

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023



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YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
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YEARS ENDED DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

Audit Committee
Young Men's Christian Association of the North
Minneapolis, Minnesota

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Young Men's Christian Association of the North (YMCA), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, 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 Young Men's Christian Association of the North as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Young Men's Christian Association of the North 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 Consolidated 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 Young Men's Christian Association of the North'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 Consolidated Financial Statements

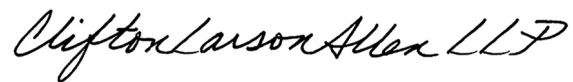
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not 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 Young Men's Christian Association of the North'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 Young Men's Christian Association of the North's ability to continue as a going concern for a reasonable period of time.

Audit Committee
Young Men's Christian Association of the North

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 28, 2025

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|--|------------------------------|------------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 3,295,887 | \$ 4,938,499 |
| Accounts Receivable, Net | 8,310,129 | 6,845,452 |
| Contributions Receivable, Net | 8,280,096 | 4,751,178 |
| Right-of-Use Assets - Operating Leases | 6,481,717 | 7,289,589 |
| Right-of-Use Assets - Financing Leases | 7,432,800 | 8,311,026 |
| Right-of-Use Assets - Donated Space | 5,712,979 | 6,685,192 |
| Investments | 117,956,909 | 114,967,488 |
| Prepaid Expenses and Other Assets | 1,103,801 | 1,338,965 |
| Interest in Beneficiary Trusts | 3,103,951 | 2,930,177 |
| Funds Held in Escrow | 1,216,607 | 1,201,142 |
| Land, Building, and Equipment, Net | <u>157,010,581</u> | <u>162,996,886</u> |
| Total Assets | <u><u>\$ 319,905,457</u></u> | <u><u>\$ 322,255,594</u></u> |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts Payable | \$ 3,342,338 | \$ 3,277,574 |
| Accrued Expenses | 5,367,255 | 5,905,998 |
| Annuity Obligations | 191,204 | 116,997 |
| Bonds and Notes Payable | 28,704,121 | 32,085,537 |
| Operating Leases Liability | 7,767,862 | 8,519,821 |
| Financing Leases Liability | 11,608,863 | 12,843,649 |
| Assets Held for Others | 2,812,890 | 1,571,647 |
| Deferred Revenue | <u>9,911,923</u> | <u>9,408,435</u> |
| Total Liabilities | 69,706,456 | 73,729,658 |
| NET ASSETS | | |
| Without Donor Restrictions | 147,178,022 | 153,855,521 |
| With Donor Restrictions | <u>103,020,979</u> | <u>94,670,415</u> |
| Total Net Assets | <u>250,199,001</u> | <u>248,525,936</u> |
| Total Liabilities and Net Assets | <u><u>\$ 319,905,457</u></u> | <u><u>\$ 322,255,594</u></u> |

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|-----------------------|
| OPERATING SUPPORT AND REVENUE | | | |
| Public Support: | | | |
| Contributions | \$ 5,075,539 | \$ 10,076,616 | \$ 15,152,155 |
| Foundation and Corporate Grants | - | 2,086,207 | 2,086,207 |
| Government Grants | 16,654,184 | 1,810,417 | 18,464,601 |
| Total Public Support | 21,729,723 | 13,973,240 | 35,702,963 |
| Revenue: | | | |
| Youth Development | 66,464,811 | - | 66,464,811 |
| Less: Specific Assistance to Individuals | (4,062,356) | - | (4,062,356) |
| Healthy Living | 59,710,398 | - | 59,710,398 |
| Less: Specific Assistance to Individuals | (4,493,493) | - | (4,493,493) |
| Social Responsibility | 820,719 | - | 820,719 |
| Sale of Supplies | 871,331 | - | 871,331 |
| Investment Income | 1,087,190 | 2,742,936 | 3,830,126 |
| Reserves Transfer | 5,800,000 | - | 5,800,000 |
| Other | 1,433,200 | - | 1,433,200 |
| Total Revenue | 127,631,800 | 2,742,936 | 130,374,736 |
| Net Assets Released from Restrictions - Program | 12,478,702 | (12,478,702) | - |
| Total Operating Support and Revenue | 161,840,225 | 4,237,474 | 166,077,699 |
| OPERATING EXPENSES | | | |
| Program Services: | | | |
| Youth Development | 76,840,870 | - | 76,840,870 |
| Healthy Living | 36,891,989 | - | 36,891,989 |
| Social Responsibility | 9,400,407 | - | 9,400,407 |
| Total Program Services | 123,133,266 | - | 123,133,266 |
| Support Services: | | | |
| Management and General | 36,589,366 | - | 36,589,366 |
| Fundraising | 6,797,171 | - | 6,797,171 |
| Total Support Services | 43,386,537 | - | 43,386,537 |
| Total Operating Expenses | 166,519,803 | - | 166,519,803 |
| EXCESS (DEFICIT) OF OPERATING SUPPORT AND REVENUE OVER OPERATING EXPENSES | (4,679,578) | 4,237,474 | (442,104) |
| NONOPERATING REVENUES AND EXPENDITURES | | | |
| Investment Income | 4,311,473 | 5,978,132 | 10,289,605 |
| Reserves Transfer | (5,800,000) | - | (5,800,000) |
| Change in Value of Beneficiary Agreements | - | (1,145,796) | (1,145,796) |
| Gain on Asset Disposition | 302,611 | - | 302,611 |
| Rental and Rebate Income | 696,433 | - | 696,433 |
| Other Nonoperating Expenses | (2,227,684) | - | (2,227,684) |
| Net Assets Released from Restrictions - Capital | 719,246 | (719,246) | - |
| CHANGE IN NET ASSETS | (6,677,499) | 8,350,564 | 1,673,065 |
| Net Assets - Beginning of Year | 153,855,521 | 94,670,415 | 248,525,936 |
| NET ASSETS - END OF YEAR | <u>\$ 147,178,022</u> | <u>\$ 103,020,979</u> | <u>\$ 250,199,001</u> |

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|-----------------------|
| OPERATING SUPPORT AND REVENUE | | | |
| Public Support: | | | |
| Contributions | \$ 5,364,537 | \$ 7,568,823 | \$ 12,933,360 |
| Foundation and Corporate Grants | - | 3,675,569 | 3,675,569 |
| Government Grants | 14,706,635 | - | 14,706,635 |
| Total Public Support | 20,071,172 | 11,244,392 | 31,315,564 |
| Revenue: | | | |
| Youth Development | 63,457,525 | - | 63,457,525 |
| Less: Specific Assistance to Individuals | (3,818,981) | - | (3,818,981) |
| Healthy Living | 53,503,093 | - | 53,503,093 |
| Less: Specific Assistance to Individuals | (4,185,454) | - | (4,185,454) |
| Social Responsibility | 764,257 | - | 764,257 |
| Sale of Supplies | 874,909 | - | 874,909 |
| Investment Income | 6,257,347 | 2,593,093 | 8,850,440 |
| Other | 1,591,772 | - | 1,591,772 |
| Total Revenue | 118,444,468 | 2,593,093 | 121,037,561 |
| Net Assets Released from Restrictions - Program | 11,962,851 | (11,962,851) | - |
| Total Operating Support and Revenue | 150,478,491 | 1,874,634 | 152,353,125 |
| OPERATING EXPENSES | | | |
| Program Services: | | | |
| Youth Development | 71,378,082 | - | 71,378,082 |
| Healthy Living | 39,954,521 | - | 39,954,521 |
| Social Responsibility | 9,077,760 | - | 9,077,760 |
| Total Program Services | 120,410,363 | - | 120,410,363 |
| Support Services: | | | |
| Management and General | 32,746,628 | - | 32,746,628 |
| Fundraising | 8,018,302 | - | 8,018,302 |
| Total Support Services | 40,764,930 | - | 40,764,930 |
| Total Operating Expenses | 161,175,293 | - | 161,175,293 |
| EXCESS (DEFICIT) OF OPERATING SUPPORT AND REVENUE OVER OPERATING EXPENSES | (10,696,802) | 1,874,634 | (8,822,168) |
| NONOPERATING REVENUES AND EXPENDITURES | | | |
| Investment Loss | 231,250 | 6,251,734 | 6,482,984 |
| Change in Value of Beneficiary Agreements | - | 1,127,435 | 1,127,435 |
| Gain on Asset Disposition | 153,691 | - | 153,691 |
| Impairment Loss | (6,643,581) | - | (6,643,581) |
| Rental and Rebate Income | 573,384 | - | 573,384 |
| Other Nonoperating Expenses | (1,791,104) | - | (1,791,104) |
| Net Assets Released from Restrictions - Capital | 1,539,533 | (1,539,533) | - |
| CHANGE IN NET ASSETS | (16,633,629) | 7,714,270 | (8,919,359) |
| Net Assets - Beginning of Year | 170,489,150 | 86,956,145 | 257,445,295 |
| NET ASSETS - END OF YEAR | <u>\$ 153,855,521</u> | <u>\$ 94,670,415</u> | <u>\$ 248,525,936</u> |

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

| | Program Services | | | | Support Services | | | | |
|--|----------------------|----------------------|--------------------------|------------------------------|------------------------------|---------------------|------------------------------|-----------------------------------|-----------------------|
| | Youth Development | Healthy Living | Social Responsibility | Total Program Services | Management and General | Fundraising | Total Support Services | Other Nonoperating Expenses | Total |
| OPERATING EXPENSES | | | | | | | | | |
| Salaries and Wages | \$ 39,001,358 | \$ 15,271,622 | \$ 3,701,661 | \$ 57,974,641 | \$ 21,915,518 | \$ 3,912,080 | \$ 25,827,598 | \$ - | \$ 83,802,239 |
| Employee Benefits | 3,218,889 | 1,573,804 | 735,107 | 5,527,800 | 3,453,853 | 570,514 | 4,024,367 | - | 9,552,167 |
| Payroll Taxes | 3,558,153 | 1,405,457 | 376,433 | 5,340,043 | 2,525,368 | 321,519 | 2,846,887 | - | 8,186,930 |
| Total Salaries and Related Benefits | 45,778,400 | 18,250,883 | 4,813,201 | 68,842,484 | 27,894,739 | 4,804,113 | 32,698,852 | - | 101,541,336 |
| Professional Fees and | | | | | | | | | |
| Contract Services | 2,191,513 | 787,355 | 603,698 | 3,582,566 | 5,479,164 | 1,055,057 | 6,534,221 | - | 10,116,787 |
| Supplies | 10,123,301 | 298,594 | 418,964 | 10,840,859 | 214,107 | 64,820 | 278,927 | - | 11,119,786 |
| Telephone and Data | 52,130 | - | 67,757 | 119,887 | 1,294,672 | - | 1,294,672 | - | 1,414,559 |
| Postage and Shipping | 83,595 | 79,955 | 4,649 | 168,199 | 9,297 | 36,652 | 45,949 | - | 214,148 |
| Occupancy | 7,856,156 | 7,760,552 | - | 15,616,708 | 17,093 | - | 17,093 | - | 15,633,801 |
| Expendable Equipment | 625,342 | 634,997 | 2,406 | 1,262,745 | 37,532 | 3,849 | 41,381 | - | 1,304,126 |
| Printing, Publications, and | | | | | | | | | |
| Promotions | 216,152 | 609,618 | 9,538 | 835,308 | 652,785 | 608,609 | 1,261,394 | - | 2,096,702 |
| Travel and Employee Expense | 368,319 | 247,176 | 130,985 | 746,480 | 477,495 | 96,861 | 574,356 | - | 1,320,836 |
| Conferences and Meetings | 205 | - | - | 205 | 18,876 | 46,419 | 65,295 | - | 65,500 |
| Membership Dues | 294,125 | 294,125 | 14,706 | 602,956 | 158,021 | 58,825 | 216,846 | - | 819,802 |
| Awards and Grants | 2,580,330 | - | 3,296,167 | 5,876,497 | 5,867 | 3,850 | 9,717 | - | 5,886,214 |
| Financing | 454,186 | 1,010,682 | - | 1,464,868 | - | - | - | - | 1,464,868 |
| Other | 190,847 | 133,215 | 38,336 | 362,398 | 93,043 | 18,116 | 111,159 | - | 473,557 |
| Depreciation and Amortization | 6,026,269 | 6,784,837 | - | 12,811,106 | 236,675 | - | 236,675 | - | 13,047,781 |
| Other Nonoperating Expenses | - | - | - | - | - | - | - | 2,227,684 | 2,227,684 |
| Total | 76,840,870 | 36,891,989 | 9,400,407 | 123,133,266 | 36,589,366 | 6,797,171 | 43,386,537 | 2,227,684 | 168,747,487 |
| Less: Nonoperating Expenses Netted with Nonoperating Revenues and Expenditures on the Consolidated Statement of Activities: | | | | | | | | | |
| Other Nonoperating Expenses | - | - | - | - | - | - | - | (2,227,684) | (2,227,684) |
| Total Operating Expenses | <u>\$ 76,840,870</u> | <u>\$ 36,891,989</u> | <u>\$ 9,400,407</u> | <u>\$ 123,133,266</u> | <u>\$ 36,589,366</u> | <u>\$ 6,797,171</u> | <u>\$ 43,386,537</u> | <u>\$ -</u> | <u>\$ 166,519,803</u> |

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

| | Program Services | | | | Support Services | | Other Nonoperating Expenses | Total |
|---|----------------------|-------------------|--------------------------|------------------------------|------------------------------|--------------|-----------------------------------|-------------------------|
| | Youth Development | Healthy Living | Social Responsibility | Total Program Services | Management and General | Fundraising | Total Support Services | |
| OPERATING EXPENSES | | | | | | | | |
| Salaries and Wages | \$ 36,220,222 | \$ 17,309,283 | \$ 3,832,477 | \$ 57,361,982 | \$ 19,490,919 | \$ 4,755,134 | \$ 24,246,053 | \$ - \$ 81,608,035 |
| Employee Benefits | 2,460,011 | 1,786,470 | 630,702 | 4,877,183 | 2,709,224 | 630,454 | 3,339,678 | - 8,216,861 |
| Payroll Taxes | 3,377,435 | 1,620,002 | 365,646 | 5,363,083 | 1,803,050 | 386,682 | 2,189,732 | - 7,552,815 |
| Total Salaries and Related Benefits | 42,057,668 | 20,715,755 | 4,828,825 | 67,602,248 | 24,003,193 | 5,772,270 | 29,775,463 | - 97,377,711 |
| Professional Fees and Contract Services | 1,801,823 | 1,031,027 | 651,911 | 3,484,761 | 5,326,959 | 1,232,127 | 6,559,086 | - 10,043,847 |
| Supplies | 10,097,930 | 345,789 | 388,603 | 10,832,322 | 160,875 | 44,256 | 205,131 | - 11,037,453 |
| Telephone and Data | 54,000 | - | 57,470 | 111,470 | 1,542,231 | - | 1,542,231 | - 1,653,701 |
| Postage and Shipping | 67,194 | 64,840 | 3,768 | 135,802 | 7,537 | 46,148 | 53,685 | - 189,487 |
| Occupancy | 7,122,881 | 7,516,188 | - | 14,639,069 | 18,338 | - | 18,338 | - 14,657,407 |
| Expendable Equipment | 707,651 | 525,682 | 2,395 | 1,235,728 | 31,984 | 7,397 | 39,381 | - 1,275,109 |
| Printing, Publications, and Promotions | 272,429 | 671,137 | 9,536 | 953,102 | 603,921 | 561,884 | 1,165,805 | - 2,118,907 |
| Travel and Employee Expense | 385,570 | 301,841 | 243,729 | 931,140 | 384,642 | 109,708 | 494,350 | - 1,425,490 |
| Conferences and Meetings | - | - | 18,146 | 18,146 | 43,633 | 77,375 | 121,008 | - 139,154 |
| Membership Dues | 273,582 | 273,582 | 13,679 | 560,843 | 155,415 | 54,716 | 210,131 | - 770,974 |
| Awards and Grants | 1,503,785 | - | 2,822,097 | 4,325,882 | 48,468 | 10,850 | 59,318 | - 4,385,200 |
| Financing | 500,589 | 1,100,630 | - | 1,601,219 | - | - | - | - 1,601,219 |
| Other | 111,969 | 73,536 | 27,963 | 213,468 | 46,982 | 101,571 | 148,553 | - 362,021 |
| Depreciation and Amortization | 6,421,011 | 7,334,514 | 9,638 | 13,765,163 | 372,450 | - | 372,450 | - 14,137,613 |
| Other Nonoperating Expenses | - | - | - | - | - | - | - | 1,791,104 1,791,104 |
| Total | 71,378,082 | 39,954,521 | 9,077,760 | 120,410,363 | 32,746,628 | 8,018,302 | 40,764,930 | 1,791,104 162,966,397 |
| Less: Nonoperating Expenses Netted with Nonoperating Revenues and Expenditures on the Consolidated Statement of Activities: | | | | | | | | |
| Other Nonoperating Expenses | - | - | - | - | - | - | - | (1,791,104) (1,791,104) |
| Total Operating Expenses | \$ 71,378,082 | \$ 39,954,521 | \$ 9,077,760 | \$ 120,410,363 | \$ 32,746,628 | \$ 8,018,302 | \$ 40,764,930 | \$ - \$ 161,175,293 |

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

| | 2024 | 2023 |
|---|--------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 1,673,065 | \$ (8,919,359) |
| Adjustments to Reconcile Change in Net Assets to Net Cash | | |
| Used by Operating Activities: | | |
| Depreciation | 12,169,555 | 13,119,924 |
| (Gain) Loss on Property Held for Sale | (511,934) | 6,643,581 |
| Loss (Gain) on Asset Disposition | 209,323 | (153,691) |
| Amortization of Right-of-Use Assets - Finance Leases | 878,226 | 1,017,689 |
| Amortization of Bond Issuance Costs | 41,002 | 41,003 |
| Amortization of Bond Premium | (242,418) | (254,368) |
| Bad Debt Expense | 339,687 | 191,722 |
| Contributions Restricted in Perpetuity | (2,189,352) | (2,089,609) |
| Net Realized and Unrealized Gains on Investments | (11,478,372) | (12,762,636) |
| Change in Cash Surrender Value of Life Insurance Policies | 2,956 | 46,959 |
| Change in Value of Beneficiary Agreements | (99,567) | (198,035) |
| (Increase) Decrease in Current Assets: | | |
| Accounts Receivable | (1,804,364) | (1,427,161) |
| Contributions Receivable | (5,960,797) | (3,218,425) |
| Prepaid Expenses and Other Assets | 232,208 | (142,770) |
| Right-of-Use Asset - Operating | 1,780,085 | 1,733,907 |
| Increase (Decrease) in Current Liabilities: | | |
| Accounts Payable | 64,764 | (3,717,173) |
| Lease Expense | (751,959) | (403,929) |
| Accrued Expenses | (538,743) | 762,133 |
| Assets Held for Others | 1,241,243 | (840,400) |
| Deferred Revenue | 503,488 | (4,053,894) |
| Net Cash Used by Operating Activities | (4,441,904) | (14,624,532) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital Expenditures | (6,363,239) | (6,454,296) |
| Proceeds from Sale of Investments | 47,093,239 | 34,493,493 |
| Proceeds from Sale of Fixed Assets | 482,600 | 11,530,852 |
| Purchases of Investments | (38,604,288) | (24,520,998) |
| Net Cash Provided by Investing Activities | 2,608,312 | 15,049,051 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Contributions Restricted for Long-Term Purposes | 2,267,934 | 4,204,411 |
| Proceeds from Contributions Restricted in Perpetuity | 2,353,297 | 2,195,505 |
| Payments on Financing Lease | (1,234,786) | (1,427,206) |
| Payments on Bonds and Notes Payable | (3,180,000) | (3,070,000) |
| Net Cash Provided by Financing Activities | 206,445 | 1,902,710 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (1,627,147) | 2,327,229 |
| Cash and Cash Equivalents - Beginning of Year | 6,139,641 | 3,812,412 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 4,512,494 | \$ 6,139,641 |

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2024 AND 2023

| | 2024 | 2023 |
|--|---------------------|---------------------|
| RECONCILIATION TO CONSOLIDATED STATEMENTS OF FINANCIAL POSITION | | |
| Cash and Equivalents | \$ 3,295,887 | \$ 4,938,499 |
| Funds Held in Escrow | 1,216,607 | 1,201,142 |
| Total Cash and Equivalents | <u>\$ 4,512,494</u> | <u>\$ 6,139,641</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Interest Paid | <u>\$ 1,443,200</u> | <u>\$ 1,580,597</u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES | | |
| Equipment Acquired by Operating or Financing Lease | <u>\$ -</u> | <u>\$ 1,293,996</u> |

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Young Men's Christian Association of the North (YMCA) is a leading nonprofit dedicated to strengthening communities through youth development, healthy living and social responsibility. Established 168 years ago, the YMCA provides life-strengthening services across the greater Twin Cities metro region, southeastern Minnesota, and western Wisconsin communities. The 25 YMCA locations and program sites, eight overnight camps, 10 day camps, and more than 90 childcare sites engage more than 370,000 men, women, and children of all ages, incomes, and backgrounds. To learn more about the Y's mission and work, visit ymcamn.org.

The consolidated financial statements include the activities of the YMCA; YMCA at the Marsh, LLC; Open Y, LLC; Twin Cities YMCA Partners, LLC; and YN Mineral Holdings, LLC. All significant intercompany transactions have been eliminated.

Financial Statement Presentation

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

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that: a) restrict their use to a specific purpose which will be satisfied by actions of the YMCA or the passage of time; or b) require that they be maintained in perpetuity by the YMCA; generally, the donor of these assets permit the YMCA to use all or part of the income earned, including capital appreciation, or related investments for purposes with or without donor restrictions.

Measure of Operations

In its consolidated statements of activities, the YMCA includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Nonoperating activity consists primarily of investment returns above the amounts designated for operation, change in value of beneficiary agreements, gains and losses from asset dispositions, rental and rebate income, other nonoperating expenses and capital releases from restrictions.

Cash and Cash Equivalents

Cash equivalents include investments in highly liquid debt instruments with original maturities of three months or less with the exception of cash designated for investment purposes.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Contract receivables at December 31, 2024, 2023, and 2022 were \$8,310,129, \$6,845,452, \$5,610,013, respectively. These amounts were included in accounts receivable on the statement of financial position. The YMCA establishes an allowance for credit losses using the current expected credit loss method. Services are sold on an unsecured basis. Accounts past due more than 60 days are analyzed for collectability. Accounts are written off after collection activities are exhausted. The allowance represents the estimate of expected credit losses based on historical experience, current economic conditions, and certain forward-looking information. At December 31, 2024 and 2023, the allowance was \$45,544 and \$60,891, respectively.

Contributions Receivable

Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise is received. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were \$-0- conditional promises to give outstanding as of December 31, 2024 and 2023.

Leases

The YMCA determines if an arrangement is a lease at inception. Right-of-Use (ROU) assets represent the YMCA's right to use an underlying asset for the lease term and lease liabilities represent the YMCA'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 YMCA will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The YMCA 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 YMCA has elected to use their average borrowing rate for computing the present value of lease liabilities.

Investments

Investments, including alternative investments, are stated at fair value based either on quoted market prices, or for certain investments with no readily available quoted market prices, on fair values as determined by management based on review of inputs provided by the investment manager and evaluated by an independent reporting service on a monthly basis. The alternative investment may include derivative instruments embedded in the fund that could expose the YMCA to potential investment risk.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

The YMCA invests in a variety of investment vehicles, including U.S. government securities, corporate bonds, common and preferred stocks, real estate funds, hedge fund of funds, and private equity.

Realized and unrealized gains and losses are recorded in the period in which they occur. A majority of the investments are invested in a combined investment pool. Interest income and realized and unrealized gains and losses are allocated using the market value method.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in future consolidated statements of activities.

Interest in Beneficiary Trusts

Interest in beneficiary trusts consist of assets held in charitable remainder trusts, charitable gift annuities, and perpetual trusts.

Beneficial Interests in Charitable Remainder Trusts – Donors established and funded trusts under which specified distributions are made to a designated beneficiary or beneficiaries over the trusts' terms. Upon termination of the trusts, the YMCA receives the assets remaining in the trusts. Beneficial interests in charitable remainder trusts are recorded at the fair value of the trusts' assets net of the present value of the estimated future payments to be made under the specific terms of the trusts. Changes in net assets of the trusts are recorded as gains or losses (change in value of beneficiary agreements) in the consolidated statements of activities.

Beneficial Interests in Charitable Gift Annuities – The annuity agreements specify that an annuity is to be paid to a donor-identified annuitant until such annuitant's death. The annuity obligation is measured at the present value of the expected future payments to be made to the beneficiary. The investments held in the annuities are carried at market value. The changes in the market values of the investments and the annuity obligation are reflected in the consolidated statements of activities as a change in value of beneficiary agreements. The trusts and annuity obligation are classified based upon the donor's stipulation as to the use of the funds after the death of the donor/annuitant.

Beneficial Interest in Perpetual Trusts – The YMCA is the beneficiary of perpetual trusts held by a third party. Under the terms of the trusts, the YMCA has the irrevocable right to receive the income generated by the trust in perpetuity. The beneficial interest in the perpetual trusts is recorded at the fair value. Changes in net assets of the trusts are recorded as gain or losses (change in value of beneficiary agreements) on the consolidated statements of activities. Net assets and changes in the net assets are recorded with donor restrictions. Distributions received from these trusts are recorded as investment income without donor restrictions.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funds Held in Escrow

Funds held in escrow represent cash held by others for security deposits, debt repayment and for future capital projects. Funds held in escrow consist of cash and cash equivalents.

Land, Building, and Equipment

Land, building, and equipment acquisitions of \$5,000 or greater are recorded at cost. Donated items are recorded at fair value on the date of the contribution. Depreciation is computed using the straight-line method based upon the following estimated useful lives:

| | |
|--------------------------------|----------------|
| Buildings | 30 Years |
| Building and Land Improvements | 15 to 20 Years |
| Equipment | 5 Years |
| Vehicles | 5 Years |
| Technology | 3 Years |

Deferred Revenue

Membership dues and program fees that are designated for or related to future years' activities are deferred and recognized as revenue in the period in which the revenue is earned.

An agreement with the city of Forest Lake was signed on October 20, 2014 in which the city agrees to provide land and \$9,000,000 to build a facility. The YMCA was required to begin construction by July 31, 2015, opening the facility by July 31, 2016. The YMCA has agreed to utilize the facility as a full service YMCA for 30 years after completion. The YMCA has also agreed to provide various benefits to all residents of the city of Forest Lake for 30 years. The revenue relating to this agreement will be treated as deferred revenue for the estimated value of the benefits that the YMCA will provide to all residents of the city and recognized over the 30 years. This was estimated to be \$5,712,000. The remaining \$3,288,000 was recognized as contributed revenue in 2014. As of December 31, 2024 and 2023, \$4,093,600 and \$4,284,000 was included in deferred revenue, respectively.

Revenue Recognition Significant Accounting Policies under Accounting Standards Codification 606

Youth Development, Healthy Living, and Social Responsibility on the consolidated statements of activities are inclusive of the following categories:

Membership Dues

Membership dues are recognized ratably over the period of membership, which varies based on when members join or leave the YMCA. Unearned membership revenue is reflected as deferred revenue on the consolidated statements of financial position. Members are provided with monthly access to the YMCA locations and a variety of services, and revenue is recognized monthly as the services are provided. Management has adopted the practical expedient whereby costs to obtain membership contracts are not capitalized as the average length of a membership contract is less than one year. Dues revenue is allocated among the performance obligations and is recognized when each of the performance obligations are satisfied, as follows:

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition Significant Accounting Policies under Accounting Standards Codification 606 (Continued)

Membership Dues (Continued)

- Monthly access to the various YMCA locations and services included in the monthly membership — recognized monthly as service is provided.
- Discounted program service fees — recognized during the year in which the discount is actually taken and the program service provided.

Program Service Fees

Program Service Fees are reported at the amount that reflects the consideration to which the YMCA expects to be entitled in exchange for providing services to their program participants. Program fees include fitness classes, childcare, day camps, overnight camps, swim lessons, and various other programs operating at YMCA locations, program sites, camps, or schools. Performance obligations are determined based on the nature of the services provided by the YMCA. Performance obligations are generally providing a service at a point in time. Revenue is recognized at the time the program is held. Unearned program fees are reflected as Deferred Revenue on the consolidated statements of financial position.

Sale of Supplies

Sale of supplies includes one-time sales of various items at the YMCA locations. Revenue is recognized at the point in time of the sale as no subsequent performance obligations exist.

Contributions

Contributions are recognized as revenue in the period received or unconditionally promised, whichever is earlier. Conditional promises to give — that is, those with a measurable performance or other barrier and a right of return — are not recognized until the conditions on which they depend have been met. Contributions that are considered conditional but in which the cash has been received in advance are reflected on the consolidated statements of financial position as conditional contribution. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the 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.

In-Kind Contributions

Contributions of donated noncash assets are recognized at their fair values in the period received. Donated services are recognized as contributions if the services require specialized skills, are performed by persons with those skills, and would otherwise be purchased. Many individuals volunteer their time and perform a variety of tasks that assist the YMCA with their programs. The value of these volunteers is not included in the accompanying consolidated financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Held for Others

The YMCA received a gift in which the assets are to be held for endowment purposes. The agreement indicates that 25% of the income from the endowed assets is to be distributed to benefit other organizations not related to the YMCA. As such, the YMCA has recognized the portion of those assets that are held for the benefit of others as a liability on the consolidated statements of financial position.

Advertising Expenses

Advertising costs are expensed when incurred. Advertising costs were \$1,906,442 and \$1,934,869 for the years ended December 31, 2024 and 2023, respectively.

Functional Expenses

The costs of providing the various programs and other activities of the YMCA have been summarized on a functional basis in the consolidated statements of functional expenses. Salary and other personnel costs that are not directly coded to a programmatic activity are allocated based on time certifications and the best estimate of employees. Building maintenance, and depreciation expenses are allocated among the programs and supporting services benefited. Other operating costs are allocated using various allocation methodologies including allocations based on personnel, square footage, or revenue generated.

Tax Status

The YMCA is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and similar Minnesota Statutes. The YMCA is not considered a private foundation and contributions are considered tax deductible. Twin Cities YMCA Partners, LLC, YMCA at the Marsh, LLC, Open Y, LLC, and YN Mineral Holdings, LLC are wholly owned limited liability corporations of the YMCA and all activities are included in the filings of the YMCA.

The YMCA follows a policy that clarified the accounting for uncertainty in income taxes recognized in an organization's consolidated financial statements. The policy prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The application of this policy has no impact on the YMCA's consolidated financial statements.

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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

The vast majority of contributions and receivables are located in the greater Twin Cities area and its surrounding suburbs as well as those in which the YMCA has a camp presence.

The YMCA holds cash at several institutions. The amounts on hand may at times exceed federally insured limits.

Fair Value Measurements

The YMCA measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine 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 (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The YMCA may use valuation techniques consistent with the market, income and cost approaches to measure fair value.

Financial assets recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the YMCA has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in nonactive markets;
- Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Subsequent Events

In preparing these consolidated financial statements, the YMCA has evaluated events and transactions for potential recognition or disclosure in these consolidated financial statements through April 28, 2025, the date the consolidated financial statements were available to be issued.

NOTE 2 CONTRIBUTIONS RECEIVABLE

The YMCA's pledges represent contributions for facilities and equipment and to support the ongoing operations of the YMCA. Outstanding pledge contributions from various corporations, foundations, and individuals were discounted at rates between 2.50% and 3.50% based on imputed interest rates applicable to the year in which the promise was received and were as follows at December 31:

| | 2024 | | | |
|--|---------------------|-----------------------|------------------|----------------------------|
| | Capital | Ongoing Operations | Endowment | Total |
| Contributions Receivable Due: | | | | |
| In Less Than One Year | \$ 1,489,120 | \$ 1,957,358 | \$ 12,000 | \$ 3,458,478 |
| In One to Five Years | 3,796,992 | 1,578,000 | 15,000 | 5,389,992 |
| Total | <u>\$ 5,286,112</u> | <u>\$ 3,535,358</u> | <u>\$ 27,000</u> | 8,848,470 |
| Less: Allowance for Uncollectible Contributions Receivable | | | | (135,636) |
| Less: Unamortized Discount | | | | <u>(432,738)</u> |
| Total Contributions Receivable, Net | | | | <u><u>\$ 8,280,096</u></u> |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 CONTRIBUTIONS RECEIVABLE (CONTINUED)

| | 2023 | | | |
|--|-------------------|-----------------------|-------------------|---------------------|
| | Capital | Ongoing Operations | Endowment | Total |
| Contributions Receivable Due: | | | | |
| In Less Than One Year | \$ 95,716 | \$ 1,836,465 | \$ 141,847 | \$ 2,074,028 |
| In One to Five Years | 181,311 | 2,688,000 | 50,000 | 2,919,311 |
| Total | <u>\$ 277,027</u> | <u>\$ 4,524,465</u> | <u>\$ 191,847</u> | 4,993,339 |
| Less: Allowance for Uncollectible Contributions Receivable | | | | (31,508) |
| Less: Unamortized Discount | | | | (210,653) |
| Total Contributions Receivable, Net | | | | <u>\$ 4,751,178</u> |

NOTE 3 INVESTMENTS

The following is a summary of the YMCA's investments at December 31:

| | 2024 | 2023 |
|--------------------------------------|-----------------------|-----------------------|
| Cash and Cash Equivalents | \$ 3,518,208 | \$ 4,320,344 |
| Certificates of Deposit | - | 1,482,491 |
| U.S. Government Securities | 3,891,126 | 3,712,714 |
| U.S. Corporate Bonds | 10,198,055 | 8,963,150 |
| Non-U.S. Corporate Bonds | 2,587,358 | 2,232,708 |
| U.S. Common and Preferred Stocks | 44,034,545 | 42,417,210 |
| Non-U.S. Common and Preferred Stocks | 21,292,287 | 21,793,659 |
| Global Real Estate Fund | 4,806,668 | 4,166,470 |
| Multi-Strategy Hedge Fund of Funds | 10,764,976 | 10,320,462 |
| Private Equity | 16,863,686 | 15,558,280 |
| Total Investments | <u>\$ 117,956,909</u> | <u>\$ 114,967,488</u> |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 LAND, BUILDING, AND EQUIPMENT

A summary of land, building, and equipment at December 31 are as follows:

| | <u>2024</u> | <u>2023</u> |
|---|-----------------------|-----------------------|
| Land and Land Improvements | \$ 28,516,334 | \$ 27,734,243 |
| Buildings and Building Improvements | 286,135,328 | 283,034,874 |
| Equipment | 25,722,122 | 31,200,169 |
| Vehicles | 2,605,335 | 2,525,122 |
| Technology | 15,545,038 | 15,038,808 |
| Construction-in-Progress | 265,364 | 88,721 |
| Total Land, Building, and Equipment | 358,789,521 | 359,621,937 |
| Less: Accumulated Depreciation | <u>(201,778,940)</u> | <u>(196,625,051)</u> |
| Net Total Land, Building, and Equipment | <u>\$ 157,010,581</u> | <u>\$ 162,996,886</u> |
| Depreciation Expense | <u>\$ 13,047,781</u> | <u>\$ 14,137,613</u> |

Construction-in-progress consists of building construction, modifications, and improvements currently in progress, which are being financed through operations, debt financing, and capital contributions.

Construction-in-progress is not subject to depreciation.

NOTE 5 BONDS AND NOTES PAYABLE

A summary of bonds and notes payable at December 31 are as follows:

| <u>Description</u> | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| City of Minneapolis, Minnesota Revenue Bonds, interest at 2-4%, interest payable semiannually beginning December 1, 2016, with principal due annually beginning June 1, 2017. Payments continue through June 1, 2031. | \$ 6,670,000 | \$ 7,500,000 |
| City of White Bear Lake, Minnesota Revenue Refunding Bonds, interest at 5%, interest payable semiannually beginning June 1, 2019, with principal due annually beginning June 1, 2019. Payments continue through June 1, 2033. | 12,480,000 | 13,560,000 |
| City of Andover, Minnesota Recreational Facility Revenue Note, fixed interest at 2.35%, due in quarterly installments through December 1, 2029. | 3,525,000 | 4,180,000 |
| Revenue Note, fixed interest at 3.56%, due in quarterly installments through June 1, 2032. | <u>5,155,000</u> | <u>5,770,000</u> |
| Subtotal | 27,830,000 | 31,010,000 |
| Plus: Bond Premium | 1,163,512 | 1,405,930 |
| Less: Debt Issuance Costs | <u>(289,391)</u> | <u>(330,393)</u> |
| Total | <u>\$ 28,704,121</u> | <u>\$ 32,085,537</u> |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 BONDS AND NOTES PAYABLE (CONTINUED)

At December 31, 2024 and 2023, bonds and notes payable in the table above includes a bond premium on the city of Minneapolis, Minnesota revenue bonds in the amount of \$291,069 and \$356,734, respectively, which reduced the average stated rate of 3.5% to an effective interest rate of 2.6%. The table above also includes a premium on the city of White Bear Lake, Minnesota revenue bonds in the amount of \$872,443 and \$1,049,196, at December 2024 and 2023, respectively, which reduced the coupon interest rate of 5.0% to an effective interest rate of 3.4%.

The summary of annual future maturities of principal on bonds and notes payable as of December 31, 2024 are as follows:

| <u>Year Ending December 31,</u> | <u>Scheduled Payment Amount</u> |
|---------------------------------|---|
| 2025 | \$ 3,290,000 |
| 2026 | 3,420,000 |
| 2027 | 3,540,000 |
| 2028 | 3,670,000 |
| 2029 | 3,815,000 |
| Thereafter | 10,095,000 |
| Total | <u>\$ 27,830,000</u> |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES

Net assets with donor restrictions consist of the following as of December 31:

| | 2024 | 2023 |
|--|-----------------------|----------------------|
| Purpose or Time Restricted: | | |
| Capital | \$ 16,980,177 | \$ 11,530,102 |
| Time and Program | 5,790,534 | 9,918,426 |
| Endowment | 31,796,195 | 25,820,752 |
| Beneficiary Agreements | 247,673 | 231,142 |
| Total Purpose- or Time-Restricted Net Assets | <u>54,814,579</u> | <u>47,500,422</u> |
| Perpetual in Nature: | | |
| Endowment | 47,919,153 | 45,764,770 |
| Beneficiary Agreements | 287,247 | 1,405,223 |
| Total Perpetually Restricted Net Assets | <u>48,206,400</u> | <u>47,169,993</u> |
| Total Net Assets With Donor Restrictions | <u>\$ 103,020,979</u> | <u>\$ 94,670,415</u> |

Net assets released from restriction for the years ended December 31 are as follows:

| | 2024 | 2023 |
|---|----------------------|----------------------|
| Time - Annual Support | \$ 224,446 | \$ 604,755 |
| Purpose - Program and Capital | 10,190,140 | 10,287,239 |
| Spending Rate Release of Endowment Funds | 2,783,362 | 2,610,390 |
| Total Net Assets Released from Restrictions | <u>\$ 13,197,948</u> | <u>\$ 13,502,384</u> |

NOTE 7 ENDOWMENT

Board-Designated and Donor-Restricted Endowments

The YMCA has board-designated and donor-restricted endowment funds established for the purpose of securing the YMCA's long-term financial viability and continuing to meet the needs of children and families in the community. As required by accounting principles generally accepted in the United States of America, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The board of directors of the YMCA has interpreted the state's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as maintaining the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the YMCA classifies the original value of the gifts to the endowment and the value of subsequent gifts to the endowment, as net assets with donor restrictions because those net assets are time restricted until the board appropriates such amounts for expenditure. Most of these net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 ENDOWMENT (CONTINUED)

Board-Designated and Donor-Restricted Endowments (Continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or UPMIFA requires the YMCA to retain as a fund of perpetual duration. As of December 31, 2024, funds with original gift values of \$3,652,071 and fair values of \$3,590,921, and the deficiencies of \$61,150 were reported in net assets with donor restrictions. As of December 31, 2023, funds with original gift values of \$1,514,243 and fair values of \$1,500,246, and the deficiencies of \$13,997 were reported in net assets with donor restrictions. These deficiencies, which the YMCA believes are temporary, resulted from unfavorable market fluctuations. The board of directors determined that continued appropriations during years ended December 31, 2024 and 2023 for certain programs was prudent.

The YMCA 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 maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the YMCA must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a portfolio containing diverse asset classes without concentration in any particular class or holding while assuming a moderate level of investment risk. The YMCA expects its endowment funds, over time, to provide an average rate of return of approximately 5% more than the consumer price index. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the YMCA relies 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 YMCA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The YMCA has a policy of targeting for distribution each year an average of 4.5% of the endowment's market value calculated as of the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the YMCA considered the long-term expected return on its endowment. Accordingly, over the long-term, the YMCA expects the current spending policy to allow its endowment to grow to outpace the distribution. This is consistent with the YMCA's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The endowment payout was \$3,693,036 and \$3,411,504 for the years ended December 31, 2024 and 2023, respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 ENDOWMENT (CONTINUED)

Board-Designated and Donor-Restricted Endowments (Continued)

The composition of endowment funds by type of fund as of December 31 is as follows:

| | 2024 | | |
|----------------------------------|-------------------------------|----------------------------|-----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Donor-Restricted Endowment Funds | \$ - | \$ 78,431,621 | \$ 78,431,621 |
| Board-Designated Endowment Funds | 25,312,520 | - | 25,312,520 |
| Total Endowment Funds | <u>\$ 25,312,520</u> | <u>\$ 78,431,621</u> | <u>\$ 103,744,141</u> |

| | 2023 | | |
|----------------------------------|-------------------------------|----------------------------|----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Donor-Restricted Endowment Funds | \$ - | \$ 70,591,986 | \$ 70,591,986 |
| Board-Designated Endowment Funds | 22,887,344 | - | 22,887,344 |
| Total Endowment Funds | <u>\$ 22,887,344</u> | <u>\$ 70,591,986</u> | <u>\$ 93,479,330</u> |

The summary of changes in endowment net assets for the years ended December 31 is as follows:

| | 2024 | | |
|---|-------------------------------|----------------------------|-----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Endowment Fund Balance - December 31, 2023 | \$ 22,887,344 | \$ 70,591,986 | \$ 93,479,330 |
| Contributions | 550,196 | 1,864,375 | 2,414,571 |
| Earnings: | | | |
| Investment Income | 478,826 | 1,473,209 | 1,952,035 |
| Realized Gains | 873,423 | 2,684,375 | 3,557,798 |
| Unrealized Gains | 1,431,963 | 4,601,038 | 6,033,001 |
| Total Earnings and Expenses | <u>2,784,212</u> | <u>8,758,622</u> | <u>11,542,834</u> |
| Appropriations | <u>(909,232)</u> | <u>(2,783,362)</u> | <u>(3,692,594)</u> |
| Endowment Fund Balance - December 31, 2024 | <u>\$ 25,312,520</u> | <u>\$ 78,431,621</u> | <u>\$ 103,744,141</u> |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 ENDOWMENT (CONTINUED)

Board-Designated and Donor-Restricted Endowments (Continued)

| | 2023 | | |
|--|-------------------------------|----------------------------|----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Endowment Fund Balance - December 31, 2022 | \$ 22,143,262 | \$ 60,648,205 | \$ 82,791,467 |
| Contributions | 8,360 | 2,284,855 | 2,293,215 |
| Earnings: | | | |
| Investment Income | 454,827 | 1,350,644 | 1,805,471 |
| Realized Gains | 435,113 | 1,266,259 | 1,701,372 |
| Unrealized Losses | 2,072,182 | 6,227,127 | 8,299,309 |
| Total Earnings and Expenses | 2,962,122 | 8,844,030 | 11,806,152 |
| Appropriations | (801,115) | (2,610,389) | (3,411,504) |
| Transfer of Earnings and Expenses Without Restrictions to With Restrictions | (1,425,285) | 1,425,285 | - |
| Endowment Fund Balance - December 31, 2023 | <u>\$ 22,887,344</u> | <u>\$ 70,591,986</u> | <u>\$ 93,479,330</u> |

NOTE 8 LEASES

The YMCA has leasing arrangements where the YMCA is lessee. These arrangements create right-of-use assets and liabilities. These arrangements are described below. The YMCA's policy is not to record a right-of-use asset and lease liabilities for leases with terms less than one year. If applicable, in allocating consideration in the contract to the separate lease components and the non-lease components, the YMCA uses the standalone prices of the lease and non-lease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

Finance Lease — YMCA as Lessee — Andover

In 2004, the YMCA entered into a long-term lease for a new facility. The lease has an initial term of 30 years with six optional renewal periods of 10 years each and a final renewal term of nine years. The lease is accounted for as a financing lease. The maximum lease payment in any year of the lease term is \$635,000 including both principal and interest. As part of the lease agreement the city of Andover donated the use of the land for the project. The value of the land was valued at \$317,643 and is amortized over the initial 30-year lease period and is presented as Right-of-Use Asset — Donated Land on the consolidated statements of financial position.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 8 LEASES (CONTINUED)

Finance Lease — YMCA as Lessee — Elk River

On August 20, 2007, the YMCA entered into a lease agreement with the Economic Development Authority for the City of Elk River, Minnesota (EDA). The EDA built an approximately 55,000 square foot facility and the YMCA will provide health, wellness, and youth programs in the facility. The initial lease term is 31 years with an evergreen provision up to a maximum of 99 years. The YMCA's lease payment is equal to one-third of the interest and principal on two separate debt issuances — a 25-year \$10 million issuance on November 8, 2007 and a seven-year \$2 million dollar issuance on February 20, 2008. The debt payments began August 1, 2008 and cease February 1, 2033. The agreement obligates the city to repay two-thirds of the debt and interest, while the YMCA is obligated for one-third of the debt and interest. On February 12, 2013, the EDA refinanced the \$10 million issuance. The YMCA obligation remains one-third of the debt and interest under the new agreement.

Financing Leases — YMCA as Lessee — Other leases

The YMCA also leases vehicles, fitness and office equipment under multiple leasing arrangements that qualify as financing leases. These leases have terms that continue through 2026. The leases generally require monthly or quarterly payments.

Operating Leases — YMCA as Lessee — Space

The YMCA leases multiple sites for their early childhood learning centers and for various programs such as day camps, administrative office space or childcare. Each lease contains a fixed monthly payment, no variable lease payments, for a term of 2 to 50 years. Certain early childhood learning center leases include extension options. The Rochester ECLC lease includes one extension option for five years. The Lakeville ECLC lease includes two extension options for five-year periods each. The Midway ECLC lease contains two extension options for five-year periods each. The lease for program space at Gaviidae Commons includes three options to extend the lease for additional periods of 10 years each. Lease liabilities and right-of-use assets have been calculated excluding these extension options as there was no historical basis for extension, except for the Midway ECLC lease which has been extended for an additional five years.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 8 LEASES (CONTINUED)

Operating Leases — YMCA as Lessee — Space (Continued)

The following table provides quantitative information concerning the YMCA's operating and finance leases for the years ended December 31:

| | <u>2024</u> | <u>2023</u> |
|---|--------------------------------|--------------------------------|
| Lease Cost: | | |
| Finance Lease Cost: | | |
| Amortization of Right-of-Use Assets | \$ 878,226 | \$ 1,017,689 |
| Interest on Lease Liabilities | 418,902 | 459,442 |
| Operating Lease Cost | 760,889 | 896,808 |
| Short-Term Lease Cost | <u>856,363</u> | <u>812,020</u> |
| Total Lease Cost | <u><u>\$ 2,914,380</u></u> | <u><u>\$ 3,185,959</u></u> |
| Other Information: | | |
| Cash Paid for Amounts Included in the | | |
| Measurements of Lease Liabilities: | | |
| Operating Cash Flows from Finance Leases | \$ 418,902 | \$ 459,442 |
| Operating Cash Flows from Operating Leases | \$ 751,959 | \$ 55,513 |
| Financing Cash Flows from Finance Leases | \$ 1,234,786 | \$ 1,886,648 |
| Right-of-Use Assets Obtained in Exchange for | | |
| New Operating Lease Liabilities | \$ - | \$ 952,321 |
| Weighted-Average Remaining Lease Terms - | | |
| Finance Leases | 8.23 Years | 9.12 Years |
| Weighted-Average Remaining Lease Terms - | | |
| Operating Leases | 14.97 Years | 14.71 Years |
| Weighted-Average Discount Rate - Finance Leases | 3.37 % | 3.35 % |
| Weighted-Average Discount Rate - Operating Leases | 2.99 % | 2.99 % |

A maturity analysis of annual discounted cash flows for lease liabilities as of December 31, 2024 is as follows:

| <u>Year Ending December 31,</u> | <u>Financing Lease</u> | <u>Operating Lease</u> |
|---------------------------------|-----------------------------|----------------------------|
| 2025 | \$ 1,272,591 | \$ 927,257 |
| 2026 | 1,322,155 | 878,443 |
| 2027 | 1,065,588 | 876,079 |
| 2028 | 1,105,588 | 758,925 |
| 2029 | 1,145,588 | 272,086 |
| Thereafter | 5,697,353 | 4,055,072 |
| Total | <u><u>\$ 11,608,863</u></u> | <u><u>\$ 7,767,862</u></u> |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
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DECEMBER 31, 2024 AND 2023

NOTE 9 RETIREMENT BENEFITS

The YMCA participates in a defined contribution, individual account, money purchase retirement plan, which is administered by the Young Men's Christian Association Retirement Fund (the Retirement Fund). This Plan is for the benefit of all eligible staff of the YMCA who qualify under applicable participation requirements. The Retirement Fund is operated as a church pension plan and is a nonprofit, tax-exempt New York state corporation. Participation is available to all duly organized or reorganized YMCAs in the United States. As a defined contribution plan, the Retirement Fund has no unfunded benefit obligations.

In accordance with the agreement with the Retirement Fund, contributions made by the YMCA are a percentage of the participating employees' salaries and are remitted to the Retirement Fund monthly. Contribution expense was \$3,755,258 and \$3,510,487 in 2024 and 2023, respectively.

NOTE 10 CONTINGENCIES AND COMMITMENTS

Contracts

The YMCA receives fees and grants from various federal, state, and city government agencies for services performed under contracts. Such contracts are subject to governmental compliance audits and may, from time to time, result in adjustments to fees and grants received. In the opinion of the YMCA's management, the disposition of all such matters should not have a material adverse effect on the YMCA's financial position or changes in net assets.

Litigation and Insurance

The YMCA is involved in certain legal claims incidental to the normal course of its activities. As a result, the YMCA maintains liability insurance coverage. Although the ultimate outcome of these claims cannot be determined, management believes based on their current assessment, that the final disposition of these claims will not have a material adverse effect on the financial position of the YMCA.

NOTE 11 FAIR VALUE MEASUREMENTS

The YMCA uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the YMCA measures fair value refer to Note 1 – Summary of Significant Accounting Policies.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and liabilities measured at fair value on a recurring basis as of December 31 are as follows:

| 2024 | | | | |
|---------------------------------------|----------------------|-------------|---------------------|-----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Investments: | | | | |
| U.S. Government Securities | \$ 3,891,126 | \$ - | \$ - | \$ 3,891,126 |
| U.S. Corporate Bonds | 10,198,055 | - | - | 10,198,055 |
| Non-U.S. Corporate Bonds | 2,587,358 | - | - | 2,587,358 |
| U.S. Common and Preferred Stocks | 44,034,545 | - | - | 44,034,545 |
| Non-U.S. Common and Preferred Stocks | 21,292,287 | - | - | 21,292,287 |
| Global Real Estate Fund | 4,806,668 | - | - | 4,806,668 |
| Cash and Cash Equivalents | - | - | - | 3,518,208 |
| Investments Held at NAV or Equivalent | - | - | - | 27,628,662 |
| Total | 86,810,039 | - | - | 117,956,909 |
| Interest in Beneficiary Trusts | - | - | 3,103,951 | 3,103,951 |
| Total | <u>\$ 86,810,039</u> | <u>\$ -</u> | <u>\$ 3,103,951</u> | <u>\$ 121,060,860</u> |

| 2023 | | | | |
|---------------------------------------|----------------------|---------------------|---------------------|-----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Investments: | | | | |
| Certificates of Deposit | \$ - | \$ 1,482,491 | \$ - | \$ 1,482,491 |
| U.S. Government Securities | 3,712,714 | - | - | 3,712,714 |
| U.S. Corporate Bonds | 8,963,150 | - | - | 8,963,150 |
| Non-U.S. Corporate Bonds | 2,232,708 | - | - | 2,232,708 |
| U.S. Common and Preferred Stocks | 42,417,210 | - | - | 42,417,210 |
| Non-U.S. Common and Preferred Stocks | 21,793,659 | - | - | 21,793,659 |
| Global Real Estate Fund | 4,166,470 | - | - | 4,166,470 |
| Cash and Cash Equivalents | - | - | - | 4,320,344 |
| Investments Held at NAV or Equivalent | - | - | - | 25,878,742 |
| Total | 83,285,911 | 1,482,491 | - | 114,967,488 |
| Interest in Beneficiary Trusts | - | - | 2,930,177 | 2,930,177 |
| Total | <u>\$ 83,285,911</u> | <u>\$ 1,482,491</u> | <u>\$ 2,930,177</u> | <u>\$ 117,897,665</u> |

The following table provides a summary of changes in fair value of the YMCA's Level 3 financial assets for the years ended December 31:

| | 2024 |
|---|---------------------|
| Balances as of January 1, 2024 | \$ 2,930,177 |
| Change in Value of Beneficiary Agreements | 173,774 |
| Balances as of December 31, 2024 | <u>\$ 3,103,951</u> |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
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DECEMBER 31, 2024 AND 2023

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

| | <u>2023</u> |
|--|--------------------------------------|
| | Interest in Beneficiary Trusts |
| Balances as of January 1, 2023 | \$ 2,714,009 |
| Change in Value of Beneficial Agreements | 216,168 |
| Balances as of December 31, 2023 | <u>\$ 2,930,177</u> |

Quantitative Information about Level 3 Fair Value Measurements

The unobservable inputs used to determine the fair value of the interest in beneficiary trusts are the underlying assets controlled by the trustee. The underlying assets consist of marketable securities that are either classified as Level 1 or Level 2 assets and the YMCA's fair value is determined by taking the trust's total value multiplied by their interest in the trust, as stated in the trust document.

Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent)

Fair Value Measurements of Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent) as of December 31:

| | <u>2024</u> | | | |
|---------------------------------------|----------------------------|---------------------------------|---|---|
| | <u>Net Asset Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
| Multi-Strategy Hedge Fund of Funds | \$ 10,764,976 | \$ - | Investments Prior to April 1, 2006 - Quarterly; Subsequent Investments - Semi-Annually | 95 Days Regardless of Date of Investment |
| Private Equity | 16,863,686 | 4,441,675 | N/A | N/A |
| | <u>2023</u> | | | |
| | <u>Net Asset Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
| Multi-Strategy Hedge Fund of Funds | \$ 10,320,462 | \$ - | Investments Prior to April 1, 2006 - Quarterly; Subsequent Investments - Semi-Annually | 95 Days Regardless of Date of Investment |
| Private Equity | 15,558,280 | 5,801,080 | N/A | N/A |

Multi-Strategy Hedge Fund of Funds focus on building and maintaining low volatility, multi-manager portfolios which have little or no correlation to the broader debt and equity markets. Investments are primarily with institutional quality hedge fund managers who invest in a diversified historically uncorrelated strategy such as relative value, event-driven investing, equity market neutral, credit opportunities, and distressed. The fair value of the fund of hedge funds in this category has been estimated using the net asset value per share of the investments.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent)
(Continued)

Private Equity includes venture capital, buyouts, mezzanine, and special situation funds. The unobservable inputs used to determine the fair value of the fund of private equity funds has been estimated based on the capital account balances reported by underlying partnerships subject to the private equity fund of funds management review and judgment.

NOTE 12 LIQUIDITY

The YMCA regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Financial assets in excess of daily cash requirements are invested in money market funds, certificates of deposits and other short-term investments.

The YMCA's governing board has designated a portion of its resources without donor restriction for endowment, capital investments, and other purposes. Those amounts are identified as board-designated in the table below. These funds are invested for long-term appreciation but remain available and may be spent at the discretion of the board.

The following table reflects the YMCA's financial assets as of the years ended December 31 that are available to meet cash needs for operating expenditures within one year.

| | 2024 | 2023 |
|---|----------------------|----------------------|
| Cash, Cash Equivalents, and Invested Reserves | \$ 3,000,000 | \$ 3,596,900 |
| Accounts Receivable, Net | 8,310,129 | 6,845,452 |
| Contributions Receivable | 1,957,358 | 1,836,465 |
| Board-Designated Endowment Funds | 25,312,520 | 22,887,344 |
| Board-Designated Strategic Development Fund | 13,381,299 | 17,908,842 |
| Less: Restricted Amounts | (5,922,804) | - |
| Total | <u>\$ 46,038,502</u> | <u>\$ 53,075,003</u> |

NOTE 13 REVENUE RECOGNITION AND CONTRACT LIABILITIES

The following table shows the YMCA's revenue disaggregated according to the timing of the transfer of goods or services for the years ended December 31:

| | 2024 | 2023 |
|--|-----------------------|-----------------------|
| Revenue Recognized at a Point in Time: | | |
| Program Service Fees | \$ 67,193,968 | \$ 63,709,702 |
| Sale of Supplies | 871,331 | 874,909 |
| Revenue Recognized Over Time: | | |
| Memberships | 51,246,111 | 46,010,738 |
| Total Revenue Recognized | <u>\$ 119,311,410</u> | <u>\$ 110,595,349</u> |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE NORTH
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DECEMBER 31, 2024 AND 2023

NOTE 13 REVENUE RECOGNITION AND CONTRACT LIABILITIES (CONTINUED)

The YMCA's contract liabilities consist of the following as of December 31:

| | 2024 | 2023 |
|----------------------------|---------------------|---------------------|
| Contract Liabilities: | | |
| Program Service Fees | \$ 4,401,141 | \$ 3,670,578 |
| Cell Tower Lease | 757,814 | 830,791 |
| Forest Lake Operations | 4,093,600 | 4,284,000 |
| Memberships | 659,368 | 623,066 |
| Total Contract Liabilities | <u>\$ 9,911,923</u> | <u>\$ 9,408,435</u> |

Contract liabilities represent payments received prior to the start of the requisite service being paid for. The following table depicts activities for contract liabilities.

| | Balance at December 31, 2023 | Refunds Issued | Revenue Recognized Included in December 31, 2023 Balance | Cash Received in Advance of Performance | Balance at December 31, 2024 |
|------------------------|------------------------------------|-------------------|--|--|------------------------------------|
| Program Services Fees | \$ 3,670,578 | \$ - | \$ 3,670,578 | \$ 4,401,141 | \$ 4,401,141 |
| Cell Tower Lease | 830,791 | - | 72,977 | - | 757,814 |
| Forest Lake Operations | 4,284,000 | - | 190,400 | - | 4,093,600 |
| Memberships | 623,066 | - | 623,066 | 659,368 | 659,368 |
| Total | <u>\$ 9,408,435</u> | <u>\$ -</u> | <u>\$ 4,557,021</u> | <u>\$ 5,060,509</u> | <u>\$ 9,911,923</u> |

| | Balance at December 31, 2022 | Refunds Issued | Revenue Recognized Included in December 31, 2022 Balance | Cash Received in Advance of Performance | Balance at December 31, 2023 |
|------------------------|------------------------------------|-------------------|--|--|------------------------------------|
| Program Services Fees | \$ 3,962,367 | \$ - | \$ 3,962,367 | \$ 3,670,578 | \$ 3,670,578 |
| Cell Tower Lease | 903,767 | - | 72,976 | - | 830,791 |
| Forest Lake Operations | 4,474,400 | - | 190,400 | - | 4,284,000 |
| Memberships | 621,795 | - | 621,795 | 623,066 | 623,066 |
| Total | <u>\$ 9,962,329</u> | <u>\$ -</u> | <u>\$ 4,847,538</u> | <u>\$ 4,293,644</u> | <u>\$ 9,408,435</u> |

The balance of contract liabilities at December 31, 2024, less any refunds, will be recognized as revenue over the period services are rendered. The YMCA applies the practical expedient 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

