YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

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

And Report of Independent Auditor

Cherry Bekaert LLP

Your Guide Forward

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

Report of Independent Auditor

To the Board of Directors
Young Men's Christian Association of Metropolitan Atlanta, Inc. and Subsidiaries
Atlanta, Georgia

Opinion

We have audited the accompanying consolidated financial statements of the Young Men's Christian Association of Metropolitan Atlanta, Inc. and Subsidiaries (collectively, the "Association"), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2023, and the changes in their net assets and their 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Consolidated Financial Statements and Summarized Comparative Information

The consolidated financial statements and summarized comparative information of the Association as of December 31, 2022 were audited by other auditors whose report dated June 29, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 auditing standards generally accepted in the United States of America, we:

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Cherry Bekaert LLP

Atlanta, Georgia
June 26, 2024

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023, WITH SUMMARIZED FINANCIAL INFORMATION FOR DECEMBER 31, 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 14,955,131	$ 21,280,638
Restricted cash	4,857,660	10,192,525
Accounts receivable, net	3,064,269	2,593,269
Government grants receivable	1,669,631	602,444
Unconditional promises to give, net	381,363	1,669,220
Other assets	860,257	1,531,973
NMTC leveraged loan notes receivable	29,427,200	29,427,200
Endowment investments	32,111,582	32,177,274
Other investments	3,863,959	3,750,592
Land, buildings, and equipment, net	248,309,528	244,110,418
Total Assets	$ 339,500,580	$ 347,335,553
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 9,159,093	$ 5,347,921
Accrued expenses and other current liabilities	9,836,168	5,073,732
Deferred revenue	7,305,586	7,643,133
Custodial liability	325,638	286,976
Interest rate swap agreements	-	576,595
Financing lease obligations	3,644,539	2,526,375
NMTC notes payable, net	40,941,196	40,821,329
Notes and bonds payable, net	59,437,795	64,989,002
Total Liabilities	130,650,015	127,265,063
Net Assets:		
Without Donor Restrictions:		
Undesignated	127,984,839	132,881,602
Designated by the Board for operating reserve	3,863,959	3,750,592
Designated by the Board for endowment	8,361,430	8,392,830
Total Without Donor Restrictions	140,210,228	145,025,024
With Donor Restrictions:		
Perpetual in nature	19,047,692	18,993,427
Purpose restrictions	21,619,293	30,270,301
Time restricted for future periods	27,973,352	25,781,738
Total With Donor Restrictions	68,640,337	75,045,466
Total Net Assets	208,850,565	220,070,490
Total Liabilities and Net Assets	$ 339,500,580	$ 347,335,553

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023 WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
Revenues, Gains, and Other Support:				
Direct support - government agencies	$ 41,088,446	$ -	$ 41,088,446	$ 36,099,078
Direct support - public	3,461,387	4,385,115	7,846,502	7,083,544
Contributions of nonfinancial assets	12,345,427	-	12,345,427	12,434,084
Total Support	56,895,260	4,385,115	61,280,375	55,616,706
Membership dues	41,425,692	-	41,425,692	32,475,780
Program service fees	25,341,057	-	25,341,057	22,861,767
Investment returns, net	418,130	-	418,130	510,597
Other revenue	335,244	-	335,244	145,544
Total Revenues, Gains, and Other Support	124,415,383	4,385,115	128,800,498	111,610,394
Net Assets Released from Restrictions:				
Change in donor intent	(2,752,887)	2,752,887	-	-
Expiration of time and purpose restrictions	15,101,040	(15,101,040)	-	-
Total Revenues, Gains, and Other Support	136,763,536	(7,963,038)	128,800,498	111,610,394
Expenses:				
Program services	121,337,131	-	121,337,131	109,223,401
Management and general	20,477,365	-	20,477,365	17,353,554
Fundraising	1,426,306	-	1,426,306	1,106,011
Total Expenses	143,240,802	-	143,240,802	127,682,966
Deficit of Operating Revenue Over Expenses	(6,477,266)	(7,963,038)	(14,440,304)	(16,072,572)
Nonoperating Activities:				
Gain on sale of fixed assets	27,628	-	27,628	683,459
Realized gains on termination of interest rate swap agreements	1,082,473	-	1,082,473	-
Unrealized gains on interest rate swap agreements	-	-	-	160,317
Investment returns, net	552,369	1,557,909	2,110,278	(6,097,470)
Total Nonoperating Activities	1,662,470	1,557,909	3,220,379	(5,253,694)
Change in net assets	(4,814,796)	(6,405,129)	(11,219,925)	(21,326,266)
Net assets, beginning of year	145,025,024	75,045,466	220,070,490	241,396,756
Net assets, end of year	$ 140,210,228	$ 68,640,337	$ 208,850,565	$ 220,070,490

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023 WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fundraising	Total Expenses 2023	2022
Salaries	$ 41,055,405	$ 7,200,048	$ 838,666	$ 49,094,119	$ 43,321,070
Employee benefits	5,243,569	949,960	141,970	6,335,499	6,157,979
Payroll taxes	2,967,704	2,349,033	46,027	5,362,764	5,106,252
Total Salaries and Related Expenses	49,266,678	10,499,041	1,026,663	60,792,382	54,585,301
Professional fees and contract services	20,548,981	4,476,779	98,529	25,124,289	23,173,553
Supplies	10,280,062	212,311	24,757	10,517,130	7,525,413
Telephone	288,221	636,345	-	924,566	832,929
Postage	212,801	15,417	203	228,421	150,206
Occupancy	15,691,373	763,386	-	16,454,759	15,030,791
Equipment expense and maintenance	3,610,969	476,136	240	4,087,345	3,184,149
Promotion and printing	432,378	857,180	180,976	1,470,534	1,366,811
Travel and transportation expense	1,162,989	71,437	1,722	1,236,148	866,225
Conferences, meetings, and training	756,231	297,249	36,476	1,089,956	709,049
Insurance	598,192	1,110,675	-	1,708,867	1,995,797
National support	767,284	85,526	9,555	862,365	555,262
Interest and fees	5,995,003	193,662	-	6,188,665	4,420,201
Depreciation and amortization	11,281,094	346,097	-	11,627,191	11,694,944
Bad debt expense	39	-	-	39	750,000
Recruitment, retention and relocation	115,910	314,490	45,978	476,378	424,969
Miscellaneous	328,926	121,634	1,207	451,767	417,366
Total Expenses	$ 121,337,131	$ 20,477,365	$ 1,426,306	$ 143,240,802	$ 127,682,966

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023 WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ (11,219,925)	$ (21,326,266)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	11,501,258	11,600,886
Amortization of debt issuance cost	119,867	181,137
Write off of debt issuance costs	10,998	-
Gain on disposal of land, buildings, and equipment	(27,628)	(683,459)
Contributions restricted for long-term investment	(54,265)	-
Contributions restricted for capital purposes	(144,319)	(40,400)
Net unrealized and realized gains (losses) on investments	(1,248,078)	6,097,470
Unrealized gains on interest rate swap	-	(160,317)
Realized gains on interest rate swap	(576,595)	-
Bad debt expense	-	750,000
Changes in operating assets and liabilities:		
Accounts receivable, net	(471,000)	(1,171,438)
Grants receivable	(1,067,187)	-
Unconditional promises to give, net	1,287,857	2,083,380
Other assets	671,716	509,282
Accounts payable	1,728,345	(1,809,479)
Accrued expenses and other liabilities	4,762,436	2,855,324
Deferred revenue	(337,547)	2,520,112
Custodial liability	38,662	50,315
Net cash flows from operating activities	4,974,595	1,456,547
Cash flows from investing activities:		
Proceeds from sales of investments	33,365,018	4,680,187
Purchases of investments	(32,164,615)	(212,548)
Proceeds from sale of land, buildings, and equipment	27,628	926,607
Purchases of land, buildings, and equipment	(11,579,517)	(2,998,874)
Net cash flows from investing activities	(10,351,486)	2,395,372
Cash flows from financing activities:		
Cash restricted for capital purposes	144,319	4,507,400
Cash restricted for long-term investment purposes	54,265	-
Issuance of note receivable	-	(7,180,000)
Payment of debt issuance costs	(1,362,205)	(611,450)
Principal payments on financing lease obligations	(919,860)	(324,825)
Proceeds from notes payable and debt obligations	60,800,000	9,800,000
Payments of notes payable and debt obligations	(65,000,000)	(3,000,000)
Net cash flows from financing activities	(6,283,481)	3,191,125
Change in cash and cash equivalents and restricted cash	(11,660,372)	7,043,044
Cash and cash equivalents and restricted cash, beginning of year	31,473,163	24,430,119
Cash and cash equivalents and restricted cash, end of year	$ 19,812,791	$ 31,473,163

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023 WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2022 (CONTINUED)

Supplemental information:	**2023**	**2022**
Cash paid for interest	$ 4,467,497	$ 2,875,468
Supplemental noncash investing and financing transactions:		
Property and equipment acquisition included in accounts payable	$ 2,082,827	$ -
Right-of-use asset acquired in exchange for lease liabilities	$ 2,038,023	$ 2,851,200

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

Note 1—Organization and purpose

The Young Men's Christian Association of Metropolitan Atlanta, Inc. (the "YMCA"), reflecting its Judeo-Christian heritage, is an association of volunteers, members and staff, open to and serving all, providing programs and services which develop spirit, mind and body. All programs are directed toward strengthening the foundations of community. Financial assistance is available in the form of a reduced membership rate or program fee credit for those in need. The YMCA is comprised of the Metropolitan YMCA, 24 branches and two resident camps. The YMCA's program areas of focus are youth development, healthy living and social responsibility. The YMCA's programs are funded primarily by charitable contributions, foundation and government grants, and membership and program fees.

The Early Childhood Development Co., LLC (the "ECDC") was incorporated in 1999 to operate the Head Start program. Head Start is a federally funded program that provides services in both early childhood development and health. Parents play an integral part in the program by attending parent education classes, serving on committees, and providing transportation.

The YMCA Community Development Co., LLC (the "CDC") was incorporated in 2002 to receive, hold, administer, and oversee grant funding for certain community oriented programs and projects in the metropolitan Atlanta area.

The YMCA East Lake Youth Center, LLC (the "ELYC") was incorporated in 2011 to receive, hold, administer, and oversee the funding for the East Lake Youth Center.

The Atlanta YMCA Westside QALICB, Inc. (the "Westside QALICB"), was incorporated in 2017 and is a special-purpose-entity lessor that operates with a sole purpose to enable the YMCA to develop the Leadership and Learning Center in Atlanta's Westside utilizing the New Markets Tax Credit ("NMTC") program.

The YMCA Woodson Park QALICB, Inc. (the "Woodson QALICB"), was incorporated in 2019 is a special-purpose-entity lessor that operates with a sole purpose to enable the YMCA to develop the Woodson Park Early Learning Center utilizing the NMTC Program.

The Atlanta YMCA Young QALICB, Inc. (the "Young QALICB") was incorporated in 2023 is a special-purpose-entity lessor that operates with a sole purpose to enable the YMCA to finance renovations at the Andrew and Walter Young Family YMCA utilizing the NMTC Program.

ECDC, CDC, ELYC, Westside QALICB, Woodson QALICB, and Young QALICB are designated as 501(c)(3) entities by the Internal Revenue Service and were established to operate exclusively for the benefit of and to carry out the purpose of the YMCA and are all sole member limited liability corporations.

Basis of Accounting and Principles of Consolidation – The accounting and reporting policies of the YMCA and its subsidiaries comply with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The consolidated financial statements include the accounts of the YMCA, ECDC, CDC, ELYC, Westside QALICB, Woodson QALICB, and Young QALICB (collectively, the "Association"). All significant inter-company accounts and transactions have been eliminated.

Note 2—Significant accounting policies and other matters

Net Assets – The Association's net assets and its support and revenues are classified based on the existence or absence of donor-imposed restrictions using the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets available for use in the general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions may be designated for specific purposes by the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to donor imposed or legal restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met with the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions – Contributions are recognized as revenue when an unconditional promise to give is made or when cash is received, if an unconditional promise does not exist. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restriction. Unconditional promises to give are classified as net assets without donor restrictions. Conditional gifts, with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor.

A donor-imposed restriction is satisfied when a stipulated time restriction expires or when a purpose restriction is accomplished. Upon satisfaction, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statement of activities as net assets released from restrictions. Donor restricted contributions that are both received and released in the same year are recorded as net assets without donor restrictions.

Donor-imposed restrictions that require the principal be maintained in perpetuity reflect the principal amount of that contribution and is reported as net assets with donor restrictions. Investment income either permanently or temporarily restricted by the donor is classified as net assets with donor restriction. If no donor-imposed restriction exists investment income is classified as net assets without donor restriction.

Contributions of long-lived assets are recorded at the estimated fair value at the date of receipt and are recorded as net assets without donor restriction unless the use of such contributed assets is subject to donor-imposed restrictions. Contributed long-lived assets with donor-imposed stipulations limiting their use are reported as net assets with donor restrictions. The Association does not imply time restrictions on contributions of long-lived assets (or of other assets restricted to the purchase of long-lived assets) received without donor stipulations about how long the contributed assets must be used. As a result, contributions of cash and other assets restricted to the acquisition of long-lived assets are reported as net assets with donor restrictions; those restrictions expire when the long-lived assets are placed in service.

Note 2—Summary of significant accounting policies (continued)

Government Grants and Contracts – The YMCA receives grant and contract funding from various federal, state, and local governments to provide a variety of program services to the public based on specific requirements included in the agreement, including eligibility, procurement, reimbursement, curriculum, staffing and other requirements. These program services range from childcare after school programs, day camp, family programs, programs for seniors, and immigration and health and welfare related programs. Such YMCA's government grants and contracts are nonreciprocal transactions and include conditions stipulated by the government agencies and are, therefore, accounted for as conditional contributions. Direct support is recognized as conditions are satisfied, primarily as expenses are incurred.

Certain direct and indirect support from government agencies is subject to independent audit under the Office of Management and Budget Uniform Guidance and review by grantor agencies. Such review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Management believes costs ultimately disallowed, if any, would not materially affect the consolidated financial position of the Association.

Donations in Kind and Contributed Services – Donations in kind and contributed services are recorded at their estimated fair value at the date the contribution becomes an unconditional promise to give. Donated leases are reflected as net assets with donor restriction and as land, buildings, and equipment in the consolidated financial statements. Donated materials are recorded at the time the donated items are placed into service or distributed.

Contributed services are reported at their fair value if such services create or enhance non-financial assets. These services would have been purchased if not provided by contributions and require specialized skills. A substantial number of volunteers have donated significant amounts of time and services in the Association's program operations and in its fund-raising campaigns. However, the Association does not record such contributed services as they do not meet the criteria for revenue recognition.

Revenue Recognition – The YMCA has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees, and government contract revenues.

Because the YMCA's performance obligations relate to contracts with a duration of less than one year, the YMCA has elected to apply the optional exemption provided in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606-10-50-14(a), *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Membership Dues and Program Fees – Membership dues and program fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs. Members join for varying lengths of time and may cancel at any time. Members generally pay a onetime joining fee plus monthly dues in advance. Memberships provide use of the recreation facilities, access to free classes, programs and activities, and discounts to fee-based programs. The YMCA offers a variety of programs including family, childcare, day camp, resident camp, teen, scholastic, fitness, aquatics, health, immigration, and international services. Fee-based programs are available to the public. Program fees for short duration programs of two months or less, such as aquatics classes, are typically paid in advance at the time of registration. Program fees for longer duration programs, such as fee-based childcare, are usually paid monthly in advance. Cancellation provisions vary by program, but most transactions are cancellable with 15 to 30 days' notice. Refunds may be available for services not provided. Financial assistance is available to members and program participants. Such financial assistance is reflected as a reduction of gross membership dues and program fees.

Note 2—Summary of significant accounting policies (continued)

Membership dues and program fees are recognized once payment is received, over the period the membership or program service is provided, on a straight-line basis in an amount that reflects the consideration the YMCA expects to be entitled to in exchange for those services. All YMCA revenue from contracts with customers are from performance obligations satisfied over time. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. Membership joining fees are fully recognized at the membership start date.

Funds received by the Association for services related to childcare, membership, and other programs 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. In certain instances, gains from the sale of properties are deferred and recognized as revenue in the period in which the revenue is earned.

Cash and Cash Equivalents and Restricted Cash – Cash and cash equivalents and restricted cash are short-term, highly liquid investments with original maturities of three months or less, with the exception of cash and money market funds held in investment funds, which are considered to be investments. Cash and cash equivalents and restricted cash on hand consisted of the following at December 31:

	2023	2022
Cash and cash equivalents	$ 14,955,131	$ 21,280,638
Restricted cash for capital projects	4,857,660	10,192,525
	$ 19,812,791	$ 31,473,163

Unconditional Promises to Give – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows and are discounted at the rate applicable to the year in which the pledge was made. The discount rate is commensurate with the risk associated with the ultimate collection of the unconditional promises to give, including collectability, at the date of the contribution. The discount is amortized using an effective yield over the expected collection period of the unconditional promises to give and is recorded as contribution revenue.

Accounts Receivable – Accounts receivables are stated at cost less an allowance for credit loss. The allowance for credit losses is based on the Association's assessment of the collectability of membership and program accounts receivable. In accordance with Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments – Credit Losses*, the Association makes ongoing estimates relating to the collectability of accounts receivable and records an allowance for estimated losses expected from the inability of its members and participants to make required payments. The Association establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a member's and participant's ability to pay, and creditworthiness of significant members or participants. These inputs are used to determine a range of expected credit losses and an allowance is recorded within range. Accounts receivables are written off when there is no reasonable expectation of recovery.

Note 2—Summary of significant accounting policies (continued)

Changes in the allowance for credit losses related to account receivable for the year ended December 31, 2023 were as follows:

Balance, beginning of year	$	750,000
Impact of the adoption of the new credit loss standard		-
Provisions		-
Write-offs, net of recoveries		(143,415)
Balance, end of year	$	606,585

Changes in the allowance for credit losses related to account receivable for the year ended December 31, 2022 were as follows:

Balance, beginning of year	$	-
Provisions		750,000
Write-offs, net of recoveries		-
Balance, end of year	$	750,000

NMTC Leverage Loan Note Receivable – NMTC leverage loan note receivables are collateralized by the membership interests related to NMTC transactions (see Note 11) and is stated at the principal amount. Payments on NMTC leverage loan notes receivables are allocated first to accrued and unpaid interest with the remainder to the outstanding principal balance. Interest on NMTC leverage loan note receivables are recognized over the term of the notes and is calculated using the simple-interest method on principal amounts outstanding. The Association has one class of financing receivables from a highly credible institution and management assesses the credit quality of NMTC leverage loan notes receivable based on indicators such as collateralization, collection experience, and management's internal metrics. Management also reviews the collectability of NMTC leverage loan notes receivable on an ongoing basis. Management has determined an immaterial allowance for loan losses is required as of December 31, 2023 and 2022.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value. Fair value is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities. Alternative investments are carried at net asset value ("NAV") per share based upon financial information provided by external investment partners. Because the alternative investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would have been used had a ready market for the investments existed. Investment income, changes in the fair value of securities, less investment fees are reflected as investment returns in the consolidated statements of activities.

Note 2—Summary of significant accounting policies (continued)

Land, Buildings, and Equipment – Land, buildings, land and leasehold improvements, finance leases, and equipment are recorded at acquisition cost or, if donated, at fair value at the date of donation. Acquisition costs include costs necessary to get the asset ready for its intended use. Certain application development costs incurred to develop internal-use software are capitalized and amortized over the expected useful life of the software application. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Useful lives of the respective assets follow:

Land improvements	20-30 years
Buildings and improvements	30-40 years
Leasehold improvements	3-10 years
Equipment	3-10 years
Donated land leases	Lease term
Right-of-use assets	Lease term or life of underlying asset

Land, buildings, and equipment are periodically reviewed for impairment based on an assessment of future operations. The Association records impairment losses on land, buildings, and equipment used in operations when indicators of impairment are present and the estimated undiscounted cash flows expected to be generated by those assets are less than the assets' carrying amount. For the years ended December 31, 2023 and 2022, no impairment losses were recognized.

Fair Value Measurements – The Association records certain assets and liabilities at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.

Level 2 – Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets in markets that are not active; (c) observable inputs other than quoted prices for the asset or liability; and (d) inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 – Inputs that are unobservable and significant to the overall fair value measurement of the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Note 2—Summary of significant accounting policies (continued)

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed from sources independent of the reporting entity. Unobservable inputs reflect the reporting Association's own assumptions about the assumptions market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The Association has placed funds for investment with entities that measure the fair value of those investments on the basis of NAV per share. These entities have established, for accounting purposes, an initial unit value for an accounting unit of the participants' accounts based on the participants' net assets divided by the unit value. At all times, the total value of the participants' net assets, divided by the total of all participants' units, will equal the unit value. The unit value of the net assets will be determined on the valuation date.

Concentrations of Credit and Market Risk – Financial instruments that potentially expose the Association to concentrations of credit and market risk consist primarily of cash and cash equivalents, accounts and notes receivables, pledge receivables and investments. Cash and cash equivalents are maintained at large multistate financial institutions and credit exposure is limited to the amount of deposits at any one institution in excess of the federally insured limit. Accounts and notes receivable are due from a large number of government agencies, entities and individuals, therefore, diversifying the related concentration of credit risk. Pledge receivables are concentrated in a small number of entities located in Atlanta, Georgia. The Association's investments do not represent significant concentrations of market risk as the Association's investment portfolio is diversified among issuers.

Custodial Liability – Custodial liabilities represent cash held for others in which the YMCA acts as a fiscal agent.

Leases – The Association leases certain equipment. The determination of whether an arrangement is a lease is made at the lease's inception. For contracts entered into on or after the effective date or at the inception of a contract, the Association assessed whether the contract is, or contains, a lease. The assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Association obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether the Association has the right to direct the use of the asset.

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

Note 2—Summary of significant accounting policies (continued)

Functional Expenses – The costs of providing programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and consolidated statements of functional expenses. Accordingly, certain costs have been allocated to program services and supporting services. The expenses that are allocated include depreciation and amortization which is allocated by direct cost, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes – The YMCA and its subsidiaries are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Additionally, they are not private foundations pursuant to IRC Section 509(a)(1).

The Association utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more likely-than-not the positions will be sustained upon examination by the tax authorities. Management has determined there are no material uncertain positions that require recognition in the consolidated financial statements. Additionally, no provision for income taxes is reflected in these consolidated financial statements. Interest and penalties would be recognized as tax expense; however, there is no interest or penalties recognized in the consolidated statements of activities.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 may differ from those estimates.

Adoption of New Accounting Policies – Effective January 1, 2023, the Association adopted FASB, Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326)* and subsequently related amendments (ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11, and ASU 2022-02). This new guidance requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Association adopted this new accounting standard using the modified retrospective method and, therefore, the comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no significant impact to the Association's change in net assets for the current period due to the adoption of this standard.

Presentation of Certain Prior Year Information **–** The consolidated financial statements include certain summarized comparative information from the prior year in total. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Association's consolidated financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Reclassification – Certain balances in the prior year consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the current year consolidated financial statements. These reclassifications had no effect on the change in net assets.

Note 3—Liquidity and availability of resources

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date comprise the following at December 31:

	2023	2022
Financial assets at year-end		
Cash and cash equivalents	$ 14,955,131	$ 21,280,638
Accounts receivable, net	3,064,269	2,593,269
Governmental grants receivable	1,669,631	602,444
Unconditional promises to give, net	381,363	1,669,220
Other investments	3,863,959	3,750,592
Total financial assets at year-end	23,934,353	29,896,163
Resources appropriated by the Board and available for the next year:		
Appropriation from Board-designated endowments	428,308	583,769
Appropriation from donor-restricted endowments	1,213,157	1,646,464
Total resources appropriated	1,641,465	2,230,233
Total financial assets and board appropriations	25,575,818	32,126,396
Less net assets unavailable to meet cash needs for general expenditures within one year:		
Custodial liabilities	(325,638)	(286,976)
Employee retention tax credit funds received	(5,612,146)	-
Subject to purposes restrictions	(16,916,833)	(25,479,284)
Financial assets not available to be used within one year	$ 2,721,201	$ 6,360,136

The Association obtains certain support from donor-restricted contributions. Because a donor's restriction requires resources to be used for a particular purpose or in a future period, the Association must maintain sufficient resources to meet those responsibilities of its donors. Investment returns from donor-restricted endowments that are restricted for specific purposes or for time are not available for general expenditure.

The Association's board designated endowment is subject to the same annual spending policy as donor-restricted endowments. The board-designated endowment was $8,361,430 and $8,392,830 at December 31, 2023 and 2022, respectively. Although the Association does not intend to spend from this board-designated endowment, other than amounts appropriated for general expenditure, these amounts could be made available if necessary.

A part of the Association's liquidity management plan includes cash reserves growth. To meet this objective, the Association's board established an operating reserve and invests excess cash in various investment vehicles. The board-designated operating reserve was $3,863,959 and $3,750,592 at December 31, 2023 and 2022, respectively. Although the Association does not intend to spend from this board-designated operating reserve these amounts could be made available if necessary.

As described in Note 10, the Association also has a line of credit in the amount of $5,000,000 of which it has $5,000,000 of available credit at December 31, 2023, which can be drawn upon in the event of an unanticipated liquidity need.

In July 2023, the Association received employee retention tax credit net proceeds of $5,612,146. Management is currently assessing the Association's eligibility to receive these funds and has record the proceeds received as a liability in accounts payable on the statement of financial position at December 31, 2023.

Note 4—Unconditional promises to give

Unconditional promises to give, net are expected to be realized at December 31 as follows:

	2023	2022
Promises to give due in less than one year	$ 545,229	$ 2,111,167
Promises to give due in one to five years	-	-
	545,229	2,111,167
Allowance for uncollectible promises to give	(163,866)	(441,947)
	$ 381,363	$ 1,669,220

At December 31, 2023, two donors made up 56% of the pledges receivable balance. At December 31, 2022, two donors made up 78% of the pledges receivable balance.

Note 5—Investments

Investments consist of the following at December 31:

	2023	2022
Cash and money market funds	$ 269,273	$ 24,455,238
Domestic equities	12,183,062	-
International equities	2,844,936	-
Mutual funds	1,064,867	-
U.S. government and agency securities	3,789,636	-
Corporate bonds	14,125,302	9,682,221
Exchange traded funds	205,097	-
Private equity funds	1,426,444	1,723,483
Other	66,924	66,924
	$ 35,975,541	$ 35,927,866

Investment return, net for the years ended December 31 consisted of the following:

	2023	2022
Interest and dividends	$ 1,376,183	$ 588,377
Realized and unrealized gains (losses), net	1,248,078	(6,097,470)
Subtotal	2,624,261	(5,509,093)
Less investment management expenses	(95,853)	(77,780)
Investment return, net	$ 2,528,408	$ (5,586,873)

Note 6—Fair value measurements

Required disclosures concerning the estimated fair value of financial instruments are presented below. The following tables summarize the required fair value disclosures and measurements at December 31, 2023 and 2022 for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures*:

	Fair Value Measurements at December 31, 2023				
	Total	Level 1	Level 2	Level 3	NAV
Assets					
Investments:					
Cash and money market funds	$ 269,273	$ 269,273	$ -	$ -	$ -
Domestic equities	12,183,062	12,183,062	-	-	-
International equities	2,844,936	2,844,936	-	-	-
Mutual funds	1,064,867	1,064,867	-	-	-
U.S. government and agency securities	3,789,636	3,789,636	-	-	-
Corporate bonds	14,125,302	-	14,125,302	-	-
Exchange traded funds	205,097	205,097	-	-	-
Private equity funds*	1,426,444	-	-	-	1,426,444
Other	66,924	-	-	66,924	-
Total	$ 35,975,541	$ 20,356,871	$ 14,125,302	$ 66,924	$ 1,426,444

	Fair Value Measurements at December 31, 2022				
	Total	Level 1	Level 2	Level 3	NAV
Assets					
Investments:					
Cash and money market funds	$ 24,455,238	$ 24,455,238	$ -	$ -	$ -
Corporate bonds	9,682,221	-	9,682,221	-	-
Private equity funds*	1,723,483	-	-	-	1,723,483
Other	66,924	-	-	66,924	-
Total	$ 35,927,866	$ 24,455,238	$ 9,682,221	$ 66,924	$ 1,723,483
Liabilities					
Interest rate swaps	$ 576,595	$ -	$ -	$ 576,595	$ -

* In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Note 6—Fair value measurements (continued)

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

- Money market funds and exchange traded funds are principally valued at the regular trading session closing price on the exchange or market in which such funds are principally traded on the last business day of each period presented using the market approach.

- Equities and mutual funds are principally valued at the regular trading session closing price on the exchange or market in which such securities are principally traded on the last business day of each period presented using the market approach.

- United States government and agency securities are valued on the basis of evaluated prices provided by independent pricing services when such processes are believed to reflect the fair market value of such securities using the income approach.

- Interest rate swaps consist of swap contracts and are valued primarily based on data readily observable in public markets presented using the income approach.

The preceding valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For entities that calculate NAV per share (or its equivalent), the following table provides information about the probability of investments being sold at amounts different from NAV per share for the year ended December 31, 2023:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commonfund Capital Global Private Equity Partners II, L.P.[a]	$ 1,114,998	$ 156,975	N/A	N/A
Versus Capital Real Assets Fund LLC [b]	311,446	$ 24,750	N/A	N/A
Total	$ 1,426,444			

[a] The Fund represents illiquid investments in private equity with a long-term investment horizon and a high risk and return profile. This is intended to augment public equity exposure and generate returns in excess of public equities.

[b] The Fund is designed to serve as a core real assets holding and provides exposure to private infrastructure, private farmland, private timberland and public real assets by investing in institutional private real assets funds and institutional real assets securities managers. The intent is to provide investors with exposure to the private asset classes and exposure to managers who might not be available to the general investing public. The fund’s target allocation is 20% publicly traded real asset securities and 80% direct private real asset investment funds, which is invested across private infrastructure, farmland and timberland funds. The former typically serves as liquidity to fund capital calls by the private real asset subadvisers and fund redemptions. The Fund manager takes a global approach when constructing the portfolio.

Note 7—Land, buildings, and equipment, net

The components of land, buildings, and equipment recorded in the consolidated financial statements are as follows at December 31:

	2023	2022
Land and land improvements	$ 65,012,258	$ 64,751,189
Buildings and improvements	250,838,737	246,689,320
Leasehold improvements	18,497,317	18,312,007
Equipment	63,603,969	61,807,927
Donated land and facility use leases	35,918,133	35,918,133
Finance lease right-of-use assets	4,889,223	2,851,200
Construction in progress	8,618,004	1,684,478
	447,377,641	432,014,254
Accumulated amortization on finance lease right-of-use assets	(1,051,496)	(336,977)
Accumulated depreciation and other amortization	(198,016,617)	(187,566,859)
	$ 248,309,528	$ 244,110,418

Depreciation and amortization expense was $11,501,258 and $11,694,944 for the years ended December 31, 2023 and 2022, respectively.

Donated land and facility use leases consisted of the following at December 31, 2023, the fair value at the donation date was based on appraisals performed by a third party:

Donated Land and Facility Use Leases	Fair Value at Donation Date	Unamortized Value at December 31, 2023	Year of Lease Start Date	Lease Term
Facility use – City of Alpharetta	$ 2,100,000	$ 1,730,007	1998	50 years
Land use - East Lake Community	595,000	554,337	2001	54 years
Facility use - Atlanta Housing Authority	3,650,000	1,115,762	1998	30 years
Land use - City of Covington	335,000	172,210	1999	30 years
Land use - Atlanta Housing Authority	1,250,000	1,217,025	2004	57 years
Facility use - City of Canton	17,588,133	16,685,092	2006	49 years
Facility use - DeKalb County	10,050,000	6,365,000	2012	30 years
Land use – Bartow County	350,000	133,919	2010	20 years
	$ 35,918,133	$ 27,973,352		

Note 8—Contributions of nonfinancial assets

The Association received the following donated nonfinancial assets for the years ended December 31:

	2023	2022
Consulting and teaching services - Head Start Program	$ 6,425,975	$ 6,767,537
Donated space - Head Start Program	3,235,750	3,391,010
Capitalized donated land and facility use leases	2,148,975	2,179,757
Facility enhancements	440,716	-
Other	94,011	95,780
	$ 12,345,427	$ 12,434,084

The Association generally receives contributed nonfinancial assets and utilizes them in support of its mission. The Association recognizes these in-kind contributed nonfinancial assets at their estimated fair value on the date of receipt. The estimated fair value is determined by either valuation reports provided by organization providing the donation or by appraisal performed by a third party.

Contributed nonfinancial assets are generally not sold but are utilized to support the Association's programmatic work in support of its mission. The Association also recognizes contributed services as in-kind revenues at their estimated fair value on the date of receipt if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. No contributed nonfinancial assets with donor restrictions were received during the years ended December 31, 2023 and 2022.

Note 9—Deferred revenue

Deferred revenue includes the following at December 31:

	2023	2022
Membership fees	$ 2,808,415	$ 3,204,821
Program fees	3,036,751	2,863,525
Deferred gain on sale of properties	663,081	690,709
Miscellaneous	797,339	884,078
	$ 7,305,586	$ 7,643,133

Note 10—Bonds payable, note payable, and line of credit

Bonds and notes payable include the following at December 31:

	2023	2022
Term loan	$ -	$ 65,000,000
Bonds payable	60,800,000	-
	60,800,000	65,000,000
Less unamortized debt issuance costs	(1,362,205)	(10,998)
	$ 59,437,795	$ 64,989,002

Note 10—Bonds payable, note payable, and line of credit (continued)

Term Loan – In 2021, the YMCA entered into a two-year term loan agreement in the amount of $65,000,000. Interest accrued at LIBOR plus 2% (effective rate of 6% as of December 31, 2022). The term loan agreement was subsequently amended and restated and at that time, the Association paid $3,000,000 on the loan and the interest rate was amended to the Secured Overnight Financing Date (“SOFR”) with a floor of 1.45%. During the year ended December 31, 2023, the YMCA was scheduled to make four principal payments of $500,000 each on March 31, June 30, September 30, and December 31. The remaining principal was due on January 7, 2024, the maturity date. On December 14, 2023, the term note was refinanced with development authority revenue bonds. The term loan was collateralized by the assets of the YMCA

Bonds Payable – On December 14, 2023, the YMCA issued $60,800,000 of Tax-Exempt and Taxable Bonds, Series 2023 Bonds (“2023 Bonds”). The 2023 bonds were issued and used to fully refinance the Term loan entered into in 2021. The sole purchaser of the 2023 Bonds is a financial institution. The 2023 Bonds were issued in nine series.

The outstanding balance of the 2023 Bonds at December 31, 2023 are as follows:

Tax Exempt Series:	
2023A-1, Development Authority of Fulton County, Revenue Bonds	$ 6,700,000
2023B-1, Development Authority of Dekalb County, Revenue Bonds	7,900,000
2023C-1, Development Authority of Forsyth County, Revenue Bonds	10,500,000
2023D-1, Coweta County Development Authority, Revenue Bonds	12,000,000
Taxable Series:	
2023Y, Association Revenue Bonds	14,400,000
2023A-2, Development Authority of Fulton County, Revenue Bonds	5,600,000
2023B-2, Development Authority of Dekalb County, Revenue Bonds	2,700,000
2023C-2, Development Authority of Forsyth County, Revenue Bonds	700,000
2023D-2, Coweta County Development Authority, Revenue Bonds	300,000
	$ 60,800,000

Future principal maturities of notes payable subsequent to June 30, 2023 are as follows:

2024	$ 500,000
2025	500,000
2026	500,000
2027	656,000
2028	1,784,325
Thereafter	56,859,675
	$ 60,800,000

The 2023 Bonds agreements include financial covenants that require the Association to maintain a historical debt service ratio, a liquidity ratio and to provide audited and unaudited financial statements within a specified period of time. At December 31, 2023, management of the Association believes it is in compliance with these covenants.

Note 10—Bonds payable, note payable, and line of credit (continued)

Interest Rate Swap Agreements **–** As part of an overall risk management strategy to minimize the effect of the fluctuations in the variable interest rate, in August 2016 the Association entered into two interest rate swap agreements. There is no exchange of the underlying principal amount. As of December 31, 2022, the fair value of the swap agreements was a liability of $575,595 and the related unrealized loss on the value of the swap agreement was included in the consolidated statement of activities. The Association received a variable rate based on a percentage of LIBOR plus a spread and averaged 2.8% at December 31, 2022. The Association paid interest at a fixed rate from 1.65% to 1.7%.

On December 12, 2023, the Association terminated these interest rate swap agreements and recognized a gain of $1,082,473 in the consolidated statement of activities on the termination.

Revolving Line of Credit Arrangements – The Association entered into a revolving line of credit in the amount of $5,000,000. At December 31, 2022, the interest rate was 5.85%. The line of credit was collateralized by the assets of the Association. At December 31, 2022, there were no amounts outstanding on the line of credit. This line of credit arrangement was terminated on January 3, 2024.

On December 14, 2023, the Association entered into an unsecured revolving line of credit in the amount of $5,000,000 which matures on December 14, 2024. The variable interest rate is the adjusted term secured overnight financing rate (SOFR rate) plus 1.85%; provided, however, if the interest rate has been converted to bear interest at the greater of the Prime Rate or 2.5% the line of credit will bear interest at that rate (7.25% at December 31, 2023). There is an unused facility fee of .30% percent per annum on the daily amount of the undrawn portion of the revolving commitment. As of December 31, 2023, there were no amounts outstanding on the line of credit.

The line of credit includes financial covenants financial covenants that require the Association to maintain a historical debt service ratio, a liquidity ratio and to provide audited and unaudited financial statements within a specified period of time. At December 31, 2023, management of the Association believes it is in compliance with these covenants.

Interest expenses incurred on bonds and notes payable for the years ended December 31, 2023 and 2022 totaled $3,875,681 and $2,457,166, respectively.

Note 11—New Market Tax Credits financing transactions

The NMTC program was designed to stimulate investment and economic growth in low-income communities by offering taxpayers a 39% tax credit against federal income taxes over a seven-year period for Qualified Equity Investments (“QEI”) in designated Community Development Entities (“CDE”). CDEs receive NMTC allocations pursuant to Section 45D of the IRC. These designated CDEs must use substantially all of the proceeds to make Qualified Low-Income Community Investments. To earn the tax credit, the QEI must remain invested in the CDE for a seven-year period. Also, the entity receiving the loans needs to be treated as a Qualified Active Low-Income Community Business (“QALICB”) for the duration of the seven-year period.

In 2022, AEMI Fund XXIX, LLC made NMTC enhanced loans totaling $9,800,000, the QALICB NMTC Loan, to the Young QALICB for renovations to the Andrew and Walter Young Family YMCA. The YFYMCA Atlanta Investment Fund, LLC (the “Young YMCA Investment Fund”), a Georgia limited liability company, contributed capital totaling $10,000,000 to the CDE’s as a capital contribution. Truist Community Capital, LLC invested $3,120,000 in the Young YMCA Investment Fund and the YMCA made a loan, YMCA Investment Fund leverage loan note receivable, of $7,180,000 to the YMCA Investment Fund. All principal on the leverage loan note receivable is due and payable on December 1, 2052, the maturity date. The leverage loan note receivable bears interest at 1.362% per annum.

Note 11—New market tax credit financing transactions (continued)

The Young QALICB NMTC Loan has an interest rate of 1.00% per annum and interest shall be paid quarterly on the outstanding principal balance until the end of the credit period which is December 1, 2056. The Young QALICB NMTC Loan is not eligible for prepayment and the entire principal amount outstanding is due and payable on the maturity date. At the NMTC Loan’s maturity date, Young QALICB will pay the Sub CDE’s the principal amounts due. The Sub-CDE’s will distribute the principal amounts to the Young YMCA Investment Fund and the Young YMCA Investment Fund will repay the YMCA the leverage loan note receivable. At the Young QALICB NMTC Loan’s maturity date, the YMCA is able to purchase the outstanding interests in the YMCA Investment Fund at a nominal amount.

In 2019, NFF New Markets Fund XXXVIII, LLC and ST CDE LXIV, LLC made NMTC enhanced loans totaling $10,730,000, QALICB NMTC Loan, to the Woodson QALICB to develop the Woodson Park Early Learning Center. The GP YMCA Atlanta Investment Fund, LLC (the “GP YMCA Investment Fund”), a Georgia limited liability company, contributed capital totaling $9,000,000 to the CDE’s as a capital contribution. SunTrust Community Capital invested $4,290,000 in the GP YMCA Investment Fund and the YMCA made a loan, YMCA leverage loan note receivable, of $7,353,500 to the YMCA Investment Fund. All principal on the leverage loan note receivable is due and payable on June 1, 2048, the maturity date. The leverage loan note receivable bears interest at 1.42% per annum.

The Woodson QALICB NMTC Loan has an interest rate of 1.00% per annum and interest shall be paid quarterly on the outstanding principal balance until the end of the credit period which is December 1, 2025. The Woodson QALICB NMTC Loan is not eligible for prepayment and the entire principal amount outstanding is due and payable on the maturity date. At the NMTC Loan’s maturity date, Woodson QALICB will pay the Sub CDE’s the principal amounts due. The Sub-CDE’s will distribute the principal amounts to the GP YMCA Investment Fund and the GP YMCA Investment Fund will repay the YMCA the leverage loan note receivable. At the Woodson QALICB NMTC Loan’s maturity date, the YMCA is able to purchase the outstanding interests in the YMCA Investment Fund at a nominal amount.

In 2017, AEMI Fund XVI, LLC, ST CDE LXXXI, LLC, and MBS-UI Sub-CDE 37, LLC (Sub CDE’s) made NMTC enhanced loans totaling $21,700,000, the QALICB NMTC Loan, to the Westside QALICB to develop the Leadership and Learning Center. The YMCA of Metro Atlanta Investment Fund, LLC (YMCA Investment Fund), a Georgia limited liability company, contributed capital totaling $22,000,000 to the Sub CDE’s as a capital contribution. SunTrust Community Capital invested $7,378,800 in the YMCA Investment Fund and the YMCA made a loan, YMCA leverage loan note receivable, of $14,893,700 to the YMCA Investment Fund. All principal on the leverage loan note receivable is due and payable on October 5, 2044, the maturity date. The leverage loan note receivable bears interest at 1.42% per annum.

The QALICB NMTC Loan has an interest rate of 1.25% per annum and interest shall be paid annually on the outstanding principal balance until the end of the credit period which is October 5, 2024. The QALICB NMTC Loan is not eligible for prepayment and the entire principal amount outstanding is due and payable on the maturity date. At the NMTC Loan’s maturity date, QALICB will pay the Sub CDE’s the principal amounts due. The Sub-CDE’s will distribute the principal amounts to the YMCA Investment Fund and the YMCA Investment Funds will repay the YMCA the YMCA Investment Fund Leverage Loan. At the QALICB NMTC Loan’s maturity date, the YMCA is able to purchase the outstanding interests in the YMCA Investment Fund at a nominal amount.

NMTC leverage loan notes receivable totaled $29,427,200 at December 31, 2023 and 2022 and are reported in the consolidated statements of financial position. Total interest income earned on the NMTC leverage loan notes receivable was $413,156 and $422,698 for the years ended December 31, 2023 and 2022, respectively.

NMTC notes payable, net totaled $40,941,196 and $40,821,329 at December 31, 2023 and 2022, respectively, and is net of unamortized deferred financing costs of $1,288,804 and $1,408,671 at December 31, 2023 and 2022, respectively. Total interest expense on the NMTC notes payable was $481,472 and $378,542 for the years ended December 31, 2023 and 2022, respectively.

Note 12—Retirement plans

The Association participates in a defined contribution, individual account, money purchase, retirement plan (the "Plan") which is administered by the Young Men's Christian Association Retirement Fund (the "Retirement Fund"), a separately incorporated entity. The Plan is for the benefit of all eligible employees of the Association who qualify under the participation requirements. The Association remits monthly contributions, which are based on a percentage of the participating employee's salary, to the Retirement Fund. Contributions to the Plan totaled $1,705,013 and $1,353,418 for the years ended December 31, 2023 and 2022, respectively. The Retirement Fund qualifies as a church pension plan and is a non-profit, tax-exempt New York State corporation.

ECDC participates in a defined contribution plan administered by the Teachers Insurance and Annuity Association ("TIAA"). This defined contribution plan is for the benefit of all eligible employees of ECDC. The Association remits monthly contributions, which are based on a percentage of the participating employee's salary, to TIAA. Contributions to this defined contribution plan totaled $1,005,243 and $1,015,375 for the years ended December 31, 2023 and 2022, respectively. This defined contribution plan is operated under Section 403(b) of the Internal Revenue Code.

Note 13—Net assets with donor restrictions

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

	2023	2022
Subject to expenditure for the following specified purposes:		
Construction or acquisition of land, buildings, and equipment	$ 14,122,350	$ 22,552,583
Special purpose gifts	2,794,483	2,926,701
Subject to the passage of time:		
Donated land and facility use leases	27,973,352	25,781,738
	44,890,185	51,261,022
Endowments:		
Subject to YMCA endowment spending policy and appropriation for the following purposes:		
General use	2,551,473	2,554,273
Programs	21,131,755	21,163,247
Investment - restricted in perpetuity	66,924	66,924
	23,750,152	23,784,444
	$ 68,640,337	$ 75,045,466

Note 13—Net assets with donor restrictions (continued)

Net assets released from donor restrictions were for the following purposes at December 31:

	2023	2022
Subject to expenditure for the following specified purposes:		
Construction or acquisition of land, buildings, and equipment	$ 8,373,792	$ -
Special purpose gifts	4,519,505	7,130,322
Subject to the passage of time:		
Donated land and facility use leases	561,277	526,638
	13,454,574	7,656,960
Restricted-purpose spending rate distributions and appropriations:		
General use	177,664	210,603
Programs	1,468,802	1,737,282
	1,646,466	1,947,885
	$ 15,101,040	$ 9,604,845

During the year ended December 31, 2023, a reclassification of $2,752,887 was made between net assets without donor restricted and net assets with donor restricted to properly reflect the donor restricted net assets related to donated land leases.

Note 14—Endowments

The Association's endowment consists of 37 individual funds established for a variety of purposes and includes both donor-restricted and board-designated endowment funds.

Interpretation of Relevant Law – The Board of Directors of the Association has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") in the state of Georgia as requiring 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 Association classifies as net assets with donor restrictions: (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor restricted amounts not retained in perpetuity are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the Association and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation (depreciation) of investments
- Other resources of the Association
- The investment policies of the Association

Note 14—Endowments (continued)

A summary of the endowment net asset composition by type of fund as of December 31, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated	$ 8,361,430	$ -	$ 8,361,430
Donor Restricted:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	19,047,692	19,047,692
Accumulated investment gains	-	4,702,460	4,702,460
	$ 8,361,430	$ 23,750,152	$ 32,111,582

A summary of the endowment net asset composition by type of fund as of December 31, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated	$ 8,392,830	$ -	$ 8,392,830
Donor Restricted:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	18,993,427	18,993,427
Accumulated investment gains	-	4,791,017	4,791,017
	$ 8,392,830	$ 23,784,444	$ 32,177,274

The changes in endowment assets for the year ended December 31, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of January 1, 2023	$ 8,392,830	$ 23,784,444	$ 32,177,274
Investment returns, net	552,369	1,557,909	2,110,278
Contributions	-	54,265	54,265
Appropriated for expenditure	(583,769)	(1,646,466)	(2,230,235)
Endowment net assets as of December 31, 2023	$ 8,361,430	$ 23,750,152	$ 32,111,582

The changes in endowment assets for the year ended December 31, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of January 1, 2022	$ 10,602,157	$ 29,969,354	$ 40,571,511
Investment returns, net	(1,517,327)	(4,233,188)	(5,750,515)
Contributions	-	-	-
Appropriated for expenditure	(692,000)	(1,951,722)	(2,643,722)
Endowment net assets as of December 31, 2022	$ 8,392,830	$ 23,784,444	$ 32,177,274

Note 14—Endowments (continued)

From time to time, certain donor restricted endowments funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Association's interpreted UPMIFA to permit spending from underwater endowments accordance with prudent measures required under law. At December 31, 2023 and 2022, the Association had no underwater endowments.

Spending Policy – The Association's objective is 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 Association has an endowment spending policy to spend the investment earnings from the endowment fund assets that is based on a total return formula and considers the long-term expected return. The Association has a policy of appropriating for distribution each year up to 5% of the related investments' average market value for the prior 12 quarters less investment expenses for the current year calculated at June 30 of the prior year. During the years ended December 31, 2023 and 2022, the Board approved a 7% distribution from the endowment.

Return Objectives and Risk Parameters – The Association's investment policy for endowment assets was monitored by the Finance and Audit Committee of its Board of Directors. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. In addition to the spending policy, the investment policy describes the objective for the fund and sets ranges for asset allocation. The objective is to earn the highest possible total return consistent with a level of risk suitable for these assets. At a minimum, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of these assets and provide necessary capital to fund the spending policy. The desired minimum rate of return is equal to the Consumer Price Index (CPI) plus 500 basis points on an annualized basis. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Association relies on a total return approach with a significant portion of the funds invested to seek growth of principal over time. The endowment assets are invested for the long-term, and a higher short-term volatility in these assets is expected. The following is a summary of the asset allocation guidelines, with allowable ranges for each asset type:

Asset Category	Minimum	Target	Maximum
Cash	0%	0%	30%
Fixed income securities	10%	30%	50%
Equity securities	40%	70%	90%
Alternative assets	0%	0%	15%

Note 15—Related party transactions

The Association transacts business with several companies that have officers or directors on the Association's Board of Directors.

Fees paid to related parties totaled approximately $4,448,059 and $10,000 for the years ended December 31, 2023 and 2022, respectively, and relate primarily to construction services.

Note 16—Commitments and contingencies

Contract Commitments – Authorized commitments for construction projects totaled approximately $8,689,000 and $7,329,000 as of December 31, 2023 and 2022, respectively.

Federal and State Funding – Federally funded programs are subject to special audits. Such audits could result in claims against the resources of the Association. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Leases – The Association has obligations as a lessee for fitness equipment and buses with initial noncancelable terms in excess of one year. The Association has classified these leases as finance leases.

Required supplemental information related to the Association's finance leases as of and for the year ended December 31, 2023 is as follows:

Cash Flow Information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases (i.e., interest)	$	125,674
Financing cash flows from finance leases (i.e., principal portion)	$	919,860
Lease Term and Discount Rate:		
Weighted average remaining lease term - finance leases		2.5 years
Weighted average discount rate - finance leases		6.01%

Required supplemental information related to the Association's finance leases as of and for the year ended December 31, 2022 is as follows:

2022		
Cash Flow Information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases (i.e., interest)	$	36,684
Financing cash flows from finance leases (i.e., principal portion)	$	324,824
Lease Term and Discount Rate:		
Weighted average remaining lease term - finance leases		2.8 years
Weighted average discount rate - finance leases		4.92%

Future minimum lease payments under finance leases as of December 31, 2023 are as follows::

2024	$	1,303,007
2025		1,515,370
2026		755,586
2027		377,793
		3,951,756
Less imputed interest		(307,217)
	$	3,644,539

Note 17—Subsidiary financial information

At December 31, 2023 the Association had three subsidiaries whose sole purpose was to allow the Association to finance specific capital projects utilizing the NMTC Program.

Summarized financial information for those entities, before elimination and consolidation entries, as of December 31, 2023 and for the year then ended are as follows:

	Woodson Park QALICB, Inc	Atlanta YMCA Westside QALICB, LLC	Atlanta YMCA Young QALICB, LLC
ASSETS:			
Cash and cash equivalents	$ 177,515	$ 87,309	$ 4,586,785
Due from Parent	1,043,239	11,944,531	-
Land, buildings and equipment, net	9,577,290	23,552,473	5,825,045
Total Assets	$ 10,798,044	$ 35,584,313	$ 10,411,830
LIABILITIES:			
Due to Parent	$ -	$ -	$ -
NMTC notes payable, net	10,295,621	21,404,139	9,241,436
Total Liabilities	10,295,621	21,404,139	9,241,436
REVENUE:			
Rental revenue	$ 116,000	$ 240,000	$ -
Interest income	104,494	210,871	97,792
Total Revenues	$ 220,494	$ 450,871	$ 97,792
EXPENSES:			
Interest expense	196,385	369,683	214,484
Depreciation and amortization	307,642	918,479	-
Total Expenses	$ 504,027	$ 1,288,162	$ 214,484

Note 18—Subsequent events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2023, to determine the need for any adjustments to and/or disclosures within the audited consolidated financial statements for the year ended December 31, 2023. The Association evaluated subsequent events through June 26, 2024, which is the date the financial statements were available for issuance.