THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

As of and for the Years Ended December 31, 2023 and 2022

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

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THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors
The Young Men's Christian Association of the Triangle Area, Inc. and SER Development I, Inc.
Raleigh, North Carolina

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Young Men's Christian Association of the Triangle Area, Inc. (a North Carolina nonprofit organization) and SER Development I, Inc. (collectively, the "Association"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2023 and 2022, and 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 and the standards applicable to consolidated financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Association'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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 audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated June 27, 2024, on our consideration of the Association's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
June 27, 2024

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 19,751,227	$ 21,669,265
Accounts receivable, net	20,384,232	18,354,696
Pledges receivable, net (Note 2)	7,695,767	8,468,125
Notes receivable (Note 20)	14,713,500	14,713,500
Investments, at fair value (Note 3)	22,938,448	28,271,934
Prepaid expenses	1,606,080	2,029,761
Land, buildings, and equipment, net (Note 5)	177,893,127	168,887,019
Land held for resale	79,000	747,465
Operating lease right-of-use assets (Note 13)	6,437,706	7,281,606
Net investment in lease (Note 19)	16,860,944	17,231,514
Other assets	1,676,466	1,668,394
Interest rate swap contracts (Note 10)	2,039,578	2,514,702
Total Assets	$ 292,076,075	$ 291,837,981
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 7,474,369	$ 7,894,380
Deferred revenue	33,656,043	31,716,536
Lease prepayments	16,860,944	17,231,514
Line of credit (Note 7)	-	3,455,313
Operating lease liabilities (Note 13)	7,763,786	8,811,576
Notes payable (Note 8)	26,880,438	27,404,123
Bonds payable (Note 8)	36,831,184	40,115,306
Total Liabilities	129,466,764	136,628,748
Net Assets:		
Without Donor Restrictions:		
Undesignated	109,185,286	103,301,457
Board designated	12,611,391	16,045,876
	121,796,677	119,347,333
With Donor Restrictions (Note 11)	40,812,634	35,861,900
Total Net Assets	162,609,311	155,209,233
Total Liabilities and Net Assets	$ 292,076,075	$ 291,837,981

The accompanying notes to the consolidated financial statements are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Program and camping fees	$ 53,298,283	$ -	$ 53,298,283
Membership dues and joining fees	34,343,505	-	34,343,505
In-kind contributions	2,630,800	-	2,630,800
Contributions, net	110,368	11,491,521	11,601,889
Grants	3,831,932	40,000	3,871,932
Gain on disposal of fixed assets	1,827,528	-	1,827,528
Investment return, net	2,621,535	2,999,399	5,620,934
Other income, net	2,773,380	5,800	2,779,180
	101,437,331	14,536,720	115,974,051
Net assets released from donor restrictions (Note 12)	9,585,986	(9,585,986)	-
Total Public Support and Revenue	111,023,317	4,950,734	115,974,051
Expenses:			
Program services	90,036,156	-	90,036,156
Administrative services	14,802,347	-	14,802,347
Fundraising	3,260,346	-	3,260,346
Total Expenses	108,098,849	-	108,098,849
Change in net assets before change in interest rate swap contracts	2,924,468	4,950,734	7,875,202
Change in market value of interest rate swap contracts (Note 10)	(475,124)	-	(475,124)
Change in net assets	2,449,344	4,950,734	7,400,078
Net assets, beginning of year	119,347,333	35,861,900	155,209,233
Net assets, end of year	$ 121,796,677	$ 40,812,634	$ 162,609,311

The accompanying notes to the consolidated financial statements are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Program and camping fees	$ 45,957,142	$ -	$ 45,957,142
Membership dues and joining fees	27,214,564	-	27,214,564
In-kind contributions	3,330,400	20,019	3,350,419
Contributions, net	197,791	13,791,435	13,989,226
Grants	3,246,637	3,700,000	6,946,637
Loss on disposal of fixed assets	(23,089)	-	(23,089)
Investment return, net	(1,308,536)	(1,451,032)	(2,759,568)
Gain on debt forgiveness (Note 9)	9,206,076	-	9,206,076
Other income, net	2,101,872	-	2,101,872
	89,922,857	16,060,422	105,983,279
Net assets released from donor restrictions (Note 11)	12,739,813	(12,739,813)	-
Total Public Support and Revenue	102,662,670	3,320,609	105,983,279
Expenses:			
Program services	79,901,030	-	79,901,030
Administrative services	15,258,717	-	15,258,717
Fundraising	3,163,360	-	3,163,360
Total Expenses	98,323,107	-	98,323,107
Change in net assets before change in interest rate swap contracts	4,339,563	3,320,609	7,660,172
Change in market value of interest rate swap contracts (Note 10)	3,692,975	-	3,692,975
Change in net assets	8,032,538	3,320,609	11,353,147
Net assets, beginning of year	111,314,795	32,541,291	143,856,086
Net assets, end of year	$ 119,347,333	$ 35,861,900	$ 155,209,233

The accompanying notes to the consolidated financial statements are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services						
	Youth Programs	**Adult Programs**	**Resident Camps**	**Total Programs**	**Administrative Services**	**Fundraising**	**Total**
Salaries	$ 24,486,172	$ 11,650,594	$ 5,761,351	$ 41,898,117	$ 4,783,526	$ 1,679,500	$ 48,361,143
Employee benefits	2,701,978	1,417,443	899,653	5,019,074	947,691	370,695	6,337,460
Payroll taxes	1,880,936	892,244	422,384	3,195,564	353,270	124,114	3,672,948
Total Payroll	29,069,086	13,960,281	7,083,388	50,112,755	6,084,487	2,174,309	58,371,551
Professional fees and contracts	1,340,749	384,482	1,348,357	3,073,588	2,859,633	445,405	6,378,626
Supplies	3,620,349	1,161,164	1,018,110	5,799,623	455,386	18,346	6,273,355
Telephone	516,870	287,761	143,483	948,114	184,799	34,218	1,167,131
Postage	15	8	4	27	63,795	3,187	67,009
Occupancy	8,635,423	3,919,313	1,841,590	14,396,326	129,352	29,194	14,554,872
Equipment lease and maintenance	150,605	104,205	443,304	698,114	117,768	3,439	819,321
Promotion and printing	1,213	4,373	-	5,586	538,523	376,609	920,718
Travel	647,000	32,958	273,785	953,743	90,239	16,638	1,060,620
Conferences and meetings	54,570	28,078	54,116	136,764	282,595	7,029	426,388
Food	461,508	558,647	2,402,836	3,422,991	190,990	65,027	3,679,008
Dues	3,632	3,778	10,252	17,662	644,651	15,137	677,450
Insurance	663,063	319,041	844,278	1,826,382	49,550	5,072	1,881,004
Financing costs	686,759	381,533	183,136	1,251,428	584,604	45,784	1,881,816
Miscellaneous	37,676	21,050	10,047	68,773	1,813,133	5,009	1,886,915
Total Other Expenses	16,819,432	7,206,391	8,573,298	32,599,121	8,005,018	1,070,094	41,674,233
Total expenses before depreciation	45,888,518	21,166,672	15,656,686	82,711,876	14,089,505	3,244,403	100,045,784
Depreciation	3,562,051	2,129,389	1,632,840	7,324,280	712,842	15,943	8,053,065
Total Expenses	$ 49,450,569	$ 23,296,061	$ 17,289,526	$ 90,036,156	$ 14,802,347	$ 3,260,346	$ 108,098,849

The accompanying notes to the consolidated financial statements are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program Services						
	Youth Programs	Adult Programs	Resident Camps	Total Programs	Administrative Services	Fundraising	Total
Salaries	$ 21,527,791	$ 10,307,078	$ 5,381,219	$ 37,216,088	$ 3,968,027	$ 1,664,177	$ 42,848,292
Employee benefits	2,185,240	1,187,407	764,169	4,136,816	1,207,984	402,629	5,747,429
Payroll taxes	1,604,317	761,563	379,388	2,745,268	340,058	116,422	3,201,748
Total Payroll	25,317,348	12,256,048	6,524,776	44,098,172	5,516,069	2,183,228	51,797,469
Professional fees and contracts	1,089,414	114,558	1,160,891	2,364,863	2,363,676	216,987	4,945,526
Supplies	3,046,534	1,228,029	821,065	5,095,628	397,799	12,240	5,505,667
Telephone	509,482	283,005	141,279	933,766	171,313	33,903	1,138,982
Postage	-	-	-	-	58,562	3,672	62,234
Occupancy	7,937,269	3,461,468	1,843,296	13,242,033	228,485	17,990	13,488,508
Equipment lease and maintenance	160,924	142,526	417,189	720,639	132,453	8,431	861,523
Promotion and printing	1,512	7,784	-	9,296	606,683	516,844	1,132,823
Travel	496,324	31,642	231,210	759,176	65,875	13,213	838,264
Conferences and meetings	36,889	18,389	53,799	109,077	252,019	12,271	373,367
Food	466,040	392,350	1,892,872	2,751,262	116,461	56,388	2,924,111
Dues	43,542	27,786	18,248	89,576	661,770	26,787	778,133
Insurance	738,036	352,619	786,312	1,876,967	39,247	4,452	1,920,666
Interest	592,928	329,404	158,114	1,080,446	567,210	39,529	1,687,185
Miscellaneous	33,861	20,579	9,030	63,470	3,280,978	4,997	3,349,445
Total Other Expenses	15,152,755	6,410,139	7,533,305	29,096,199	8,942,531	967,704	39,006,434
Total expenses before depreciation	40,470,103	18,666,187	14,058,081	73,194,371	14,458,600	3,150,932	90,803,903
Depreciation	3,150,782	2,116,289	1,439,588	6,706,659	800,117	12,428	7,519,204
Total Expenses	$ 43,620,885	$ 20,782,476	$ 15,497,669	$ 79,901,030	$ 15,258,717	$ 3,163,360	$ 98,323,107

The accompanying notes to the consolidated financial statements are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 7,400,078	$ 11,353,147
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	8,053,065	7,519,204
Gain on debt forgiveness	-	(9,206,076)
Amortization of debt issuance costs included in interest expense	142,450	151,922
Bad debt expense	423,479	30,758
Noncash lease expense	(203,890)	(192,910)
Amortization of investment in lease	370,570	370,571
Unrealized (gain) loss on charitable trusts	(111,380)	20,074
Unrealized (gain) loss on investments	(2,939,822)	5,528,543
Gain on disposal of investments	(1,367,533)	(1,853,297)
(Gain) loss on sale of fixed assets	(1,827,528)	23,089
Change in interest rate swap contracts	475,124	(3,692,975)
Contributions received for capital campaign	(4,096,524)	(3,179,429)
Noncash land and building in-kind contributions	(2,652,628)	(3,350,419)
Net changes in operating assets and liabilities:		
Accounts receivable	(2,153,290)	(1,597,394)
Pledges receivable	472,633	(4,264,878)
Prepaid expenses	423,681	1,549,695
Other assets	103,308	425,405
Accounts payable and accrued expenses	(420,011)	824,319
Deferred revenue	1,939,507	912,965
Lease prepayments	(370,570)	(370,571)
Net cash flows from operating activities	3,660,719	1,001,743
Cash flows from investing activities:		
Additions to land, buildings, and equipment	(15,224,845)	(12,670,583)
Proceeds from sale of land held for sale	668,465	-
Proceeds from sale of Mission Support Properties	2,645,828	3,326,500
Purchase of investments	(25,324,996)	(25,179,268)
Proceeds from sale of investments	34,965,837	26,563,329
Net cash flows from investing activities	(2,269,711)	(7,960,022)

The accompanying notes to the consolidated financial statements are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from financing activities:		
Payments on line of credit	$ (3,455,313)	$ -
Borrowing on note payable	-	6,309,965
Principal payments on notes payable	(634,653)	(2,280,738)
Principal payments on bond loans payable	(3,315,604)	(4,658,806)
Payments of debt issuance costs	-	(5,548)
Contributions restricted for capital campaign	4,096,524	3,179,429
Net cash flows from financing activities	(3,309,046)	2,544,302
Net change in cash and cash equivalents	(1,918,038)	(4,413,977)
Cash and cash equivalents, beginning of year	21,669,265	26,083,242
Cash and cash equivalents, end of year	$ 19,751,227	$ 21,669,265
Supplemental cash flow information:		
Cash paid for interest	$ 1,366,552	$ 1,429,048
Noncash flow investing and financing activities:		
Donation of buildings	$ 2,645,828	$ 3,326,500
Donation of boats	$ 6,800	$ 3,900

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Note 1—Nature of activities and summary accounting policies

Mission and Nature of Activities – The Young Men's Christian Association of the Triangle Area, Inc. (the "YMCA") is an association of volunteers, members, and staff incorporated in 1911 for the purpose of putting Christian principles into practice through programs that build healthy spirit, mind, and body for all. The YMCA is comprised of 19 branches, three resident camps, and administrative offices. Members and participants primarily come from Wake, Durham, Orange, Johnston, Lee, Pamlico, Chatham, and surrounding counties.

SER Development I, Inc. (the "Organization") is an organization incorporated on February 16, 2018. It was formed for the exclusive purpose of holding the title to a parcel of real property located at 1436 Rock Quarry Road, Raleigh, North Carolina, collecting income therefrom, and turning over the entire amount thereof, less expenses to the YMCA.

Basis of Consolidation - The accompanying consolidated financial statements include the accounts of the YMCA and SER Development, Inc. (collectively referred to as the "Association") and are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany accounts and transactions are eliminated in the consolidated financial statements.

Basis of Accounting – The Association's consolidated financial statements are prepared on the U.S. GAAP basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

> *Net Assets Without Donor Restrictions* – Net assets without donor restrictions are not subject to donor-imposed stipulations. All net assets without donor restrictions, including board designated funds, may be used by the Association for general operations as determined by management or the Board of Directors.
>
> *Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Association or by the passage of time. Other donor's restrictions are perpetual in nature, whereby the donor has stipulated the funds to be maintained in perpetuity.

Estimates – The preparation of the consolidated financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Exempt Status – The YMCA is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the IRC and qualifies for the 50% of adjusted gross income charitable contributions deduction for individual donors. The Financial Accounting Standards Board ("FASB") ASC 740, *Income Taxes*, requires the YMCA to estimate the likelihood that a potential income tax liability, including penalties and interest, exists for any income tax position taken on a return that has a more likely than not chance that the position would fail under a federal or state revenue audit. This estimated liability is known as an uncertain tax position. The YMCA has evaluated their income tax positions and has determined they have no uncertain tax positions that should be accounted for under ASC 740. The YMCA is not currently under examination by the Internal Revenue Service ("IRS") or the state of North Carolina.

Note 1—Nature of activities and summary accounting policies (continued)

The Organization is a not-for-profit organization exempt from federal income taxes under Section 501(c)(2) of the IRC. It has been classified as an organization that is organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt under IRC 501(a). The Organization has evaluated their income tax positions and has determined that they have no uncertain tax positions that should be accounted for under ASC 740. The Organization is not currently under examination by the IRS or the state of North Carolina.

Cash and Cash Equivalents – For purposes of the consolidated statements of cash flows, cash and cash equivalents represent cash in bank demand accounts and short-term highly liquid investments with original maturities of three months or less.

Accounts Receivable – Accounts receivable is generally uncollateralized client obligations net of allowance for credit losses. The allowance for credit losses is based on the Association's assessment of the collectability of customer accounts receivable. In accordance with ASC Topic 326, *Financial Instruments - Credit Losses*, the Association makes ongoing estimates relating to the collectability of accounts receivable and records an allowance for estimated losses expected from the inability of its customers to make required payments. The Association establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a customer's ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery. Write offs for the years ended December 31, 2023 and 2022 were $123,754 and $157,400, respectively. As of December 31, 2023 and 2022, the allowance for credit losses was $148,140 and $-0-, respectively.

Pledges Receivable – Pledges made to the Association are recorded as receivables in the year the pledge was made. Pledges to give are reported in the consolidated statements of financial position net of unamortized discounts and an allowance for uncollectible pledges. Pledges that are expected to be collected in future years are recorded at the present value of estimated, future cash flows using a discount rate based on management's assessment of many factors, including when the receivable is expected to be collected, past collection experience, and its policies concerning the enforcement of pledges. Amortization of the discount is recorded as an increase or decrease in contribution revenue. An allowance for uncollectible accounts is determined by management based on past collection history. During the years ended December 31, 2023 and 2022, the Association made recoveries of previously written off pledges of $52,319 and $126,642, respectively. As of December 31, 2023 and 2022, the allowance for uncollectible pledges was $1,023,298 and $1,079,211, respectively.

Investments – Investments in equity and debt securities are recorded at fair value based on closing market prices or bid quotations in accordance with professional standards. The resulting unrealized gain or loss is reported in investment return, net in the consolidated statements of activities and changes in net assets.

Prepaid Expenses – Prepaid expenses consist of routine business expenses paid in advance.

Land, Buildings, and Equipment – Land, buildings, and equipment that are purchased are valued at historical cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	5 – 40 years
Buildings	1 – 40 years
Vehicles and boats	3 – 10 years
Furnishings and equipment	3 – 39 years

Note 1—Nature of activities and summary accounting policies (continued)

Construction in Progress – Amounts represent the accumulated cost of a project that has not yet been placed into service. When the project is complete and placed into service, the cost is removed from this account and recorded as a long-term asset.

Impairment of Land, Buildings, and Equipment – The Association reviews land, buildings, and equipment for impairment whenever events or changes in circumstances indicate the carrying value of the property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If assets 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 asset. During the years ended December 31, 2023 and 2022, there were no events or changes in circumstances indicating an impairment analysis was needed.

Revenue Recognition from Exchange Transactions – The Association has multiple revenue streams that are accounted for as exchange transactions including membership dues and joining fees, program and camping and related services, and grant revenues.

The Association bills members in advance of camp and programs being held within the next year. These amounts represent services that have been invoiced to the member but not yet provided and are reported as deferred revenue on the consolidated balance sheet. As of January 1, 2022, the Association had deferred revenue of $50,128,536. As of December 31, 2023 and 2022, the Association had $33,656,043 and $31,716,536, respectively, in deferred revenue.

Membership Dues and Joining Fees – A significant amount of the Association's revenue is generated from the use of the facilities by its members. The Association bills members on a monthly basis for use of the Association facilities. Revenue is recognized on a pro rata basis over the period covered by the billing which is typically a calendar month. Member dues and other charges billed or collected in advance are deferred and recorded as revenue in the period to which they relate. Joining fees are earned in the month billed to the customer because they are nonrefundable. Financial assistance is available to members.

Program and Camping Fees – The Association offers a variety of programs including family, childcare, day camp, overnight camp, teen, fitness, aquatics, health, and wellbeing. Fee-based programs are available to the general public. Program fees for short duration programs, 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 30 days' notice. Refunds may be available for services not provided. Financial assistance is available to camp and program participants.

Grant Revenue – The Association receives grants from corporations, foundations, and city, state, and federal agencies to provide a variety of program services to the public based on contract requirements, including eligibility, procurement, reimbursement, curriculum, staffing, and other requirements. These program services range from childcare after school programs, day camp, family programs, and health and welfare related programs. These grants from government agencies are recorded as revenue when earned, which is generally when the related allowable expenditures are incurred over the period the service is provided.

Note 1—Nature of activities and summary accounting policies (continued)

Contribution Revenue – The Association receives contributions to support operating activities, endowments, and capital projects. These contributions can be from individuals, foundations, corporations, trusts, or government agencies. The Association records pledges receivable, net of allowances for estimated uncollectable amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise to give was received.

Donor-restricted pledges are reported as increases in net assets with donor restrictions. When a restriction has been satisfied, the net assets with donor restrictions are released to net assets without donor restrictions. If a donor imposes a restriction on a contribution and the restrictions are met in the same fiscal year, the Association may report all such contributions as net assets without donor restrictions.

In-Kind Contributions – Donations of property, equipment, supplies, space, or materials are recorded as support at their estimated fair value. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the YMCA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Donated Property and Equipment – The Association recognized contribution revenue from donated property of $2,630,800 and $3,350,419 for the years ended December 31, 2023 and 2022, respectively. Donated property in 2023 and 2022 of $2,624,000 and $3,326,500, respectively, was immediately sold on the open market, which is where the fair value was derived, and was used to support the Operating Fund. During the years ended December 31, 2023 and 2022, donated property of $6,800 and $3,900, respectively, related to boats donated for camp program use and was assigned a fair value based on information provided by third parties and independent agencies. This was used to support the Operating Fund. During the years ended December 31, 2023 and 2022, donated property of $15,028 and $20,019, respectively, related to land the Association is able to use through a donation rather than paying rent and was used to support the Maintenance Reserve Fund. This is assigned a fair value based on actual rental rates that would be paid for the space if not donated by the local Town that allows for space use. Of the donated in-kind contributions, $15,028 and $20,019, respectively, were restricted by the donor.

Consolidated Statements of Functional Expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Association allocates functional expenses based on program delivery and space utilized for the various programs. Program expenses directly incurred to support program delivery, as well as indirect costs allocated by applying program expense percentages, are allocated to the program. The Association captures administrative and fundraising costs through dedicated cost centers assigned to those functions, as well as indirectly by applying program expense percentages.

Concentrations – The Association places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation permanently increased coverage to $250,000 for substantially all depository accounts. During the year, the Association from time to time may have had amounts on deposit in excess of the insured limits. At December 31, 2023 and 2022, the Association exceeded the federally insured limit by approximately $16,312,000 and $16,339,000, respectively.

As of December 31, 2023 and 2022, one pledge accounted for 35% and 31%, respectively, of the pledge receivable balance.

Note 1—Nature of activities and summary accounting policies (continued)

Advertising – Advertising costs are expensed as incurred and totaled $720,820 and $960,171 for the years ended December 31, 2023 and 2022, respectively. The advertising costs are included in promotion and printing on the consolidated statements of functional expenses.

Current Pronouncements – In June 2016, FASB issued ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326, Measurement of Credit Losses on Financial Instruments*, which requires certain financial assets to be measured at amortized cost net of an allowance for estimated credit losses, such that the net receivable represents the present value of expected cash collection. The new rules also require certain financial assets be measured at amortized cost reflecting an allowance for estimated credit losses that are expected to occur over the life of the assets. This estimate must be based on all relevant information, such as historical information, current conditions, and reasonable and supportable forecasts that could impact the collectability of the amounts. The standard is effective for the Association for the calendar year ending December 31, 2023. The Association adopted this accounting standard as of January 1, 2023, which did not have a material impact on the Association's consolidated financial statements.

Note 2—Pledges receivable, net

As of December 31, the present value of pledges receivable, net of allowance for uncollectible accounts are due as follows:

	2023	2022
Receivable in less than one year	$ 7,021,888	$ 6,389,706
Receivable in one to five years	1,837,761	3,470,678
Receivable in more than five years	182,655	223,366
	9,042,304	10,083,750
Less present value discount	(323,239)	(536,414)
	8,719,065	9,547,336
Less allowance for uncollectible accounts	(1,023,298)	(1,079,211)
Pledges receivable, net	$ 7,695,767	$ 8,468,125

To reflect the value of its long-term pledges in today's dollars, the Association used a discount rate of 5.37% for both the fiscal years ended December 31, 2023 and 2022, respectively. The pledges are made, predominately, for branch-specific scholarships and outreach programs, capital improvements, and an endowment for underprivileged children.

Note 3—Investments

Investments reported at fair value consisted of the following as of December 31:

	2023		2022	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Equity funds	$ 19,192,911	$ 19,595,864	$ 27,692,798	$ 25,211,749
Bond funds	4,756,293	3,342,584	3,661,276	3,060,185
	$ 23,949,204	$ 22,938,448	$ 31,354,074	$ 28,271,934

Fair value is determined by market quotations at year-end. For the years ended December 31, 2023 and 2022 investment income includes realized gains on the sale of securities in the amount of $1,367,533 and $1,853,297, respectively. At December 31, 2023 and 2022, the Association's investment in partnerships decreased in value by $-0- and $17,108, respectively. At December 31, 2023 and 2022, the net reported basis value of all K-1s received is ($2,637).

Note 4—Fair value measurements

The Association applies U.S. GAAP for fair value measurements of financial assets that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. U.S. GAAP defines fair value as 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. U.S. GAAP also establishes a framework for measuring fair value and expands disclosures about fair value measurements. U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy, within which a fair measurement in its entirety falls, is based on the lowest level input that is significant to the fair value measurement in its entirety.

Note 4—Fair value measurements (continued)

The following table presents assets and liabilities that are measured at fair value on a recurring basis at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Large cap	$ 14,965,058	$ -	$ -	$ 14,965,058
Mid cap	1,138,142	-	-	1,138,142
Small cap	16,391	-	-	16,391
International	3,478,910	-	-	3,478,910
Fixed income	3,342,584	-	-	3,342,584
Investment in partnerships	-	-	(2,637)	(2,637)
Total investments, at fair value	22,941,085	-	(2,637)	22,938,448
Interest rate swap contracts	-	2,039,578	-	2,039,578
	$ 22,941,085	$ 2,039,578	$ (2,637)	$ 24,978,026

The following table presents assets and liabilities that are measured at fair value on a recurring basis at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Large cap	$ 17,848,553	$ -	$ -	$ 17,848,553
Mid cap	2,036,449	-	-	2,036,449
Small cap	12,324	-	-	12,324
International	5,317,060	-	-	5,317,060
Fixed income	3,060,185	-	-	3,060,185
Investment in partnerships	-	-	(2,637)	(2,637)
Total investments, at fair value	28,274,571	-	(2,637)	28,271,934
Interest rate swap contracts	-	2,514,702	-	2,514,702
	$ 28,274,571	$ 2,514,702	$ (2,637)	$ 30,786,636

The following is a reconciliation of activity for Level 3 assets measured at December 31 at fair value based on significant unobservable (non-market) information:

	Investment in Partnerships
Balance, January 1, 2022	$ 14,470
Realized loss	(17,107)
Balance, December 31, 2022	(2,637)
Balance, December 31, 2023	$ (2,637)

Note 5—Land, buildings, and equipment, net

Land, buildings, and equipment and related accumulated depreciation at December 31, 2023 and 2022, consisted of the following:

	2023	2022
Land and land improvements	$ 52,143,957	$ 50,581,638
Buildings	184,162,676	181,234,371
Vehicles and boats	5,960,629	5,761,032
Furnishings and equipment	25,214,793	22,805,790
Construction-in-progress	15,547,374	6,251,616
	283,029,429	266,634,447
Less accumulated depreciation	(105,136,302)	(97,747,428)
	$ 177,893,127	$ 168,887,019

Depreciation expense for the years ended December 31, 2023 and 2022 was $8,053,065 and $7,519,204, respectively.

Note 6—Defined contribution plan

The Association 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 IRC 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) and is 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 their eligible employees. As a defined contribution plan, the retirement plan and tax-deferred savings plan have no unfunded benefit obligations.

In accordance with the agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salary. These amounts are paid by the Association. Contributions charged to retirement costs for fiscal years ended December 31, 2023 and 2022 totaled $2,656,924 and $2,568,341, respectively. Contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to the Fund. There is no matching employer contribution in this plan.

Note 7—Line of credit

The Association previously entered into a secured line of credit with Truist Bank with available credit up to $6,000,000 at an interest rate of index rate plus 1.25% per annum. The Association owed $3,455,313 on the line of credit at December 31, 2022. The line of credit balance was fully repaid as of December 31, 2023.

Note 8—Debt obligations

Bonds Payable
On May 1, 2017, the Association entered into a Bond Purchase and Loan Agreement with the North Carolina Capital Facilities Finance Agency (the "Agency") in which the Agency committed to make loans to the Association from the proceeds of its Bonds in the principal amounts of $7,410,000, $12,725,000 and not to exceed $22,000,000 for the Series 2017A, Series 2017B, and Series 2017C, respectively. The funds were provided from the proceeds of the Agency's issuance of $7,410,000 Revenue Refunding Bond (YMCA of the Triangle) Series 2017A (the "2017A Bond"), $12,725,000 Revenue Refunding Bonds (YMCA of the Triangle) Series 2017B (the "2017B Bond"), and not to exceed $22,000,000 Revenue Bonds (YMCA of the Triangle) Series 2017C (the "2017C Bond") (collectively referred to as the "2017 Bonds" which were purchased by Truist Bank). The Association used the proceeds of the 2017A Bonds to prepay the 2002 Bonds, the 2017B Bonds to prepay the 2006 Bonds, and the 2017C Bonds to pay or reimburse itself for the costs of certain projects and pay certain expenses incurred in connection with the authorization and issuance of the 2017 Bonds. Management believes the Association was in compliance with all covenants at December 31, 2023 and 2022. The outstanding balance on the Series 2017A Bond was paid in full during the year ended December 31, 2022.

The term of the 2017 Bonds included that interest shall accrue on the outstanding principal amount of each series of the 2017 Bonds and shall initially be calculated at the Adjusted LIBOR applicable to each such series on the basis of actual days elapsed over a 360-day year and shall be payable as provided in the form of the 2017 Bonds. Interest on the outstanding principal amount of the 2017 Bonds shall be payable on the first business day of each month. The Association amended the agreement for the Series 2017B and Series 2017C bonds above in March 2023 to adjust for the termination of LIBOR to Term SOFR as the new underlying basis. Effective April 1, 2023, these two bond series accrued interest at a rate equal to the Adjusted Term SOFR plus 1.25% per annum.

On October 1, 2019, the Association entered into a Bond Purchase and Loan Agreement with the Public Finance Authority (the "Authority") in which the Authority committed to make a loan to the Association from the proceeds of its Bonds in the principal amount of $19,125,000 for the Series 2019 Revenue Bond. The funds were provided from the Authority's issuance of $19,125,000 Revenue Bond (YMCA of the Triangle – Northwest Cary Project), Series 2019 (the "Bond') which were purchased by Truist Bank. The Association used the proceeds of the Series 2019 Bond to purchase property at 6903 Carpenter Fire Station Road, Cary, North Carolina. Management believes the Association was in compliance with all covenants at December 31, 2023 and 2022.

The term of the 2019 Bond included that interest shall accrue on the outstanding principal amount of the Bond and shall initially be calculated at the Adjusted Federal Funds Rate on the basis of actual days elapsed over a 360-day year and shall be payable as provided in the form of the bond. Interest on the outstanding principal amount of the Bond shall be payable on the first business day of each month.

The Association and Truist Bank entered into a Continuing Covenant Agreement which contains the financial covenants applicable to the Association, including a requirement for unrestricted liquidity of not less than $6,000,000 and a debt service coverage ratio of at least 1.2 to 1.0, both measured as of each December 31. As of December 31, 2023 and 2022, management calculated the Association's unrestricted liquidity as $12,969,066 and $18,870,403, respectively. As of December 31, 2023 and 2022, management calculated the Association's debt service coverage ratio as 2.23 to 1.0 and 2.22 to 1.0, respectively.

Note 8—Debt obligations (continued)

Bonds payable consisted of the following at December 31:

	2023	2022
Series 2017B - matures, subject to the right of prior redemption, on May 1, 2027. The fixed adjusted swap rate at December 31, 2023 was 2.80%.	$ 5,825,000	$ 7,115,000
Series 2017C - matures, subject to the right of prior redemption, on May 1, 2032. The fixed adjusted swap rate at December 31, 2023 was 3.54%.	14,560,758	15,965,967
Series 2019 (Northwest Cary Project) - matures, subject to the right of prior redemption on October 1, 2044. The fixed adjusted swap rate at December 31, 2023 was 2.30%.	16,649,513	17,265,721
	37,035,271	40,346,688
Less bond issuance costs	(204,087)	(231,382)
Total bonds payable	$ 36,831,184	$ 40,115,306

Notes Payable

On April 12, 2018, the Organization entered into various note payable agreements with CAHEC Sub-CDE XIV, LLC, a North Carolina limited liability Association and ST CDE XLVI, LLC, a Georgia limited liability Association (collectively referred to as the "Lenders"). The Lenders have funded the notes in the original aggregate principal amount of $21,000,000 using the New Markets Tax Credit (the "NMTC") and the Organization has developed, constructed, equipped, and leased the development project for use as a YMCA facility, which includes a wellness center, parking lot, gymnasium, outdoor swimming pool, exercise studios, and other athletic and recreational amenities. The Organization constitutes as a "qualified active low-income community business" within the meaning of Section 45D of the Code and the Treasury Regulations and guidance thereunder.

The NMTC program was established under IRC Section 45D and is administered through the Community Development Financial Institutions ("CFDI") fund, which is a division of the U.S. Department of Treasury. The CFDI provides authority for Community Development Entities ("CDE") to sell the provided tax credits to qualified investors. The mission of CDEs is to provide capital to low-income communities for eligible projects such as for-profit retail, manufacturing plants, service businesses, and nonprofit businesses. Once the tax credits are received by the CDE, investors, such as local corporations, banks, or insurance companies, invest (equity) in the CDE, which in turn allows the CDE to invest in qualifying businesses. This investment made into the CDE is called a qualified equity investment ("QEI") and can be made either as an equity investment or a debt obligation. That investment is typically made with a combination of funds contributed by the investor and loaned by a lender, allowing the investor to take tax credits on the combined amount. The investor receives new market tax credits calculated on that aggregate amount equal to 39% of the QEI and is spread out over 7 years (5% in years 1 to 3 and 6% in years 4 to 7). The investment made by the CDE is typically structured as 7 years, below-market interest rate, interest-only debt obligations. These debt obligations are typically split into two debt obligations, one corresponding to the equity portion of the investment and the second corresponding to the debt obligation portion of the investment. At the end of the 7-year compliance period, there are mechanisms in place that would result in the portion of the debt obligation relating to the equity being forgiven, as the equity investor made its investment in return for the tax credits and is not looking for a return of its equity investment.

Note 8—Debt obligations (continued)

Notes payable consisted of the following at December 31:

	2023	2022
Construction loan with Truist Bank for the Southeast Raleigh YMCA branch and school; secured by a double negative pledge on all assets and assignment of rent under lease with the Wake County Board of Education. Interest is payable monthly at LIBOR plus .75%. First payment of up to $18,530,000 due no later than December 31, 2020, with final payment of $6,170,000 due at March 31, 2023. Interest rate at December 31, 2022 was 2.67%.	$ -	$ 353,823
Construction loan with Truist Bank for the purpose of implementing certain energy conservation measures designed to reduce energy consumption costs. The monthly repayment of principal and interest is amortized over 180 months at an interest rate of 4.16% continuing up to December 1, 2038.	6,026,361	6,309,965
Loan agreement with CAHEC SUB-CDE XIV, LLC and ST CDE XLVI, LLC for a principal amount of $21,000,000 to be paid for under the terms of the NMTC.	21,000,000	21,000,000
	27,026,361	27,663,788
Less debt issuance costs	(145,923)	(259,665)
Total notes payable	$ 26,880,438	$ 27,404,123

The following are maturities of bonds and notes payable for each of the next five years and in the aggregate:

	Notes Payable	Bonds Payable	Total
2024	$ 295,630	$ 3,428,966	$ 3,724,596
2025	308,165	3,550,403	3,858,568
2026	1,165,856	3,676,806	4,842,662
2027	1,184,904	3,805,026	4,989,930
2028	1,205,056	2,304,255	3,509,311
Thereafter	22,866,750	20,269,815	43,136,565
	27,026,361	37,035,271	64,061,632
Less unamortized debt issuance costs	(145,923)	(204,087)	(350,010)
	$ 26,880,438	$ 36,831,184	$ 63,711,622

The Association paid $5,900 related to the issuance of the notes payable for the year ended December 31, 2022, and these costs are being amortized over the life of bond. Unamortized debt issuance costs as of December 31, 2023 and 2022 totaled $350,010 and $491,047, respectively. Debt issuance costs are presented in the consolidated statements of financial position as a reduction to the related debt. Interest expense for notes and bonds payable was $1,330,568 and $1,292,699 for the years ended December 31, 2023 and 2022, respectively.

Note 9—Paycheck Protection Program loan

In 2020, the World Health Organization declared the coronavirus "COVID-19" outbreak to be a pandemic. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets globally, including the geographical areas in which the Association operates.

The Association received a loan under the Paycheck Protection Program ("PPP") for an amount of $9,119,692, which was established under the Coronavirus Aid, Relief, and Economic Security Act and administered by the Small Business Administration ("SBA"). The application for the PPP loan requires the Association to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operation of the Association. The receipt of the funds from the PPP loans and the forgiveness of the PPP loans is dependent on the Association having initially qualified for the PPP loans and qualifying for the forgiveness of such PPP loans based on funds being used for certain expenditures such as payroll costs and rent, as required by the terms of the PPP loans.

Presently, the SBA and other government communications have indicated that all loans in excess of $2 million will be subject to audit and that those audits could take up to seven years to complete. If the SBA determines the PPP loan was not properly obtained and/or expenditures supporting forgiveness were not appropriate, the Association would need to repay some or all of the PPP loan and record additional expense which could have a material, adverse effect on its business, financial condition and results of operations in a future period.

The Association received forgiveness of $9,119,692 of principal and $86,384 of interest in May 2022. The gain is included in gain on debt forgiveness on the consolidated statements of activities and changes in net assets for the year ended December 31, 2022.

Note 10—Interest rate swap contacts

Interest Rate Swaps – The Association entered into interest rate swap contracts to reduce the risk of changes in interest rates on its variable rate bonds.

On May 1, 2017, the Association entered into three interest rate swap contracts with a predecessor to Truist Bank having total beginning notional amounts of $34,030,000. These agreements effectively change the Association's interest rate exposure on its $7,410,000 (Series 2017A) floating rate note due 2022 to a fixed 1.92%, on its $12,725,000 (Series 2017B) floating rate note due 2027 to a fixed 2.205%, and $13,895,000 (Series 2017C) floating rate note due 2032 to a fixed 2.443%. The Series 2017A interest rate swap contract matured on May 1, 2022 contemporaneously with the maturity of that loan. The Series 2017B interest rate swap agreement will terminate by its own terms on May 1, 2027 and the Series 2017C interest rate swap contract will terminate on May 1, 2030. The Series 2017C interest rate swap is cancellable by the Association, without charge, with two business days' notice prior to the first calendar day of each month between May 1, 2027 and April 1, 2030.

On October 3, 2019, the Association entered into an interest rate swap contract, also with a predecessor to Truist Bank, having a beginning notional amount of $19,125,000. This agreement effectively changed the Association's interest exposure on its $19,125,000 (Series 2019) floating rate note due 2044 to a fixed 2.30%. The Series 2019 interest rate swap contract matures on October 3, 2034. In each interest rate swap contract the Association is exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swap contracts; however, the Association does not anticipate nonperformance.

The Association amended the interest rate swap contracts associated with the Series 2017B and Series 2017C bonds in March 2023 to adjust for the termination of LIBOR to Term SOFR as the new underlying basis. Effective April 1, 2023, these contracts effectively change the Association's interest rate exposure on all of is $7,115,000 (Series 2017B) floating rate note due 2027 to a fixed 2.80%, and $15,965,967 (Series 2017C) floating rate note due 2032 to a fixed 3.54%.

Note 11—Net assets with donor restrictions

Net assets with donor restrictions at December 31 are available for the following purposes or periods:

	2023	2022
Restricted accumulated earnings on endowment	$ 4,938,275	$ 2,779,104
Assets restricted in perpetuity	638,958	435,204
Capital fund assets subject to donor restrictions	14,596,269	12,639,476
Contributions for program services and scholarships	8,137,457	8,249,667
Endowments	12,501,675	11,758,449
	$ 40,812,634	$ 35,861,900

Included in net assets without donor restrictions are board-designated net assets representing funds set aside for endowment funds of $1,447,591 and $1,184,130 and maintenance and capital improvements at the various facilities of $11,163,800 and $14,861,846 as of December 31, 2023 and 2022, respectively.

Note 12—Net assets released from restrictions

Net assets released from restrictions for the years ended December 31 consist of:

	2023	2022
Purpose restrictions accomplished:		
Contributions for program services and scholarships	$ 8,316,511	$ 8,106,364
Construction of buildings and improvements	706,216	4,130,102
Endowment distribution	563,259	503,347
Net assets released from restrictions	$ 9,585,986	$ 12,739,813

Note 13—Leases

The Association leases certain facilities and equipment under operating leases expiring at various dates. In addition, the Association leases certain facilities on a month-to-month basis and on an as needed basis.

The Association determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The Association has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on relative stand-alone prices.

Right-of-use ("ROU") assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses that are factored into the determination of the lease term if it is reasonably certain these options would be exercised by the Association. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain of our lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. In order to determine the present value of lease payments, the Association uses the implicit rate when it is readily determinable. As most of the Association's leases do not provide an implicit rate, management uses the Association's risk-free discount rate based on the information available at lease commencement to determine the present value of lease payments.

Note 13—Leases (continued)

The lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Association does not have leases where it is involved with the construction or design of an underlying asset. The Association has no material obligation for leases signed but not yet commenced as of December 31, 2023. The Association does not have any material sublease activities.

The Association elected the three transition practical expedients that permit an entity to: (a) not reassess whether expired or existing contracts contain leases, (b) not reassess lease classification for existing or expired leases, and (c) not consider whether previously capitalized initial direct costs would be appropriate under the new standard.

The Association has elected the practical expedient not to recognize leases with terms of 12 months or less on the consolidated statement of financial position and instead recognize the lease payments on a straight-line basis over the term of the lease and variable lease payments in the period in which the obligation for the payments is incurred. Therefore, the Association's short-term lease expense for the period does not reflect ongoing short-term lease commitments. Lease expense for such short-term leases was $3,467,606 and $2,776,814 for the years ended December 31, 2023 and 2022, respectively, and is included in occupancy expenses.

The Association has elected to utilize the risk-free discount rate to calculate lease assets and liabilities that aligns with the expected lease term.

At January 1, 2022, the Association recognized an operating lease ROU asset of $12,058,423 and operating lease liability of $13,781,302 which represents the present value of minimum lease payments discounted at the risk-free rate applicable for each lease, which ranged from 0.40% to 4.36% on implementation date. At December 31, 2023 and 2022, the Association recognized an operating lease ROU asset of $6,437,706 and $7,281,606, respectively, and an operating lease liability of $7,763,786 and $8,811,576, respectively. Operating lease expense was $2,424,062 and $2,444,142 for the years ended December 31, 2023 and 2022, respectively, which is included with occupancy expenses.

The weighted-average remaining noncancelable lease term for operating leases was 3.84 years and 4.73 years as of December 31, 2023 and 2022, respectively. As of the December 31, 2023 and 2022, the weighted-average discount rate used to determine lease liability was 1.59% and 1.43%, respectively.

The future minimum lease payments to be made under the operating lease liability are as follows:

Years Ending December 31,	
2024	$ 1,789,239
2025	1,815,040
2026	1,847,929
2027	1,682,164
2028	912,480
Total undiscounted cash flows	8,046,852
Less present value discount	(283,066)
Present value of lease liabilities	$ 7,763,786

Cash paid for operating lease liabilities was $2,604,973 and $2,574,189 for the years ended December 31, 2023 and 2022, respectively.

Note 13—Leases (continued)

ROU assets obtained in exchange for new operating lease liabilities as of December 31, 2023 and 2022 was $550,011 and $13,781,302, respectively.

Note 14—Related parties

The Association has many volunteers from the community, and it is common practice that various transactions take place between the Association and companies that may be related to board members, officers, and other volunteers. These transactions take place through the normal course of business. All decisions about investments, major purchases, and policy require the consensus of committees and the approval of the Board of Directors or the Executive Committee.

The Association leases office space from an entity whose former Chief Executive Officer is a former board member of the Association. The term of the lease was renewed for another 132 months on September 25, 2015 and expires on September 30, 2027. The lease calls for cumulative base rents of $8,302,418 payable in monthly installments over the full term of the lease.

The Association leases approximately 76,000 square feet of interior space from an entity whose superintendent was a board member of the Association during the year ended December 31, 2022. The initial term of the lease is 20 years, with options to extend the term for three additional successive periods of 10 years each. The lease specifies that the tenant pay Tenant Improvement Costs based on the tenant's share of the actual cost of the building and its allocated share of the cost of development of the property. As of December 31, 2023, this person was no longer a board member of the Association.

The Organization had a pledge receivable from the YMCA in the amount of $173,926 as of December 31, 2022, and other receivables which consisted of $270,030, at December 31, 2022. There were no receivables as of December 31, 2023. The Organization had $1,491,980 and $1,507,895, in a prepaid lease related to a contribution received from the YMCA for land which the Organization leases from the YMCA at December 31, 2023 and 2022, respectively. The respective assets, liabilities, revenue, and expenses between the YMCA and Organization have been eliminated on the consolidated financial statements.

Note 15—Contingencies

Legal Issues – The Association has received various civil summonses under separate incidents where program participants and members have allegedly sustained injuries while using the Association's facilities and/or participating in program activities. These are being handled by counsel designated by the Association's insurance companies. The Association does not anticipate any financial exposure beyond its insurance coverage.

Federal Program Awards – The Association received significant financial assistance from federal program awards for the years ended December 31, 2023 and 2022. These contracts and grants normally provide for the recovery of direct and indirect costs. Entitlement to the recovery of the applicable direct and indirect costs is generally conditioned upon compliance with the terms and conditions of the grant agreements and applicable federal or state regulations, including the expenditure of the resources for eligible purposes. Substantially all grants and the Association's costs are subject to financial and compliance reviews and audits by grantors or government agencies. In management's opinion, the likelihood of an adverse, material outcome upon its financial position from those reviews and audits is remote.

Note 16—Endowment

The Association's endowment consists of individual funds established for various purposes in accordance with explicit donor restrictions. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – On March 19, 2009, North Carolina enacted its version of the Uniform Prudent Management of Institutional Funds Act, which in the absence of explicit donor restrictions, allows spending of the corpus of certain donor-restricted and board-designated endowments, so long as it is necessary for the continuing operation of the entity and is managed in a responsible and prudent manner. However, it is the Association's policy to maintain any original corpus that was restricted by the donor and to recognize any other donor restrictions related to endowment gifts, such as restrictions on earnings. As a result, the Association classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment. The investment returns and any appreciation or depreciation of the endowment assets are classified as net assets with donor restrictions.

Endowment net asset composition by type of fund as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 17,439,950	$ 17,439,950
Board-designated endowment funds	1,447,590	-	1,447,590
Total mutual funds	$ 1,447,590	$ 17,439,950	$ 18,887,540

Endowment net asset composition by type of fund as of December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 14,537,553	$ 14,537,553
Board-designated endowment funds	1,184,130	-	1,184,130
Total mutual funds	$ 1,184,130	$ 14,537,553	$ 15,721,683

Note 16—Endowment (continued)

Changes in endowment net assets for the years ended December 31:

	Without Donor Restrictions Board-Designated	With Donor Restrictions	Total
Endowment net assets, Janaury 1, 2022	$ 748,633	$ 14,811,767	$ 15,560,400
Investment return:			
Investment income	7,693	230,484	238,177
Net depreciation	(76,977)	(1,643,792)	(1,720,769)
Total investment return	(69,284)	(1,413,308)	(1,482,592)
Contributions	-	1,654,718	1,654,718
Distributions	(26,567)	(515,624)	(542,191)
Other changes:			
Board-designated transfers	531,348	-	531,348
	504,781	1,139,094	1,643,875
Endowment net assets, December 31, 2022	1,184,130	14,537,553	15,721,683
Investment return:			
Investment income	24,982	286,102	311,084
Net appreciation	206,249	2,437,072	2,643,321
Total investment return	231,231	2,723,174	2,954,405
Contributions	57,500	742,484	799,984
Distributions	(25,271)	(563,261)	(588,532)
	32,229	179,223	211,452
Endowment net assets, December 31, 2023	$ 1,447,590	$ 17,439,950	$ 18,887,540

Funds with Deficiencies – From time to time, the fair market value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Association to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2023 or 2022.

Return Objectives and Risk Parameters – The Association has adopted investment policies for the long-term endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the corpus of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment portfolio is invested with a target asset allocation of a maximum of 88% in equities and a minimum of 12% in bonds or cash equivalents. Because market timing has historically impaired the ability of portfolios to perform over a long period, the funds deemed long-term investments are invested within the guideline ranges at all times. The Association's goal is that these investments shall be able to achieve an average annual rate of return over a period of three years that meets or exceeds the weighted composite market indices comprised of 63% S&P 500 Index, 15% Russell 2500 Index, 10% Morgan Stanley Capital International Europe, Australasia, and the Far East Index, and 12% Bloomberg Barclays US Aggregate 1-3 year bond index as well as achieving the portfolio goal that ranks in the top 50% of similarly managed portfolios.

Note 16—Endowment (continued)

Strategies Employed for Achieving Objectives – The Association's strategy is to maximize the total return of the Endowment funds consistent with prudent levels of risk by preserving and protecting the purchasing power of the Endowment assets and earning a total return for each fund appropriate to each fund's duration, liquidity needs, and risk tolerance. The total return should exceed the inflation rate plus the spending rate.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Association has a policy of appropriating for distribution each year at a maximum of 5% of its endowment funds as measured by a 12-quarter rolling average of the fair market value of the assets. Per board policy, the investment committee has the option to recommend adjustments due to unexpected market fluctuations.

Note 17—Split-interest agreements

The Association is a beneficiary of several charitable remainder unitrusts. The beneficial interests of these trusts have been initially recorded as donor-restricted contribution revenue in the year the trusts were established; measured using a valuation method which approximates the present value of the estimated expected future benefits to be received when the trust assets are distributed.

Adjustments to the value of the Association's beneficial interest are made annually and are recorded on the consolidated statements of activities and changes in net assets as a part of investment return under net assets with donor restrictions. The value of the Association's beneficial interest is recorded in the consolidated statement of financial position as part of other assets.

As of December 31, 2023 and 2022, the value of the Association's beneficial interest in the various charitable remainder unitrusts totaled $315,436 and $204,056. For the years ended December 31, 2023 and 2022, the change in value of the Association's beneficial interest in the various charitable remainder unitrusts resulted in a gain of $110,380, and a loss of $20,074, respectively.

The Association is a lifetime income beneficiary of a permanently restricted Triangle Community Foundation account. The Association is entitled to receive up to 5% of the income earned in these funds for the life of the Association.

Note 18—Liquidity and availability of resources

As of December 31, the following table shows the total financial assets held by the Association and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

	2023	2022
Financial assets at December 31:		
Cash and cash equivalents	$ 19,751,227	$ 21,669,265
Accounts receivable	20,384,232	18,354,696
Pledges receivable - due within one year	7,021,888	6,389,706
Notes receivable	14,713,500	14,713,500
Investments	22,938,448	28,271,934
Other assets	1,420,335	1,128,164
Total financial assets	86,229,630	90,527,265
Less those unavailable for general expenditures within one year:		
Donor-restricted assets and board-designated endowment less appropriation for subsequent period	(23,122,960)	(26,794,937)
Notes receivable	(14,713,500)	(14,713,500)
Funds held for others	(181,124)	(289,865)
457 retirement plan funds	(997,486)	(846,504)
Project reserves	(800,000)	-
Debt service	-	(353,823)
Board-designated unrestricted reserves	(11,163,800)	(14,507,922)
Total financial assets available for general expenditure	$ 35,250,760	$ 33,020,714

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing activities of the Association as well as the services undertaken to support those activities to be general expenditures.

The Association regularly monitors the availability of resources required to meet its operating needs. Taking the seasonal nature of its cash flow into account, the Association structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Association may utilize any available portion of its line of credit for liquidity or other purposes. Funds in excess of daily operating requirements are invested in a daily liquidity investment account or managed investment accounts based on projected short, intermediate, and longer-term projected cash needs.

The Association maintains a line of credit with Truist Bank with a credit limit of $6 million. As of December 31, 2023 and 2022, the unused line of credit amount was approximately $6 million and $2.5 million, respectively. The line of credit may be used to fund current operations and working capital requirements if needed.

The Board of Directors has designated a portion of assets without donor restrictions for capital expansion, facility maintenance, self-insurance, debt service, and contingency purposes. Although designated for specific purposes, these unrestricted funds are considered a part of the Association's liquidity reserve and may be utilized for liquidity purposes per the board's discretion through interfund borrowings and transfers. The Board of Directors has also designated a portion of its assets without donor restrictions as certain quasi-endowment funds. Those funds could be drawn upon for liquidity or other purposes with board approval.

Note 19—Net investment in lease

The Association entered into a lease agreement with the Wake County Board of Education (the tenant) on March 15, 2018. The property covered by the lease is approximately 76,000 square feet of interior space to be used as a school. The property adjoins the Southeast Raleigh YMCA building located at 1436 Rock Quarry Road in Raleigh, North Carolina.

The initial term of the lease is 20 years, with options to extend the term for three additional successive periods of 10 years each. The lease specifies that the tenant pay Tenant Improvement Costs based on the tenant's share of the actual cost of the building and its allocated share of the cost of development of the property.

Over the course of the construction period, the tenant made payments of $18,781,776 to the Association. The tenant occupied the space in June 2019. The net investment in lease is amortized over the 50-year life of the lease. The amortization reduces the lease prepayments recorded as deferred revenue by the Association. Amortization to reduce the net investment in lease asset and lease prepayment liability for the years ended December 31, 2023 and 2022 totaled $370,570.

Note 20—Notes receivable

On April 12, 2018, the Association entered into a note receivable agreement with YMCA Raleigh Investment Fund, LLC, totaling $14,713,500 to finance the development of a new YMCA facility in connection with the NMTC funding. The loan bears an interest rate of 1.00% with a maturity date of April 12, 2042. The Association is due interest-only payments annually through December 31, 2024. After this period, the Association is due annual principal and interest payments of $945,461 from December 15, 2025 to April 12, 2042. See Note 8 for additional information.

Note 21—Subsequent events

The Association has evaluated events and transactions through June 27, 2024, which is the date that the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

DECEMBER 31, 2023

	YMCA Funds								
	Operating Fund	Endowment Fund	Maintenance Reserve	Program Fund	Total YMCA	Organization	Total	Eliminating Entries	Consolidated
ASSETS									
Cash and cash equivalents	$ 13,677,348	$ 811,698	$ 1,535,645	$ 3,445,412	$ 19,470,103	$ 281,124	$ 19,751,227	$ -	$ 19,751,227
Accounts receivable, net	20,384,232	-	-	-	20,384,232	-	20,384,232	-	20,384,232
Pledges receivable, net	1,690,230	460,749	5,154,861	389,927	7,695,767	-	7,695,767	-	7,695,767
Notes receivable	14,713,500	-	-	-	14,713,500	-	14,713,500	-	14,713,500
Investments, at fair value	350,638	17,587,810	5,000,000	-	22,938,448	-	22,938,448	-	22,938,448
Prepaid expenses	1,603,495	-	-	-	1,603,495	1,493,666	3,097,161	(1,491,081)	1,606,080
Land, buildings, and equipment, net	157,618,615	-	3,011,763	-	160,630,378	17,262,749	177,893,127	-	177,893,127
Land held for resale	35,000	-	44,000	-	79,000	-	79,000	-	79,000
Operating lease right-to-use assets	8,098,401	-	-	-	8,098,401	-	8,098,401	(1,660,695)	6,437,706
Net investment in lease	16,860,944	-	-	-	16,860,944	-	16,860,944	-	16,860,944
Other assets	910,555	615,911	150,000	-	1,676,466	235,071	1,911,537	(235,071)	1,676,466
Interest rate swap contracts	2,039,578	-	-	-	2,039,578	-	2,039,578	-	2,039,578
Intracompany receivables	-	-	4,938,275	4,302,118	9,240,393	-	9,240,393	(9,240,393)	-
Total Assets	$ 237,982,536	$ 19,476,168	$ 19,834,544	$ 8,137,457	$ 285,430,705	$ 19,272,610	$ 304,703,315	$ (12,627,240)	$ 292,076,075
LIABILITIES AND NET ASSETS									
Accounts payable and accrued expenses	$ 7,461,255	$ -	$ -	$ -	$ 7,461,255	$ 13,114	$ 7,474,369	$ -	$ 7,474,369
Deferred revenue	34,848,023	-	300,000	-	35,148,023	-	35,148,023	(1,491,980)	33,656,043
Lease prepayments	16,860,944	-	-	-	16,860,944	-	16,860,944	-	16,860,944
Operating lease liabilities	9,659,552	-	-	-	9,659,552	-	9,659,552	(1,895,766)	7,763,786
Notes payable	6,020,997	-	-	-	6,020,997	20,859,441	26,880,438	-	26,880,438
Bond loans payable	36,831,184	-	-	-	36,831,184	-	36,831,184	-	36,831,184
Intracompany payables	2,828,726	6,335,537	-	-	9,164,263	75,231	9,239,494	(9,239,494)	-
Total Liabilities	114,510,681	6,335,537	300,000	-	121,146,218	20,947,786	142,094,004	(12,627,240)	129,466,764
Total Net Assets	123,471,855	13,140,631	19,534,544	8,137,457	164,284,487	(1,675,176)	162,609,311	-	162,609,311
Total Liabilities and Net Assets	$ 237,982,536	$ 19,476,168	$ 19,834,544	$ 8,137,457	$ 285,430,705	$ 19,272,610	$ 304,703,315	$ (12,627,240)	$ 292,076,075

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

DECEMBER 31, 2022

	YMCA Funds								
	Operating Fund	Endowment Fund	Maintenance Reserve	Program Fund	Total YMCA	Organization	Total	Eliminating Entries	Consolidated
ASSETS									
Cash and cash equivalents	$ 11,768,274	$ 537,521	$ 5,492,997	$ 3,480,612	$ 21,279,404	$ 389,861	$ 21,669,265	$ -	$ 21,669,265
Accounts receivable, net	18,354,696	-	-	-	18,354,696	-	18,354,696	-	18,354,696
Pledges receivable, net	1,715,463	261,473	6,491,189	-	8,468,125	173,926	8,642,051	(173,926)	8,468,125
Notes receivable	14,713,500	-	-	-	14,713,500	-	14,713,500	-	14,713,500
Investments, at fair value	14,298,636	13,973,298	-	-	28,271,934	-	28,271,934	-	28,271,934
Prepaid expenses	2,024,118	-	-	-	2,024,118	1,513,538	3,537,656	(1,507,895)	2,029,761
Land, buildings, and equipment, net	150,539,759	-	713,689	-	151,253,448	17,633,571	168,887,019	-	168,887,019
Land held for resale	703,465	-	44,000	-	747,465	-	747,465	-	747,465
Operating lease right-to-use assets	9,795,080	-	-	-	9,795,080	-	9,795,080	(2,513,474)	7,281,606
Net investment in lease	17,231,514	-	-	-	17,231,514	-	17,231,514	-	17,231,514
Other assets	773,019	557,417	57,118	-	1,387,554	280,840	1,668,394	-	1,668,394
Interest rate swap contracts	2,514,702	-	-	-	2,514,702	-	2,514,702	-	2,514,702
Intracompany receivables	-	-	2,779,104	4,609,537	7,388,641	-	7,388,641	(7,388,641)	-
Total Assets	$ 244,432,226	$ 15,329,709	$ 15,578,097	$ 8,090,149	$ 283,430,181	$ 19,991,736	$ 303,421,917	$ (11,583,936)	$ 291,837,981
LIABILITIES AND NET ASSETS									
Accounts payable and accrued expenses	$ 7,881,070	$ -	$ -	$ -	$ 7,881,070	$ 13,310	$ 7,894,380	$ -	$ 7,894,380
Deferred revenue	33,224,431	-	-	-	33,224,431	-	33,224,431	(1,507,895)	31,716,536
Lease prepayments	17,231,514	-	-	-	17,231,514	-	17,231,514	-	17,231,514
Line of credit	3,455,313	-	-	-	3,455,313	-	3,455,313	-	3,455,313
Operating lease liabilities	11,498,976	-	-	-	11,498,976	-	11,498,976	(2,687,400)	8,811,576
Notes payable	6,655,650	-	-	-	6,655,650	20,748,473	27,404,123	-	27,404,123
Bond loans payable	40,115,306	-	-	-	40,115,306	-	40,115,306	-	40,115,306
Intracompany payables	4,252,587	3,136,054	-	-	7,388,641	-	7,388,641	(7,388,641)	-
Total Liabilities	124,314,847	3,136,054	-	-	127,450,901	20,761,783	148,212,684	(11,583,936)	136,628,748
Total Net Assets	120,117,379	12,193,655	15,578,097	8,090,149	155,979,280	(770,047)	155,209,233	-	155,209,233
Total Liabilities and Net Assets	$ 244,432,226	$ 15,329,709	$ 15,578,097	$ 8,090,149	$ 283,430,181	$ 19,991,736	$ 303,421,917	$ (11,583,936)	$ 291,837,981

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2023

	YMCA Funds								
	Operating Fund	Endowment Fund	Maintenance Reserve	Program Fund	Total YMCA	Organization	Total	Eliminating Entries	Consolidated
Public Support and Revenue:									
Program and camping fees	$ 53,298,283	$ -	$ -	$ -	$ 53,298,283	$ -	$ 53,298,283	$ -	$ 53,298,283
Membership and joining dues	34,343,505	-	-	-	34,343,505	-	34,343,505	-	34,343,505
In-kind contributions	2,630,800	-	-	-	2,630,800	-	2,630,800	-	2,630,800
Contributions, net of bad debt expense	(54,294)	921,753	2,473,010	8,261,420	11,601,889	-	11,601,889	-	11,601,889
Grants	3,831,932	-	40,000	-	3,871,932	-	3,871,932	-	3,871,932
Gain on disposal of fixed assets	1,827,528	-	-	-	1,827,528	-	1,827,528	-	1,827,528
Investment return, net	2,786,917	25,223	2,808,794	-	5,620,934	-	5,620,934	-	5,620,934
Other income, net	3,518,533	-	6,517	-	3,525,050	881,176	4,406,226	(1,627,046)	2,779,180
	102,183,204	946,976	5,328,321	8,261,420	116,719,921	881,176	117,601,097	(1,627,046)	115,974,051
Net assets released from donor restrictions	9,585,986	-	(1,371,874)	(8,214,112)	-	-	-	-	-
Total Public Support and Revenue	111,769,190	946,976	3,956,447	47,308	116,719,921	881,176	117,601,097	(1,627,046)	115,974,051
Expenses:									
Program services	89,146,940	-	-	-	89,146,940	1,786,305	90,933,245	(897,089)	90,036,156
Administrative services	15,532,304	-	-	-	15,532,304	-	15,532,304	(729,957)	14,802,347
Fundraising	3,260,346	-	-	-	3,260,346	-	3,260,346	-	3,260,346
Total Expenses	107,939,590	-	-	-	107,939,590	1,786,305	109,725,895	(1,627,046)	108,098,849
Change in net assets before change in interest rate swap contracts	3,829,600	946,976	3,956,447	47,308	8,780,331	(905,129)	7,875,202	-	7,875,202
Change in market value of interest rate swap contracts	(475,124)	-	-	-	(475,124)	-	(475,124)	-	(475,124)
Change in net assets	3,354,476	946,976	3,956,447	47,308	8,305,207	(905,129)	7,400,078	-	7,400,078
Net assets, beginning of the year	120,117,379	12,193,655	15,578,097	8,090,149	155,979,280	(770,047)	155,209,233	-	155,209,233
Net assets, end of the year	$ 123,471,855	$ 13,140,631	$ 19,534,544	$ 8,137,457	$ 164,284,487	$ (1,675,176)	$ 162,609,311	$ -	$ 162,609,311

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE TRIANGLE AREA, INC. AND SER DEVELOPMENT I, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2022

	YMCA Funds								
	Operating Fund	Endowment Fund	Maintenance Reserve	Program Fund	Total YMCA	Organization	Total	Eliminating Entries	Consolidated
Public Support and Revenue:									
Program and camping fees	$ 45,957,142	$ -	$ -	$ -	$ 45,957,142	$ -	$ 45,957,142	$ -	$ 45,957,142
Membership and joining dues	27,214,564	-	-	-	27,214,564	-	27,214,564	-	27,214,564
In-kind contributions	3,330,400	-	20,019	-	3,350,419	-	3,350,419	-	3,350,419
Contributions, net of bad debt expense	156,278	1,854,882	3,842,518	8,135,548	13,989,226	-	13,989,226	-	13,989,226
Grants	3,246,637	50,000	3,650,000	-	6,946,637	-	6,946,637	-	6,946,637
Loss on disposal of fixed assets	(23,089)	-	-	-	(23,089)	-	(23,089)	-	(23,089)
Investment return, net	(1,308,537)	(37,179)	(1,413,852)	-	(2,759,568)	-	(2,759,568)	-	(2,759,568)
Gain on debt forgiveness	9,206,076	-	-	-	9,206,076	-	9,206,076	-	9,206,076
Other income, net	2,845,034	-	-	-	2,845,034	881,175	3,726,209	(1,624,337)	2,101,872
	90,624,505	1,867,703	6,098,685	8,135,548	106,726,441	881,175	107,607,616	(1,624,337)	105,983,279
Net assets released from donor restrictions	12,739,812	-	(12,694,413)	(45,399)	-	-	-	-	-
Total Public Support and Revenue	103,364,317	1,867,703	(6,595,728)	8,090,149	106,726,441	881,175	107,607,616	(1,624,337)	105,983,279
Expenses:									
Program services	78,913,606	-	41,513	-	78,955,119	1,843,000	80,798,119	(897,089)	79,901,030
Administrative services	15,985,965	-	-	-	15,985,965	-	15,985,965	(727,248)	15,258,717
Fundraising	3,163,360	-	-	-	3,163,360	-	3,163,360	-	3,163,360
Total Expenses	98,062,931	-	41,513	-	98,104,444	1,843,000	99,947,444	(1,624,337)	98,323,107
Change in net assets before change in interest rate swap contracts	5,301,386	1,867,703	(6,637,241)	8,090,149	8,621,997	(961,825)	7,660,172	-	7,660,172
Change in market value of interest rate swap contracts	3,692,975	-	-	-	3,692,975	-	3,692,975	-	3,692,975
Change in net assets	8,994,361	1,867,703	(6,637,241)	8,090,149	12,314,972	(961,825)	11,353,147	-	11,353,147
Net assets, beginning of the year	111,123,018	10,325,952	22,215,338	-	143,664,308	191,778	143,856,086	-	143,856,086
Net assets, end of the year	$ 120,117,379	$ 12,193,655	$ 15,578,097	$ 8,090,149	$ 155,979,280	$ (770,047)	$ 155,209,233	$ -	$ 155,209,233