-</u>	<u>5,470,463</u>	<u>5,470,463</u>
	<u>35,780,803</u>	<u>5,470,463</u>	<u>41,251,266</u>
Total net assets	<u>35,780,803</u>	<u>5,470,463</u>	<u>41,251,266</u>
Total liabilities and net assets	<u>\$ 38,720,119</u>	<u>5,470,463</u>	<u>44,190,582</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Activities**

**Year Ended December 31, 2023  
(With Comparative Totals for 2022)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Operating support and revenue:				
Program services fees	\$ 10,038,959	-	10,038,959	8,475,873
Membership	9,590,145	-	9,590,145	8,362,330
Contributions	1,160,767	207,368	1,368,135	1,388,078
United Way	-	46,000	46,000	58,100
Grants	5,559,619	245,734	5,805,353	5,468,550
Special events, net	161,021	-	161,021	154,284
Rental income	13,000	-	13,000	13,000
Other	188,404	-	188,404	173,016
	<u>26,711,915</u>	<u>499,102</u>	<u>27,211,017</u>	<u>24,093,231</u>
Net assets released from restrictions:				
Satisfaction of use restrictions	453,201	(453,201)	-	-
Expiration of time restrictions	147,083	(147,083)	-	-
	<u>27,312,199</u>	<u>(101,182)</u>	<u>27,211,017</u>	<u>24,093,231</u>
Total support and revenue				
Operating expenses:				
Program services	21,595,801	-	21,595,801	18,395,027
Supporting services:				
Management and general	3,490,624	-	3,490,624	2,935,646
Development and fundraising	594,075	-	594,075	528,813
	<u>25,680,500</u>	<u>-</u>	<u>25,680,500</u>	<u>21,859,486</u>
Total expenses before depreciation and amortization				
Change in net assets from operations before depreciation and amortization	1,631,699	(101,182)	1,530,517	2,233,745
Depreciation and amortization expense	1,677,719	-	1,677,719	1,665,374
	<u>(46,020)</u>	<u>(101,182)</u>	<u>(147,202)</u>	<u>568,371</u>
Change in net assets from operations				
Other changes:				
Investment return	570,937	415,548	986,485	(1,063,977)
Bank interest income	252,688	-	252,688	67,992
Contributions and grants for acquisition of capital assets	15,659	281,897	297,556	368,121
Contributions to endowment	57,451	40,000	97,451	468,457
Gain (loss) on sale of property and equipment	1,020,923	-	1,020,923	(2,944)
Change in fair value of interest rate swap and floor	-	-	-	350,384
Net assets released from restrictions:				
Satisfaction of land use restrictions	145,300	(145,300)	-	-
	<u>2,016,938</u>	<u>490,963</u>	<u>2,507,901</u>	<u>756,404</u>
Change in net assets				
Net assets, beginning of year	<u>35,780,803</u>	<u>5,470,463</u>	<u>41,251,266</u>	<u>40,494,862</u>
Net assets, end of year	<u>\$ 37,797,741</u>	<u>5,961,426</u>	<u>43,759,167</u>	<u>41,251,266</u>

See accompanying independent auditors' report and notes to financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Activities**

**Year Ended December 31, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Operating support and revenue:			
Program services fees	\$ 8,475,873	-	8,475,873
Membership	8,362,330	-	8,362,330
Contributions	1,142,094	245,984	1,388,078
United Way	15,100	43,000	58,100
Grants	5,336,125	132,425	5,468,550
Special events, net	154,284	-	154,284
Rental income	13,000	-	13,000
Other	173,016	-	173,016
	23,671,822	421,409	24,093,231
Net assets released from restrictions:			
Satisfaction of use restrictions	322,559	(322,559)	-
Expiration of time restrictions	63,614	(63,614)	-
	24,057,995	35,236	24,093,231
Operating expenses:			
Program services	18,395,027	-	18,395,027
Supporting services:			
Management and general	2,935,646	-	2,935,646
Development and fundraising	528,813	-	528,813
	21,859,486	-	21,859,486
Total expenses before depreciation and amortization	21,859,486	-	21,859,486
Change in net assets from operations before depreciation and amortization	2,198,509	35,236	2,233,745
Depreciation and amortization expense	1,665,374	-	1,665,374
Change in net assets from operations	533,135	35,236	568,371
Other changes:			
Investment return	(533,495)	(530,482)	(1,063,977)
Bank interest income	67,992	-	67,992
Contributions and grants for acquisition of capital assets	68,121	300,000	368,121
Contributions to endowment	408,457	60,000	468,457
Loss on sale of property and equipment	(2,944)	-	(2,944)
Change in fair value of interest rate swap	350,384	-	350,384
Net assets released from restrictions:			
Satisfaction of land use restrictions	145,300	(145,300)	-
	1,036,950	(280,546)	756,404
Change in net assets	1,036,950	(280,546)	756,404
Net assets, beginning of year	34,743,853	5,751,009	40,494,862
Net assets, end of year	\$ 35,780,803	5,470,463	41,251,266

See accompanying independent auditors' report and notes to financial statements.



**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Functional Expenses**

**Year Ended December 31, 2023  
(With Comparative Totals for 2022)**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>	
	<u>Family Programs</u>	<u>Management and General</u>	<u>Development and Fund Raising</u>	<u>2023</u>	<u>2022</u>
Salaries	\$ 12,582,467	1,918,429	207,914	14,708,810	12,313,397
Employee benefits	1,270,908	405,313	40,755	1,716,976	1,443,960
Payroll taxes	953,199	129,887	15,221	1,098,307	914,434
<b>Total salaries and related expenses</b>	<b>14,806,574</b>	<b>2,453,629</b>	<b>263,890</b>	<b>17,524,093</b>	<b>14,671,791</b>
Contractual and professional fees	256,349	479,672	85,392	821,413	732,846
Program subcontractor expense	196,527	-	-	196,527	113,698
Supplies	1,343,555	33,637	1,574	1,378,766	986,390
Telephone	72,819	20,446	513	93,778	93,540
Postage and shipping	4,835	3,144	7,333	15,312	25,768
Occupancy	2,979,817	103,796	16,187	3,099,800	3,061,552
Equipment expense	315,531	90,635	61,091	467,257	333,513
Printing / public relations	83,615	95,278	105,967	284,860	209,512
Travel and transportation	86,242	22,682	1,301	110,225	107,434
Conferences	150,967	75,001	4,483	230,451	135,475
Payment of dues	297,449	25,299	8,028	330,776	282,420
Awards and grants	-	12,929	24,790	37,719	13,230
Interest expense	6,231	1,327	148	7,706	73,309
Insurance	542,309	61,423	6,825	610,557	605,819
Bad debt expense	87,742	-	-	87,742	89,916
Bank charges	360,016	5,800	6,553	372,369	307,085
In-kind expenses	-	-	-	-	1,184
Miscellaneous	5,223	5,926	-	11,149	15,004
<b>Total expenses before depreciation and amortization</b>	<b>21,595,801</b>	<b>3,490,624</b>	<b>594,075</b>	<b>25,680,500</b>	<b>21,859,486</b>
Depreciation and amortization	1,561,841	104,290	11,588	1,677,719	1,665,374
<b>Total expenses - 2023</b>	<b>\$ 23,157,642</b>	<b>3,594,914</b>	<b>605,663</b>	<b>27,358,219</b>	
<b>Total expenses - 2022</b>	<b>\$ 19,934,569</b>	<b>3,049,604</b>	<b>540,687</b>		<b>23,524,860</b>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statement of Functional Expenses**

**Year Ended December 31, 2022**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Family Programs</u>	<u>Management and General</u>	<u>Development and Fund Raising</u>	
Salaries	\$ 10,356,461	1,767,405	189,531	12,313,397
Employee benefits	1,101,848	307,290	34,822	1,443,960
Payroll taxes	780,780	120,245	13,409	914,434
<b>Total salaries and related expenses</b>	<b>12,239,089</b>	<b>2,194,940</b>	<b>237,762</b>	<b>14,671,791</b>
Contractual and professional fees	249,017	369,506	114,323	732,846
Program subcontractor expense	113,698	-	-	113,698
Supplies	968,106	17,023	1,261	986,390
Telephone	74,944	16,524	2,072	93,540
Postage and shipping	15,111	3,680	6,977	25,768
Occupancy	2,990,609	63,538	7,405	3,061,552
Equipment expense	192,430	75,957	65,126	333,513
Printing / public relations	84,229	53,768	71,515	209,512
Travel and transportation	96,279	10,147	1,008	107,434
Conferences	86,336	44,334	4,805	135,475
Payment of dues	252,603	23,534	6,283	282,420
Awards and grants	1,002	12,228	-	13,230
Interest and financing costs	65,834	6,925	550	73,309
Insurance	570,856	31,467	3,496	605,819
Bad debt expense	84,305	978	4,633	89,916
Bank charges	297,323	8,665	1,097	307,085
In-kind expenses	1,184	-	-	1,184
Miscellaneous	12,072	2,432	500	15,004
<b>Total expenses before depreciation and amortization</b>	<b>18,395,027</b>	<b>2,935,646</b>	<b>528,813</b>	<b>21,859,486</b>
Depreciation and amortization	1,539,542	113,958	11,874	1,665,374
<b>Total expenses</b>	<b>\$ 19,934,569</b>	<b>3,049,604</b>	<b>540,687</b>	<b>23,524,860</b>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Statements of Cash Flows**

**Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
Cash flows from operating activities:		
Change in net assets	\$ 2,507,901	756,404
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,677,719	1,665,374
Bad debt expense	87,742	89,916
Noncash lease expense	25,737	9,825
Noncash contributed use of land	(43,773)	(48,589)
Loss (gain) on sale of property and equipment	(1,020,923)	2,944
Net depreciation (appreciation) on investments	(677,187)	1,266,590
Change in fair value of interest rate swap	-	(350,384)
Cash received from contributions and grants restricted and designated for long-term purposes	(297,556)	(368,121)
Change in operating assets and liabilities:		
Trade accounts receivable	144,281	(206,626)
Grants receivable	185,123	(526,236)
Other receivables	2,105	(485)
Prepaid expenses	(50,355)	21,851
Contributions receivable	530,825	396,148
Other assets	(298)	(19,309)
Accounts payable and accrued expenses	287,248	(100,952)
Deferred rental income	(13,000)	(13,000)
Operating lease liabilities	(33,094)	8,957
Deferred revenue and refundable advances	(252,324)	(2,228,489)
Net cash provided by operating activities	3,060,171	355,818
Cash flows from investing activities:		
Purchases of property and equipment	(1,534,896)	(1,510,282)
Proceeds from sale of property and equipment	1,260,000	49,880
Purchases of investments	(9,897,520)	(6,373,762)
Proceeds from sale of investments	7,943,987	5,649,485
Net cash used in investing activities	(2,228,429)	(2,184,679)
Cash flows from financing activities:		
Cash received from contributions and grants restricted and designated for long-term purposes	297,556	368,121
Cash received upon termination of interest rate swap agreement	-	425,000
Principal payments on long-term debt	-	(5,452,715)
Principal payments on finance leases	(33,642)	(32,945)
Net cash provided by (used in) financing activities	263,914	(4,692,539)
Net increase (decrease) in cash and cash equivalents	1,095,656	(6,521,400)
Cash and cash equivalents at beginning of year	8,045,564	14,566,964
Cash and cash equivalents at end of year	\$ 9,141,220	8,045,564
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 7,706	86,315
Non-cash investing and financing activities:		
Recognition of new operating lease right-of-use assets and related operating lease liabilities	\$ -	80,446

See accompanying independent auditors' report and notes to financial statements.

**YOUNG MEN’S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements**

**December 31, 2023 and 2022**

**(1) Description of Organization**

Young Men’s Christian Association of the Suncoast, Inc., d/b/a YMCA of the Suncoast (the “Organization”), is a Florida not-for-profit corporation and a member of the Association of the National Council of the Young Men’s Christian Associations of the United States of America. (the “Y-USA”). The Organization’s purpose is to advance the cause of strengthening community through youth development, healthy living and social responsibility. The Y-USA. is a powerful association of men, women, and children committed to bringing about lasting personal and social change. With a focus on nurturing the potential of every child and teen, improving the nation’s health and well-being and providing opportunities to give back and support neighbors, the Y-USA enables youth, adults, families and communities to be healthy, confident, connected and secure. Y-USA of the Suncoast is committed to providing programs which strengthen the communities of Pinellas, Pasco, Hernando, Citrus and Levy Counties, Florida. The accompanying financial statements include the Suncoast administrative office and the accounts of the Organization’s programs maintained at the following branches:

- Clearwater Y-in-Motion
- Hernando County Family Branch YMCA
- John Geigle YMCA
- James P. Gills Family/West Pasco Branch YMCA
- Greater Ridgecrest Family Branch YMCA
- Greater Palm Harbor Family Branch YMCA
- Citrus Memorial Health Foundation Branch YMCA
- YMCA School Age Program Services

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

**(b) Financial Accounting Standards**

The Financial Accounting Standards Board (“FASB”) issued authoritative guidance establishing two levels of GAAP - authoritative and nonauthoritative - and making the Accounting Standards Codification (“ASC”) the source of authoritative, nongovernmental GAAP, except for rules and interpretive releases of the Securities and Exchange Commission. This guidance has been incorporated into ASC Topic 105, *Generally Accepted Accounting Principles*.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
D/B/A YMCA OF THE SUNCOAST**

**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(c) Fair Value Measurement**

The Organization has adopted the provisions of ASC Topic 820, *Fair Value Measurement*, which requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices that are observable for the assets or liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3). The carrying amount reported in the statements of financial position for cash and cash equivalents, accounts receivable, and accounts payable approximate fair value because of the immediate or short-term maturities of these financial instruments.

**(d) Cash and Cash Equivalents**

The Organization considers all money market funds and certificates of deposit, with original maturities of three months or less to be cash equivalents.

**(e) Net Assets**

***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are available for use at the discretion of the Organization's Board of Directors (the "Board") and/or management for general operating purposes. From time to time, the Organization's Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Organization's Board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organization's long-term financial viability.

***Net Assets With Donor Restrictions***

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained in perpetuity while permitting the Organization to spend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(f) Contributions**

The Organization recognizes contributions when cash or other assets or an unconditional promise to give is received. 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 contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers.

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local government contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as refundable advances in the statement of financial position. At December 31, 2023 and 2022, refundable advances under conditional grant awards totaled \$54,172 and \$345,451, respectively.

**(g) Accounts Receivable and Allowance for Credit Losses**

Accounts receivable consists primarily of outstanding membership and program fees and amounts due under contracts with funders for services provided by the Organization.

An allowance for credit losses related to accounts receivable is established based upon historical collection rates by age of receivable and adjusted for reasonable expectations of future collection performance, net of estimated recoveries. The Organization periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment. Management's estimate of the allowance for credit losses is approximately \$483,000 and \$425,000 at December 31, 2023 and 2022, respectively.

**(h) Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at their fair values in the Organization's statements of financial position.

Unrealized gains and losses are included in other changes in the statements of activities. Restrictions on investment earnings are reported as increases in net assets without donor restrictions if the restrictions expire or are otherwise satisfied in the fiscal year in which the earnings are recognized.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(i) Land, Buildings and Equipment**

Depreciation of buildings and equipment is computed using the straight-line method over the estimated useful lives of the related assets. Land, buildings and equipment are stated at cost, or if contributed, at fair value at the date of donation. The Organization capitalizes additions that equal or exceed \$1,500. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. The estimated useful lives of related asset classes are 5 to 40 years for buildings and improvements and 3 to 10 years for furniture, equipment and vehicles.

Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset.

**(j) Revenue Recognition**

The Organization has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees.

Because the Organization's performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

*Membership Dues and Program Fees:* Membership dues and program fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs. Members join for varying lengths of time and may cancel with 30 days' notice. Members generally pay a one-time joining fee plus monthly dues in advance. Memberships provide use of the recreation facilities, access to free classes, programs and activities, and discounts to fee-based programs. The Organization offers a variety of programs including family, childcare, day camp, teen, scholastic, fitness, aquatics, health, and other services. Fee-based programs are available to the public. Program fees for short duration programs of two months or less, such as aquatics classes, are typically paid in advance at the time of registration. Program fees for longer duration programs, such as fee-based childcare, are usually paid monthly in advance. Cancellation provisions vary by program, but most transactions are cancellable with 15 to 30 days' notice. Refunds may be available for services not provided. Financial assistance is available to members and program participants. Such financial assistance is reflected as a reduction of gross membership dues and program fees.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(j) Revenue Recognition - Continued**

Membership dues and program fees are recognized ratably over the period the membership or program service is provided on a straight-line basis in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those services. All of the Organization's revenues from contracts with customers are from performance obligations satisfied over time. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. Membership joining fees are ratably recognized over a one-year period from the membership start date.

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

**(k) Special Events Revenue and Expense**

The Organization reports special events revenue net of related expenses in the accompanying statements of activities. Special events revenue was \$280,219 and \$257,595 in 2023 and 2022, respectively. Special events expense was \$119,198 and \$103,311 in 2023 and 2022, respectively.

**(l) Income Taxes**

The Organization has been recognized by the Internal Revenue Service as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 and has been classified as an organization that is not a private foundation under Section 509(a).

The Organization applies ASC Topic 740, *Income Taxes*. ASC Topic 740 prescribes a recognition and measurement standard for uncertain tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. There is no material impact on the Organization's financial position or changes in net assets as a result of the application of this standard. The Organization's policy is to recognize interest and penalties associated with tax positions under this standard as a component of income tax expense, and none were recognized since there was no material impact of the overall application of this standard.

The tax years that remain subject to examination are 2020 through 2023 for all major tax jurisdictions.

**(m) Functional Expense Allocations**

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Expenses directly attributable to a specific functional area of the Organization are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on either time spent by employees on each functional area or based on a square footage analysis for all indirect occupancy-related expenses.



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**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(n) Leases**

The Organization leases office space and certain office equipment. The Organization determines if 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 accompanying statements of financial position. Finance leases are included in property and equipment and financing lease liabilities on the accompanying 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 Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at 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 commencement date in determining the present value of lease payments. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise the option.

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

**(o) Estimates in Financial Statements**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases or decreases in net assets during the period. Actual results could differ from those estimates.

**(p) Going Concern Evaluation**

On an annual basis, as required by ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Organization performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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**Notes to Financial Statements - Continued**

**(2) Summary of Significant Accounting Policies - Continued**

**(q) Reclassifications**

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation.

**(r) Accounting Pronouncement Recently Adopted**

Effective January 1, 2023, the Organization adopted FASB Accounting Standards Update (“ASU”) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

**(3) Investments**

At December 31, 2023 and 2022, the cost and market value of investments were as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and cash equivalents	\$ 6,011,935	6,011,935	1,733,228	1,733,228
Fixed income	3,558,713	3,583,213	5,174,903	5,150,188
Equities	3,784,045	5,034,918	4,471,346	5,115,930
	<u>\$ 13,354,693</u>	<u>14,630,066</u>	<u>11,379,477</u>	<u>11,999,346</u>

At December 31, 2023 and 2022, none of the Organization’s investments in corporate bonds or mutual funds are concentrated in a single entity or industry. In addition, the Organization’s mutual fund investments represent shares in registered investment companies which own diversified portfolios. The mutual funds invest primarily in equity securities.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(3) Investments - Continued**

The following schedule summarizes investment return and other investment activity for the years ended December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Investments at market, beginning of year	\$ 11,999,346	12,541,659
Investment return:		
Interest and dividends	348,826	240,609
Net realized and unrealized gains (losses)	677,187	(1,266,590)
Investment management fees	(39,528)	(37,996)
Total investment return	986,485	(1,063,977)
Deposits	2,026,592	1,232,339
Withdrawals	(382,357)	(710,675)
Net increase (decrease) in investments	2,630,720	(542,313)
Investments at market, end of year	\$ 14,630,066	11,999,346

**(4) Contributions Receivable**

Contributions receivable which are due in more than one year are recorded at estimated fair value by discounting future cash flows using current risk-free rates of return based on U.S. Treasury Securities yields with maturity dates similar to the expected contribution collection period. As of December 31, 2023 and 2022, the average discount rate was 2% in each year. Management evaluates the allowance for uncollectible contributions on an annual basis and makes adjustments to the allowance as deemed necessary.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(4) Contributions Receivable - Continued**

Contributions receivable consist of the following at December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Contributions restricted or designated for capital development	\$ 411,175	-
Contributions restricted or designated for endowment	430,400	1,255,300
Contribution restricted for United Way funded programs	25,417	26,500
Contributions restricted for financial assistance program	-	100,000
Gross contributions receivable	866,992	1,381,800
Less:		
Allowance for uncollectible contributions	(16,846)	(24,806)
Unamortized discount	(20,014)	(53,595)
Net contributions receivable - cash	830,132	1,303,399
Land use contribution - Greater Ridgecrest	831,299	932,826
Total contributions receivable, net	\$ 1,661,431	2,236,225

Cash pledges are due to be collected as follows at December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Cash amounts due in:		
Less than one year	\$ 439,742	551,400
One to five years	423,850	824,600
More than five years	3,400	5,800
	\$ 866,992	1,381,800

The land use contribution was originally received under a twenty-year lease agreement which was renewed in 2020 for an additional ten years and is more fully described in Note 16.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(5) Land, Buildings and Equipment**

Land, buildings and equipment at December 31, 2023 and 2022 consists of the following:

	<b>2023</b>	<b>2022</b>
Land and improvements	\$ 3,992,428	4,156,331
Buildings and improvements	36,024,756	35,581,990
Furniture, fixtures and equipment	5,521,927	5,210,722
Leasehold improvements	3,049,889	3,024,089
Construction-in-progress	1,091,845	475,179
	49,680,845	48,448,311
Less: accumulated depreciation and amortization	(29,691,395)	(28,076,961)
	\$ 19,989,450	20,371,350

Depreciation and amortization expense was \$1,677,719 and \$1,583,983 in 2023 and 2022, respectively.

In connection with the development of a new branch facility in Citrus County, Florida, the Organization received a contribution of land valued at \$830,000 in 2014. The donor of the land conveyed the property with the recorded stipulation that it be utilized solely as a facility operated by the YMCA according to its ordinary and customary use. This restriction limits the ability of the Organization to sell or encumber the property without the consent of the donor, his successors and assignees so long as any such entities exist.

**(6) Deferred Rental Income**

***School Board of Citrus County***

In 2016, the Organization entered into an agreement with the School Board of Citrus County, under which the County's schools will utilize the Organization's Citrus branch pool and facilities. The agreement calls for a twenty-five year term, with an option to extend the term before expiration. The Organization received a single payment of \$325,000 under the agreement which represents deferred rental income. The deferred rental income is being amortized over a twenty-five year period. Income recognition began in May 2016 when the Citrus facility was completed, and the County began utilizing the space. Rental income recognized in both 2023 and 2022 was \$13,000.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(7) Leases**

The Organization has operating and financing leases of office space and certain equipment. The leases have remaining lease terms ranging from one to four years. Leases with initial terms of 12 months or less are not recorded on the statement of financial position. Expense under these short-term leases is recognized on a straight-line basis over the lease term. The following summarizes the line items in the accompany statements of financial position as of December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Operating leases:		
Operating lease right-of-use assets	\$ <u>44,884</u>	<u>70,621</u>
Operating lease liabilities	\$ <u>65,309</u>	<u>98,403</u>
Finance leases:		
Property and equipment	\$ 183,289	183,289
Accumulated amortization	<u>(118,062)</u>	<u>(80,790)</u>
Property and equipment, net	\$ <u>65,227</u>	<u>102,499</u>
Finance lease liabilities	\$ <u>84,422</u>	<u>118,064</u>

The following summarizes the weighted-average remaining lease term and discount rate as of December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Weighted average remaining lease term		
Operating leases	1.74	2.74 years
Finance leases	2.14	3.13 years
Weighted average discount rate		
Operating leases	3.46%	3.44%
Finance leases	7.42%	7.40%

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(7) Leases - Continued**

The following summarizes the line items in the statements of activities which include components of lease expense for the years ended December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Operating lease expense included in occupancy	\$ 28,522	10,670
Short-term leases	113,155	154,184
Contributed rent	145,300	145,300
Total operating lease costs	\$ 286,977	310,154
Finance lease costs:		
Amortization of lease assets included in depreciation and amortization expense	\$ 37,272	37,271
Interest on lease liabilities included in interest expense	7,706	10,207
Total finance lease costs	\$ 44,978	47,478

The following summarizes cash flow information related to leases for the years ended December 31, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 35,880	3,470
Operating cash flows from finance leases	7,706	10,207
Financing cash flows from finance leases	33,642	32,945
Lease assets obtained in exchange for lease obligations:		
Operating leases	\$ -	80,446

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

<b>Year Ending December 31,</b>	<b>Operating</b>	<b>Financing</b>
2024	\$ 38,304	42,996
2025	29,106	42,147
2026	-	6,889
Total payments	67,410	92,032
Less interest	(2,101)	(7,610)
Present value of lease liabilities	\$ 65,309	84,422

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(8) Net Assets Without Restrictions, Designated**

Net assets designated by the Board for purposes other than the endowment consist of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Maintenance	\$ 343,151	482,467
Capital development	784,000	-
Contingency	6,670,369	6,498,978
Unemployment and other	<u>839,881</u>	<u>719,755</u>
	<u>\$ 8,637,401</u>	<u>7,701,200</u>

**(9) Net Assets With Donor Restrictions**

Net assets with donor restrictions as of December 31, 2023 and 2022 relate to assets contributed by donors and other funding sources for specific purposes and time periods as follows:

	<u>2023</u>	<u>2022</u>
Subject to time restrictions:		
Pledges receivable	\$ -	100,000
United Way allocations	<u>25,417</u>	<u>26,500</u>
	25,417	126,500
Subject to use restrictions:		
Unappropriated earnings on endowment restricted for specified branches	1,925,841	1,599,691
Use restrictions on land and building	831,298	932,826
Use restrictions for capital campaigns	786,534	545,510
Use restrictions for various programs	<u>382,528</u>	<u>296,128</u>
	3,926,201	3,374,155
General endowment subject to the Organization's spending policy and appropriation	<u>2,009,808</u>	<u>1,969,808</u>
Total net assets with donor restrictions	<u>\$ 5,961,426</u>	<u>5,470,463</u>



**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(10) Endowment**

The Organization manages an endowment which includes funds legally restricted by the donor as to the use of principal. The original contribution of \$1,000,000 was restricted by the donor in that the principal may not be expended, except under extraordinary circumstances. Earnings on endowment investments may be expended on maintenance of Organization facilities, construction of new facilities, and development of new programs. Investments in the amount of \$1,375,795, which included the \$1,000,000, were received from the Suncoast Family YMCA Foundation, Inc. Trust ("Trust") in 1992, upon the termination of the Trust. Under the terms of the transfer from the Trust, the amount conveyed by the Trust in excess of the \$1,000,000 corpus (\$375,795) may be expended for operations only upon the approval of 90% of the members of both the Board and the Endowment Committee. Only with court approval, however, shall the \$1,000,000 corpus be utilized. The balance of the endowment is available for expenditure upon the majority vote of the Board of the Organization. The Board and the Endowment Committee have established a goal to preserve the purchasing power of the endowment.

In 2013, the Organization established the Legacy Club as a specific program through which donors may contribute to the endowment fund.

Endowment fund investments are included in the investment portfolio described in Note 3.

The Organization's endowment includes both donor-restricted endowment funds, funds designated by the Board, to function as endowment funds, and donor-restricted funds for specific branches. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the *Florida Uniform Prudent Management of Institutional Funds Act* ("FUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; (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 restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the donor designations.

***Investment Return Objectives, Risk Parameters and Strategies***

The Organization's investment policy is based on providing security for the Organization. Therefore, the time horizon is very long-term. The goal is to provide funding from the endowment fund for programs giving priority to the use of the income for major maintenance, modernization, or expansion of buildings and facilities, extension of services, and developing and training professional leadership while maintaining the purchasing power of the portfolio and offsetting inflation.

The objectives call for disciplined, consistent management using a current "prudent person" philosophy. The investment portfolio is to be diversified as to fixed income and equity holdings to provide risk reduction, a dependable source of income, and growth of principal. The equities portion may constitute up to 70% of the total fund with fixed income portion making up the remainder of the fund. The fund shall not invest in real estate.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(10) Endowment - Continued**

***Investment Return Objectives, Risk Parameters and Strategies - Continued***

Equity investments must be in United States corporations quoted on the New York or American stock exchange or the NASDAQ. Equity investments should be diversified both as to companies and industries to minimize risk other than normal market fluctuation. Equity investments in a single industry will not exceed 20% of the total. Equity investments in any one company shall not exceed 5% (at cost) or 10% (at market) of the equity portfolio. Mutual funds may be used in place of individual equities in an effort to minimize risk and maintain exposure to additional areas of the equity market. Manager discretion should be used within the management of the mutual funds to maximize return with the least possible amount of risk according to the prospectus of each fund.

Bond investments (one year or longer) are limited to U.S. government and agency issues, mortgage instruments, and quality investment grade corporate bonds and preferred stocks (considered as a bond equivalent). Individual fixed income securities should be considered investment grade at the time of acquisition. Commercial paper should be rated A1, P1. Corporate issues must be in the top-quality ratings of Moody's, Standard and Poor's, or other recognized credit services (BBB/BAA) or higher with good marketability. All investments in fixed income shall have a high degree of marketability and no individual investment shall exceed 7% of the total fixed income securities. Cash is considered fixed income. Bond funds may be used in place of individual bonds in an effort to minimize risk and maintain exposure to additional areas of the fixed income market. Fund investments should be investment grade. Manager discretion should be used within the management of the mutual funds to maximize return with the least possible amount of risk according to the prospectus of each fund. This may include exposure to some lower rated or non-rated securities up to but not to exceed 10% of the individual bond fund.

***Spending Policy***

Annually, the Board budgets an allocation from the endowment to support Organization operations. Allocations are based on current needs of the Organization and the desire to preserve the purchasing power of endowment assets. The amount to be distributed in a fiscal year may be 4% of the 3-year trailing average of the June 30<sup>th</sup> market value of the endowment portfolio. The Endowment Committee shall review and confirm, once annually, the amount of the distribution from the endowment fund. While it is expected that 4% will be the spending percentage, the Endowment Committee shall prepare a recommendation to the Board in the third quarter meeting of each calendar year for the following year and the percentage approved could be more or less than the 4%.

The Organization's endowment fund includes gifts with donor-imposed restrictions to benefit several specific YMCA branch locations and community programs, and the teen leaders program. These investments will continue to be overseen by the endowment committee.

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**Notes to Financial Statements - Continued**

**(10) Endowment - Continued**

*Spending Policy - Continued*

Endowment net asset composition by type of fund as of December 31, 2023 and 2022 is as follows:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
December 31, 2023:			
Board-designated endowment funds	\$ 4,713,216	-	4,713,216
Donor-restricted endowment funds	<u>-</u>	<u>3,935,649</u>	<u>3,935,649</u>
	<u>\$ 4,713,216</u>	<u>3,935,649</u>	<u>8,648,865</u>
December 31, 2022:			
Board-designated endowment funds	\$ 5,191,051	-	5,191,051
Donor-restricted endowment funds	<u>-</u>	<u>3,569,499</u>	<u>3,569,499</u>
	<u>\$ 5,191,051</u>	<u>3,569,499</u>	<u>8,760,550</u>

Changes in endowment net assets for the years ended December 31, 2023 and 2022 were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance at December 31, 2021	\$ 5,513,157	4,119,175	9,632,332
Investment return:			
Investment income, net of fees	86,309	75,706	162,015
Net depreciation	<u>(660,458)</u>	<u>(606,188)</u>	<u>(1,266,646)</u>
Total investment return	(574,149)	(530,482)	(1,104,631)
Contributions	423,457	60,000	483,457
Distributions	<u>(171,414)</u>	<u>(79,194)</u>	<u>(250,608)</u>
Balance at December 31, 2022	5,191,051	3,569,499	8,760,550
Investment return:			
Investment income, net of fees	96,334	98,966	195,300
Net appreciation	<u>360,608</u>	<u>316,582</u>	<u>677,190</u>
Total investment return	456,942	415,548	872,490
Contributions	57,451	40,000	97,451
Appropriation for capital development	(784,000)	-	(784,000)
Distributions	<u>(208,228)</u>	<u>(89,398)</u>	<u>(297,626)</u>
Balance at December 31, 2023	<u>\$ 4,713,216</u>	<u>3,935,649</u>	<u>8,648,865</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(11) Liquidity and Availability of Resources**

The Organization is supported by both unrestricted and restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Board designates endowment earnings to fund long-term needs of the Organization and may be drawn upon with the approval of 90% of the members of both the Board and the Endowment Committee as described in Note 10. Additionally, the Board has designated certain net assets without donor restrictions that, while the Organization does not intend to spend for purposes other than those identified in Note 8, the amounts could be made available for current operations, if necessary.

As of December 31, 2023 and 2022, the Organization's financial assets available for general expenditure within one year were as follows:

	<b>2023</b>	<b>2022</b>
Financial assets:		
Cash and cash equivalents	\$ 9,141,220	8,045,564
Trade accounts receivable	351,936	496,217
Grants and other receivables	638,788	826,016
Contributions receivable	830,132	1,303,399
Investments	14,630,066	11,999,346
Total financial assets	25,592,142	22,670,542
Less amounts unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Unappropriated earnings on endowment restricted for specified branches	(1,925,841)	(1,599,691)
Use restrictions for capital campaigns	(786,534)	(545,510)
Other donor imposed use restrictions	(382,528)	(296,128)
Net assets to be held in perpetuity	(2,009,808)	(1,969,808)
Subtotal before Board-designations	20,487,431	18,259,405
Board-designations:		
Quasi-endowment	(4,713,216)	(5,191,051)
Capital development	(784,000)	-
Maintenance	(343,151)	(482,467)
Contingency	(6,670,369)	(6,498,978)
Unemployment and other	(839,881)	(719,755)
Financial assets available to meet cash needs for general expenditures within one year	\$ 7,136,814	5,367,154

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE SUNCOAST, INC.  
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**Notes to Financial Statements - Continued**

**(12) Employee Benefit Plan**

The Organization participates in The YMCA Retirement Fund Retirement Plan, which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986 as amended, and the YMCA Retirement Fund Tax-Deferred Savings Plan, which is a retirement income account plan as defined in section 403(b)(9) of the Code. Both plans are sponsored by the Young Men's Christian Association Retirement Fund ("Fund"). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and eligible employees. As defined contribution plans, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded obligations.

In accordance with the agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage (12%) of the participating employee's salary. These amounts are paid by the Organization. Total contributions charged to retirement costs in 2023 and 2022 aggregated \$910,732 and \$810,653, respectively, of which \$117,430 and \$66,217 was unpaid at December 31, 2023 and 2022, respectively.

Participant contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to the YMCA Retirement Fund. There is no matching employer contribution in this plan.

**(13) Fair Value Measurements**

The Organization adopted ASC Topic 820, which provides a common definition of fair value, establishes a framework for measuring fair value under GAAP and requires additional disclosures about fair value.

Financial instruments measured at fair value are classified and disclosed in the following categories:

- Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 are mutual funds, corporate bonds, bond funds, U.S. government obligations, and cash and cash equivalents.
- Level 2: Pricing inputs are other than quoted prices for identical investments in active markets, which are either directly or indirectly observable as of the reporting date, and the fair value is determined through the use of models or other valuation methodologies. The types of investments which are included in this category are U.S. treasury bills.
- Level 3: Valuation is based on unobservable inputs. At December 31, 2023 and 2022, the Organization did not hold assets or liabilities with Level 3 fair value measurements.

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**Notes to Financial Statements - Continued**

**(13) Fair Value Measurements - Continued**

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair value of assets measured on a recurring basis at December 31, 2023 was as follows:

<u>Description</u>	<u>Assets Measured at Fair Value at December 31, 2023</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Cash and cash equivalents	\$ 6,011,935	6,011,935	-	-
Equity mutual funds:				
Foreign large growth	378,909	378,909	-	-
Large blend	556,931	556,931	-	-
Large growth	1,140,961	1,140,961	-	-
Large value	889,198	889,198	-	-
Small cap value	493,181	493,181	-	-
Real estate	84,147	84,147	-	-
Natural resources	350,753	350,753	-	-
Miscellaneous sector	1,140,838	1,140,838	-	-
Total equity mutual funds	5,034,918	5,034,918	-	-
Fixed income:				
Short-term bonds	604,000	604,000	-	-
Multisector bonds	311,298	311,298	-	-
Ultrashort bonds	1,678,295	1,678,295	-	-
U.S. treasury bills	989,620	-	989,620	-
Total fixed income	3,583,213	2,593,593	989,620	-
Total investments	\$ 14,630,066	13,640,446	989,620	-

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**Notes to Financial Statements - Continued**

**(13) Fair Value Measurements - Continued**

Fair value of assets measured on a recurring basis at December 31, 2022 was as follows:

<u>Description</u>	<u>Assets Measured at Fair Value at December 31, 2022</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Cash and cash equivalents	\$ 1,733,228	1,733,228	-	-
Equity mutual funds:				
Foreign large growth	310,198	310,198	-	-
Foreign large blend	421,564	421,564	-	-
Large growth	881,248	881,248	-	-
Large value	835,057	835,057	-	-
Small value	423,927	423,927	-	-
Real estate	305,083	305,083	-	-
Natural resources	293,632	293,632	-	-
Miscellaneous sector	963,034	963,034	-	-
Allocation - 50% to 70% equity	<u>682,187</u>	<u>682,187</u>	<u>-</u>	<u>-</u>
Total equity mutual funds	5,115,930	5,115,930	-	-
Fixed income:				
Short-term bonds	355,622	355,622	-	-
Multisector bonds	286,998	286,998	-	-
Ultrashort bonds	1,440,291	1,440,291	-	-
U.S treasury bills	<u>3,067,277</u>	<u>-</u>	<u>3,067,277</u>	<u>-</u>
Total fixed income	<u>5,150,188</u>	<u>2,082,911</u>	<u>3,067,277</u>	<u>-</u>
Total investments	<u>\$ 11,999,346</u>	<u>8,932,069</u>	<u>3,067,277</u>	<u>-</u>

**(14) Concentration of Credit Risk**

The Organization maintains several deposit accounts with what management believes to be high credit quality financial institutions, including financial institutions participating in the Certificate of Deposit Account Registry Service. The total of these balances exceeded federal insurance limits by approximately \$1,212,000 as of December 31, 2023.

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**Notes to Financial Statements - Continued**

**(15) Fees and Grants from Early Learning Coalitions**

The Organization has current contracts with Early Learning Coalition (“ELC”) of Pinellas County, Inc., ELC of Pasco and Hernando Counties, Inc., and ELC of the Nature Coast, Inc. The contracts with ELC of Pinellas County, Inc. ELC of Pasco and Hernando Counties, Inc. and ELC of the Nature Coast, Inc. expire on June 30, 2024. Management expects all contracts to be extended upon expiration. ELC provides a significant amount of funding for the Organization’s school age before and after school and summer camp programs. The revenue received from the aforementioned contracts was \$993,322 and \$889,623 for 2023 and 2022, respectively.

The Organization also recognized Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA) revenue from these ELC organizations in the amounts of \$3,293,769 and \$3,638,402 in 2023 and 2022, respectively. Refundable advances under these agreements totaled \$54,172 and \$345,451 as of December 31, 2023 and 2022, respectively.

**(16) Land Lease and Improvements**

In August 2000, the Organization entered into a lease agreement with Pinellas County, Florida (the “County”) for a 14.3-acre parcel of land, known as the Greater Ridgecrest YMCA. The lease requires annual lease payments of \$1 and had an original term of twenty years. In August 2020, the lease agreement was renewed for an additional ten-year term. One additional ten-year renewal option is available. Accordingly, the Organization has recorded a contribution which represents the present value of the excess of the aggregate fair rental value of the land lease over below market rent payments due over the remaining term of the lease.

Recognition of the fair value of the lease is summarized as follows:

Fair value of land use contribution at December 31, 2021	\$	1,029,537
Recognition of fair value of contributed land lease		48,589
Recognition of rent expense for the year ended December 31, 2022		<u>(145,300)</u>
Fair value of land use contribution at December 31, 2022		932,826
Recognition of fair value of contributed land lease		43,773
Recognition of rent expense for the year ended December 31, 2023		<u>(145,300)</u>
Fair value of land use contribution at December 31, 2023	\$	<u><u>831,299</u></u>



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**Notes to Financial Statements - Continued**

**(17) Related Party Transactions**

In 2023 and 2022, the Organization conducted business with entities affiliated with certain members of its governing board.

During both 2023 and 2022, members of the governing board represented the Organization as independent insurance agents in obtaining insurance coverage and received commissions from their respective companies. In 2023, one member of the governing board represented the Organization as a real estate broker in connection with the sale of the land located in Hernando County.

In 2023, the Organization executed a contract for the construction of the Greater Palm Harbor YMCA with a general contractor firm owned by a member of the governing board. Total expenditures for 2023 were approximately \$77,000.

In 2023 and 2022, the Organization provided consulting services to smaller YMCA organizations under a contract with the Y-USA. Total revenues for 2023 and 2022 were \$35,425 and \$30,150, respectively. In 2023 and 2022, the Organization also received grant awards from the Y-USA in support of various program activities. Total revenues for 2023 and 2022 were \$54,050 and \$92,166, respectively.

**(18) Contingencies**

The Organization has been notified of potential claims arising in the ordinary course of its operations. Management believes that any liability incurred in connection with these claims would be nominal in amount and limited to the deductible under the Organization's insurance policies.

**(19) Subsequent Events**

The Organization has evaluated subsequent events through April 25, 2024, the date the financial statements were available for issuance.