YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN MILWAUKEE, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024 (AUDITED) AND FOUR MONTHS ENDED DECEMBER 31, 2023 (REVIEWED)

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OF METROPOLITAN MILWAUKEE, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Young Men's Christian Association
of Metropolitan Milwaukee, Inc.
Milwaukee, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Young Men's Christian Association of Metropolitan Milwaukee, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Men's Christian Association of Metropolitan Milwaukee, Inc. as of December 31, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Metropolitan Milwaukee, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The 2023 financial statements were reviewed by us, and our report thereon, dated December 10, 2024, stated we were not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Board of Directors
Young Men's Christian Association
of Metropolitan Milwaukee, Inc.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Young Men's Christian Association of Metropolitan Milwaukee, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Young Men's Christian Association of Metropolitan Milwaukee, Inc.'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

Milwaukee, Wisconsin
June 24, 2025

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	(Audited) 2024	(Reviewed) 2023
ASSETS		
Cash and Cash Equivalents	$ 1,845,870	$ 1,977,688
Investments	4,382,005	4,046,773
Accounts Receivable, Net	75,475	77,745
Grants Receivable	118,462	260,095
Pledges Receivable, Net	236,174	396,207
Prepaid Expenses	1,511,544	1,494,501
Property and Equipment, Net	9,573,907	9,345,694
Other Assets	708,349	704,242
Right-of-Use (ROU) Asset Operating	2,408,864	2,773,799
ROU Asset Financing	46,641	214,879
Total Assets	$ 20,907,291	$ 21,291,623
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 745,237	$ 577,854
Accrued Liabilities	278,916	410,960
Deferred Revenue	1,177,806	832,311
Other Liabilities	1,078,792	1,029,038
Lease Liability - Operating	2,628,327	2,994,294
Lease Liability - Financing	99,820	217,256
Total Liabilities	6,008,898	6,061,713
NET ASSETS		
Without Donor Restrictions:		
Undesignated	8,483,859	9,811,164
Board-Designated	1,540,876	1,175,812
Total Without Donor Restrictions	10,024,735	10,986,976
With Donor Restrictions	4,873,658	4,242,934
Total Net Assets	14,898,393	15,229,910
Total Liabilities and Net Assets	$ 20,907,291	$ 21,291,623

See accompanying Notes to Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024 (AUDITED)

	(Audited) Without Donor Restrictions	(Audited) With Donor Restrictions	(Audited) Total
REVENUES, GAINS, AND PUBLIC SUPPORT			
Contributions	$ 460,383	$ 1,340,039	$ 1,800,422
Government and Private Grants	551,521	-	551,521
Employee Retention Credit	610,934	-	610,934
United Way	116,269	116,269	232,538
Membership Fees	2,677,052	-	2,677,052
Program Fees	7,341,284	-	7,341,284
Services and Sales	428,569	-	428,569
Other	296,849	39,759	336,608
Satisfaction of Restrictions	1,165,235	(1,165,235)	-
Total Revenues, Gains, and Public Support	13,648,096	330,832	13,978,928
EXPENSES			
Program	11,896,260	-	11,896,260
Management and General	2,653,818	-	2,653,818
Fundraising	281,639	-	281,639
Total Expenses	14,831,717	-	14,831,717
CHANGE IN NET ASSETS FROM OPERATIONS	(1,183,621)	330,832	(852,789)
NONOPERATING REVENUES AND EXPENSES			
Net Investment Gain	221,380	286,781	508,161
Change in Cash Surrender Value of Life Insurance	-	13,111	13,111
Total Nonoperating Revenues and Expenses	221,380	299,892	521,272
CHANGE IN NET ASSETS	(962,241)	630,724	(331,517)
Net Assets - Beginning of Year	10,986,976	4,242,934	15,229,910
NET ASSETS - END OF YEAR	$ 10,024,735	$ 4,873,658	$ 14,898,393

See accompanying Notes to Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENT OF ACTIVITIES
FOUR MONTHS ENDED DECEMBER 31, 2023 (REVIEWED)

	(Reviewed) Without Donor Restrictions	(Reviewed) With Donor Restrictions	(Reviewed) Total
REVENUES, GAINS, AND PUBLIC SUPPORT			
Contributions	$ 231,900	$ 262,585	$ 494,485
Government and Private Grants	188,919	-	188,919
Membership Fees	795,530	-	795,530
Program Fees	1,522,723	-	1,522,723
Services and Sales	107,923	-	107,923
Other	115,796	3,521	119,317
Satisfaction of Restrictions	530,356	(530,356)	-
Total Revenues, Gains, and Public Support	3,493,147	(264,250)	3,228,897
EXPENSES			
Program	3,295,007	-	3,295,007
Management and General	941,416	-	941,416
Fundraising	103,077	-	103,077
Total Expenses	4,339,500	-	4,339,500
CHANGE IN NET ASSETS FROM OPERATIONS	(846,353)	(264,250)	(1,110,603)
NONOPERATING REVENUES AND EXPENSES			
Net Investment Gain	215,109	21,585	236,694
Change in Cash Surrender Value of Life Insurance	-	31,295	31,295
Total Nonoperating Revenues and Expenses	215,109	52,880	267,989
CHANGE IN NET ASSETS	(631,244)	(211,370)	(842,614)
Net Assets - Beginning of Period	11,618,220	4,454,304	16,072,524
NET ASSETS - END OF PERIOD	$ 10,986,976	$ 4,242,934	$ 15,229,910

See accompanying Notes to Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECMBER 31, 2024 (AUDITED)

	(Audited) Program	(Audited) Management and General	(Audited) Fundraising	(Audited) Total Functional Expenses
EXPENSES - GENERAL OPERATIONS				
Salaries, Wages, and Related Expenses	$ 7,103,241	$ 1,497,957	$ 259,481	$ 8,860,679
Professional Fees	35,622	293,641	-	329,263
Program and Supplies Expense	1,028,897	36,299	128	1,065,324
Postage and Shipping	2,172	4,878	2,570	9,620
Occupancy	1,576,536	8,752	-	1,585,288
Utilities and Telephone	512,264	25,570	-	537,834
Insurance	191,137	-	-	191,137
Equipment Leases, Rental, and Maintenance	122,727	439,928	2,493	565,148
Advertising, Printing, and Promotion	42,953	31,886	11,482	86,321
Conferences, Training, and Employee Expense	142,993	27,765	5,485	176,243
Dues	1,778	168,006	-	169,784
Interest Expense	-	20,789	-	20,789
Credit Losses	-	86,981	-	86,981
Depreciation and Amortization	1,135,940	11,366	-	1,147,306
Total Expenses - General Operations	$ 11,896,260	$ 2,653,818	$ 281,639	$ 14,831,717

See accompanying Notes to Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOUR MONTHS ENDED DECEMBER 31, 2023 (REVIEWED)

	(Reviewed) Program	(Reviewed) Management and General	(Reviewed) Fundraising	(Reviewed) Total Functional Expenses
EXPENSES - GENERAL OPERATIONS				
Salaries, Wages, and Related Expenses	$ 2,107,995	$ 489,222	$ 87,364	$ 2,684,581
Professional Fees	3,636	93,212	-	96,848
Program and Supplies Expense	135,696	15,516	33	151,245
Postage and Shipping	363	1,962	19	2,344
Occupancy	495,915	2,612	-	498,527
Utilities and Telephone	133,694	9,056	-	142,750
Insurance	63,894	-	-	63,894
Equipment Leases, Rental, and Maintenance	(2,938)	157,986	15,065	170,113
Advertising, Printing, and Promotion	10,347	13,400	26	23,773
Conferences, Training, and Employee Expense	50,136	19,282	570	69,988
Dues	469	68,835	-	69,304
Interest Expense	-	4,362	-	4,362
Credit Losses	-	63,553	-	63,553
Depreciation and Amortization	295,800	2,418	-	298,218
Total Expenses - General Operations	$ 3,295,007	$ 941,416	$ 103,077	$ 4,339,500

See accompanying Notes to Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024 (AUDITED) AND
FOUR MONTHS ENDED DECEMBER 31, 2023 (REVIEWED)

	(Audited) 2024	(Reviewed) 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (331,517)	$ (842,614)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	979,068	253,865
Amortization of ROU Asset	168,238	44,353
Provision for Credit Losses	86,981	63,553
Deferred Gain on Sale Leasebacks	(81,304)	(27,101)
Change in Cash Surrender Value of Life Insurance	(13,111)	(31,295)
Realized Gain on Investments	(222,265)	(33,435)
Unrealized Gain on Investments	(176,595)	(155,035)
Effects of Changes in Operating Assets and Liabilities:		
Accounts and Grants Receivable	56,922	(14,587)
Pledges Receivable	160,033	(66,850)
Prepaid Expenses and Other Assets	(8,039)	(154,308)
Accrued Liabilities and Other Liabilities	(986)	(91,143)
Accounts Payable	249,870	3,273
Deferred Revenue	345,495	745,647
Lease Liability - Operating	(1,032)	-
Net Cash Provided (Used) by Operating Activities	1,211,758	(305,677)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Purchase of Fixed Assets	(1,289,768)	(333,323)
Purchases of Investments	(4,731,840)	(789,420)
Proceeds from the Sale of Investments	4,795,468	1,361,025
Net Cash Provided (Used) by Investing Activities	(1,226,140)	238,282
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing Lease Payments	(117,436)	(44,795)
Net Cash Used by Financing Activities	(117,436)	(44,795)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(131,818)	(112,190)
Cash and Cash Equivalents - Beginning of Period	1,977,688	2,089,878
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 1,845,870	$ 1,977,688
NONCASH INVESTING ACTIVITIES		
Construction in Progress Additions in Accounts Payable	$ -	$ 82,487

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Young Men's Christian Association of Metropolitan Milwaukee, Inc. (the YMCA or Organization) is a nonprofit, volunteer-led, human development charitable organization whose mission is to put Christian principles into practice through programs that build healthy spirit, mind, and body for all.

The YMCA is a diverse organization of men, women, and children joined together by a shared commitment to nurturing the potential of kids, promoting healthy living, and fostering a sense of social responsibility. Since no two communities are exactly alike, no two YMCAs are exactly alike. They are united by a deep commitment to strengthening their communities and to ensure that those they serve learn, grow, and thrive. Core programs include health and well-being, early childhood education, elementary education and academic mentoring, camping, aquatics, youth leadership, and family programs. The YMCA's financial assistance program provides funds for those in need – everyone is welcome to participate in YMCA programs.

During the prior fiscal period, the YMCA changed its year end December 31.

Use of Estimates

The preparation of financial statements in accordance 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.

Basis of Presentation

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 operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

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. The donors of these resources permit the YMCA to use all or part of the income earned, including capital appreciation, for purposes with or without donor restrictions. 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 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The YMCA defines 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.

The YMCA may at times have funds on deposit at one financial institution that exceeds the federally insured limits.

Investments and Investment Income

Investments are generally recorded at fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. The YMCA records the change of ownership of bonds and stocks on the day a trade is made.

Investment income is reported as operating revenue and is included in the changes in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Accounts Receivable

Accounts receivable are generally uncollateralized member/client obligations due upon receipt. Accounts receivable are carried at the original invoice amount, less an estimate made for credit losses based on a review of all outstanding amounts. Management determines the allowance for credit losses by identifying troubled accounts and by using historical experience, specific participants' circumstances, and economic conditions that are adjusted for reasonable expectations of future collection performance, net of estimated recoveries. This analysis is then applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Accounts receivable over 90 days past due are written off as uncollectible. The allowance for credit losses is $327 and $1,517 as of December 31, 2024 and 2023, respectively.

Grants Receivable

Grants receivable consist of various federal and state grant funds passed through governmental agencies to the YMCA for various programs. Management believes no allowance for uncollectible grants is required based upon management's judgment and consideration of the collectability of each grant.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Unconditional promises to give to the YMCA are recorded as receivables in the year the pledge was made. Pledges and other promises to give whose eventual uses are restricted by the donor are recorded as increases in net assets with donor restrictions. Pledges without donor restrictions to be collected in future periods are also recorded as an increase in net assets with donor restrictions and reclassified to net assets without donor restrictions when received.

Unconditional promises to give are reported in the statements of financial position net of unamortized discounts and an allowance for uncollectible pledges. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows using a discount rate that approximates the rate of government securities. Amortization of the discount is recorded as an increase or decrease in contribution revenue. An allowance for uncollectible accounts is determined by management based on past collection history.

Credit Risk

Financial instruments, which potentially subject the YMCA to concentrations of credit risk, consist of cash and cash equivalents, receivables, and investments. These financial instruments are carried at their approximate fair value. The YMCA's policy is to limit credit exposure on financial instruments and place its cash with financial institutions deemed as being credit worthy.

Concentration of credit risk with respect to receivables is limited due to the large member base and the expectation that government programs will make timely payments.

Investments, 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 investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

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 repairs, maintenance, 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

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 and Improvements	10 to 50 Years
Machinery and Equipment	5 to 12 Years
Leasehold Improvements	30 to 50 Years

Impairment of Long-Lived Assets

The YMCA 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.

Deferred Revenue

Program service fees applying to services to be rendered in future periods are recorded as deferred revenue when received and reflected as support in the year when the program service fees are earned. Revenue from membership dues is recognized on a pro rata basis over the period to which the membership relates.

Tax-Exempt Status

The YMCA is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the IRC. The YMCA had no unrelated business income for the years ended December 31, 2024 and 2023. None of the YMCA’s federal or state informational returns are currently under examination.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. No conditional contributions exist at December 31, 2024 and 2023.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The YMCA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Grant revenue is recognized as revenue in the period in which it is expended for cost-reimbursed agreements. The YMCA received cost reimbursable grants of $-0- that have not been recognized at December 31, 2024 and 2023, because qualifying expenditures have not yet been incurred.

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 statements of financial position. Membership 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:

- 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 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, camps, swim lessons, and various other programs operating at YMCA locations, program sites or schools. 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 statements of financial position.

Services and sales include 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and Assets

The YMCA receives contributions of services for its programs. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation. There were no contributed services that were recognized as revenue for the twelve months and four months ended December 31, 2024 and 2023, respectively.

Donated assets are recorded at fair value at the date of donation or, if sold immediately after receipt, at the amount of sales proceeds received, which are considered a reasonable approximation of the fair value at the date of donation.

Advertising and Promotion

Advertising and promotion costs are charged to operations when incurred. Advertising and promotion expense was $86,321 and $23,773 for the twelve months and four months ended December 31, 2024 and 2023, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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 toward program and supporting services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The YMCA determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The YMCA recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. See Notes 7 and 8 for additional information on the YMCA's leases as of and for the year ended December 31, 2024 and four months ended December 31, 2023.

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 terms of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statements of financial position.

The individual operating lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the YMCA 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 operating lease liabilities. For finance lease contracts, the interest rate is imputed based on the value of the equipment and the scheduled payment amounts.

The YMCA 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.

Reclassifications

Certain amounts in the prior period statement of functional expenses have been reclassified for comparative purposes to conform with the presentation in the current year. The reclassifications have no effect on the previously reported total expenses.

Subsequent Events

Management has evaluated subsequent events through June 24, 2025, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The YMCA regularly monitors liquidity required to meet its operating needs and other contractual commitments and has cash and cash equivalents, investments, and receivables at its disposal for these needs.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the YMCA considers all expenditures related to its ongoing activities in the areas of youth development, healthy living, and social responsibility as well as services undertaken to support these activities.

The YMCA's governing board has designated a portion of its unrestricted resources for endowment and other purposes. These funds are invested for long-term appreciation but remain available and may be spent at the discretion of the board.

In addition to financial assets available to meet general expenditures over the next 12 months, the YMCA operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statements of cash flows which identifies the sources and uses of the Organization's cash.

The following table reflects the YMCA's financial assets as of December 31, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date that is, without donor or other restrictions limiting their use.

	(Audited) 2024	(Reviewed) 2023
Cash and Cash Equivalents	$ 1,845,870	$ 1,977,688
Investments	4,382,005	4,046,773
Accounts Receivable, Net	75,475	77,745
Grants Receivable	118,462	260,095
Pledges Receivable, Current	220,146	374,521
Total	6,641,958	6,736,822
Less Amounts Not Available to be Used Within One Year:		
Donor-Restricted for Scholarships and Programs	(1,424,462)	(1,159,505)
Donor-Restricted for Capital Campaign	(175,185)	(77,268)
Donor-Restricted to be Maintained in Perpetuity and Endowment Earnings	(3,157,742)	(2,870,961)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,884,569	$ 2,629,088

NOTE 3 INVESTMENTS

A summary of investments was as follows at December 31:

	(Audited) 2024		
	Cost or Gift Value	Unrealized Gains (Losses)	Investments at Fair Value
Short-Term Cash Investments	$ 67,377	$ -	$ 67,377
Mutual Funds	2,164,123	(150,533)	2,013,590
Common Stock/ETFs	1,343,718	450,395	1,794,113
Bonds	513,251	(6,326)	506,925
Total Investments	$ 4,088,469	$ 293,536	$ 4,382,005

	(Reviewed) 2023		
	Cost or Gift Value	Unrealized Gains (Losses)	Investments at Fair Value
Money Market Funds	$ 124,005	$ -	$ 124,005
Equity Mutual Funds	1,736,556	1,073,134	2,809,690
Fixed Income Mutual Funds	1,146,493	(33,415)	1,113,078
Total Investments	$ 3,007,054	$ 1,039,719	$ 4,046,773

NOTE 4 FAIR VALUE MEASUREMENTS

In determining fair value, the YMCA 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.

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.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

Mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the YMCA at year-end.

Common stocks/ETFs are valued at the closing price reported in the active market in which the individual security is traded.

Corporate bonds, government bonds, and foreign bonds, are valued with an institutional bid evaluation or an institutional mid evaluation. A bid evaluation is an estimated price at which a dealer would pay for a security (typically in an institutional round lot). A mid evaluation is the average of the estimated price at which a dealer would sell a security and the estimated price at which a dealer would pay for a security (typically in an institutional round lot).

Short-Term Cash Investments are valued at their net asset value (NAV).

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy at December 31:

	(Audited) 2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 2,013,590	$ -	$ -	$ 2,013,590
Common Stock/ETFs	1,794,113	-	-	1,794,113
Corporate Bonds	262,458	-	-	262,458
Government Bonds	177,544	-	-	177,544
Foreign Bonds	66,923	-	-	66,923
Total Assets at Fair Value	$ 4,314,628	$ -	$ -	4,314,628
Short-Term Cash Investments				67,377
Total Investments				$ 4,382,005

	(Reviewed) 2023			
	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 124,005	$ -	$ -	$ 124,005
Fixed Income Mutual Funds:				
Intermediate Term Bond Funds	1,113,078	-	-	1,113,078
Equity Mutual Funds:				
Index Funds	2,597,648	-	-	2,597,648
Foreign Equity Funds	150,810	-	-	150,810
Infrastructure Funds	61,232	-	-	61,232
Total Investments	$ 4,046,773	$ -	$ -	$ 4,046,773

NOTE 5 PLEDGES RECEIVABLE

Unconditional promises to give consisted of the following at December 31:

	(Audited) 2024	(Reviewed) 2023
Less than One Year	$ 201,553	$ 355,878
One to Five Years	60,000	80,000
Over Five Years	-	-
Total	261,553	435,878
Less: Discount to Present Value	6,786	21,028
Less: Allowance for Uncollectible Promises to Give	18,593	18,643
Total Pledges Receivable, Net	$ 236,174	$ 396,207

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	(Audited) 2024	(Reviewed) 2023
Land and Land Improvements	$ 1,042,736	$ 1,042,736
Buildings and Improvements	17,125,764	16,466,182
Machinery and Equipment	3,450,154	3,137,115
Leasehold Improvements	1,140,018	1,140,018
Construction in Progress	368,199	293,376
Total - at Cost	23,126,871	22,079,427
Less: Accumulated Depreciation	(13,552,964)	(12,733,733)
Total Property and Equipment, Net	$ 9,573,907	$ 9,345,694

Total depreciation expense for the twelve months and four months ended December 31, 2024 and 2023, was $979,068 and $253,865, respectively.

NOTE 7 OPERATING LEASES

The YMCA leases various facilities and equipment, under long-term, noncancelable lease agreements.

Quantitative information concerning the YMCA's leases for the twelve months and four months ended December 31, 2024 and 2023:

	(Audited) 2024	(Reviewed) 2023
Operating Lease Cost	$ 455,556	$ 169,276
Operating Cash Flows from Operating Leases	$ 457,839	$ 168,025
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	$ -	$ -
Weighted Average Remaining Lease Term	7.3 Years	8.1 Years
Weighted Average Discount Rate	3.26%	3.27%

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

Year Ending December 31,	
2025	$ 387,212
2026	393,129
2027	399,194
2028	405,411
2029	411,786
Thereafter	959,699
Undiscounted Cash Flows	2,956,431
Less: Imputed Interest	(328,104)
Total Present Value	$ 2,628,327

NOTE 8 FINANCING LEASES

The YMCA has two financing leases with interest imputed at a rate of 5.5% and 5.8%, respectively. Monthly payments of principal and interest are $4,975 and $7,314, respectively. The ROU assets and lease liabilities under these financing leases are recorded at the fair value of the assets, which approximates the present value of the future minimum lease payments.

Quantitative information concerning the YMCA's leases for the twelve months and four months ended December 31, 2024 and 2023:

	(Audited) 2024	(Reviewed) 2023
Financing Lease Cost:		
Amortization of Right-of-Use Assets	$ 62,188	$ 29,960
Interest on Lease Liabilities	$ 8,096	$ 4,365
Operating Cash Flows from Financing Leases	$ 8,096	$ 4,365
Financing Cash Flows from Financing Leases	$ 117,436	$ 44,795
Right-of-Use Assets Obtained in Exchange for Financing Lease Liabilities	$ -	$ -
Weighted Average Remaining Lease Term	1.7 Years	2.1 Years
Weighted Average Discount Rate	5.53%	5.61%

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

Year Ending December 31,	
2025	$ 59,699
2026	44,775
Undiscounted Cash Flows	104,474
Less: Imputed Interest	(4,654)
Total Present Value	$ 99,820

NOTE 9 SALE LEASEBACKS

In February 2008, the YMCA sold 14.86 acres of land with a carrying value of $127,718 for $3,750,000. Total gain on the sale was $3,622,282. The YMCA maintained ownership of two buildings located on 2.9 acres of the land sold and entered into a 25-year lease with the purchaser for use of land. The gain on the sale in excess of the present value of the minimum lease payments in the amount of $1,589,687 was recognized at the time of the sale, and the remaining gain of $2,032,595 was deferred and will be amortized over the life of the lease. The YMCA will recognize $81,304 of the deferred gain on an annual basis until the lease expires in January 2033. The YMCA recognized $81,304 and $27,101 of the deferred gain for the in the year and four-month period ended December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, the remaining deferred gain was $657,205 and $738,509, respectively. The current portion, in the amount of $81,304, is included in accrued liabilities as of December 31, 2024 and 2023, and the remainder is included in other liabilities in the accompanying statements of financial position.

In July 2008, the YMCA sold one of the buildings located on the 2.9 acres of land leased for $1,125,000. The carrying value of the building was $2,262,796, and a loss on the sale of $1,137,796 was recorded. The building sold sits on 1.88 acres of the 2.9 acres leased by the YMCA. The YMCA entered into a 25-year sublease with the purchaser for use of this land. The lease requires the purchaser to make payments of $35,000 per year to the YMCA with the first payment due July 15, 2013. Beginning July 15, 2014, the lease payments will increase by the consumer price index annually. The YMCA received lease payments of $43,020 and $14,222 for the year and four-month period ended December 31, 2024 and 2023, respectively. Lease revenue of $34,016 and $11,339 and an increase in other assets in the accompanying statements of financial position of the same amount was recognized for the year and four-month period ended December 31, 2024 and 2023, respectively.

In May 2021, the YMCA sold 50.1 acres of land and all buildings and improvements thereon with a carrying value of $1,952,461 for $2,450,000. Total gain on the sale was $497,539. The YMCA continued operations at this location and entered into a 10-year lease with the purchaser for use of the real estate. The gain on the sale was less than the present value of the minimum lease payments and therefore $-0- was recognized at the time of the sale, and the entire gain of $497,539 was deferred and will be amortized over the life of the lease. The YMCA will recognize $49,754 of the deferred gain on an annual basis until the lease expires. As of December 31, 2022, the YMCA suspended operations at this location and the lease has been paused. The YMCA is in active discussions about operations restarting. The YMCA recognized $-0- of the deferred gain in the year and four-month period ended December 31, 2024 and 2023. At December 31, 2024 and 2023, the remaining deferred gain was $418,762. The current portion, in the amount of $49,754, is included in accrued liabilities as of December 31, 2024 and 2023, and the remainder is included in other liabilities in the accompanying statements of financial position.

NOTE 9 SALE LEASEBACKS (CONTINUED)

The lease agreement requires the YMCA to make payments of $150,000 per year. The Organization received consideration of $1,500,000 in lease forgiveness as part of the sale. The YMCA recognized lease expense of $-0- for the year and four-month period ended December 31, 2024 and 2023, and decreased prepaid rent expense of $-0- for the year and four-month period ended December 31, 2024 and 2023. Prepaid rent expense of $1,254,167 as of December 31, 2024 and 2023 is included in prepaid expenses in the accompanying statements of financial position.

NOTE 10 LINE OF CREDIT

The YMCA had an unused line of credit of $500,000 as of December 31, 2023 bearing interest at the Daily SOFR (Secured Overnight Financing Rate) plus 200 basis points (7.38% as of December 31, 2023). The line of credit was terminated during the year ended December 31, 2024.

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	(Audited) 2024	(Reviewed) 2023
Subject to Expenditure for Specified Purpose:		
Scholarships and Programs	$ 1,424,462	$ 1,159,505
Capital Campaign	175,185	77,268
Total	1,599,647	1,236,773
Subject to the Passage of Time:		
United Way Pledges	116,269	135,200
Endowments Subject to the YMCA's Spending Policy and/or Appropriation, Including Amounts Held in Perpetuity of $1,599,460 for 2024 and 2023, Which are Available to Support:		
Building Maintenance	250,318	223,219
Operations and Programs	2,728,758	2,490,042
International Programs	178,666	157,700
Total Endowments	3,157,742	2,870,961
Total Net Assets with Donor Restrictions	$ 4,873,658	$ 4,242,934

NOTE 12 ENDOWMENT FUNDS

The YMCA's endowment funds consist of donor-restricted funds established for the YMCA.

The YMCA has interpreted the State of Wisconsin's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As of December 31, 2024 and 2023, there were no such donor stipulations. As a result of this interpretation, the YMCA 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 including promises to give at fair value) 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. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the YMCA in a manner consistent with the standard of prudence prescribed by UPMIFA.

The primary long-term financial objective for the YMCA's endowments is to preserve the real purchasing power of endowment assets and income after accounting for endowment spending and costs of portfolio management. Performance of the overall endowment against this objective is measured over rolling periods of one, three, and five years.

The endowment funds are managed to optimize the long-run total rate of return on invested assets, assuming a prudent level of risk. The goal for this rate of return is one that provides funding for the YMCA's existing spending policy. Over the short-term, the return for each element of the endowment portfolio should match or exceed each of the returns for the broader capital markets in which assets are invested.

The endowment assets are governed by a spending policy that seeks to distribute specific payout rate of the endowment base to support the YMCA's programs. The endowment base will be defined as the three-year moving average of the market value of the total endowment portfolio (calculated as of the last day of December for the prior three years). The distribution of payout rate will be calculated at a specific fixed percentage of the base. Such a policy will allow for a greater predictability of spendable income for budgeting purposes and for gradual steady growth for the support of operations by the endowments. In addition, this policy will minimize the probability of invading the principal over the long term. Spending in a given year will reduce the unit value of each endowment element by the payout percentage. In the case of short-term declines in the market value of the endowment pool of funds, the overall spending rate may be calculated below the designated payout percentage in order to maintain the original unit value of certain elements of the true endowment. Growth of the unit values over time should allow for spending of principal, without drawing from the original corpus of a particular gift. During the twelve months and four months ended December 31, 2024 and 2023, the board of directors appropriated for expenditure an additional $-0- of endowment funds that were not tied to gifts to be maintained in perpetuity. These funds had been restricted for purposes tied to the ongoing activities of the YMCA.

NOTE 12 ENDOWMENT FUNDS (CONTINUED)

The endowment is invested in cash and cash equivalents and equity and fixed income mutual funds. The total endowment will be monitored on a continual basis for consistency of investment philosophy, return relative to objectives, and asset allocation.

Endowment net asset composition by type of fund is as follows as of December 31:

	(Audited) 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	$ 1,540,876	$ -	$ 1,540,876
Due from Undesignated Net Assets	-	-	-
Original Donor-Restricted Gift Amount Required to be Maintained in Perpetuity by Donor	-	1,599,460	1,599,460
Accumulated Growth of Perpetual Gifts Subject to Appropriation for a Specific Purpose	-	1,558,282	1,558,282
Total Funds	$ 1,540,876	$ 3,157,742	$ 4,698,618

	(Reviewed) 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	$ 1,175,812	$ -	$ 1,175,812
Due from Undesignated Net Assets	-	-	-
Original Donor-Restricted Gift Amount Required to be Maintained in Perpetuity by Donor	-	1,599,460	1,599,460
Accumulated Growth of Perpetual Gifts Subject to Appropriation for a Specific Purpose	-	1,271,501	1,271,501
Total Funds	$ 1,175,812	$ 2,870,961	$ 4,046,773

Changes in endowment net assets are as follows for the twelve months and four months ended December 31:

	(Audited) 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 1,175,812	$ 2,870,961	$ 4,046,773
Investment Return, Net	221,380	286,781	508,161
Contributions	312,500	-	312,500
Appropriation of Endowment Assets for Expenditure	(168,816)	-	(168,816)
Endowment Net Assets - End of Year	$ 1,540,876	$ 3,157,742	$ 4,698,618

NOTE 12 ENDOWMENT FUNDS (CONTINUED)

	(Reviewed) 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Period	$ 1,484,329	$ 2,945,579	$ 4,429,908
Investment Return, Net	215,109	21,585	236,694
Contributions	-	-	-
Appropriation of Endowment Assets for Expenditure	(523,626)	(96,203)	(619,829)
Endowment Net Assets - End of Period	$ 1,175,812	$ 2,870,961	$ 4,046,773

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The YMCA has no underwater endowment funds at December 31, 2024 and 2023.

NOTE 13 REVENUE

The following table shows the YMCA’s revenue disaggregated according to the timing of the transfer of goods or services for the twelve months and four months ended December 31:

	(Audited) 2024	(Reviewed) 2023
Revenue Recognized at a Point in Time:		
Services and Sales	$ 428,569	$ 107,923
Other Income	336,608	119,317
Revenue Recognized Over Time:		
Membership Fees	2,677,052	795,530
Program Fees	7,341,284	1,522,723
Total Revenue Recognized	$ 10,783,513	$ 2,545,493

Contract liabilities consisted of the following:

	(Audited) December 31, 2024	(Reviewed) December 31, 2023	(Audited) August 31, 2023
Membership	$ 100,442	$ 51,030	$ 54,908
Program	1,077,364	781,281	31,756
Total Contract Liabilities	$ 1,177,806	$ 832,311	$ 86,664

NOTE 14 RETIREMENT PLAN

The YMCA participates in a defined contribution, individual account, money purchase retirement plan covering all eligible employees. The plan is administered by the Young Men's Christian Association Retirement Fund (a separate corporation). The YMCA makes monthly contributions to the Young Men's Christian Association Retirement Fund based on a percentage of the participating employee's salary. Plan expense totaled $417,584 and $168,212 for the year and four months ended December 31, 2024 and 2023, respectively.

The Young Men's Christian Association Retirement Fund is operated as a church pension plan and is a nonprofit, tax-exempt New York State corporation (1922). Participation is available to all duly organized or reorganized YMCAs in the United States of America. As a defined contribution plan, the retirement fund has no unfunded benefit obligations.

NOTE 15 COMMITMENTS AND CONTINGENCIES

Financial Awards from Grantors

Financial awards from federal, state, and local governments in the form of grants are subject to special audit. Such audits could result in claims against the YMCA for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

Letter of Credit

The YMCA utilizes one letter of credit to satisfy requirements of the Wisconsin Unemployment Reserve Fund in the amount of $212,269 for the YMCA, expiring December 31, 2025.

NOTE 16 EMPLOYEE RETENTION CREDIT

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended December 31, 2024, the YMCA complied with the conditions of Employee Retention Credit (ERC) funding from the Internal Revenue Service, in the amount of $610,934, in compliance with the program.

Grants related to this program are recorded as revenue on the statement of activities. The YMCA recognized $610,934 of Employee Retention Credit related to performance requirements being met and costs being incurred in compliance with the program during the year ended December 31, 2024.

The YMCA also received ERC grants of $275,792 during the year ended August 31, 2023 which are subject to eligibility review for up to five years from the date of claim. 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 YMCA's financial position.