

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER ST. PETERSBURG, INC.  
December 31, 2023

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Young Men's Christian Association of Greater St. Petersburg, Inc.  
St. Petersburg, Florida

**Opinion**

We have audited the accompanying financial statements of Young Men's Christian Association of Greater St. Petersburg, Inc. (the "YMCA") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expense 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 YMCA 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the YMCA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 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 combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 combined financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 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 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**

The financial statements of Young Men's Christian Association of Greater St. Petersburg, Inc. and subsidiary as of and for the year ended December 31, 2022 were audited by other auditors whose report dated September 21, 2023 expressed an unmodified opinion on those statements. 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.

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combined statements of financial position, combined statements of activities, and schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combined statements of financial position, combined statements of activities, and schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2024, on our consideration of the YMCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the YMCA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the YMCA's internal control over financial reporting and compliance.

Tampa, Florida  
May 23, 2024

Handwritten signature in cursive script that reads "Bruce, Gardner & Company, P.A."

Young Men's Christian Association of Greater St. Petersburg, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2023  
(With summarized financial information for 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 1,974,382	\$ 1,154,261
Investments	3,012,210	3,975,045
Grants receivable	3,054,325	456,360
Promises to give, net	4,164,537	6,364,554
Prepaid expenses and other assets	255,167	1,751,633
Beneficial interest in perpetual trust	795,364	736,819
Operating right-of-use asset	400,687	143,296
Property and equipment, net	<u>39,864,252</u>	<u>25,924,693</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 53,520,924</u></b>	<b><u>\$ 40,506,661</u></b>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 203,083	\$ 2,184,318
Accrued expenses and other liabilities	566,297	518,268
Contract liabilities	155,820	320,366
Obligations under finance lease obligations	707,736	306,876
Operating lease liabilities	400,686	143,296
Notes payable, less unamortized debt issuance costs	15,406,395	4,956,322
<b>Total liabilities</b>	<b><u>17,440,017</u></b>	<b><u>8,429,446</u></b>
Net Assets		
Without donor restrictions		
Operations	27,981,650	15,084,994
Board designated	-	1,159,590
	<u>27,981,650</u>	<u>16,244,584</u>
With donor restrictions	8,099,257	15,832,631
<b>Total net assets</b>	<b><u>36,080,907</u></b>	<b><u>32,077,215</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 53,520,924</u></b>	<b><u>\$ 40,506,661</u></b>

The accompanying notes are an integral part of this financial statement.

Young Men's Christian Association of Greater St. Petersburg, Inc.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2023  
(With summarized financial information for 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
Revenue				
Contributions				
Public support	\$ 611,442	\$ -	\$ 611,442	\$ 366,457
Capital campaign	-	1,732,911	1,732,911	1,018,864
Special events, net	38,993	-	38,993	15,086
Grants - federal, state, other	5,313,425	-	5,313,425	2,291,816
Total public support	<u>5,963,860</u>	<u>1,732,911</u>	<u>7,696,771</u>	<u>3,692,223</u>
Other revenue				
Membership dues, net	4,213,764	-	4,213,764	3,477,759
Program service fees, net	9,090,369	-	9,090,369	8,007,730
Change in fair value of beneficial interest in perpetual trusts	-	58,545	58,545	(177,886)
Investment income, net	250,729	479,062	729,791	(852,764)
Miscellaneous	288,146	-	288,146	123,372
Total other revenue	<u>13,843,008</u>	<u>537,607</u>	<u>14,380,615</u>	<u>10,578,211</u>
Net Assets Released from Restrictions				
Capital campaign expenses	9,837,169	(9,837,169)	-	-
Scholarship appropriation from endowed earnings	166,723	(166,723)	-	-
Total net assets released from restrictions	<u>10,003,892</u>	<u>(10,003,892)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>29,810,760</u>	<u>(7,733,374)</u>	<u>22,077,386</u>	<u>14,270,434</u>
Expenses				
Youth	11,143,876	-	11,143,876	9,410,066
Adult	3,895,379	-	3,895,379	3,285,490
Management and general	2,451,064	-	2,451,064	2,282,168
Fundraising	583,375	-	583,375	339,098
Total expenses	<u>18,073,694</u>	<u>-</u>	<u>18,073,694</u>	<u>15,316,822</u>
Change in net assets	11,737,066	(7,733,374)	4,003,692	(1,046,388)
Net assets, beginning of year	<u>16,244,584</u>	<u>15,832,631</u>	<u>32,077,215</u>	<u>33,123,603</u>
Net assets, end of year	<u>\$ 27,981,650</u>	<u>8,099,257</u>	<u>\$ 36,080,907</u>	<u>\$ 32,077,215</u>

The accompanying notes are an integral part of this financial statement.

Young Men's Christian Association of Greater St. Petersburg, Inc.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023  
(With summarized financial information for 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 4,003,692	\$ (1,046,388)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization of deferred financing fees	1,261,876	852,305
Amortization of right-of-use assets	138,371	293,716
Change in value of beneficial interest in perpetual trusts	(58,545)	177,886
Unrealized (gain) loss on investments	(402,990)	948,808
Loss (gain) on disposal of fixed asset	5,822	(5,000)
Changes in operating assets and liabilities:		
Grants receivable	(2,597,965)	(34,052)
Prepaid expenses and other assets	1,496,466	(128,899)
Promises to give	(1,156,049)	(653,728)
Accounts payable	(1,981,235)	1,770,598
Accrued expenses and other liabilities	48,029	308,075
Contract liabilities	(164,546)	(1,079,254)
Net cash flows from operating activities	<u>592,926</u>	<u>1,404,067</u>
Cash flows from investing activities:		
Purchases of property and equipment	(14,620,898)	(8,193,077)
Purchase of investments, net	1,365,825	60,881
Net cash flows used by investing activities	<u>(13,255,073)</u>	<u>(8,132,196)</u>
Cash flows from financing activities:		
Payments on finance lease obligations and operating leases	(323,871)	(156,018)
Proceeds from contributions restricted for capital campaign	3,356,066	4,011,808
Proceeds from debt	12,000,000	1,300,000
Payments of debt	(1,549,927)	(259,152)
Net cash flows from financing activities	<u>13,482,268</u>	<u>4,896,638</u>
Net change in cash and cash equivalents	820,121	(1,831,491)
Cash, cash equivalents, and restricted cash, beginning of year	<u>1,154,261</u>	<u>2,985,752</u>
Cash and cash equivalents, end of year	<u>\$ 1,974,382</u>	<u>\$ 1,154,261</u>



Young Men's Christian Association of Greater St. Petersburg, Inc.

STATEMENT OF CASH FLOWS - CONTINUED

For the year ended December 31, 2023  
(With summarized financial information for 2022)

	<u>2023</u>	<u>2022</u>
<u>Supplemental disclosure of cash flow information</u>		
Interest paid	<u>\$ 709,884</u>	<u>\$ 148,833</u>
<u>Noncash investing and financing activities</u>		
Purchase of property and equipment through issuance of operating and finance leases	<u>\$ 982,121</u>	<u>\$ -</u>
<u>Supplemental disclosure of noncash operating activities</u>		
Noncash activity from adoption of Accounting Standards Update 2016-02, Leases (Topic 842)	<u>\$ -</u>	<u>\$ 143,296</u>

The accompanying notes are an integral part of this financial statement.

Young Men's Christian Association of Greater St. Petersburg, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2023  
(With summarized financial information for 2022)

	Program Services			Supporting Services			Total 2023	Total 2022
	Youth	Adult	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 6,063,402	\$ 1,644,863	\$ 7,708,265	\$ 1,307,569	\$ 254,595	\$ 1,562,164	\$ 9,270,429	\$ 7,742,384
Employee benefits	763,219	207,044	970,263	164,588	32,047	196,635	1,166,898	1,044,056
Workers' compensation insurance	78,380	21,263	99,643	16,903	3,291	20,194	119,837	110,725
Payroll taxes	420,474	114,065	534,539	90,675	17,655	108,330	642,869	577,100
Total employee compensation	7,325,475	1,987,235	9,312,710	1,579,735	307,588	1,887,323	11,200,033	9,474,265
Bank charges	54,501	38,456	92,957	103,040	26,666	129,706	222,663	166,816
Conferences, conventions, and meetings	12,102	5,431	17,533	17,157	1,741	18,898	36,431	33,304
Contract services	279,829	119,444	399,273	92,410	81,306	173,716	572,989	649,297
Dues and subscriptions	30,752	13,819	44,571	10,318	3,165	13,483	58,054	56,264
Interest	351,732	270,418	622,150	80,237	7,497	87,734	709,884	166,524
Miscellaneous	24,132	434	24,566	16,016	11,260	27,276	51,842	39,896
National YMCA support	46,361	32,712	79,073	80,470	22,684	103,154	182,227	191,792
Occupancy	1,261,331	396,317	1,657,648	175,919	29,950	205,869	1,863,517	1,468,936
Postage	-	-	-	-	392	392	392	5,603
Printing and publications	54,827	55,693	110,520	4,487	30,552	35,039	145,559	102,311
Professional fees	48,982	13,879	62,861	10,389	24,687	35,076	97,937	124,897
Program costs	645,075	34,698	679,773	3,729	696	4,425	684,198	751,016
Recruitment and relocation	23,493	6,265	29,758	4,689	-	4,689	34,447	33,415
Repair and maintenance	332,248	201,251	533,499	43,594	-	43,594	577,093	640,308
Supplies	103,236	38,057	141,293	79,190	22,377	101,567	242,860	114,413
Telephone	18,799	5,327	24,126	3,988	839	4,827	28,953	30,649
Training	17,884	4,303	22,187	3,440	724	4,164	26,351	18,263
Travel and transportation	39,491	1,528	41,019	34,213	1,156	35,369	76,388	104,384
Depreciation	473,626	364,133	837,759	108,043	10,095	118,138	955,897	850,753
Amortization	-	305,979	305,979	-	-	-	305,979	293,716
Total expenses	<u>\$ 11,143,876</u>	<u>\$ 3,895,379</u>	<u>\$ 15,039,255</u>	<u>\$ 2,451,064</u>	<u>\$ 583,375</u>	<u>\$ 3,034,439</u>	<u>\$ 18,073,694</u>	<u>\$ 15,316,822</u>

The accompanying notes are an integral part of this financial statement.

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Description of Organization

Young Men's Christian Association of Greater St. Petersburg, Inc. and subsidiary (collectively, the "YMCA") is a not-for-profit human services organization whose purpose is helping persons grow in spirit, mind, and body. The YMCA is a member of the National Council of Young Men's Christian Associations and, accordingly, remits annual membership fees based on a percentage of its non-exempt income, which excludes a portion of support from foundation and governmental grants. This percentage was 2% in 2023.

2. Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the YMCA and changes therein are classified and reported as follow:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Board. These net assets may be used at the discretion of the Board and the Board's management.

The Board has chosen to provide further classification information about net assets without donor restrictions on the statement of financial position. The sub classifications are as follows:

*Board Designated* – Represents resources set aside by the Board to be used for specific activities within guidelines established by the Board.

*Operations* – Represents the cumulative net assets without donor restrictions excluding those set aside by the Board.

*Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Board or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Cash and Cash Equivalents

The YMCA considers cash accounts which are not subject to withdrawal restrictions or penalties, money market accounts, and certificates of deposit with original maturities of 90 days or less to be cash equivalents.

4. Concentration of Credit Risk

The YMCA places its cash on deposit with financial institutions principally in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The YMCA from time to time may have amounts on deposit in excess of the insured limits. As of December 31, 2023, the YMCA bank balances exceed insured limits by approximately \$1,673,000.

5. Investments

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gains and losses are reflected in investment income, net in the statements of activities.

Investment income, net or loss (including gains and losses on investments, interest, and dividends) is included in the change in net assets without donor restrictions unless the income or loss is restricted by the donor.

6. Fair Value Measurements

Financial accounting standards relating to fair value measurements establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The three levels of the fair value hierarchy are described below:

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

Level 2 – Inputs to the valuation methodology include:

- 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 for the asset or liability; and
- Inputs that are derived principally from or corroborated by the observable market data by correlation or other means.

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.

7. Promises to Give

Unconditional promises to give that are expected to be collected in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of estimated future cash flows. The discounts on promises to give are computed using a rate commensurate with the risk of the promise to give in accordance with U.S. GAAP. Amortization of the discount is included in contribution revenue in the statement of activities. An allowance for doubtful accounts is considered unnecessary, as management believes that all promises to give are collectible.

8. Beneficial Interest in Perpetual Trusts

Annual distributions from the trusts are reported as investment income that increase net assets without donor restrictions. In conjunction with preparing the year-end financial statements, the YMCA remeasures its beneficial interest at fair value, using the same valuation technique that was used to measure the asset initially. Any adjustments are recognized as gains and losses with donor restrictions.

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Accrued Paid Time Off ("PTO")

The YMCA accrues for earned but unused PTO. The maximum amount of PTO, which can be carried over in a year, is based upon the number of years served and whether the employee is full time or part time. Up to half of an employee's PTO is eligible to be paid out upon ending their employment in good standing after completing a minimum of one year of continuous service with the YMCA. The YMCA accrues for earned, but unused PTO in accrued expenses and other liabilities in the accompanying statement of financial position.

10. Deferred Financing Costs

Deferred debt issuance costs are reflected in the accompanying statement of financial position as a reduction to the note payable balance. Deferred debt issuance costs are amortized over the term of the long-term debt agreement as interest expense using a method that approximates the effective interest method. Interest expense for the year ended December 31, 2023, related to the amortization of deferred debt issuance costs was approximately \$2,000.

11. Property and Equipment

Property and equipment are carried at cost, if purchased, or at estimated fair value at date of receipt if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 40 years. Expenditures in excess of \$2,500 with an estimated useful life in excess of one year are capitalized. Gifts of long-lived assets are reported as support without donor restrictions unless the donor has restricted the asset for a specific purpose.

12. Revenue Recognition

Revenue is recognized when the YMCA transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services.

*Revenue Recognition* - Revenue within the scope of ASC 606 is recognized as services are performed with the exception of annual memberships paid by customers. Memberships paid by customers are recognized over the contractual term of the membership as management believes this approximates the pattern of use.

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

*Contract Balances* - Timing differences among revenue recognition may result in contract assets or liabilities. Contract liabilities on the accompanying statement of financial position totaled approximately \$156,000 as of December 31, 2023 and are primarily amounts paid in advance relating to annual and monthly membership dues, which are deferred and recognized over the membership period and grant revenue, which are deferred and recognized over the grant period.

*Performance Obligations* - A performance obligation is a promise in a contract to transfer a distinct good or service to a customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The YMCA's revenue within the scope of ASC 606 consists of revenue from membership dues, program service fees, and special events. The contract performance for program service fees and special events is generally satisfied at the time these services are provided to the customer. The contract performance for membership dues is performed over the membership period (monthly or annual dues).

*Practical Expedients and Exemptions* - The YMCA has elected to treat similar contracts as a portfolio of contracts. The contracts have the same provision terms and management has the expectation the result will not be materially different from the consideration of each individual contract.

13. Fair Value

An 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 should maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value on a recurring basis:

Investments - Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include common and certain preferred stock holdings, agency securities, and certain other products, such as corporate bonds and mutual funds. If quoted market prices are not available, the fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows and are classified within Level 2 of the valuation hierarchy. Securities without readily available market data are classified as Level 3.

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

No changes in the valuation methodology were made during December 31, 2023.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the YMCA's valuation method is 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 estimate of fair value at the reporting date.

14. Income Taxes

The YMCA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been determined not to be a private foundation. Accordingly, no provision for income taxes has been made. Management believes the YMCA continues to satisfy the requirements of a tax-exempt organization as of December 31, 2023.

15. Functional Allocation of Expenses

The financial statements report categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated on a basis of estimated time and effort dedicated to program activities or supporting services.

16. Use of Estimates

The preparation of the financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

17. Summarized Prior Year Financial Information

The financial statements included certain prior year summarized comparative information in total but not by net asset class. 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 YMCA's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

18. Reclassifications

Certain minor reclassifications have been made to the 2022 financial statements in order to conform to the classifications used in 2023.



Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The YMCA management monitors its liquidity so that it is able to cover operating expenses and other obligations as they come due. Management has budgeted approximately \$19,265,000 in operating expenses to be paid within one year of the statement of financial position date. Management budgets for such costs based on prior year actual expenditures and anticipated future expenditures. The YMCA strives to maintain one month of budgeted expenditures in assets that are readily available, that is, without donor or other restrictions limiting their use. The reserve amount may be higher or lower depending on actual expenses incurred and paid throughout the year.

The YMCA relies on public support and revenues from operations, including membership dues, program service fees, and special events to pay operating expenses. Such revenues totaled approximately \$21,000,000 during the year ended December 31, 2023. The YMCA also has a committed line of credit in the amount of \$500,000, against endowment funds, which may be drawn upon. The YMCA's endowment funds consist of donor-restricted funds, with income available to support member and student scholarships. The YMCA also has a quasi-endowment fund of approximately \$95,000 which, although never budgeted, could be made available if necessary.

The YMCA's financial assets available within one year, including the quasi-endowment fund assets, of the statement of financial position for operating expenditures are as follows:

Financial assets as of year-end	
Cash and cash equivalents	\$ 1,974,382
Investments	3,012,210
Grants receivable	3,054,325
Promises to give, net	<u>4,164,537</u>
	12,205,454
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions	
Restricted by donor with time restrictions	(4,164,537)
Endowment assets unavailable until appropriated or maintained in perpetuity	<u>(3,139,356)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 4,901,561</u></u>

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE C - PROMISES TO GIVE

Unconditional promises to give, net consist of contributions receivable from the YMCA's capital campaign, which were uncollected as of December 31, 2023. Future collections and the associated present value discount as of December 31, 2023 consist of the following:

One year or less	\$ 2,251,551
1-5 years	<u>2,000,000</u>
	4,251,551
Less present value discount	<u>(87,014)</u>
	<u>\$ 4,164,537</u>

NOTE D - PROPERTY AND EQUIPMENT

A summary of net property and equipment at December 31, 2023 is as follows:

Land	\$ 3,491,361
Buildings and building improvements	21,762,897
Leasehold improvements	650,074
Furniture and equipment	2,215,753
Financing right-of-use asset	1,039,145
Construction in process	<u>22,693,769</u>
	51,852,999
Less accumulated amortization and depreciation; including amortization applicable to assets acquired under finance leases of approximately \$114,000	<u>(11,988,747)</u>
Net property and equipment	<u>\$ 39,864,252</u>

Depreciation and amortization expense for the year ended December 31, 2023 was approximately \$1,262,000.

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE E - INVESTMENTS AND OTHER ASSETS MEASURED AT FAIR VALUE

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The estimated fair value of certain assets measured on a recurring basis are as follows:

	Fair Value Measurements at Reporting Date Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash and cash equivalents	\$ 89,396	\$ -	\$ -	\$ 89,396
Fixed income securities	-	1,905,837	-	1,905,837
Equity securities	1,016,977	-	-	1,016,977
Beneficial interest in perpetual trust	-	-	795,364	795,364
Total assets in fair value hierarchy	<u>\$ 1,106,373</u>	<u>\$ 1,905,837</u>	<u>\$ 795,364</u>	<u>\$ 3,807,574</u>

Level 3 financial instruments consist of funds held in trusts by others which is measured by the fair value of the assets contributed to the trusts. The change in Level 3 investment funds consists of the following for the year ended December 31, 2023:

Beneficial interest in perpetual trust	
Beginning balance	\$ 736,819
Net appreciation	<u>58,545</u>
Ending balance	<u>\$ 795,364</u>

Young Men’s Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE F - LEASES

The YMCA leases certain office space and equipment. The YMCA determines whether a contract contains a lease at inception by determining if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The YMCA has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on relative stand-alone prices. 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 that are factored into the determination of the lease term if it is reasonably certain that these options would be exercised by the YMCA. 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 our lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. In order to determine the present value of lease payments, the YMCA uses the implicit rate when it is readily determinable. As most of the YMCA’s leases do not provide an implicit rate, management uses the YMCA’s incremental borrowing rate based on the information available at lease commencement to determine the present value of lease payments.

The YMCA’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. The YMCA does not have leases where it is involved with the construction or design of an underlying asset. The YMCA has no material obligation for leases signed but not yet commenced as of December 31, 2023. The YMCA does not have any material sublease activities.

Future minimum lease payments for these leases are as follows:

<u>Years Ending December 31,</u>	<u>Finance</u>	<u>Operating</u>
2024	\$ 292,392	\$ 160,128
2025	164,592	160,128
2026	164,592	58,908
2027	150,877	53,449
Total undiscounted cash flows	<u>772,453</u>	<u>432,613</u>
Less amount representing interest	<u>(64,717)</u>	<u>(31,927)</u>
Total lease liabilities	<u>\$ 707,736</u>	<u>\$ 400,686</u>

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE F - LEASES - Continued

Information relating to our leases for the year ended December 31, 2023 is as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Financing cash flows from finance leases	<u>\$ 206,436</u>
Operating cash flows from operating leases	<u>\$ 152,844</u>
ROU assets obtained in exchange for new finance lease liabilities	<u>\$ 586,359</u>
ROU assets obtained in exchange for new operating lease liabilities	<u>\$ 395,762</u>
Weighted-average remaining lease term in years for finance leases	3.40
Weighted-average remaining lease term in years for operating leases	3.03
Weighted-average discount rate for finance leases	5.54%
Weighted-average discount rate for operating leases	4.35%

Lease expense under finance and operating leases approximated \$573,000 and includes approximately \$23,000 of variable lease expenses.

NOTE G - NOTES PAYABLE

In August 2014, the YMCA obtained a note payable with a financial institution totaling \$5,500,000. The note bears interest at a fixed rate of 4.90% and requires monthly principal and interest payments over a 20-year amortization period through maturity in August 2021. The loan was refinanced in April 2021, with an extended maturity date of April 2031. Financing fees deferred related to the note totaled approximately \$220,000 with approximately \$25,000 unamortized as of December 31, 2023. The note is collateralized by the first mortgage on the Bardmoor, Speer Preschool Academy, and Child's Park YMCA facilities. The note contains nonfinancial and financial covenants including a minimum debt service coverage ratio.

In December 2022, the YMCA obtained a note payable with a financial institution totaling \$12,000,000. The note bears a variable interest rate and requires monthly interest payments over a 24-month period, at which time the balance of the note is due in full. The note contains nonfinancial and financial covenants including a minimum debt service coverage ratio.

NOTE H - LEASE AND DEVELOPMENT AGREEMENT WITH THE CITY OF ST. PETERSBURG

In December 2007, the YMCA entered into a lease and development agreement with the city of St. Petersburg (the "City") whereby the YMCA would construct, operate, and manage a YMCA community center at the Childs Park Sports Complex ("Childs Park"). The land upon which Childs Park was built is owned by the City. The primary provisions of this agreement follow:

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE H - LEASE AND DEVELOPMENT AGREEMENT WITH THE CITY OF ST. PETERSBURG  
- Continued

*Construction Provisions* – The YMCA completed the construction of Childs Park in October 2008 at a total certified cost of approximately \$2,720,000. Under the terms of the agreement, the City paid the YMCA \$1,000,000 towards the building construction, which was recognized as revenue in 2008. The building and improvements are the property of the City.

*Leasehold Improvements Provision* – The City leases Childs Park to the YMCA for a period of 30 years commencing on October 1, 2009. During the last five years of the lease term, the YMCA may request a new lease for the new term of up to 30 years. The base rent paid by the YMCA for the entire 30-year term was \$30. It was determined that the YMCA's net cost of constructing Childs Park of approximately \$1,720,000 (\$2,720,000 certified costs less \$1,000,000 reimbursed by the City) was in substance a leasehold improvement which was capitalized on the statement of financial position. In the event of early termination of the lease agreement by the City, or if the City refuses to grant the request for a new lease, the City shall reimburse the YMCA for the unamortized portion of the YMCA's net cost using a 50-year amortization period. The YMCA is required to use the Childs Park facility only for the purpose of managing and maintaining a YMCA community center. The \$1,720,000 of leasehold improvements is being amortized over 40 years. The YMCA is responsible for costs relating to building operations and maintenance including insurance.

*Building Operations and Management* – At Childs Park, the City operates a branch of their library system and a community meeting room/auditorium for the benefit and use of citizens. The City is required to pay the YMCA \$833 per month for building operations and management.

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2023 have been restricted by the donors for the following purpose restrictions:

Subject to passage of time	
Pledges receivable	<u>\$ 4,164,537</u>
Endowments and trusts	
Beneficial interest in perpetual trusts	795,364
Accumulated earnings - restricted for scholarship assistance	1,139,356
Endowment held in perpetuity	<u>2,000,000</u>
Total endowments and trusts	<u>3,934,720</u>
 Total net assets with donor restrictions	 <u><u>\$ 8,099,257</u></u>

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS - Continued

Net assets totaling approximately \$10,003,000 during the year ended December 31, 2023, were released from donor restrictions by incurring expenses satisfying the restricted purposes, the expiration of time restrictions, or the appropriation of endowments with donor restrictions.

NOTE J - ENDOWMENTS

In July 2012, Florida passed a version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA removes historic dollar value measurement of endowments established by UPMIFA. Accounting standards require organizations functioning under an enacted version of UPMIFA to recognize endowment earnings as with donor restrictions until appropriated.

The YMCA's endowment consists of one endowment fund established for scholarships. The YMCA interprets Florida law as requiring the preservation of fair value of the original gift as of the gift date of donor restricted endowment funds absent explicit donor stipulations to the contrary. Therefore, the YMCA classifies net assets with donor restrictions as (a) the original value of the gifts donated to the endowment with donor restrictions, (b) the original value of subsequent gifts to the endowment with donor restrictions, and (c) accumulations of the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulations are made to the fund.

In accordance with Florida law, the YMCA considers the following factors in making a determination to appropriate or accumulate endowment funds with donor restrictions:

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

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the donor or the applicable state law requires the YMCA to retain as a fund of perpetual duration.

The YMCA has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no underwater endowments as of December 31, 2023.

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE J - ENDOWMENTS - Continued

Endowment Investment and Spending Policies – The YMCA has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long term. The YMCA's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The long-term return objective is to exceed the consumer price index by five percentage points over five years. Actual returns in any given year may vary from this percentage. To achieve the long-term investment objective, the YMCA relies on an investment portfolio strategy that seeks diversification as to fixed income and equity holdings to provide risk reduction and a dependable source of income and growth of principal. The finance committee is required to review and confirm, once annually, the amount of distribution from the endowment with donor restrictions fund.

Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ 1,159,590	\$ 2,827,017	\$ 3,986,607
Investment return, net	224,825	479,062	703,887
Contributions	-	-	-
Appropriation of endowment income	(1,384,415)	(166,723)	(1,551,138)
Net assets, end of year	<u>\$ -</u>	<u>\$ 3,139,356</u>	<u>\$ 3,139,356</u>

In March 2004, the Board approved the designation of certain investments as board designated. Investment income derived from these investments is quasi-endowed to fund the scholarship program, unless changed by a 66% vote of the Board. Principal may be used for board designated purposes upon a majority vote of the Board. During the year ended December 31, 2023, all board designated funds were liquidated to fund construction relating to ongoing capital projects.

NOTE K - BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The YMCA is an income beneficiary in four perpetual trusts held by third parties. The YMCA's beneficial interest in these perpetual trusts is measured on a recurring basis based on the fair value of the trust assets. The change in the fair value of the trust assets, which was approximately \$59,000 on December 31, 2023, was reported as an increase with donor restrictions in the statement of activities. The perpetual trusts distribute income to the YMCA ranging from quarterly to annual distributions. The YMCA does not need to provide notice for the distributions.



Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

NOTE L - RETIREMENT PLAN

The YMCA participates in the national YMCA Retirement Fund, Inc., which is a defined benefit plan for employees who are 21 years or older and have completed two years of service, with 1,000 hours of service per year. Participants are immediately 100% vested. The YMCA contributed approximately \$611,000 to the plan during the year ended December 31, 2023, included in employee benefits in the accompanying statement of functional expenses.

NOTE M - RELATED PARTY TRANSACTIONS

The YMCA purchased approximately \$995,000 of insurance from a broker who is also a Board member. Board members and employees contributed approximately \$658,000 to annual giving during the year ended December 31, 2023. Approximately \$86,000 of current and prior commitments from a Board member and employees remained uncollected as of December 31, 2023 and is included in pledges receivable on the statement of financial position.

The YMCA entered into an agreement on February 1, 2017, with a related YMCA organization, the Florida State Alliance of YMCAs Inc. (the "Alliance"), in which the YMCA provides financial management and accounting services and allows for usage of YMCA employees by the Alliance. The YMCA charged quarterly management fees of approximately \$6,700 for these services. The agreement expired in December 2019; however, the YMCA continued providing certain services at approximately the same rate based on a verbal agreement with the Alliance until the services could be provided by a different YMCA. The agreement also provides reimbursement of salaries and wages which totaled approximately \$629,000 for the year ended December 31, 2023.

NOTE N - COMMITMENTS, CONTINGENCIES, AND UNCERTAINTIES

The YMCA is subject to various legal proceedings and claims that arise in the ordinary course of operations, none of which is expected to have a material adverse effect on the YMCA's financial statements.

NOTE O - SUBSEQUENT EVENTS

The YMCA has evaluated subsequent events through May 23, 2024, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Young Men’s Christian Association of Greater St. Petersburg, Inc.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the year ended December 31, 2023

<u>State Grantor/Pass-Through Grantor/Project Title</u>	<u>CSFA Number</u>	<u>Contract/Grant Number</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>
Department of Education				
K-15 FCO Facility Repairs Maintenance and Construction	48.152	806-90070-3Q001	\$ 2,500,000	\$ -
Total expenditures of state financial assistance			\$ 2,500,000	\$ -

Young Men's Christian Association of Greater St. Petersburg, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

December 31, 2023

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state financial assistance projects of activity of the YMCA under programs of the State of Florida for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of the State of Florida Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the YMCA, it is not intended to and does not present the financial position, changes in net assets or cash flows of the YMCA.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are recognized on the accrual basis of accounting. Such expenditures are reported following the cost principles established by the State of Florida Department of Financial Services, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers (contract or grant number) are presented where available.

NOTE C - CONTINGENCIES

Grant expenditures are subject to audit and adjustment. If any expenditure were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the YMCA. In the opinion of management, all grant expenditures included on the accompanying schedule are in compliance with the terms of the grant agreements and applicable state laws and regulations.

NOTE D - SUBRECIPIENTS

There was no state financial assistance passed through to subrecipients by the YMCA.



RIVERO, GORDIMER & COMPANY, P.A.

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Herman V. Lazzara  
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Cesar J. Rivero, in Memoriam (1942-2017)

Michael E. Helton  
James K. O'Connor  
David M. Bohnsack  
Julie A. Davis

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Directors  
Young Men's Christian Association of Greater St. Petersburg, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Young Men's Christian Association of Greater St. Petersburg, Inc, Inc. (, the "YMCA"), which comprise the combined statement of financial position as of December 31, 2023 and the related combined statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 23, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered the YMCA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YMCA's internal control. Accordingly, we do not express an opinion on the effectiveness of the YMCA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's combined financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

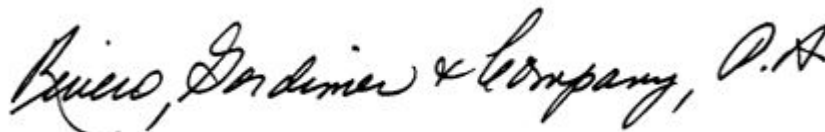
### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the YMCA's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the YMCA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the YMCA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tampa, Florida  
May 23, 2024

A handwritten signature in black ink that reads "Benicio, Gordinier & Company, P.A." The signature is written in a cursive, flowing style.



Herman V. Lazzara	Michael E. Helton
Sam A. Lazzara	James K. O'Connor
Kevin R. Bass	David M. Bohnsack
Jonathan E. Stein	Julie A. Davis
Stephen G. Douglas	
Marc D. Sasser, of Counsel	
Cesar J. Rivero, in Memoriam (1942-2017)	

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

Board of Directors  
Young Men's Christian Association of Greater St. Petersburg, Inc.

**Report on Compliance for Each Major State Project**

***Opinion on Each Major State Project***

We have audited Young Men's Christian Association of Greater St. Petersburg, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the Florida Department of Financial Service's State Projects Compliance Supplement that could have a direct and material effect on each of Young Men's Christian Association of Greater St. Petersburg, Inc.'s major state projects for the year ended December 31, 2023. The YMCA's major state projects are identified in the summary of Auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the YMCA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended December 31, 2023.

***Basis for Opinion on Each Major State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General for Florida Single Audit Act Audits of Nonprofit and For-Profit Organizations* (Chapter 10.650). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the YMCA and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state project. Our audit does not provide a legal determination of the YMCA's compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the YMCA's state projects.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the YMCA's compliance based on our audit. 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, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the YMCA's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 YMCA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the YMCA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the YMCA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



## Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Tampa, Florida  
May 23, 2024

Handwritten signature in cursive script that reads "Bueco, Jordan & Company, P.A."

Young Men's Christian Association of Greater St. Petersburg, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2023

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued	<u>Unmodified</u>	
Internal control over financial reporting		
Material weakness(es) identified?	<u>      </u> yes	<u>  X  </u> no
Significant deficiency(ies) identified?	<u>      </u> yes	<u>  X  </u> none reported
Noncompliance material to financial statements noted?	<u>      </u> yes	<u>  X  </u> no

**State Financial Assistance**

Internal control over major projects		
Material weakness(es) identified?	<u>      </u> yes	<u>  X  </u> no
Significant deficiency(ies) identified?	<u>      </u> yes	<u>  X  </u> none reported
Type of auditors' report issued on compliance for major projects	<u>Unmodified</u>	

**Identification of Major State Projects:**

<u>CSFA Number(s)</u>	<u>Name of Project</u>
48.152	K-15 FCO Facility Repairs, Maintenance and Construction
Dollar threshold used to distinguish between type A and type B projects	<u>\$ 750,000</u>

**Section II - Financial Statement Findings**

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing*

**Section III - Findings and Questioned Costs - Major State Projects**

Our audit did not disclose any matters required to be reported in accordance with Chapter 10.650, *Rules of the*

**Other Issues**

- a) A management letter is not required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).
- b) A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to State projects (see AG Rules 10.557(3)(e)5. and 10.656(3)(d)5.)