YMCA OF THE FOX CITIES AND ITS AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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YMCA OF THE FOX CITIES AND ITS AFFILIATE
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
YMCA of the Fox Cities and its Affiliate
Appleton, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of YMCA of the Fox Cities and its Affiliate, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, 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 YMCA of the Fox Cities and its Affiliate as of December 31, 2023 and 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of YMCA of the Fox Cities and its Affiliate 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 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 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 YMCA of the Fox Cities and its Affiliate's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Sheboygan, Wisconsin
February 5, 2024

YMCA OF THE FOX CITIES AND ITS AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 3,542,396	$ 6,797,360
Certificates of Deposit	2,517,781	-
Accounts Receivable	673,643	974,845
Grants Receivable	340,442	258,247
Pledges Receivable, Net	170,009	375,011
Prepaid Expenses and Supplies	261,652	229,560
Total Current Assets	7,505,923	8,635,023
PROPERTY AND EQUIPMENT, NET	49,531,109	50,641,854
INVESTMENTS	14,056,925	12,625,583
OTHER ASSETS		
Long-Term Pledges Receivable, Net	-	8,954
Right-of-Use Assets - Operating, Net	99,479	126,353
Other	10,175	12,317
Total Other Assets	109,654	147,624
Total Assets	$ 71,203,611	$ 72,050,084

See accompanying Notes to Consolidated Financial Statements.

YMCA OF THE FOX CITIES AND ITS AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2023 AND 2022

	2023	2022
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 696,205	$ 1,170,445
Current Maturities of Long-Term Debt	255,984	298,489
Accrued Liabilities	661,205	703,334
Deferred Revenue	1,033,573	816,489
Current Lease Liability - Operating	27,935	26,872
Total Current Liabilities	2,674,902	3,015,629
LONG-TERM LIABILITIES		
Long-Term Lease Liability - Operating	71,544	99,481
Long-Term Debt, Less Current Maturities Above	6,290,527	6,546,511
Total Liabilities	9,036,973	9,661,621
NET ASSETS		
Without Donor Restrictions:		
Net Investment in Property and Equipment	42,994,773	43,809,171
Board Designated for Endowment:		
Appleton YMCA Endowment Trust	5,353,419	4,791,726
Neenah - Menasha YMCA Endowment Trust	4,676,675	4,296,806
Undesignated	4,372,097	3,974,605
Total Net Assets Without Donor Restrictions	57,396,964	56,872,308
With Donor Restrictions	4,769,674	5,516,155
Total Net Assets	62,166,638	62,388,463
Total Liabilities and Net Assets	$ 71,203,611	$ 72,050,084

See accompanying Notes to Consolidated Financial Statements.

YMCA OF THE FOX CITIES AND ITS AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND PUBLIC SUPPORT						
Contributions of Financial Assets	$ 1,438,175	$ 190,709	$ 1,628,884	$ 1,248,267	$ 498,393	$ 1,746,660
United Way	596,376	-	596,376	585,186	-	585,186
Grants	291,138	1,837,276	2,128,414	4,247,856	2,521,520	6,769,376
Fundraising, Net of Expenses	286,861	-	286,861	186,400	-	186,400
Net Assets Released from Restrictions	3,304,717	(3,304,717)	-	3,488,920	(3,488,920)	-
Program Fees	15,739,647	-	15,739,647	13,970,935	-	13,970,935
Membership	9,408,638	-	9,408,638	8,108,346	-	8,108,346
Net Investment Income (Loss)	1,405,239	530,251	1,935,490	(1,287,719)	(596,663)	(1,884,382)
Other	868,956	-	868,956	881,428	114,128	995,556
Total Revenues, Gains, and Public Support	33,339,747	(746,481)	32,593,266	31,429,619	(951,542)	30,478,077
EXPENSES						
Program Services	27,774,763	-	27,774,763	25,674,825	-	25,674,825
Management and General	4,563,229	-	4,563,229	4,484,407	-	4,484,407
Fundraising	477,099	-	477,099	464,431	-	464,431
Total Expenses	32,815,091	-	32,815,091	30,623,663	-	30,623,663
CHANGE IN NET ASSETS	524,656	(746,481)	(221,825)	805,956	(951,542)	(145,586)
Net Assets - Beginning of Year	56,872,308	5,516,155	62,388,463	56,066,352	6,467,697	62,534,049
NET ASSETS - END OF YEAR	$ 57,396,964	$ 4,769,674	$ 62,166,638	$ 56,872,308	$ 5,516,155	$ 62,388,463

See accompanying Notes to Consolidated Financial Statements.

YMCA OF THE FOX CITIES AND ITS AFFILIATE
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023				2022			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Wages and Benefits	$ 18,113,291	$ 2,465,297	$ 392,744	$ 20,971,332	$ 16,724,886	$ 2,445,369	$ 396,745	$ 19,567,000
Program Supplies	782,872	-	-	782,872	737,535	-	-	737,535
Food and Related Supplies	297,390	-	-	297,390	283,363	-	-	283,363
Supplies	472,392	4,427	23,063	499,882	408,421	5,167	18,432	432,020
Marketing and Postage	100,771	33,590	33,590	167,951	92,657	30,886	30,886	154,429
Training	66,205	129,416	8,941	204,562	75,111	49,954	1,975	127,040
Telephone	75,727	10,673	1,933	88,333	65,091	7,898	2,068	75,057
Occupancy	1,791,548	37,839	2,001	1,831,388	1,749,625	35,375	1,922	1,786,922
Repairs and Maintenance	1,647,907	5,582	295	1,653,784	1,676,003	5,288	280	1,681,571
Equipment	262,627	162,631	1,013	426,271	297,074	181,168	768	479,010
Contract Services	654,297	1,204,878	-	1,859,175	490,139	1,143,867	-	1,634,006
Insurance	96,828	3,541	-	100,369	86,928	3,315	-	90,243
Transportation	173,721	13,152	534	187,407	152,749	18,646	446	171,841
National Support	-	342,598	-	342,598	-	395,996	-	395,996
Miscellaneous	369,758	71,591	11,454	452,803	159,483	73,318	9,635	242,436
Depreciation and Amortization	2,869,429	78,014	1,531	2,948,974	2,675,760	88,160	1,274	2,765,194
Special Events	-	-	54,996	54,996	-	-	50,574	50,574
Total Expenses by Function	27,774,763	4,563,229	532,095	32,870,087	25,674,825	4,484,407	515,005	30,674,237
Less: Expenses Included with Revenues on the Consolidated Statements of Activities:								
Special Events	-	-	(54,996)	(54,996)	-	-	(50,574)	(50,574)
Total Expenses Included in the Expenses Section on the Consolidated Statements of Activities	$ 27,774,763	$ 4,563,229	$ 477,099	$ 32,815,091	$ 25,674,825	$ 4,484,407	$ 464,431	$ 30,623,663

See accompanying Notes to Consolidated Financial Statements.

YMCA OF THE FOX CITIES AND ITS AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (221,825)	$ (145,586)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,948,974	2,765,194
Construction Period Interest Capitalized to Property and Equipment	-	(126,895)
Gain on Sale of Property and Equipment	(88,131)	(228,413)
Net Realized and Unrealized (Gains) Losses on Investments	(1,490,094)	2,243,974
(Increase) Decrease in Assets:		
Accounts Receivable	301,202	(644,879)
Grants Receivable	(82,195)	164,857
Pledges Receivable	105,212	(229,118)
Prepaid Expenses and Supplies	(32,092)	(23,397)
Increase (Decrease) in Liabilities:		
Accounts Payable	(39,470)	79,003
Accrued Liabilities	(42,129)	194,775
Deferred Revenue	217,084	104,002
Refundable Advance	-	(3,132,751)
Net Cash Provided by Operating Activities	1,576,536	1,020,766
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(2,305,840)	(6,893,375)
Proceeds from Sale of Property and Equipment	123,114	434,808
Purchases of Certificates of Deposit	(2,517,781)	-
Purchases of Investments	(497,377)	(605,591)
Proceeds from Sale of Investments	556,129	850,134
Net Cash Used by Investing Activities	(4,641,755)	(6,214,024)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Capital Campaign	108,744	127,504
Proceeds from Long-Term Debt	-	4,335,775
Payments on Long-Term Debt	(298,489)	(619,472)
Net Cash Provided (Used) by Financing Activities	(189,745)	3,843,807
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,254,964)	(1,349,451)
Cash and Cash Equivalents - Beginning of Year	6,797,360	8,146,811
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,542,396	$ 6,797,360
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 85,978	$ 24,328
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Right-of-Use Assets Recorded with Adoption of ASC 842	$ -	$ 142,053
Right-of-Use Liabilities Recorded with Adoption of ASC 842	$ -	$ 142,053
Additions to Property and Equipment Included in Accounts Payable	$ 50,683	$ 485,453

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 PRINCIPAL ACTIVITY

YMCA of the Fox Cities (the Organization) is a nonprofit charitable association dedicated to building healthy spirit, mind, and body. Part of a worldwide movement, it puts Christian principles into practice through programs that promote good health, strong families, youth leadership, community development, and international understanding. The Organization is open to men, women, and children of all ages, incomes, abilities, races, and religions. It operates its programs in eight locations and is available to residents of the Fox Cities, Wisconsin metropolitan area.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Organization and its affiliate, the Appleton YMCA Endowment Trust (the Affiliate). The Affiliate is a nonprofit organization controlled by the Organization. Its sole purpose is the support of the Organization. The fiscal year-end of the Affiliate is June 30; however, balances as of December 31 have been used in the consolidation. Significant intercompany accounts and transactions have been eliminated.

Use of Estimates

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

Cash and Cash Equivalents

The Organization and the Affiliate define cash and cash equivalents as highly liquid, short-term investments with a maturity, at the date of acquisition, of three months or less. Excluded from this definition are cash equivalents held for long-term purposes in investments.

Certificates of Deposit

Certificates of deposit totaling $2,517,781 and $-0- at December 31, 2023 and 2022, respectively, are included in the accompanying consolidated statements of financial position. The certificates bear interest at 5.00% to 5.25% and have maturities extending into 2024, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the consolidated financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Unconditional promises to give made to the Organization and the Affiliate are recorded in the year the pledge is made. Amounts that are expected to be collected within one year are recorded at their net realizable value. Pledges expected to be collected in future years are recorded at the present value of expected future cash flows. Discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contributions revenue. An allowance for pledges receivable to give is determined based on experience.

Accounts Receivable

Accounts receivable are carried at the original invoice amount, less an allowance for credit losses. Management determines the allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts that is adjusted for reasonable expectations of future collection performance, net of estimated recoveries. The Organization periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Accounts receivable are considered past due if any portion of the receivable balance is outstanding for more than 60 days. Interest is not charged on past due accounts receivable.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair value at date of the gift, if donated. All acquisitions of property and equipment in excess of $5,000 and all expenditures for improvements and betterments that materially prolong the estimated useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment are depreciated using the straight-line method over their estimated useful lives. The principal depreciation rates are based upon the following estimated useful lives:

Land Improvements	15 Years
Buildings	10 to 30 Years
Equipment	3 to 7 Years

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such 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 assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less cost to sell.

Investments

Investments are presented in the accompanying consolidated financial statements at fair value using methodologies described in Note 4 – Fair Value Measurements. Realized gains and losses on the sale of investments are reported based upon the specific identification method.

Investment income is reported in the accompanying consolidated statements of activities as revenue without or with donor restrictions based upon donor-imposed restrictions or governing law.

Agency Accounts

Agency accounts consist of cash funds held under various agency relationships. These accounts, which included balances totaling $12,043 and $44,770 at December 31, 2023 and 2022, respectively, are included within accrued liabilities in the accompanying consolidated statements of financial position.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax-Exempt Status

The Organization and the Affiliate have received notification that they qualify as tax-exempt organizations under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of state law and accordingly, are not subject to federal or state income taxes.

Taxes Collected and Remitted

The Organization presents taxes collected and remitted to governmental authorities on the net basis, excluding such amounts from revenue.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions.

A portion of the Organization’s revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as deferred revenue in the consolidated statements of financial position. The Organization received cost-reimbursable grants of $-0- and $412,858 that have not been recognized at December 31, 2023 and 2022, because qualifying expenditures have not yet been incurred.

Program fees are recognized as revenue when the programs are held. Unearned program fees, which totaled $842,334, $705,935, and $621,191 at December 31, 2023, 2022, and 2021, respectively, are reflected as deferred revenue on the consolidated statements of financial position. Revenue from program fees is recognized over time and totaled $15,739,647 and $13,970,935 during the years ended December 31, 2023 and 2022, respectively.

Memberships are renewed monthly, quarterly, semi-annually, or annually and include multiple distinct performance obligations, including access to the Organization’s facilities and discounts on program fees during the membership period.

Unearned membership revenue, which totaled $191,239, $110,554, and $91,296 at December 31, 2023, 2022, and 2021, respectively, is reflected as deferred revenue on the consolidated statements of financial position. Revenue from monthly, quarterly, semi-annual, and annual membership dues is recognized over time and totaled $9,408,638 and $8,108,346, during the years ended December 31, 2023 and 2022, respectively.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Advance

On April 5, 2021, the Organization received proceeds in the amount of $3,132,751 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act.

The Organization classified this loan as a conditional contribution for accounting purposes, and it was classified as a refundable advance in the accompanying consolidated statements of financial position as of December 31, 2021. The Organization recognized grants of $3,132,751 related to this agreement during the year ended December 31, 2022, which represents the portion of the PPP Loan funds for which the performance barriers have been met. Management believes the Organization has satisfied the performance barriers attributable to the PPP Loan proceeds and, on July 15, 2022, the Organization received formal notification from the SBA that the full amount of the PPP Loan had been forgiven.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, while the remaining natural expense categories are allocated on the basis of estimates of time and effort.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the consolidated statements of financial position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Accounting Standards Update

On January 1, 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements but did result in changes to the Organization's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The Organization also updated its accounting policies for determining the recoverability of accounts receivable.

The Organization extends credit to customers in the normal course of business. The Organization uses a combination of historical loss experience, current economic conditions, and forward-looking information to estimate credit losses for financial assets. The Organization considers various factors such as borrower creditworthiness and probability of default to estimate credit losses. Management has concluded that credit losses on balances outstanding at year-end will be immaterial.

Subsequent Events

The Organization has evaluated subsequent events through February 5, 2024, the date the consolidated financial statements were available to be issued.

NOTE 3 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	2023	2022
Cash and Cash Equivalents	$ 3,542,396	$ 6,797,360
Certificates of Deposit	2,517,781	-
Accounts Receivable	673,643	974,845
Grants Receivable	340,442	258,247
Pledges Receivable	170,009	383,965
Investments	14,056,925	12,625,583
Endowment Spending-Rate Distributions and Appropriations	583,180	573,553
Total	21,884,376	21,613,553
Less: Agency Accounts	(12,043)	(44,770)
Less: Board-Designated Net Assets	(10,030,094)	(9,088,532)
Less: Donor Restricted Net Assets	(4,769,674)	(5,516,155)
Add Back: Pledges Receivable Due Within One Year that can be Used Without Restriction	160,009	151,093
Total Financial Assets Available for General Expenditure	$ 7,232,574	$ 7,115,189

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Organization's board-designated endowment of $10,030,094 and $9,088,532 at December 31, 2023 and 2022, respectively, is subject to an annual spending rate of 5% as described in Note 13. Although management does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of our board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Organization also maintains a line of credit in the amount of $500,000, which could be drawn upon in the event of an anticipated liquidity need.

NOTE 4 FAIR VALUE MEASUREMENTS

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework of accounting standards. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Accounting standards establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The standards define levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology based on quoted prices for similar assets or liabilities or identical assets or liabilities in active markets, such as dealer or broker markets.

Level 3 – Inputs to the valuation methodology are derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions, or are supported by little or no market activity.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Equities and Mutual Funds

Equities and mutual funds are valued at the last sales price before year-end. There are no restrictions on the redemption of these funds.

Bonds

Bonds are valued on a valuation model. There are no restrictions on the redemption of these funds.

Assets Held by the Community Foundation

Beneficial interest in assets held by Community Foundation represents amounts held at the Community Foundation for the Fox Valley Region (the Foundation) on the Organization's behalf. The Foundation invests the assets held in the fund. The Organization has used the fair value of its pro rata share of the investment pool held by the Foundation to determine the fair value of the beneficial interest. The unobservable inputs to the valuation are the underlying assets at the Foundation; therefore, these investments are classified as Level 3 assets within the fair value hierarchy.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets carried at fair value at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets:				
Equities	$ 613,341	$ -	$ -	$ 613,341
Mutual Funds	12,907,027	-	-	12,907,027
Bonds	-	335,904	-	335,904
Assets Held by the Community Foundation	-	-	8,914	8,914
Assets Presented at Fair Value	$ 13,520,368	$ 335,904	$ 8,914	13,865,186
Cash Equivalents				191,739
Total				$ 14,056,925

The following table sets forth by level, within the fair value hierarchy, the Organization's assets carried at fair value at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Assets:				
Equities	$ 624,015	$ -	$ -	$ 624,015
Mutual Funds	11,804,232	-	-	11,804,232
Assets Held by the Community Foundation	-	-	8,295	8,295
Assets Presented at Fair Value	$ 12,428,247	$ -	$ 8,295	12,436,542
Cash Equivalents				189,041
Total				$ 12,625,583

NOTE 5 PLEDGES RECEIVABLE

Pledges receivable consisted of the following at December 31:

	2023	2022
Fox West YMCA Child Care Capital Campaign	$ 10,000	$ 121,000
Other	160,009	265,221
Total Pledges Receivable	170,009	386,221
Less: Discount to Present Value at 3.75%	-	(1,046)
Total	170,009	385,175
Less: Allowance for Uncollectible Amounts	-	(1,210)
Net Pledges Receivable	$ 170,009	$ 383,965
Amounts Due in:		
Less than One Year	$ 170,009	$ 375,011
One to Five Years	-	8,954
Net Pledges Receivable	$ 170,009	$ 383,965

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2023	2022
Land and Land Improvements	$ 9,509,587	$ 9,445,235
Buildings	73,686,031	65,412,017
Equipment	6,769,230	6,603,700
Construction in Progress	22,633	7,313,271
Total, at Cost	89,987,481	88,774,223
Less: Accumulated Depreciation	(40,456,372)	(38,132,369)
Net Property and Equipment	$ 49,531,109	$ 50,641,854

Total depreciation expense for the years ended December 31, 2023 and 2022 was $2,946,832 and $2,760,957, respectively.

NOTE 7 ACCRUED LIABILITIES

Accrued liabilities consisted of the following at December 31:

	2023	2022
Payroll-Related Items	$ 414,135	$ 351,595
Sales Tax Payable	2,971	1,986
Agency Accounts	12,043	44,770
Health Claims	219,190	294,929
Property Tax and Other	12,866	10,054
Total Accrued Liabilities	$ 661,205	$ 703,334

NOTE 8 DEFERRED REVENUE

Deferred revenue consisted of the following at December 31:

	2023	2022
Program	$ 842,334	$ 705,935
Membership	191,239	110,554
Total Deferred Revenue	$ 1,033,573	$ 816,489

NOTE 9 LEASES

The Organization leases equipment for 5-year terms under long-term, noncancelable lease agreements that expire at various dates through 2027.

The following table provides quantitative information concerning the Organization's leases for the years ended December 31:

	2023	2022
Right-of-Use Assets	$ 143,053	$ 143,053
Less: Accumulated Amortization on Leases	(43,574)	(16,700)
Net Right-of-Use Assets	$ 99,479	$ 126,353
Current Liabilities	$ 27,935	$ 26,872
Long-Term Liabilities	71,544	99,481
Total Lease Liabilities	$ 99,479	$ 126,353
Weighted-Average Remaining Lease Term	3.5 Years	4.5 Years
Discount Rate	3.88%	3.88%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2023 is as follows:

Year Ending December 31,	Amount
2024	$ 31,200
2025	31,200
2026	31,200
2027	14,700
Total Lease Commitments	108,300
Less: Interest	(8,821)
Total	$ 99,479

NOTE 10 LINE OF CREDIT

The Organization has a $500,000 line of credit financing agreement with BMO Harris Bank. Interest is payable at the one-month secured overnight financing rate (SOFR) plus 2.36%. The line of credit is secured by all of the Organization's assets, has no specified due date, but is due on demand. There was no outstanding balance on the line of credit at December 31, 2023 and 2022.

NOTE 11 LONG-TERM DEBT

Long-term debt consisted of the following at December 31:

Description	2023	2022
Promissory note due to Community First Credit Union secured by certain real estate; terms of the note require monthly principal payments in varying amounts through September 24, 2031; interest was payable at 0% through October 24, 2023, then at 2.60% through September 24, 2031; total available credit under this note is $6,000,000, all of which has been advanced.	$ 5,716,511	$ 5,940,000
Promissory note due to the Town of Greenville, Wisconsin; secured by certain real estate; terms of the note require annual principal payments in varying amounts on or before September 1 of each year through September 1, 2032; interest is payable monthly at a variable rate (6.11% and 4.19% at December 31, 2023 and 2022, respectively).	830,000	905,000
Total	6,546,511	6,845,000
Less: Current Maturities	(255,984)	(298,489)
Long-Term Portion	$ 6,290,527	$ 6,546,511

Future principal requirements on long-term debt are as follows:

Year Ending December 31,	Amount
2024	$ 255,984
2025	261,028
2026	270,791
2027	280,680
2028	290,337
Thereafter	5,187,691
Total	$ 6,546,511

NOTE 11 LONG-TERM DEBT (CONTINUED)

Certain notes described above are subject to performance and financial covenants. Management believes the Organization was in compliance with the applicable covenants at December 31, 2023. Interest expense was $200,106 and $24,310 for the years ended December 31, 2023 and 2022, respectively.

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Subject to Expenditure for Specified Purpose:		
Programs	$ 591,749	$ 704,356
Capital Improvements	-	1,017,822
Pledges Receivable, the Proceeds from which have been Restricted by Donors for Programs	-	114,128
Subject to the Passage of Time:		
Pledges Receivable that are not Restricted by Donors, but which are Unavailable for Expenditures Until Due	160,009	151,093
Endowments:		
Subject to Appropriation and Expenditure when a Specified Event Occurs:		
Restricted by Donors for Programs	461,622	211,896
Subject to Endowment Spending Policy and Appropriation - Investment in Perpetuity (Including Amounts Above Original Gift Amounts of $2,839,862 in 2023 and $2,827,249 in 2022), Which Once Appropriated, is Expendable to Support:		
Bruce B. Purdy Nature Preserve Fund	2,056,223	1,816,789
The Making Waves Swim Program Fund	500,071	500,071
Bob Brown Safety Around the Water Fund	1,000,000	1,000,000
Subtotal	3,556,294	3,316,860
Total Endowments	4,017,916	3,528,756
Total Net Assets with Donor Restrictions	$ 4,769,674	$ 5,516,155

While held in perpetuity, the Bruce B. Purdy Nature Preserve Fund balance is subject to realized and unrealized gains and losses.

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	2023	2022
Expiration of Time Restrictions	$ 151,093	$ 36,103
Satisfaction of Purpose Restrictions:		
Programs	2,135,802	3,072,287
Capital Improvements	1,017,822	-
Restricted-Purpose Spending-Rate Distributions and Appropriations		
Programs	-	380,530
Total Net Assets Released from Donor Restrictions	$ 3,304,717	$ 3,488,920

NOTE 13 ENDOWMENTS

The Organization's endowments consist of three funds established to support various purposes of the Organization, the Neenah Menasha Endowment Fund, the Appleton Endowment Fund, and the Bruce B. Purdy Nature Preserve Fund. The endowments consist of funds intended to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2023, there were no such donor stipulations.

As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

NOTE 13 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purpose of the Organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization; and
7. The investment policies of the Organization.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to protect principal values in terms of current dollars and, over the longer term, to increase principal values enough to offset the impact of inflation. Under an investment policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results benchmarked on appropriate market indices based on the level of investment risk.

The Organization and its Affiliate expect the Neenah Menasha Endowment Fund, the Appleton Endowment Fund, and the Bruce B. Purdy Nature Preserve Fund, over time, to provide an average rate of return of approximately 5% plus inflation. The review of investment performance shall occur not less than semi-annually. Actual returns in any given year will likely vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization and its Affiliate rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The investment policies target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. Asset allocations for each endowment are as follows:

> Equity exposure should not exceed 85% of the total portfolio market value. Fixed income securities should not exceed 35% of the total portfolio market value, and cash reserves should not exceed 10% of the total portfolio. Hedge fund securities and other alternative assets may account for up to 20% of the total portfolio.

NOTE 13 ENDOWMENTS (CONTINUED)

Spending Policy

The Organization has a spending policy of appropriating up to 5% for distribution each year determined by using a three-year moving average of the total portfolio market values on December 31 of the prior fiscal years, not to exceed the three-year investment return average percentage. A distribution greater than the spending policy can only be made if approved by a majority of the board of directors.

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amounts required to be maintained by donor or by law (underwater endowments). There were no underwater endowments as of December 31, 2023 and 2022.

Endowment net assets by type of fund consisted of the following at December 31:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted:			
Original Donor-Restricted Gift Amount Required to be Maintained in Perpetuity by Donor	$ -	$ 2,839,862	$ 2,839,862
Endowment Earnings Required to be Maintained in Perpetuity by Donor	-	716,432	716,432
Accumulated Investment Gains	-	461,622	461,622
Board Designated	10,030,094	-	10,030,094
Total Funds	$ 10,030,094	$ 4,017,916	$ 14,048,010

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted:			
Original Donor-Restricted Gift Amount Required to be Maintained in Perpetuity by Donor	$ -	$ 2,827,249	$ 2,827,249
Endowment Earnings Required to be Maintained in Perpetuity by Donor	-	489,611	489,611
Accumulated Investment Gains	-	211,896	211,896
Board Designated	9,088,532	-	9,088,532
Total Funds	$ 9,088,532	$ 3,528,756	$ 12,617,288

NOTE 13 ENDOWMENTS (CONTINUED)

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

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 9,088,532	$ 3,528,756	$ 12,617,288
Contributions	112,946	12,613	125,559
Investment Returns:			
Investment Income	266,121	105,610	371,731
Net Appreciation (Realized and Unrealized)	1,027,441	424,641	1,452,082
Total Investment Returns	1,293,562	530,251	1,823,813
Appropriation of Endowment:			
Assets for Expenditure	(464,946)	(53,704)	(518,650)
Endowment Net Assets - End of Year	$ 10,030,094	$ 4,017,916	$ 14,048,010

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 10,597,735	$ 4,506,443	$ 15,104,178
Contributions	191,836	12,568	204,404
Investment Returns:			
Investment Income	292,469	108,634	401,103
Net Depreciation (Realized and Unrealized)	(1,602,831)	(705,297)	(2,308,128)
Total Investment Returns	(1,310,362)	(596,663)	(1,907,025)
Appropriation of Endowment:			
Assets for Expenditure	(390,677)	(393,592)	(784,269)
Endowment Net Assets - End of Year	$ 9,088,532	$ 3,528,756	$ 12,617,288

NOTE 14 RETIREMENT PLAN

The Organization and its Affiliate participate in the National Young Men's Christian Association Retirement Plan and are contributing 12% of eligible salaries and hourly wages. Total contribution expense totaled $1,055,829 and $954,041 for the years ended December 31, 2023 and 2022, respectively.

NOTE 15 UNEMPLOYMENT COMPENSATION DEPOSIT

The Organization is self-funded for state unemployment compensation purposes. In accordance with state laws and regulations, letters of credit in the amount of $337,213 in favor of the Wisconsin unemployment reserve fund were maintained for the years ended December 31, 2023 and 2022.

NOTE 16 SELF-FUNDED INSURANCE

The Organization provides health, dental, and vision benefits to employees and their dependents through self-funded health plans. The plans are administered by a third party and maintain an excess loss policy of $50,000 per employee per year, with an aggregate maximum limit of $2,310,849 and $1,983,968 as of December 31, 2023 and 2022, respectively.

Under its self-funded insurance plan, the Organization accrues an estimated liability based on claims filed subsequent to year-end and an additional amount for incurred but not yet reported claims based on prior experience. Accruals for such costs of $219,190 and $294,929 were included in accrued expenses at December 31, 2023 and 2022, respectively. Claims payments based on actual claims ultimately filed could differ materially from these estimates.

NOTE 17 CONDITIONAL PROMISE TO GIVE

During the year ended December 31, 2023, the Organization was notified of conditional contributions totaling $1,157,029. The Organization will receive the contributions if the fundraising campaigns held by the donor are successful. The contributions have not been recognized in the accompanying consolidated statements of activities due to their conditional nature.

NOTE 18 SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Generally accepted accounting principles require disclosure of information about certain significant estimates and current vulnerabilities due to certain concentrations. In addition to the allowance for uncollectible promises to give and the self-funded insurance liability discussed above, these matters included the following:

The Organization maintains cash balances at several institutions. Deposits are insured by the Federal Deposit Insurance Corporation up to $250,000. As of December 31, 2023 and 2022, the Organization had balances in excess of federally insured limits; however, management believes the risk of loss is low based on the quality of the entities holding these balances.

NOTE 19 RELATED PARTIES

The Organization purchased products and services totaling $131,866 and $5,348,748 during the years ended December 31, 2023 and 2022, respectively, from businesses represented by members of the board of directors. As of December 31, 2023 and 2022, the Organization had accounts payable due to a business represented by a member of the board of directors in the amount of $-0- and $373,500, respectively. In addition, contributions from members of the board of directors totaled $97,389 and $68,582 during the years ended December 31, 2023 and 2022, respectively.