

# **Central Florida Young Men's Christian Association, Inc.**

Consolidated Financial Report  
December 31, 2024

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## Independent Auditor's Report

Audit Committee  
Central Florida Young Men's Christian Association, Inc.

### Opinion

We have audited the consolidated financial statements of Central Florida Young Men's Christian Association, Inc. (the Organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the changes in their net assets and their 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 Auditor's 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 within one year after the date that the financial statements are issued or 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 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.

*RSM US LLP*

Orlando, Florida  
June 11, 2025

**Central Florida Young Men’s Christian Association, Inc.**

**Consolidated Statements of Financial Position  
December 31, 2024 and 2023  
(In Thousands)**

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 7,493	\$ 7,763
Investments (Notes 3 and 7)	14,948	15,462
Pledges and grants receivable, net (Note 2)	1,122	2,012
Prepaid expenses and other assets, net	2,016	2,672
Interest rate swap (Note 7)	-	90
Gifted land and facilities (Note 8)	6,103	1,045
Operating lease right-of-use assets (Note 8)	101	136
Property and equipment, net (Notes 4 and 5)	74,605	78,029
	<u>74,605</u>	<u>78,029</u>
<b>Total assets</b>	<b>\$ 106,388</b>	<b>\$ 107,209</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 4,815	\$ 5,260
Refundable advances (Note 14)	949	1,232
Deferred membership and program revenues	1,727	2,905
Operating lease right-of-use liabilities (Note 8)	102	136
Scholarships payable (Note 8)	922	950
Notes payable (Note 6)	320	319
Bonds payable, net (Note 5)	15,176	16,365
	<u>15,176</u>	<u>16,365</u>
<b>Total liabilities</b>	<b>24,011</b>	<b>27,167</b>
Commitments and contingencies (Note 8)		
Net assets (Note 9):		
Without donor restrictions	73,973	75,701
With donor restrictions	8,404	4,341
	<u>8,404</u>	<u>4,341</u>
<b>Total net assets</b>	<b>82,377</b>	<b>80,042</b>
	<u>82,377</u>	<u>80,042</u>
<b>Total liabilities and net assets</b>	<b>\$ 106,388</b>	<b>\$ 107,209</b>
	<u>\$ 106,388</u>	<u>\$ 107,209</u>

See notes to consolidated financial statements.

Central Florida Young Men’s Christian Association, Inc.

**Consolidated Statements of Activities**  
**Years Ended December 31, 2024 and 2023**  
**(In Thousands)**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:						
Public support:						
Pledges and contributions	\$ 1,716	\$ 252	\$ 1,968	\$ 1,312	\$ 2,577	\$ 3,889
Contributions of nonfinancial assets	477	5,300	5,777	566	-	566
Grant and contract revenues	3,868	691	4,559	10,739	639	11,378
<b>Total public support</b>	<b>6,061</b>	<b>6,243</b>	<b>12,304</b>	<b>12,617</b>	<b>3,216</b>	<b>15,833</b>
Revenues:						
Membership dues, net	18,362	-	18,362	17,896	-	17,896
Program fees, net	22,043	-	22,043	19,221	-	19,221
Rental revenues	319	-	319	244	-	244
Investment income, net	2,084	-	2,084	2,014	-	2,014
Other income, net	136	-	136	3,886	-	3,886
<b>Total revenues</b>	<b>42,944</b>	<b>-</b>	<b>42,944</b>	<b>43,261</b>	<b>-</b>	<b>43,261</b>
Special events revenues	153	-	153	132	-	132
Less costs of direct benefits to donors	(142)	-	(142)	(144)	-	(144)
<b>Net revenues from special events</b>	<b>11</b>	<b>-</b>	<b>11</b>	<b>(12)</b>	<b>-</b>	<b>(12)</b>
Net assets released from restrictions (Note 9)	2,180	(2,180)	-	16,913	(16,913)	-
<b>Total public support and revenues</b>	<b>51,196</b>	<b>4,063</b>	<b>55,259</b>	<b>72,779</b>	<b>(13,697)</b>	<b>59,082</b>
Expenses:						
Membership and program services	47,487	-	47,487	45,166	-	45,166
Supporting services:						
Management and general	4,738	-	4,738	5,530	-	5,530
Fundraising	609	-	609	287	-	287
<b>Total expenses</b>	<b>52,834</b>	<b>-</b>	<b>52,834</b>	<b>50,983</b>	<b>-</b>	<b>50,983</b>
<b>Change in net assets from operations</b>	<b>(1,638)</b>	<b>4,063</b>	<b>2,425</b>	<b>21,796</b>	<b>(13,697)</b>	<b>8,099</b>
Other changes:						
Change in fair value of interest rate swap	(90)	-	(90)	(13)	-	(13)
<b>Change in other changes</b>	<b>(90)</b>	<b>-</b>	<b>(90)</b>	<b>(13)</b>	<b>-</b>	<b>(13)</b>
<b>Change in net assets</b>	<b>(1,728)</b>	<b>4,063</b>	<b>2,335</b>	<b>21,783</b>	<b>(13,697)</b>	<b>8,086</b>
Net assets:						
Beginning	75,701	4,341	80,042	53,918	18,038	71,956
Ending	<b>\$ 73,973</b>	<b>\$ 8,404</b>	<b>\$ 82,377</b>	<b>\$ 75,701</b>	<b>\$ 4,341</b>	<b>\$ 80,042</b>

See notes to consolidated financial statements.

**Central Florida Young Men’s Christian Association, Inc.**

**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**  
**(In Thousands)**

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 2,335	\$ 8,086
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,061	3,745
Loan cost amortization	80	70
Reduction in the carrying amount of operating lease right-of-use assets	(35)	69
Net realized and unrealized gains on investments	(1,340)	(1,414)
Donated investments	(121)	(39)
Loss (gain) on sale/disposal of property and equipment	955	(3,328)
Change in fair value of interest rate swap	90	13
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Pledges and grants receivable	890	16
Prepaid expenses and other assets	656	(871)
Gifted land and facilities	(5,058)	(268)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(445)	343
Refundable advances	(283)	(4,283)
Deferred membership and program revenues	(1,178)	(3)
Operating lease right-of-use liabilities	(34)	(69)
Scholarships payable	(28)	(29)
<b>Net cash provided by operating activities</b>	<b>545</b>	<b>2,038</b>
Cash flows from investing activities:		
Purchases of property and equipment	(2,341)	(2,516)
Proceeds from sale of property and equipment	819	4,781
Proceeds from sales of investments	10,868	10,574
Purchases of investments	(8,893)	(12,119)
<b>Net cash provided by investing activities</b>	<b>453</b>	<b>720</b>
Cash flows from financing activities:		
Proceeds from bonds payable	16,218	-
Principal payments on bonds payable	(17,111)	(5,836)
Payments of debt issuance costs	(376)	-
Proceeds from notes payable	801	794
Principal payments on notes payable	(800)	(740)
<b>Net cash used in financing activities</b>	<b>(1,268)</b>	<b>(5,782)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(270)</b>	<b>(3,024)</b>
Cash and cash equivalents:		
Beginning	7,763	10,787
Ending	\$ 7,493	\$ 7,763
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 1,192	\$ 886
Supplemental disclosure of cash flow information related to leases:		
Operating lease right-of-use assets obtained in exchange for operating lease right-of-use liabilities	\$ 135	\$ 205

See notes to consolidated financial statements.

Central Florida Young Men’s Christian Association, Inc.

Consolidated Statements of Functional Expenses  
Year Ended December 31, 2024  
(In Thousands)

	2024			
	Membership and Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and benefits:				
Salaries	\$ 22,977	\$ 2,264	\$ 336	\$ 25,577
Payroll taxes and employee benefits	3,790	519	71	4,380
<b>Total salaries and benefits</b>	<b>26,767</b>	<b>2,783</b>	<b>407</b>	<b>29,957</b>
Other expenses:				
Occupancy (Note 8)	8,056	248	-	8,304
Contract services	1,495	884	115	2,494
Insurance	1,940	297	(2)	2,235
Supplies	1,813	16	6	1,835
Interest (Notes 5 and 6)	628	150	-	778
Other	1,058	144	5	1,207
Printing, promotional and advertising	783	16	53	852
Equipment rental and maintenance	129	26	2	157
National dues	450	64	-	514
Travel and training	374	43	23	440
<b>Total other expenses</b>	<b>16,726</b>	<b>1,888</b>	<b>202</b>	<b>18,816</b>
<b>Total expenses before depreciation and amortization</b>	<b>43,493</b>	<b>4,671</b>	<b>609</b>	<b>48,773</b>
Depreciation and amortization (Note 4)	3,994	67	-	4,061
<b>Total expenses</b>	<b>\$ 47,487</b>	<b>\$ 4,738</b>	<b>\$ 609</b>	<b>\$ 52,834</b>

See notes to consolidated financial statements.

Central Florida Young Men's Christian Association, Inc.

Consolidated Statements of Functional Expenses  
Year Ended December 31, 2023  
(In Thousands)

	2023			
	Membership and Program Services	Supporting Services Management and General	Fundraising	Total
Salaries and benefits:				
Salaries	\$ 22,016	\$ 2,941	\$ 159	\$ 25,116
Payroll taxes and employee benefits	3,519	721	39	4,279
<b>Total salaries and benefits</b>	<b>25,535</b>	<b>3,662</b>	<b>198</b>	<b>29,395</b>
Other expenses:				
Occupancy (Note 8)	7,635	216	-	7,851
Contract services	1,439	918	73	2,430
Insurance	1,880	103	-	1,983
Supplies	1,595	142	1	1,738
Interest (Notes 5 and 6)	739	150	-	889
Other	858	169	(34)	993
Printing, promotional and advertising	472	11	39	522
Equipment rental and maintenance	390	61	1	452
National dues	450	-	-	450
Travel and training	446	80	9	535
<b>Total other expenses</b>	<b>15,904</b>	<b>1,850</b>	<b>89</b>	<b>17,843</b>
<b>Total expenses before depreciation         and amortization</b>	<b>41,439</b>	<b>5,512</b>	<b>287</b>	<b>47,238</b>
Depreciation and amortization (Note 4)	3,727	18	-	3,745
<b>Total expenses</b>	<b>\$ 45,166</b>	<b>\$ 5,530</b>	<b>\$ 287</b>	<b>\$ 50,983</b>

See notes to consolidated financial statements.

## Central Florida Young Men's Christian Association, Inc.

### Notes to Consolidated Financial Statements (In Thousands)

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#### Note 1. Nature of Organization and Significant Accounting Policies

**Nature of organization:** The Central Florida Young Men's Christian Association, Inc. (the Association or YMCA) was established to strengthen the community by providing community services affording individuals and families the use of YMCA facilities on a membership basis and by offering special programs to the entire community regardless of their ability to pay. Program services are provided in Orange, Seminole, Osceola, Lake, Brevard and Marion Counties. Program services are focused on youth development, healthy living and social responsibility and consist of family-oriented programs, such as camping, sports, aquatic-type programs and childcare services.

The Central Florida YMCA Foundation, Inc. (the Foundation) was established in October 2001 as a separate 501(c)(3) organization that is able to fundraise and manage contributions on the Association's behalf.

The Central Florida YMCA Childcare Services, Inc. (YMCA Childcare) was established in February 2003 as a separate Florida not-for-profit corporation to provide childcare services to Walt Disney World employees. YMCA Childcare is a for-profit entity for tax purposes.

**Principles of consolidation:** The Association, the Foundation and YMCA Childcare (collectively, the Organization) have common members on their Boards of Directors and use the same management and employees. They were organized to achieve common goals. Therefore, the financial statements are presented on a consolidated basis. All significant intercompany accounts and transactions have been eliminated in consolidation.

A summary of the Organization's significant accounting policies follows:

**Basis of presentation:** A not-for-profit organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board of Directors.

**Net assets with donor restrictions:** Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization, passage of time or permanently maintained by the Organization.

**Liquidity:** Assets are presented in the accompanying consolidated statements of financial position according to their nearness of conversion to cash and liabilities are presented according to their nearness of their maturity and resulting use of cash.

**Use of estimates:** The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents:** For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents include checking, money market and overnight sweep accounts.

**Central Florida Young Men's Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

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**Note 1. Nature of Organization and Significant Accounting Policies (Continued)**

**Investments and investment income:** Investments are stated at fair value. Investment income, reported in the accompanying consolidated statements of activities, includes realized and unrealized gains and losses and interest and dividend income, net of investment expenses. Debt securities are classified as trading.

**Fair value measurements:** The Organization follows accounting standards relating to fair value measurements which defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standards relating to fair value measurements establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

**Level 1:** Quoted market prices in active markets for identical assets or liabilities

**Level 2:** Observable market-based inputs or unobservable inputs that are corroborated by market data

**Level 3:** Unobservable inputs that are not corroborated by market data

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are measured and reported on a fair value basis. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

**Property and equipment:** Property and equipment is stated at cost, if purchased, or at estimated fair value on the date received, if donated, less accumulated depreciation. Depreciation is computed using the straight-line method of accounting over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of their estimated useful life or the term of the lease. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and the related accumulated depreciation account are relieved, and any gain or loss is included in operations.

**Impairment of long-lived assets:** The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate such value may not be recoverable. Recoverability of assets or asset groups to be held and used is measured by a comparison of the carrying amount of an asset or asset group to future net cash flows expected to be generated by the asset or asset group. If such assets or asset groups are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets or asset groups. Assets or asset groups to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No impairments of the Organization's long-lived assets or asset groups have been recognized during the years ended December 31, 2024 and 2023.

**Allowance for credit losses:** The allowance for credit losses is estimated using the allowance method based upon historical experience, management's analysis of specific accounts, the existing economic conditions in the industry and reasonable and supportable forecasts of future economic conditions. The allowance is reviewed periodically and adjusted for accounts deemed uncollectible by management.

**Central Florida Young Men's Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

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**Note 1. Nature of Organization and Significant Accounting Policies (Continued)**

**Leases:** The Organization has operating leases for office space, certain facilities and equipment. The Organization determines if an arrangement is a lease at the inception of a contract. Lease assets and lease liabilities are recognized based on the present value of the lease payments over the lease term at the commencement date. To determine the present value of lease payments, the Organization made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date. Operating lease expense is recognized on a straight-line basis over the lease term.

Right-of-use (ROU) lease assets represent the Organization's right to use an underlying asset during the lease term and ROU lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and operating lease ROU liabilities are reflected in the consolidated statements of financial position (see Note 8).

The Organization's office space lease includes one option to renew, the exercise of such lease renewal option is at the Organization's sole discretion. The renewal term is included in the ROU lease liabilities only when it is reasonably possible the Organization will exercise the option. Leases with a lease term of 12 months or less at commencement are not recorded in the consolidated statements of financial position.

The Organization's office space lease agreement requires payments for lease and non-lease components and has elected to exclude the non-lease components for this operating lease. The non-lease components typically represent additional payments by the Organization, which are variable in nature and recorded in variable lease expense in the period incurred.

**Derivative financial instruments:** The Organization's derivative financial instruments consist of an interest rate swap used to reduce its exposure to interest rate changes related to its variable rate debt. The differential paid or received on the interest rate swap is recognized as an adjustment to the interest expense related to the debt. The Organization accounts for its interest rate swap as either an asset (receivable) or a liability (payable) from counterparties in the consolidated statements of financial position and is measured at fair value. Changes in the fair values of the interest rate swap have been recorded in the accompanying consolidated statements of activities.

**Pledges and contributions:** Unconditional promises to give are recognized as contributions in the period received at their fair value. Conditional contributions or intentions to give, that is those with both a measurable performance or other barrier and a right of return or release, are not recognized until they become unconditional, that is, at the time when the conditions on which they depend on are substantially met. Unconditional contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions support depending on the existence or nature of any donor-imposed restrictions. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified into net assets without donor restrictions and are reported in the accompanying consolidated statements of activities as net assets released from restrictions.

**Grant and contract revenues:** The Organization records grant and contract revenues as nonexchange transactions in which each party does not receive commensurate value, as the general public receives the primary benefit. Funds from nonexchange transactions are considered contributions and are conditional due to barriers that must be overcome and a right of return of assets. The Organization recognizes the revenue when the condition is met.

## Central Florida Young Men's Christian Association, Inc.

### Notes to Consolidated Financial Statements (In Thousands)

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#### Note 1. Nature of Organization and Significant Accounting Policies (Continued)

The Organization has conditional promises to give from grantors of approximately \$3,400 and \$3,200 as of December 31, 2024 and 2023, respectively. Future payments are contingent upon the Organization carrying out certain activities (meeting grant-imposed barriers) stipulated by the grant or contract.

**Revenue recognition from exchange transactions:** The Organization applies the five-step model under Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers to its contracts with its customers to determine revenue recognition through the following steps:

- Identification of the contract, or contracts with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue as performance obligations are satisfied

The following is a summary of the Organization's revenue recognition policies specific to each discrete service line for revenue streams containing contracts with customers:

**Membership dues:** The Organization provides a suite of services that families and individuals pay to have access to facilities and discounts to programs available during the membership period. Members join for varying lengths of time, but membership dues have an effective contract term of 30 days due to customer's termination for convenience rights. The Organization recognizes membership dues ratably over the contract period.

**Program fees:** The Organization provides various programs including childcare services, aquatic programs, sport programs, personal training programs, camp programs and family life programs. Childcare services and family life programs are based on a set fee schedule and have an effective contract term of 30 days due to customer's termination for convenience rights. The Organization recognizes childcare services and family life programs ratably over the contract period. Aquatic programs, sport programs, camp programs and personal training programs are based on a set number of events or sessions and revenues are recognized over time as each event or session is completed. Generally, aquatic programs, sport programs, camp programs and personal training programs contract terms are within the same fiscal year.

**Contract balances:** The timing of revenue recognition may not align with the right to invoice the customer. Customers generally pay membership dues and program fees in advance of revenue recognition from contracts. Deferred revenue is recognized as revenue over time as services are provided. The Organization has elected the practical expedient that permits an entity not to recognize a significant financing component if the time between the transfer of a service and the payment is one year or less. Deferred revenue is included within deferred membership and program revenues on the consolidated statements of financial position and were \$1,727, \$2,905 and \$2,908 as of December 31, 2024, December 31, 2023 and January 1, 2023, respectively. Amounts billed but unpaid (accounts receivable), net of an allowance for credit losses are included within prepaid expenses and other assets, net on the consolidated statements of financial position and were \$948, \$1,178 and \$867 as of December 31, 2024, December 31, 2023 and January 1, 2023, respectively.

Central Florida Young Men’s Christian Association, Inc.

Notes to Consolidated Financial Statements  
(In Thousands)

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**Note 1. Nature of Organization and Significant Accounting Policies (Continued)**

**Performance obligations:** A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. In general, the Organization’s contracts contain a distinct performance obligation for each individual service provided.

**Transaction price:** The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for transferring services to its customer. Revenue from contracts with customers is recorded based on the transaction price, which includes estimates of variable consideration. The amount of variable consideration included in the transaction price is constrained and is included only to the extent it is probable that a significant reversal of revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Organization includes estimates for variable consideration within its determination for the transaction price, subject to the constraint. Generally, the Organization does not believe the estimates of variable consideration to be material. The Organization offers scholarships for customers who cannot afford membership dues or program fees and a discount for customers of certain age demographics or family size. The Organization classifies the discounts related to the advance payments as a reduction in revenues. The Organization’s contracts generally do not contain rights of return, and the Organization may provide refunds for services not provided.

**Gifted land and facilities and contributed services:** The Organization accounts for gifted land and facilities (see Note 8) as contributions with donor restrictions in the period in which the right to use the asset is acquired, at the fair value of the benefit expected to be received over the expected term of use by the Organization and is released from restrictions when used. A gifted land and facilities asset is recorded for any future benefit expected to be recognized and is amortized to expense as the Organization uses the land and facilities over the term of the applicable lease.

Contributed services are recognized and recorded at fair value only to the extent they create or enhance nonfinancial assets or require specialized skills provided by individuals possessing these skills and would typically need to be purchased if not provided by donations. In addition, no amounts have been reflected for nonprofessional donated services; however, a substantial number of volunteers have donated significant amounts of their time to the operations of the Organization.

Contributions of nonfinancial assets included in the consolidated statements of activities for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Gifted land and facilities	\$ 5,737	\$ 548
Contributed services	40	18
	<u>\$ 5,777</u>	<u>\$ 566</u>

The Organization does not monetize contributions of nonfinancial assets but uses all contributions of nonfinancial assets in its programs. The Organization estimates the fair value of its contributions of nonfinancial assets in line with the Financial Accounting Standards Board (FASB) Topic 820, Fair Value Measurement. Gifted land and facilities was utilized in the Organization’s programs and the Organization estimated the fair value on the basis of estimates of third-party appraisals. Contributed services was utilized in the Organization’s programs and the estimated fair value was based on current rates for similar services.

**Central Florida Young Men's Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

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**Note 1. Nature of Organization and Significant Accounting Policies (Continued)**

**Advertising:** Advertising costs are expensed as incurred. Advertising costs totaled \$852 and \$522 for the years ended December 31, 2024 and 2023, respectively.

**Functional expenses:** Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent relative to each function. All other expenses are allocated based on management's estimate of the relative functional activity. The Organization's functional categories are as follows:

**Membership and program services:** Expenses related to membership activities and program services.

**Management and general:** All other functional expenses of the Organization not related to membership and program services or fundraising.

**Fundraising:** Expenses related to the Organization's efforts in soliciting public support.

**Income taxes:** The Association and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying consolidated financial statements.

The earnings of YMCA Childcare are subject to state and federal taxes. Deferred income taxes are recognized for the tax consequences in future years for differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end based on enacted tax laws and statutory tax rates applicable to the period in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Organization has assessed whether there are any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying consolidated financial statements. The Association, the Foundation and YMCA Childcare file tax returns in the U.S. federal jurisdiction. Generally, these entities are no longer subject to U.S. federal income tax examinations by taxing authorities for years before December 31, 2021.

**Reclassifications:** Certain amounts in the 2023 consolidated financial statements have been reclassified in order to conform with the 2024 presentation. These reclassifications had no effect on previously reported results of operations or cash flows.

**Recent accounting pronouncements:** The FASB has issued certain new or modifications to, or interpretations of, existing accounting guidance. The Organization has considered the new pronouncements and does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or activities in the near term.

**Subsequent events:** The Organization has evaluated subsequent events through June 11, 2025, the date on which the consolidated financial statements were available to be issued.

**Central Florida Young Men’s Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

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**Note 2. Pledges and Grants Receivable**

Pledges and grants receivable are unconditional promises to give and are recorded as assets and revenues in the period received at their estimated fair values. Pledges and grants receivable expected to be collected in more than one year are recorded at the present value of their estimated future cash flows. The Organization provides an allowance for doubtful accounts at the time revenues are recorded and re-evaluates and adjusts the allowance periodically based on historical collection experience. Pledges and grants receivable are due as follows as of December 31, 2024 and 2023:

	2024	2023
Less than one year	\$ 761	\$ 1,187
One to five years	484	925
	1,245	2,112
Less allowance for doubtful accounts	(115)	(77)
Less present value discount at 1.26% – 1.69%	(8)	(23)
	<u>\$ 1,122</u>	<u>\$ 2,012</u>
Pledges receivable	\$ 900	\$ 1,736
Grants receivable	222	276
	<u>\$ 1,122</u>	<u>\$ 2,012</u>

**Note 3. Investments**

The fair value of investments consists of the following as of December 31, 2024 and 2023:

	2024	2023
Mutual funds	\$ 1,170	\$ 1,055
Exchange-traded funds	10,610	8,553
Certificates of deposit	2,679	5,344
Debt securities	489	504
Equities	-	6
	<u>\$ 14,948</u>	<u>\$ 15,462</u>

**Central Florida Young Men’s Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

**Note 4. Property and Equipment**

Property and equipment consists of the following as of December 31, 2024 and 2023:

	Useful Life (Years)	2024	2023
Undeveloped land		\$ 430	\$ 430
Land and land improvements	10-20	5,230	5,698
Buildings and building improvements	10-40	109,579	113,279
Leasehold improvements	10-40	3,700	3,784
Outdoor sports facilities	5-20	10,991	10,049
Furniture and equipment	2-10	11,515	20,869
Construction in progress		458	541
		<u>141,903</u>	<u>154,650</u>
Less accumulated depreciation and amortization		<u>(67,298)</u>	<u>(76,621)</u>
		<u>\$ 74,605</u>	<u>\$ 78,029</u>

Depreciation and amortization expense was \$4,061 and \$3,745 for the years ended December 31, 2024 and 2023, respectively.

**Note 5. Bonds Payable**

In July 2024, the Organization received Industrial Development Revenue and Refunding Bonds (2024 Bonds) in the principal amount of \$16,218 for the purpose of refinancing the previously existing Industrial Development Revenue and Refunding Bonds, Series 2014 (2014 Bonds). The 2024 Bonds were issued through the Orange County Industrial Development Authority and the Organization entered into a financing agreement with Seacoast National Bank. The 2024 Bonds were issued as follows: \$14,412 Industrial Development Revenue and Refunding Bonds, Series 2024A (2024A Bonds) and \$1,806 Industrial Development Revenue and Refunding Bonds (Federally Taxable), Series 2024B (2024B Bonds). In December 2024, \$679 of the 2024 Bonds were repaid with the termination of the Blanchard Park lease.

In November 2014, the Orange County Industrial Development Authority issued the 2014 Bonds in the amount of \$33,000. In July 2024, the 2014 Bonds were repaid with the 2024 Bonds.

Outstanding bonds payable, net of debt issuance costs, are as follows as of December 31, 2024 and 2023:

	2024	2023
2024 Bonds	\$ 15,539	\$ -
2014 Bonds	-	16,432
Less debt issuance costs, net	(363)	(67)
	<u>\$ 15,176</u>	<u>\$ 16,365</u>

**Central Florida Young Men’s Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

**Note 5. Bonds Payable (Continued)**

Interest on the 2024A Bonds is calculated at a fixed rate of 4.60% and interest on the 2024B Bonds is calculated at a fixed rate of 5.41%. The 2024A Bonds and the 2024B Bonds mature on November 1, 2039. The Organization is required to make quarterly interest payments on the 2024A Bonds and 2024B Bonds commencing on November 1, 2024, and continuing on each, February 1, May 1, August 1 and November 1 thereafter until payment of the outstanding principal balance has been repaid. The Organization is required to make quarterly principal payments on the 2024A Bonds commencing on November 1, 2026, and continuing on each February 1, May 1, August 1 and November 1 thereafter until the maturity date of November 1, 2039. The Organization is required to make quarterly principal payments on the 2024B Bonds commencing on November 1, 2027, and continuing on each February 1, May 1, August 1 and November 1 thereafter until the maturity date of November 1, 2039. The 2024 Bonds are collateralized by certain real property.

As of December 31, 2024, bonds payable (before debt issuance costs) matures as follows:

Years ending December 31:		
2025	\$	-
2026		87
2027		366
2028		415
2029		438
Thereafter		14,233
	<u>\$</u>	<u>15,539</u>

Under the terms of the loan agreement, the Organization is required to maintain certain financial covenants relating to unrestricted liquid assets to funded debt ratio and a funded debt to unrestricted net assets without donor restrictions ratio.

**Note 6. Notes Payable**

Notes payable consist of the following as of December 31, 2024 and 2023:

	2024	2023
Financing agreement payable to a finance company related to the Organization’s general liability insurance policy, monthly payments of \$80 including interest at 7.70%, unsecured, and matures in May 2025.	\$ 320	\$ -
Financing agreement payable to a finance company related to the Organization’s general liability insurance policy, monthly payments of \$80 including interest at 7.65%, unsecured, and matured in May 2024.	-	319
	<u>\$ 320</u>	<u>\$ 319</u>

As of December 31, 2024, the notes payable of \$320 matures during the year ending December 31, 2025.

**Central Florida Young Men’s Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

**Note 7. Fair Value Measurements**

The following tables summarize the fair value measurements by level measured on a recurring basis as of December 31, 2024 and 2023:

	2024			Total
	Level 1	Level 2	Level 3	
Investments:				
Mutual funds:				
Large cap fund	\$ 185	\$ -	\$ -	\$ 185
World allocation fund	985	-	-	985
Certificates of deposit	-	2,679	-	2,679
Debt securities:				
Corporate debt securities	-	489	-	489
Exchange-traded funds:				
Large cap fund	6,500	-	-	6,500
Small cap fund	972	-	-	972
Intermediate core bond fund	224	-	-	224
International equities fund	1,795	-	-	1,795
Utilities fund	265	-	-	265
Real estate fund	277	-	-	277
Commodities fund	325	-	-	325
Multialternative fund	252	-	-	252
Total investments (Note 3)	<u>\$ 11,780</u>	<u>\$ 3,168</u>	<u>\$ -</u>	<u>\$ 14,948</u>

**Central Florida Young Men’s Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

**Note 7. Fair Value Measurements (Continued)**

	2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Equities:				
Large cap equities	\$ 6	\$ -	\$ -	\$ 6
Mutual funds:				
Large cap fund	151	-	-	151
World allocation fund	904	-	-	904
Certificates of deposit	-	5,344	-	5,344
Debt securities:				
Corporate debt securities	-	504	-	504
Exchange-traded funds:				
Large cap fund	5,368	-	-	5,368
Small cap fund	293	-	-	293
Intermediate core bond fund	229	-	-	229
International equities fund	1,666	-	-	1,666
Utilities fund	222	-	-	222
Real estate fund	239	-	-	239
Commodities fund	311	-	-	311
Multialternative fund	225	-	-	225
Total investments (Note 3)	<u>\$ 9,614</u>	<u>\$ 5,848</u>	<u>\$ -</u>	<u>\$ 15,462</u>
Interest rate swap	\$ -	\$ 90	\$ -	\$ 90

Shares of equities are valued based on the quoted market price of the stock on active markets as of the valuation date. Shares of exchange-traded funds and mutual funds are valued based on the quoted market price of the fund with readily determinable fair values based on daily redemption values. The Organization has the intent and ability to hold its certificates of deposit to maturity (which maturities range up to twelve months at purchase), such securities have been classified as held-to-maturity and are carried at amortized cost, which approximates market value. Fair value of debt securities is based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation approach. The fair value of the interest rate swap is estimated based on the amount the Organization would pay to terminate the agreements as of the reporting date, taking into account current interest rates and the creditworthiness of the Organization. The interest rate swaps are valued by a third-party and are based on observable market-based inputs or unobservable inputs that are corroborated by market data. Observable market inputs include yield curves, counterparty credit risk and other related data.

**Note 8. Commitments and Contingencies**

**Leases:** The Organization leases office space, certain facilities and equipment under operating leases, which expire on various dates through August 2029. Rent expense pertaining to operating leases and other month-to-month rentals was \$961 and \$682 for the years ended December 31, 2024 and 2023, respectively.

**Central Florida Young Men’s Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

**Note 8. Commitments and Contingencies (Continued)**

Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The components of lease expense for the years ended December 31, 2024 and 2023, are as follows:

	2024	2023
Operating lease cost	\$ 51	\$ 68
Short-term lease cost	910	614
	<u>\$ 961</u>	<u>\$ 682</u>

The weighted-average remaining discount rate and the weighted-average remaining lease term as of December 31, 2024 and 2023, are as follows:

	2024	2023
Weighted-average remaining lease term:		
Operating leases	3.11 years	3.59 years
Weighted-average remaining discount rate:		
Operating leases	4.03%	4.03%

The operating lease right-to-use liabilities and its maturity analysis are summarized as follows as of December 31, 2024:

Years ending December 31:		
2025		\$ 37
2026		37
2027		31
2028		3
2029		3
Total minimum payments required		<u>111</u>
Less amounts representing interest		<u>(9)</u>
Present value of minimum lease payments		<u>\$ 102</u>

**Gifted land and facilities:** Gifted land and facilities represents the present value of the excess of the aggregate fair rental value of land and building leases over below market rent payments. Gifted land and facilities are recorded as contributions with donor restrictions and are released from restrictions as expense is recorded. The leases that qualify for contributions at their inception have a remaining balance \$6,103 and \$1,045 as of December 31, 2024 and 2023, respectively. Rent expense associated with these gifted land and facilities totaled \$506 and \$253 for the years ended December 31, 2024 and 2023, respectively.

**Central Florida Young Men’s Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

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**Note 8. Commitments and Contingencies (Continued)**

Future annual in-kind rent expense associated with the favorable lease-term leases are as follows:

Years ending December 31:		
2025	\$	804
2026		804
2027		804
2028		804
2029		804
Thereafter		4,857
	\$	<u>8,877</u>

One of these leases includes an agreement with the City of Orlando to provide scholarships totaling \$1,440 to the City of Orlando residents over a 50-year period. Scholarships payable associated with this agreement were \$922 and \$950 as of December 31, 2024 and 2023, respectively.

**Litigation:** The Organization is involved in lawsuits in the normal course of business. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Accordingly, no provision for any contingent liabilities that may result has been made in the consolidated financial statements. The Organization is fully insured for general liability and property. Management believes that losses resulting from these matters, if any, would not have a material adverse effect on the financial position or results of operations of the Organization.

**Note 9. Net Assets**

Net assets without donor restrictions are available for the following purposes as of December 31, 2024 and 2023:

	2024	2023
Undesignated	\$ 72,628	\$ 74,701
Board-designated endowment	1,345	1,000
	<u>\$ 73,973</u>	<u>\$ 75,701</u>

The Board of Directors of the Foundation established a board-designated endowment to be used to support future operations which was \$1,345 and \$1,000 as of December 31, 2024 and 2023, respectively.

**Central Florida Young Men’s Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

**Note 9. Net Assets (Continued)**

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2024 and 2023:

	2024	2023
Restricted for specified purposes:		
Investment in property and equipment	\$ 960	\$ 2,128
Favorable term leases	6,103	1,045
Community programs	473	280
Scholarships	146	166
	<u>7,682</u>	<u>3,619</u>
Restricted in perpetuity—endowment	722	722
	<u>\$ 8,404</u>	<u>\$ 4,341</u>

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

	2024	2023
Investment in property and equipment	\$ 1,233	\$ 15,802
Community programs	539	663
Scholarships	166	422
Favorable term leases	242	26
	<u>\$ 2,180</u>	<u>\$ 16,913</u>

The Organization treats its donor restricted endowment fund as net assets with donor restrictions—restricted in perpetuity held by the Foundation. This endowment fund is invested separately from other investments of the Organization. The Organization’s return objective for the endowment fund is low yield based on risk parameters that are also low to protect the endowment corpus. The returns on the endowment fund have been included in net assets without donor restrictions investment income, net, in the consolidated statements of activities since they are either unrestricted by the donor or are restricted for scholarships that are granted during the course of the same year.

Changes in the Foundation’s endowment net assets are as follows for the years ended December 31, 2024 and 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at December 31, 2022	\$ -	\$ 697	\$ 697
Investment income, net	11	-	11
Contribution	-	25	25
Contribution to the Association	(11)	-	(11)
Endowment net assets at December 31, 2023	<u>-</u>	<u>722</u>	<u>722</u>
Investment income, net	9	-	9
Contribution to the Association	(9)	-	(9)
Endowment net assets at December 31, 2024	<u>\$ -</u>	<u>\$ 722</u>	<u>\$ 722</u>

## Central Florida Young Men's Christian Association, Inc.

### Notes to Consolidated Financial Statements (In Thousands)

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#### Note 9. Net Assets (Continued)

The endowment incurred a net investment gain of \$9 during the year ended December 31, 2024, that was contributed to the Association through a contribution by the Foundation.

The endowment incurred a net investment gain of \$11 during the year ended December 31, 2023, that was contributed to the Association through a contribution by the Foundation.

#### Note 10. Concentrations of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents in financial institutions in excess of Federal Deposit Insurance Corporation limits and investments. At various times during the year, and as of year-end, cash balances held at financial institutions are in excess of federally insured limits. The Organization believes no significant concentration of credit risk exists with respect to these cash balances.

Cash and cash equivalents consist of checking, money market and overnight sweep accounts which are deposited with financial institutions. Investments consist primarily of equities and fixed-income funds. Although the market value of investments is subject to fluctuations on a day-to-day basis, management believes the current investment strategy is prudent for the long-term welfare of the Organization.

In addition, the Organization receives substantial support and revenue from individuals, businesses and governmental entities in the Central Florida area. The financial strength of the Organization is, therefore, contingent upon these individuals, businesses and governmental entities, which may be tied to the economy of Central Florida.

#### Note 11. Liquidity and Availability of Resources

As of December 31, 2024 and 2023, the following reflects the Organization's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions and board designations, within one year of December 31, 2024 and 2023:

	2024	2023
Financial assets, at year-end:		
Cash and cash equivalents	\$ 7,493	\$ 7,763
Investments	14,948	15,462
Pledges and grants receivable, net	1,122	2,012
Accounts receivable, net (included in prepaid expenses and other assets)	948	1,178
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donors for investment in property and equipment	(960)	(2,128)
Restricted by donors with purpose restrictions	(619)	(446)
Restricted by donors in perpetuity	(472)	(472)
Board designations:		
Board-designated endowment	(1,345)	(1,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 21,115</u>	<u>\$ 22,369</u>

## Central Florida Young Men’s Christian Association, Inc.

### Notes to Consolidated Financial Statements (In Thousands)

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#### Note 11. Liquidity and Availability of Resources (Continued)

The Organization’s goal is generally to maintain financial assets to meet approximately 90 days of operating expenses (approximately \$12.4 million). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts. Included in the financial assets available to meet cash needs for general expenditures within one year as of December 31, 2024 and 2023, is \$6,751 and \$7,210, respectively, of cash and cash equivalents and investments held at the Foundation.

#### Note 12. Retirement Benefit Plan

The Organization participates in a defined contribution pension plan organized under Section 403(b) of the Internal Revenue Code. This plan is administered by a separate corporation, the YMCA Retirement Fund, and covers all full-time employees upon completion of two years of service and all part-time employees after they have worked 1,000 hours in each of their two years of service. The Organization funded its contributions at an amount equal to 8% of eligible compensation. Contributions are made on a monthly basis and amounted to \$960 and \$917 during the years ended December 31, 2024 and 2023, respectively.

#### Note 13. Related-Party Transactions and Conflict-of-Interest Policy

In the ordinary course of business, the Organization enters into transactions with other organizations that have individuals who serve on the Organization’s Board of Directors. These transactions are made at arm’s length and include the following:

	2024	2023
Program fees	\$ 3,964	\$ 3,859
Facility rental fees	59	44
Contract services	185	209
Rent and utilities	141	133
Advertising agency	48	21
Legal	58	67

It is the policy of the Organization that all officers, directors and committee members shall avoid any conflict between their own individual interests and the interests of the Organization. Included among the Organization’s board members and officers are volunteers from the financial and civic community who provide valuable assistance to the Organization in the development of policies and programs. The Organization has a conflict-of-interest policy, whereby, board and committee members must advise the Board of Directors of any direct or indirect interest in any transaction or relationship with the Organization and not participate in discussions and decisions regarding any action affecting their individual, professional or business interests.

#### Note 14. Paycheck Protection Program

The Paycheck Protection Program (PPP), established as part of the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act), provided for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. Under the terms of the PPP, loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits and other qualifying expenses.

**Central Florida Young Men's Christian Association, Inc.**

**Notes to Consolidated Financial Statements  
(In Thousands)**

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**Note 14. Paycheck Protection Program (Continued)**

In March 2021, the Association received a loan in the amount of \$5,371 under the PPP. On March 22, 2023, the Association received notification from the Small Business Administration (SBA) that \$4,087 of this loan was forgiven. The remaining loan balance is due in monthly principal and interest installments of \$22 (beginning on April 29, 2023) with a loan maturity of March 30, 2026. In August 2024, the loan maturity was extended to June 13, 2028. Interest is fixed at 1%.

In April 2021, the YMCA Childcare received a loan in the amount of \$1,042 under the PPP. On September 23, 2022, the YMCA Childcare received notification from the SBA that \$895 of this loan was forgiven. The remaining loan balance is due in monthly principal and interest installments of \$3 (beginning on December 1, 2022) with a loan maturity of April 12, 2026. In August 2024, the loan maturity was extended to December 22, 2027. Interest is fixed at 1%.

The Association and YMCA Childcare elected to account for these loans as a conditional contribution under ASC Subtopic 958-605. As such, during the year ended December 31, 2023, \$4,087 was forgiven by the SBA for the Association and has been recognized in grant and contract revenues in the accompanying consolidated statements of activities. The remaining principal balance for the Association and YMCA Childcare of \$949 and \$1,232 is included in refundable advances in the accompanying consolidated statements of financial position as of December 31, 2024 and 2023, respectively.

The SBA may audit whether the Organization qualified for the PPP loans and met the conditions necessary for forgiveness of the loans for up to six years after it forgave the loans. Therefore, it is possible that the Organization may have to repay an amount previously forgiven by the SBA.