



**The Family YMCA**

**FINANCIAL STATEMENTS**

**December 31, 2023 and 2022**

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# REPORT





Carr, Riggs & Ingram, LLC  
807 Camino de Monte Rey  
Santa Fe, NM 87505

505.983.3387  
505.988.2505 (fax)  
CRICpa.com

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Family YMCA  
Santa Fe, New Mexico

### **Opinion**

We have audited the accompanying financial statements of The Family YMCA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 The Family YMCA as of December 31, 2023, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Family YMCA 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.

### **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.

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 The Family YMCA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's 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 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, including omissions, 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 generally accepted auditing standards, 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 The Family YMCA'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 The Family YMCA'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.

## Report on Summarized Comparative Information

We have previously audited The Family YMCA's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC  
Santa Fe, New Mexico  
May 10, 2024



# FINANCIAL STATEMENTS



**The Family YMCA**  
**Statements of Financial Position**

<i>December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 879,368	\$ 808,346
Certificates of deposit	254,066	10,711
Contract receivables	96,157	70,493
Prepaid expenses	19,084	22,298
Total current assets	<b>1,248,675</b>	911,848
Non-current assets		
Investments	433,193	399,512
Operating lease right-of-use assets, net	126,772	182,986
Property and equipment, net	942,295	928,431
Total non-current assets	<b>1,502,260</b>	1,510,929
Total assets	<b>\$ 2,750,935</b>	<b>\$ 2,422,777</b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 28,022	\$ 87,266
Accrued liabilities	109,688	94,538
Current portion of operating lease liabilities	60,899	63,708
Current portion of long-term debt	71,532	67,782
Total current liabilities	<b>270,141</b>	313,294
Long-term liabilities		
Long-term debt, less current portion	878,319	953,904
Operating lease liabilities, less current portion	65,873	119,278
Total long-term liabilities	<b>944,192</b>	1,073,182
Total liabilities	<b>1,214,333</b>	1,386,476
Net assets		
Without donor restrictions	1,187,733	812,087
With donor restrictions	348,869	224,214
Total net assets	<b>1,536,602</b>	1,036,301
Total liabilities and net assets	<b>\$ 2,750,935</b>	<b>\$ 2,422,777</b>

*The accompanying notes are an integral part of these financial statements.*

**The Family YMCA**  
**Statements of Activities**

<i>For the years ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	<b>2023 Total</b>	2022 Summarized Total
<b>Revenue and Other Support</b>				
Membership dues	\$ 719,607	\$ -	\$ 719,607	\$ 612,904
Grants and contract services	529,904	306,563	836,467	706,411
Program service fees	1,122,147	-	1,122,147	834,766
Contributions	221,739	9,714	231,453	233,813
Other operating income	367,310	-	367,310	322,185
Contributions of non-financial assets	14,808	-	14,808	14,887
Investment income (loss), net	24,087	9,237	33,324	(36,410)
Net assets released from restrictions	200,859	(200,859)	-	-
<b>Total revenue and other support</b>	<b>3,200,461</b>	<b>124,655</b>	<b>3,325,116</b>	<b>2,688,556</b>
<b>Expenses</b>				
Program services				
Childcare	602,875	-	602,875	507,968
Youth and adult	1,111,730	-	1,111,730	886,928
Member services	558,008	-	558,008	497,140
<b>Total program services</b>	<b>2,272,613</b>	<b>-</b>	<b>2,272,613</b>	<b>1,892,036</b>
Supporting services				
General and administrative	489,857	-	489,857	478,426
Fundraising	62,345	-	62,345	55,642
<b>Total supporting services</b>	<b>552,202</b>	<b>-</b>	<b>552,202</b>	<b>534,068</b>
<b>Total expenses</b>	<b>2,824,815</b>	<b>-</b>	<b>2,824,815</b>	<b>2,426,104</b>
Change in net assets	375,646	124,655	500,301	262,452
Net assets at beginning of year	812,087	224,214	1,036,301	773,849
<b>Net assets at end of year</b>	<b>\$ 1,187,733</b>	<b>\$ 348,869</b>	<b>\$ 1,536,602</b>	<b>\$ 1,036,301</b>

*The accompanying notes are an integral part of these financial statements.*

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## The Family YMCA Statements of Functional Expenses

	Program Services				Supporting Services			2023 Total	2022 Summarized Total
	Childcare	Youth and Adult	Member Services	Program Services Subtotal	General and Administrative	Fundraising	Supporting Services Subtotal		
<i>For the years ended December 31,</i>									
Accounting and legal fees	\$ -	\$ -	\$ -	\$ -	\$ 23,729	\$ -	\$ 23,729	\$ 23,729	\$ 17,948
Advertising	2,014	3,111	1,955	7,080	1,955	-	1,955	9,035	5,347
Compensation expenses	390,979	748,684	297,857	1,437,520	166,688	27,211	193,899	1,631,419	1,418,951
Conference and training	-	-	-	-	2,564	-	2,564	2,564	3,526
Contract labor and services	-	-	2,076	2,076	-	-	-	2,076	1,923
Depreciation	-	-	-	-	70,464	-	70,464	70,464	61,499
Equipment expense	-	3,078	10,823	13,901	-	-	-	13,901	14,005
Insurance	14,335	20,729	14,335	49,399	26,482	-	26,482	75,881	77,327
Interest	-	-	-	-	47,562	-	47,562	47,562	49,810
Lease expense	-	-	63,553	63,553	-	-	-	63,553	61,852
Maintenance and repairs	-	6,537	29,971	36,508	-	-	-	36,508	33,646
National dues	12,033	12,033	12,033	36,099	-	-	-	36,099	27,027
Office supplies	-	212	-	212	14,010	-	14,010	14,222	6,833
Other expenses	6,709	6,709	6,709	20,127	19,510	-	19,510	39,637	20,981
Payroll taxes and benefits	57,253	103,881	42,740	203,874	18,234	5,532	23,766	227,640	189,103
Postage	-	-	-	-	125	-	125	125	1,231
Program supplies	42,166	155,059	8,134	205,359	-	-	-	205,359	154,326
Retirement	3,275	26,806	12,128	42,209	16,945	-	16,945	59,154	51,446
Scholarships	73,260	835	11,279	85,374	-	-	-	85,374	64,260
Software	-	-	-	-	66,958	-	66,958	66,958	60,868
Special events and fundraising	-	-	-	-	-	29,602	29,602	29,602	27,613
Telephone	219	2,535	-	2,754	1,715	-	1,715	4,469	4,393
Transportation	632	11,555	-	12,187	-	-	-	12,187	6,364
Travel	-	-	-	-	12,916	-	12,916	12,916	11,983
Utilities	-	9,966	44,415	54,381	-	-	-	54,381	53,842
<b>Total</b>	<b>\$ 602,875</b>	<b>\$ 1,111,730</b>	<b>\$ 558,008</b>	<b>\$ 2,272,613</b>	<b>\$ 489,857</b>	<b>\$ 62,345</b>	<b>\$ 552,202</b>	<b>\$ 2,824,815</b>	<b>\$ 2,426,104</b>

*The accompanying notes are an integral part of these financial statements.*

## The Family YMCA Statements of Cash Flows

<i>For the years ended December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Operating Activities</b>		
Change in net assets	\$ 500,301	\$ 262,452
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	70,464	61,499
Amortization of operating lease right-of-use assets	56,214	61,852
Donation of stock	-	(35,302)
Unrealized and realized (gain) loss on investments	(33,324)	36,410
Forgiveness of Paycheck Protection Program grant	-	(225,835)
Changes in operating assets and liabilities		
Contract receivables	(25,664)	(31,043)
Prepaid expenses	3,214	(2,228)
Accounts payable	(59,244)	59,707
Accrued liabilities and other	14,793	9,497
Operating lease liabilities	(56,214)	(61,852)
<b>Net cash provided by operating activities</b>	<b>470,540</b>	<b>135,157</b>
<b>Investing Activities</b>		
Purchase of property and equipment	(84,328)	(109,900)
Maturity of certificates of deposit	10,711	64,322
Purchase of certificates of deposit	(254,066)	-
Purchase of investments	-	(302,218)
<b>Net cash used in investing activities</b>	<b>(327,683)</b>	<b>(347,796)</b>
<b>Financing Activities</b>		
Grant advance from Paycheck Protection Program	-	225,835
Payments on note payable	(71,835)	(62,786)
Proceeds from note payable	-	33,048
<b>Net cash (used in) provided by financing activities</b>	<b>(71,835)</b>	<b>196,097</b>
<b>Net change in cash and cash equivalents</b>	<b>71,022</b>	<b>(16,542)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>808,346</b>	<b>824,888</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 879,368</b>	<b>\$ 808,346</b>

*The accompanying notes are an integral part of these financial statements.*

**The Family YMCA**  
**Statements of Cash Flows (Continued)**

<i>For the years ended December 31,</i>	<b>2023</b>	<b>2022</b>
<b>Schedule of Certain Cash Flow Information</b>		
Cash paid for interest	\$ 47,562	\$ 52,278
<b>Schedule of Noncash Transactions</b>		
Operating lease liabilities arising from obtaining right-of-use assets	\$ -	\$ 235,284

*The accompanying notes are an integral part of these financial statements.*

**Note 1: DESCRIPTION OF THE ORGANIZATION**

The Family YMCA (the YMCA)(the Organization) is a not-for-profit New Mexico corporation organized under the laws of the State of New Mexico in 1955 for the purpose of providing programs and physical facilities for the enhancement of human potential and appreciation of self-worth. The YMCA's support comes primarily through membership dues and program fees. The YMCA is affiliated with the Young Men's Christian Association of the United States and is a member agency of the Los Alamos area United Way. The YMCA operates in Los Alamos County and Rio Arriba County and is subject to the general economic factors that affect the area. The Organization conducts the following programs:

*Childcare* – The Organization provides childcare services for its members at its facilities.

*Member services* – The Organization provides members with various YMCA benefits at the facilities such as fitness classes, gym access, climbing wall, saunas, etc.

*Youth and adult* – The Organization provides education, afterschool activities, sports, camps and other programming to children and adults.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to depreciation of assets over their estimated useful lives, contributions of non-financial assets, estimates used in accounting for leases in accordance with FASB ASU 842, *Leases*, and the allocation of expenses by function.

***Comparative Financial Information***

The financial statements include certain prior-year summarized comparative information in total but not by net asset class nor functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the YMCA's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

***Certificates of Deposit***

Certificates of deposit are held at a financial institution. Certificates of deposit total \$254,066 and \$10,711 at December 31, 2023 and 2022, respectively. Initial maturities at purchase of these certificates was 12 months, with penalties for early withdrawal. At December 31, 2023 and 2022, the interest rates ranged from 4.5% to 5%, with interest paid periodically on a monthly basis.

***Contracts Receivable***

Accounts receivable represent amounts owed to the Organization which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for credit losses. The receivables are made up of grants and contracts receivable.

***Allowance for Credit Losses***

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. The Organization has historically not recorded an allowance for credit losses and none was provided at December 31, 2023 and 2022.

***Investments***

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

***Prepaid Expenses***

Prepaid expenses consist of service contract expenses paid in advance for operation in the subsequent year.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property and Equipment***

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

As part of the YMCA's agreement with Los Alamos County, ownership of any capital assets purchased for the Los Alamos Teen Center (LATC) and reimbursed by the County are subject to reversion upon expiration or other termination of the agreement in place. As of December 31, 2023 and 2022, the recorded costs of assets at the LATC were \$151,044 and \$147,182, respectively.

***Impairment of Long-Lived Assets***

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the future undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than the carrying amount of the asset, an impairment loss is recognized. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

***Leases***

The YMCA leases a facility and office equipment. Management determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the accompanying statements of financial position.

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. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, management uses daily treasury long-term rates based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The 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 payments is recognized on a straight-line basis over the lease term. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Management has elected to apply the short-term lease exemption to certain classes of equipment leases. In 2023, the YMCA has a small number of leases with this class of underlying assets that qualified for the exemption. The short-term lease cost recognized and disclosed for those leases in 2023 and 2022 was \$13,900 and \$14,005, respectively. The remaining lease payments in 2024 are insignificant.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Accrued Liabilities***

Accrued liabilities are comprised of the payroll expenditures based on amounts earned by employees through December 31, 2023 and 2022, along with applicable taxes. The YMCA has recorded \$49,360 and \$51,534 for accrued liabilities at December 31, 2023 and 2022, respectively.

The Organization's employees can accrue from 104 to 160 hours for full time employees and a maximum of 71 hours for part time employees for annual vacation respectively, depending on their years of employment. Employees also accrue 96 hours of sick leave each year, with the maximum cumulative amount being 320 hours for full time employees and 160 hours for part time employees. No sick leave is paid to employees when they are terminated. The YMCA has recorded \$60,328 and \$43,004 for compensated vacation absences at December 31, 2023 and 2022, respectively.

***Net Assets***

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

***Revenue Recognition***

Revenue from membership dues and program service fees, and payments under various contracts is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. There were no deferred amounts in 2023 and 2022 and would be included in performance obligation liabilities within the statements of financial position.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Revenue Recognition (Continued)***

A significant portion of the Organization's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances. The YMCA is funded by grants and contracts received from Los Alamos County, Santa Fe County, the City of Espanola, the Delle Foundation, various private foundations, and other sources. Unreimbursed costs under these grants and contracts are recorded as accounts receivable.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

***Donated Assets***

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. During the years ended December 2023 and 2022, donated assets received and expensed for the benefit of the YMCA's annual gala totaled \$14,808 and \$14,887, respectively.

***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

***Functional Allocation of Expenses***

Directly identifiable expenses are charged to program and supporting services. Costs, including salaries and wages, are allocated to programs based on the actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage.

***Advertising***

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended December 31, 2023 and 2022, advertising costs totaled \$9,035 and \$5,347, respectively.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Income Taxes***

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2023 and 2022, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 10, 2024 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Recent Accounting Pronouncements***

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Organization adopted ASU 2016-13 on January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only. Please refer to contracts receivable and allowance for credit losses policies.

**The Family YMCA**  
**Notes to Financial Statements**

**Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY**

The Organization maintains its financial assets primarily in cash and cash equivalents and certificates of deposit to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>December 31,</i>	<b>2023</b>	<b>2022</b>
Total assets at year end	\$ 2,750,935	\$ 2,422,777
Less non-financial assets		
Prepaid expenses	(19,084)	(22,298)
Operating lease right-of-use assets, net	(126,772)	(182,986)
Property and equipment, net	(942,295)	(928,431)
Financial assets at year-end	<b>1,662,784</b>	1,289,062
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with purpose restrictions	<b>(348,869)</b>	(224,214)
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 1,313,915</b>	\$ 1,064,848

The Organization is principally supported by its dues and fees charged for the services it provides.

**The Family YMCA**  
**Notes to Financial Statements**

**Note 4: INVESTMENTS**

Investments in marketable securities consist of the following:

<i>December 31, 2023</i>	Cost	Fair Value
Exchange Traded Funds	\$ 445,632	\$ 433,193
<b>Total investments in marketable securities</b>	<b>\$ 445,632</b>	<b>\$ 433,193</b>

<i>December 31, 2022</i>	Cost	Fair Value
Exchange Traded Funds	\$ 445,632	\$ 399,512
<b>Total investments in marketable securities</b>	<b>\$ 445,632</b>	<b>\$ 399,512</b>

Investment income consisted of the following for the years ended December 31, 2023 and 2022:

<i>For the years ended December 31,</i>	<b>2023</b>	2022
Interest and dividends	\$ 12,465	\$ 8,350
Realized gain (loss)	(23,056)	4,034
Unrealized gain (loss)	48,003	(46,516)
Investment fees	(4,088)	(2,278)
<b>Total investment income (loss), net</b>	<b>\$ 33,324</b>	<b>\$ (36,410)</b>

**Note 5: PROPERTY AND EQUIPMENT**

The components of property and equipment consist of the following at December 31, 2023 and 2022:

<i>December 31,</i>	Estimated Useful Lives (in years)	<b>2023</b>	2022
Building and related improvements	5-39	\$ 1,640,007	\$ 1,640,007
Furniture, fixtures, and equipment	3-10	812,076	727,747
Vehicles	5	137,755	159,848
Gym equipment	3-10	863,482	863,482
<b>Total depreciable property and equipment</b>		<b>3,453,320</b>	3,391,084
<b>Less accumulated depreciation</b>		<b>(2,513,734)</b>	(2,465,362)
<b>Total depreciable property and equipment, net</b>		<b>939,586</b>	925,722
Land		2,709	2,709
<b>Property and equipment, net</b>		<b>\$ 942,295</b>	<b>\$ 928,431</b>

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to \$70,464 and \$61,499, respectively. A vehicle was disposed of during the year in the amount of \$22,092 that was fully depreciated.

**The Family YMCA**  
**Notes to Financial Statements**

**Note 6: LEASES**

The YMCA leases a facility in Los Alamos that is accounted for as an operating lease. The lease expires in 2025. The operating lease have a remaining weighted average lease term of 2 years.

The components of lease expense consist of the following:

<i>For the years ended December 31,</i>	2023	2022
Operating lease cost	\$ 63,553	\$ 61,852
Short-term lease cost	\$ 13,900	\$ 14,005

Other information related to the lease was as follows:

<i>For the year ended December 31,</i>	2023	2022
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**Supplemental Cash Flows Information**

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 63,553	\$ 61,852
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Weighted average remaining lease term and discount rates consist of the following:

<i>For the year ended December 31,</i>	2023	2022
Right-of-use assets obtained in exchange for lease obligations		
Operating lease	\$ 126,772	\$ 235,284
Weighted average remaining lease term		
Operating lease	2 years	3 years
Weighted average discount rate		
Operating lease	4.76%	4.76%

**The Family YMCA**  
**Notes to Financial Statements**

**Note 6: LEASES (Continued)**

Future minimum lease payments under non-cancellable lease as of December 31, 2023 were as follows:

<i>For the years ended December 31,</i>	Operating Leases
2024	\$ 65,616
2025	67,584
Total future minimum lease payments	133,200
Less imputed interest	(6,428)
Present value of lease liabilities	\$ 126,772

<i>Reported as of December,</i>	<b>2023</b>	<b>2022</b>
Other current liabilities	\$ 209,242	\$ 249,586
Operating lease liabilities	126,772	182,986
Other long-term liabilities	878,319	953,904
Total	\$ 1,214,333	\$ 1,386,476

**The Family YMCA**  
**Notes to Financial Statements**

**Note 7: LONG-TERM DEBT**

Long-term debt consists of the following:

<i>December 31,</i>	<b>2023</b>	2022
Note payable to financial institution, monthly payments of \$9,012, plus interest of 4.76% per annum, maturity of November 2034, collateralized by real property.	\$ 949,851	\$ 1,021,686
Long-term debt	<b>949,851</b>	1,021,686
Less current portion	<b>(71,532)</b>	(67,782)
Long-term debt, less current portion	<b>\$ 878,319</b>	\$ 953,904

Interest expense related to the note payable agreements was \$47,562 and \$49,810 for the years ended December 31, 2023 and 2022, respectively.

The current note payable agreement contains a certain financial covenant for maintaining a debt service coverage ratio of at least 1.10. The YMCA was in compliance with this covenant as of December 31, 2023 and 2022.

Maturities of long-term debt subsequent to December 31, 2023 consists of the following:

<i>For the years ending December 31,</i>		
2024	\$	71,532
2025		74,888
2026		78,566
2027		82,426
2028		79,184
Thereafter		563,255
Total	\$	<b>949,851</b>

**Note 8: NET ASSETS**

A summary of net assets without donor restrictions follows:

<i>December 31,</i>	<b>2023</b>	2022
Undesignated	\$ 1,187,733	\$ 812,087
Total net assets without donor restrictions	<b>\$ 1,187,733</b>	\$ 812,087

**The Family YMCA**  
**Notes to Financial Statements**

**Note 8: NET ASSETS (Continued)**

A summary of net assets with donor restrictions consists of the following:

<i>December 31,</i>	<b>2023</b>	<b>2022</b>
Purpose restricted		
Endowment	\$ 97,695	\$ 88,458
Public policy	50,075	42,593
Española teen center	106,834	40,000
Dell Foundation	39,416	35,613
Los Alamos teen center equipment	4,258	8,908
Senior appreciation night	1,298	4,099
Achorum (Capital Grant)	50,000	-
Dances of India	(707)	2,163
Annual campaign	-	2,380
<b>Total net assets with donor restrictions</b>	<b>\$ 348,869</b>	<b>\$ 224,214</b>

A summary of the release of donor restrictions consists of the following:

<i>For the years ended December 31,</i>	<b>2023</b>	<b>2022</b>
Purpose restricted		
Endowment	\$ 797	\$ -
Public policy	2,518	-
Española teen center	83,166	67,500
Dell Foundation	32,197	3,951
Los Alamos teen center equipment	7,496	12,482
Senior appreciation night	8,545	8,325
Dances of India	6,960	-
New Mexico LEDA Recovery Grant	25,000	-
LANL Foundation	25,000	23,000
LA Community Foundation	4,180	
Cloths Helping Kids	5,000	
Con Alma Health Foundation	-	15,000
<b>Total net assets released from donor restrictions</b>	<b>\$ 200,859</b>	<b>\$ 130,258</b>

**The Family YMCA**  
**Notes to Financial Statements**

**Note 9: REVENUE**

The Organization is recognizing membership dues revenue over time and program service fees revenue and other operating income at a point in time. Memberships are billed and paid on a monthly basis and program service fees are billed and paid on the date the program occurs. As of December 31, 2023 and 2022, there were no performance obligations to be satisfied. The Organization's customers are primarily individuals and families located in Los Alamos and surrounding communities of Northern New Mexico. The principal services purchased by the customers of the Organization consist of fitness center access and programs and fitness classes with a focus on health and exercise.

***Disaggregated Revenue***

A summary of disaggregated revenue for membership dues and program service fees follows:

***Membership dues***

<i>December 31,</i>	<b>2023</b>	<b>2022</b>
Single membership	\$ 271,734	\$ 237,872
Family of two membership	188,354	155,514
Family of three plus membership	181,126	154,247
Young adult membership	50,211	18,073
Miscellaneous membership	28,182	47,198
<b>Total membership dues</b>	<b>\$ 719,607</b>	<b>\$ 612,904</b>

***Program Service Fees***

<i>December 31,</i>	<b>2023</b>	<b>2022</b>
After school fees	\$ 696,350	\$ 493,005
Camp fees	219,722	229,680
Youth fees	163,082	90,072
Adult fees	42,993	22,009
<b>Total program service fees</b>	<b>\$ 1,122,147</b>	<b>\$ 834,766</b>

**The Family YMCA**  
**Notes to Financial Statements**

**Note 9: REVENUE (Continued)**

A summary of disaggregated revenue information follows:

<i>For the years ended December 31,</i>	<b>2023</b>	2022
Contracts with customers subject to Topic 606		
Recognized over time		
Membership dues	\$ 719,607	\$ 612,904
Recognized at a point of time		
Program services	1,122,147	834,766
Other operating income	367,310	322,185
Revenue and other support not subject to Topic 606		
Grants and contract services	836,467	706,411
Contributions	231,453	233,813
Contributions of non-financial assets	14,808	14,887
Investment income (loss)	33,324	(36,410)
<b>Total revenue and other support</b>	<b>\$ 3,325,116</b>	<b>\$ 2,688,556</b>

There are no performance obligations or contract receivables or liabilities at both December 31, 2023 and 2022.

**The Family YMCA**  
**Notes to Financial Statements**

**Note 10: CONTRIBUTIONS OF NON-FINANCIAL ASSETS**

All donated services and goods were utilized by the YMCA's supporting services. There were no donor-imposed restrictions associated with the contributed services or goods. The components of donated services and goods contributed to the YMCA consists of the following for the years ended December 31, 2023 and 2022:

<i>For the years ended December 31,</i>	Donated Services	Donated Goods	Total
<b>December 31, 2023</b>			
Supporting services			
General and administrative	\$ 5,000	\$ -	\$ 5,000
Fundraising	-	9,808	9,808
<b>Total contributed services and goods</b>	<b>\$ 5,000</b>	<b>\$ 9,808</b>	<b>\$ 14,808</b>
<b>December 31, 2022</b>			
Supporting services			
General and administrative	\$ 5,000	\$ -	\$ 5,000
Fundraising	-	9,887	9,887
<b>Total contributed services and goods</b>	<b>\$ 5,000</b>	<b>\$ 9,887</b>	<b>\$ 14,887</b>

Donated services was for advertising and was valued using standard advertising rates of the news organization that donated the advertising. Donated goods are valued at the wholesale prices that would be received for selling similar products.

**Note 11: ENDOWMENT**

The YMCA's endowment consists of one individual fund. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors of the YMCA has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the YMCA retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) 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. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by the YMCA in a manner consistent with the standard of prudence prescribed by UPMIFA.

**The Family YMCA**  
**Notes to Financial Statements**

**Note 11: ENDOWMENT (Continued)**

In accordance with UPMIFA, the YMCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the YMCA, and (7) the YMCA's investment policies.

*Investment Return Objectives, Risk Parameters and Strategies.* The YMCA has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment fund. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. The YMCA's spending policy is that it will not expend any amounts until the endowment fund reaches a certain threshold amount as determined by the Board. Interest income and gains are reported as an increase in unrestricted net assets, unless restricted by donor stipulations.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The YMCA has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2023, funds with original gift values of \$102,661, fair values of \$97,695, and gains of \$7,245 were reported in net assets with donor restrictions. At December 31, 2022, funds with original gift values of \$102,661, fair values of \$88,458, and deficiencies of \$14,203 were reported in net assets with donor restrictions. During the year ended 2022, the YMCA did not appropriate any expenditure from underwater endowments. The investment amounts were fully recovered during 2023 since 2022 was a historically bad year for financial markets.

Changes in endowment net assets consists of the following for the years ended December 31, 2023 and 2022:

<i>December 31,</i>	With Donor Restrictions	<b>2023 Total Endowment Net Assets</b>	2022 Summarized Total Endowment Net Assets
Endowment net assets - January 1,	\$ 88,458	\$ <b>88,458</b>	\$ 98,402
Interest received	2,789	<b>2,789</b>	2,108
Contributions	-	-	2,334
Fees	(797)	<b>(797)</b>	(355)
Investment income	7,245	<b>7,245</b>	(14,031)
<b>Endowment net assets - December 31,</b>	<b>\$ 97,695</b>	<b>\$ 97,695</b>	<b>\$ 88,458</b>

**Note 12: FAIR VALUE MEASUREMENTS**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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

*Exchange traded funds:* Valued at the daily closing price as reported by the fund. Exchange traded funds held by the YMCA are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The exchange traded funds held by the YMCA are deemed to be actively traded.

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

**Note 12: FAIR VALUE MEASUREMENTS (Continued)**

Assets and liabilities measured at fair value on a recurring basis consists of the following:

<i>December 31,</i>	Level 1	Level 2	Level 3	Total
<b><i>December 31, 2023</i></b>				
Exchange traded funds	\$ 433,193	\$ -	\$ -	<b>\$ 433,193</b>
Total investments at fair value	\$ 433,193	\$ -	\$ -	<b>\$ 433,193</b>
<b><i>December 31, 2022</i></b>				
Exchange traded funds	\$ 399,512	\$ -	\$ -	399,512
Total investments at fair value	\$ 399,512	\$ -	\$ -	399,512

***Changes in Fair Value Levels***

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended December 31, 2023 and 2022, there were no significant transfers in or out of Levels 1, 2 or 3.

**Note 13: CONCENTRATIONS**

The Organization maintains cash deposits with financial institutions at December 31, 2023 and 2022 in excess of federally insured limits of approximately \$655,000 and \$341,000, respectively.

During the years ended December 31, 2023 and 2022, revenue from Los Alamos County made up approximately 47% and 51% of total grant and contract services revenue, respectively.

During the years ended December 31, 2023 and 2022, accounts receivable from Los Alamos County made up approximately 65% and 83% of total accounts receivable, respectively.

During the years ended December 31, 2023 and 2022, membership fees and program service fees made up approximately 55% and 54% of total revenue and other support, respectively.

**Note 14: DEFINED CONTRIBUTION PLAN**

The YMCA participates in a defined contribution plan with the Young Men's Christian Association of the United States. The plan is mandatory for YMCA employees who have reached the age of 21 and who have worked at least 1,000 hours in each of two previous twelve-month periods. The YMCA contributes 7% of covered employees' salaries. The contribution made on behalf of participating employees were \$59,154 and \$51,446 for the years ended December 31, 2023 and 2022, respectively.

The YMCA also offers a 403(b) plan where contributions are made voluntary by the employees participating in the plan.