Young Men's Christian Association of the Greater Houston Area

Consolidated Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2024 and 2023

Young Men's Christian Association of the Greater Houston Area

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Independent Auditors' Report

To the Board of Directors of
Young Men's Christian Association of the Greater Houston Area:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Young Men's Christian Association of the Greater Houston Area (the YMCA) and its affiliate, YMCA of the Greater Houston Area Endowment Foundation (collectively the Association), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Association as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Association 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 Association's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Supplementary information in the consolidating statement of financial position as of December 31, 2024 and consolidating statement of activities for the year ended December 31, 2024 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2025 on our consideration of the Association'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 Association'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 Association's internal control over financial reporting and compliance.

Blazek & Vetterling

May 8, 2025

Young Men's Christian Association of the Greater Houston Area

Consolidated Statements of Financial Position as of December 31, 2024 and 2023

	2024	2023
ASSETS		
Cash	$ 2,290,997	$ 8,127,781
Accounts receivable	1,248,194	861,045
Contributions receivable, net *(Note 3)*:		
Government grant receivables	7,824,441	4,931,336
Other	2,495,507	1,717,254
Prepaid expenses and other assets	5,047,924	2,627,989
Land and buildings held for sale	727,826	11,001
Operating investments *(Notes 4 and 5)*	21,751,164	23,332,091
Bond proceeds held in trust *(Note 8)*	12,443,500	12,443,500
Finance right-of-use assets *(Note 6)*	2,710,291	3,147,102
Operating right-of-use assets *(Note 6)*	3,664,117	3,820,814
Capital and endowment contributions receivable, net *(Note 5)*	9,278,005	4,613,830
Endowment investments *(Notes 4 and 5)*	22,294,346	19,599,230
Property and equipment, net *(Note 7)*	212,098,002	224,011,645
TOTAL ASSETS	$ 303,874,314	$ 309,244,618
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 2,225,060	$ 2,749,019
Construction payable	18,944	783,874
Salaries and benefits payable	3,834,937	2,782,160
Other accrued expenses	764,001	428,919
Finance lease liabilities *(Note 6)*	430,858	694,064
Operating lease liabilities *(Note 6)*	4,092,699	4,241,530
Deferred contract revenue	2,043,424	4,227,571
Bonds payable, net *(Note 8)*	113,654,049	118,119,157
Total liabilities	127,063,972	134,026,294
Commitments and contingencies *(Notes 5, 7, 12 and 15)*		
Net assets *(Note 11)*:		
Without donor restrictions *(Note 9)*	153,179,904	158,822,722
With donor restrictions *(Note 10)*	23,630,438	16,395,602
Total net assets	176,810,342	175,218,324
TOTAL LIABILITIES AND NET ASSETS	$ 303,874,314	$ 309,244,618

See accompanying notes to consolidated financial statements.

Young Men's Christian Association of the Greater Houston Area

Consolidated Statement of Activities for the year ended December 31, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contract revenue:			
Membership	$ 46,539,615		$ 46,539,615
Program	27,025,154		27,025,154
Other contract services	6,530,367		6,530,367
Contributions:			
Government agencies *(Note 12)*		$ 53,942,667	53,942,667
Government agencies – nonfinancial assets *(Notes 12 and 14)*		2,416,707	2,416,707
Other nonfinancial assets *(Note 14)*	5,363,828		5,363,828
United Way	1,162,680	491,559	1,654,239
Other	2,730,160	15,664,621	18,394,781
Special events	1,200,249		1,200,249
Direct donor benefit costs	(482,190)		(482,190)
Net investment return	3,374,483	941,569	4,316,052
Gain on disposal of property and equipment	735,041		735,041
Other income	266,933		266,933
Total revenue	94,446,320	73,457,123	167,903,443
Net assets released from restrictions:			
Capital expenditures	2,590,371	(2,590,371)	
Expenditure for program purposes	61,519,982	(61,519,982)	
Expiration of time restrictions	2,111,934	(2,111,934)	
Total	160,668,607	7,234,836	167,903,443
EXPENSES:			
Program services:			
Social Responsibility	66,325,251		66,325,251
Healthy Living	48,354,376		48,354,376
Youth Development	33,569,783		33,569,783
Total program services	148,249,410		148,249,410
Management and general	15,566,495		15,566,495
Fundraising	2,495,520		2,495,520
Total expenses	166,311,425		166,311,425
CHANGES IN NET ASSETS	(5,642,818)	7,234,836	1,592,018
Net assets, beginning of year	158,822,722	16,395,602	175,218,324
Net assets, end of year	$ 153,179,904	$ 23,630,438	$ 176,810,342

See accompanying notes to consolidated financial statements.

Young Men's Christian Association of the Greater Houston Area

Consolidated Statement of Activities for the year ended December 31, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contract revenue:			
Membership	$ 43,365,413		$ 43,365,413
Program	26,968,808		26,968,808
Other contract services	5,424,378		5,424,378
Contributions:			
Government agencies *(Note 12)*		$ 64,959,358	64,959,358
Government agencies – nonfinancial assets *(Notes 12 and 14)*		2,033,863	2,033,863
Other nonfinancial assets *(Note 14)*	2,588,305		2,588,305
United Way	1,204,122	387,559	1,591,681
Other	2,581,271	9,676,352	12,257,623
Special events	1,300,754		1,300,754
Direct donor benefit costs	(510,667)		(510,667)
Net investment return	4,165,929	782,026	4,947,955
Gain on disposal of property and equipment	2,547,172		2,547,172
Other income	97,741		97,741
Total revenue	89,733,226	77,839,158	167,572,384
Net assets released from restrictions:			
Capital expenditures	246,718	(246,718)	
Expenditure for program purposes	70,001,291	(70,001,291)	
Expiration of time restrictions	1,599,204	(1,599,204)	
Total	161,580,439	5,991,945	167,572,384
EXPENSES:			
Program services:			
Social Responsibility	55,605,353		55,605,353
Healthy Living	47,374,025		47,374,025
Youth Development	43,423,474		43,423,474
Total program services	146,402,852		146,402,852
Management and general	15,264,875		15,264,875
Fundraising	2,510,939		2,510,939
Total expenses	164,178,666		164,178,666
CHANGES IN NET ASSETS	(2,598,227)	5,991,945	3,393,718
Net assets, beginning of year	161,420,949	10,403,657	171,824,606
Net assets, end of year	$ 158,822,722	$ 16,395,602	$ 175,218,324

See accompanying notes to consolidated financial statements.

Young Men's Christian Association of the Greater Houston Area

Consolidated Statement of Functional Expenses for the year ended December 31, 2024

EXPENSES	SOCIAL RESPONSIBILITY	HEALTHY LIVING	YOUTH DEVELOPMENT	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries, related taxes, and benefits	$ 32,182,653	$ 18,208,306	$ 22,924,838	$ 73,315,797	$ 8,033,148	$ 2,140,323	$ 83,489,268
Specific assistance to individuals	27,434,000		957,504	28,391,504			28,391,504
Occupancy	1,769,396	13,714,139	2,717,668	18,201,203	283,907		18,485,110
Depreciation	181,533	9,297,427	1,418,671	10,897,631	397,253	22,105	11,316,989
Professional fees and contract services	411,790	1,284,334	1,491,088	3,187,212	1,850,281	185,288	5,222,781
Supplies	689,683	1,509,834	1,946,283	4,145,800	59,739	12,590	4,218,129
Interest expense	374,035	2,431,227	935,087	3,740,349	366,404		4,106,753
Communications	592,756	1,183,377	99,537	1,875,670	1,805,111	45,175	3,725,956
Travel and transportation	1,500,089	135,089	543,504	2,178,682	313,335	26,709	2,518,726
Printing, publication, and promotion	85,602	79,044	6,780	171,426	1,907,590	8,323	2,087,339
Equipment rental and maintenance	322,375	163,910	55,529	541,814	180,107		721,921
Membership dues	175,699	280,081	178,722	634,502	38,739	8,352	681,593
Professional development and staff training	235,135	33,729	127,661	396,525	184,955		581,480
Camping activity supplies	217,690		163,434	381,124			381,124
Conferences, conventions, and meetings	1,517	33,528	821	35,866	33,013	40,298	109,177
Bad debt expense					104,443		104,443
Allocations to service providers	98,500			98,500			98,500
Other	52,798	351	2,656	55,805	8,470	6,357	70,632
Total expenses	$ 66,325,251	$ 48,354,376	$ 33,569,783	$ 148,249,410	$ 15,566,495	$ 2,495,520	166,311,425
				89.14%	9.36%	1.50%	
Direct donor benefit costs							482,190
Total							$ 166,793,615

See accompanying notes to consolidated financial statements.

Young Men's Christian Association of the Greater Houston Area

Consolidated Statement of Functional Expenses for the year ended December 31, 2023

EXPENSES	SOCIAL RESPONSIBILITY	HEALTHY LIVING	YOUTH DEVELOPMENT	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries, related taxes, and benefits	$ 21,649,924	$ 17,124,293	$ 25,149,551	$ 63,923,768	$ 7,541,318	$ 2,111,028	$ 73,576,114
Specific assistance to individuals	27,738,489		741,478	28,479,967			28,479,967
Occupancy	1,550,233	12,954,841	2,403,603	16,908,677	458,275		17,366,952
Depreciation	66,893	10,198,173	1,505,994	11,771,060	253,867	22,422	12,047,349
Professional fees and contract services	1,269,956	1,185,481	2,286,571	4,742,008	2,130,018	166,040	7,038,066
Supplies	709,472	1,403,858	8,209,732	10,323,062	83,910	36,318	10,443,290
Interest expense	387,340	2,517,709	968,349	3,873,398	420,967		4,294,365
Communications	583,049	1,207,715	108,163	1,898,927	1,078,055	52,385	3,029,367
Travel and transportation	784,920	81,600	600,199	1,466,719	298,254	86,427	1,851,400
Printing, publication, and promotion	82,732	118,438	908,729	1,109,899	2,453,824	14,505	3,578,228
Equipment rental and maintenance	214,685	204,508	8,154	427,347	76,180		503,527
Membership dues	200,587	313,327	201,448	715,362	49,004	8,414	772,780
Professional development and staff training	143,768	32,970	87,829	264,567	178,010	1,290	443,867
Camping activity supplies	152,997		240,313	393,310			393,310
Conferences, conventions, and meetings	523	31,112	911	32,546	12,857	11,084	56,487
Bad debt expense					208,911		208,911
Allocations to service providers	69,785			69,785			69,785
Other			2,450	2,450	21,425	1,026	24,901
Total expenses	$ 55,605,353	$ 47,374,025	$ 43,423,474	$ 146,402,852	$ 15,264,875	$ 2,510,939	164,178,666
				89.17%	9.30%	1.53%	
Direct donor benefit costs							510,667
Total							$ 164,689,333

See accompanying notes to consolidated financial statements.

Young Men's Christian Association of the Greater Houston Area

Consolidated Statements of Cash Flows for the years ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 1,592,018	$ 3,393,718
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Contributions restricted for building construction	(8,012,833)	(3,032,098)
Contributions restricted for endowment	(638,928)	(2,174,616)
Bad debt expense	104,443	208,911
Net realized and unrealized gain on investments	(3,187,477)	(3,974,741)
Net gain on sale or disposal of property and equipment	(735,041)	(2,547,942)
Depreciation and amortization	12,217,107	12,800,293
Amortization of bond issuance costs and bond premium	(250,108)	(250,108)
Changes in operating assets and liabilities:		
Accounts receivable	(491,592)	(427,546)
Contributions receivable	(3,671,358)	2,668,437
Prepaid expenses and other assets	(2,419,935)	(617,280)
Accounts payable and accrued expenses	863,900	992,949
Operating lease liabilities	(720,159)	(62,907)
Deferred contract revenue	(2,184,147)	(6,160,827)
Net cash provided (used) by operating activities	(7,534,110)	816,243
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(29,928,241)	(24,823,067)
Proceeds from sale of investments	34,804,902	24,476,299
Net change in cash and money market mutual funds held as investments	(2,803,373)	3,323,218
Purchases of property and equipment	(5,907,087)	(7,634,304)
Proceeds from sale of property and equipment	6,021,745	4,766,991
Net cash provided by investing activities	2,187,946	109,137
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on bonds	(4,215,000)	(4,045,000)
Principal payments on financing leases	(263,206)	(1,362,898)
Proceeds from contributions restricted for building construction	3,344,680	2,933,772
Proceeds from contributions restricted for endowment	642,906	2,136,781
Net cash used by financing activities	(490,620)	(337,345)
NET CHANGE IN CASH	(5,836,784)	588,035
Cash, beginning of year	8,127,781	7,539,746
Cash, end of year	$ 2,290,997	$ 8,127,781

Supplemental disclosure of cash flow information:		
Interest paid	$4,351,368	$4,497,254
Noncash investing and financing transactions:		
Finance lease obligation for equipment		$3,793
Operating lease obligation for office space and equipment	$571,328	$405,219

See accompanying notes to consolidated financial statements.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Young Men's Christian Association of the Greater Houston Area (the YMCA) was founded in 1886 to put Judeo-Christian principles into practice through programs that build a healthy spirit, mind, and body for all. The YMCA seeks to promote its mission and core values by focusing on Healthy Living, Youth Development and Social Responsibility in programs conducted at 21 centers, 4 adaptive sites, 1 resident camp, 39 apartment outreach sites, and 180 childcare sites. The YMCA is committed to improving the quality of life through programs and services which provide opportunities for people to reach their highest potential, develop a positive attitude of self and others, appreciate good health and fitness, acquire a value system, and maintain spiritual awareness that manifests itself in our daily lives.

YMCA of the Greater Houston Area Endowment Foundation (the Foundation) was incorporated in 1997 to furnish assistance and support to the charitable and educational undertakings of the YMCA.

Basis of consolidation – These financial statements include the consolidated assets, liabilities, net assets and activities of the YMCA and the Foundation (collectively the Association). All balances and transactions between the consolidated entities have been eliminated.

Federal income tax status – The YMCA and the Foundation are exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code. The YMCA is classified as a public charity under §509(a)(2). The Foundation is classified as a public charity under §509(a)(3) as a Type I supporting organization.

Cash concentration – Bank deposits exceed the federally insured limit per depositor per institution.

Accounts receivable represent amounts due from exchange transactions and are based on amounts that reflect the consideration to which the Association expects to be entitled to in exchange for services already provided. In evaluating the collectability of accounts receivable to record an allowance for credit losses, management evaluates historical-collection trends by location and considers current and forecasted economic events. Accounts are written off after collection efforts have been exhausted and an account is deemed uncollectible. The Association believes that all accounts receivable at December 31, 2024 will be fully collected. Accordingly, no allowance for credit loss is required. The Association does not have any financing components associated with its receivables, nor does it require collateral.

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years are discounted to estimate the present value of future cash flows, if material. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. An allowance for contributions receivable is provided when it is believed balances may not be collected in full. The amount of loss on contributions recognized each period and the resulting adequacy of the allowance at the end of each period are determined using a combination of historical loss experience and individual account-by-account analysis of contributions receivable balances. It is possible that management's estimate regarding collectability will change in the near term resulting in a change in the carrying value of contributions receivable.

Land and buildings held for sale is reported at the lower of cost or fair value less cost to sell.

Investments are reported at fair value. Net investment return consists of interest and dividends, realized and unrealized gains and losses, net of external and direct internal investment expenses.

Property and equipment is reported at cost if purchased or at fair value at the date of gift if donated. Depreciation is calculated using the straight-line method over estimated useful lives of 3 to 50 years. The YMCA capitalizes additions and improvements that have a tangible future economic life and a cost of more than $5,000.

Lease elections – The YMCA made the following accounting policy elections for reporting leases:

- *Lease and non-lease components* – The YMCA elected a practical expedient by class of underlying assets and choose whether to separate non-lease components from the lease components or account for it as a single lease component. The YMCA elected not to separate the lease components and the non-lease components for real estate leases.
- *Short-term leases* – The YMCA elected not to apply the recognition requirements in Accounting Standards Codification 842 to leases with a lease term of 12 months or less. Instead, these leases are recognized as expense on a straight-line basis over the lease term.
- *Discount rates* – The YMCA elected to use its incremental borrowing rate for its discount rate when the rate implicit in the lease is not known.
- *Portfolio approach* – The YMCA elected to use the portfolio approach for leases with similar characteristics with the exception that the application of the portfolio model will not differ materially from the application to the individual leases in that portfolio.

Right-of-use assets are recognized at the present value of the lease payments at inception of the lease adjusted, as appropriate, for certain other payments and allowances related to obtaining the lease and placing the asset in service. Finance right-of-use assets are amortized on a straight-line basis over the shorter of the lease term or estimated useful life. Operating right-of-use assets are amortized so that lease expense is recognized on a straight-line basis.

Deferred contract revenue results from payments received before the performance obligations are satisfied and is expected to be recognized as revenue in the following year. At December 31, 2024, 2023 and 2022, deferred contract revenue was $2,043,424, $4,227,571 and $10,388,398, respectively.

Bond issuance costs represent costs incurred related to the issuance of debt and are amortized over the term of the debt. Bond premium is the excess of net proceeds, after expenses, received upon issuance of debt over the amount repayable at its maturity. Unamortized bond issuance costs and unamortized premium costs are reported along with the related debt.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service unless the donor also has placed a time restriction on the use of the long-lived asset, in which case the release occurs over the term of the time restriction. Donor-restricted endowment earnings are released when those earnings are appropriated in accordance with spending policies and are used for the stipulated purpose.

Contract revenue is derived primarily from the sale of memberships which grants access to all YMCA of Greater Houston locations, and program fees for camps, youth sports, childcare, fitness training, and other sponsored activities. Revenue is recognized when the services are provided to a customer in an amount that reflects the consideration the Association expects to be entitled to in exchange for those services.

All of the Association’s revenue from contracts with customers is from performance obligations satisfied over a period of time and is provided to residents or social service agencies in the Greater Houston area. Revenue is recognized based on service output as services are rendered over the membership period, the term of the enrollment period for camps, youth sports, childcare, and fitness training, or the term of the contract for services. Membership discounts are provided to individuals as needed and reduces the amount of consideration the Association expects to be entitled to receive. Payment is due prior to the month of membership or prior to the service date for camps, youth sports, childcare, and fitness training. Payment for contract services is due upon receipt of invoice.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor or grantor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before the organization is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met.

Contributed nonfinancial assets are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Special events revenue is the total amount paid by sponsors and attendees of an event and includes elements of both contributions and exchange transactions. Special events revenue is recognized when the event occurs. Direct donor benefit costs represent the cost of goods and services provided to attendees of the special events.

Advertising costs are expensed as incurred. The Association recognized advertising costs totaling approximately $1,251,000 and $1,451,000 for the years ended December 31, 2024 and 2023, respectively, which is reported with printing, publication and promotion in the consolidated statement of functional expenses.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation, interest expense, and occupancy costs are allocated based on square footage. Information technology costs are allocated based on estimates of time and costs of specific technology utilized.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	2024	2023
Financial assets:		
Cash	$ 2,290,997	$ 8,127,781
Accounts receivable	1,248,194	861,045
Contributions receivable, net	19,597,953	11,262,420
Investments	44,045,510	42,931,321
Bond proceeds held in trust	12,443,500	12,443,500
Total financial assets	79,626,154	75,626,067
Less financial assets not available for general expenditure:		
Donor-restricted and board-designated endowment assets less appropriation	(21,838,867)	(19,456,780)
Debt service reserve fund and sinking funds held in trust	(22,618,000)	(23,461,000)
Other donor-restricted assets subject to satisfaction of restriction and the passage of time	(12,362,852)	(5,910,165)
Total financial assets available for general expenditure	$ 22,806,435	$ 26,798,122

Financial assets available for general expenditure include amounts expected to be appropriated by the Board of Directors from endowment earnings during the upcoming year. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Association considers all expenditures related to its ongoing activities of providing Healthy Living, Youth Development, and Social Responsibility programs, capital projects, and debt reductions, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The Association is substantially supported by program revenues and regularly monitors liquidity required to meet its operating needs while striving to maximize the investment of available funds. As part of the organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Association's Board of Directors has designated a portion of its resources without donor restrictions as board-designated for endowment. These funds are invested for long-term appreciation and current income, but remain available to be spent at the Board of Directors' discretion.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following:

	2024	2023
Receivables for building construction	$ 9,267,473	$ 4,063,020
Receivables from government agencies	7,824,441	4,931,336
Receivables from others	2,260,974	1,446,951
Receivables from United Way	387,559	387,559
Unamortized contributed use of facilities	254,345	734,344
Total contributions receivable	19,994,792	11,563,210
Allowance for uncollectible receivables	(153,351)	(257,950)
Discount to net present value	(243,488)	(42,840)
Contributions receivable, net	$ 19,597,953	$ 11,262,420

Contributions receivable at December 31, 2024 are expected to be collected as follows:

2025	$ 15,968,206
2026	3,076,586
2027	750,000
2028	200,000
Total contributions receivable	$ 19,994,792

In January 2006, the Association entered into a 46-year lease agreement for $1 per year with the City of Alvin for the use of the land on which a YMCA facility is located. The estimated fair value of this agreement of approximately $660,000 was recognized in 2006 and is being amortized over the life of the lease. The lease was terminated in 2024. At December 31, 2024 and 2023, unamortized balances of $0 and $401,739, respectively, are reflected as contributions receivable. In 2021, the Association entered into a 7-year lease agreement for space. The estimated fair value of the use of space in excess of the annual rent of approximately $96,000 has been recognized as a contribution receivable and will be amortized over the life of the lease. At December 31, 2024 and 2023, unamortized balances of $254,345 and $734,344, respectively, are reflected as contributions receivable.

Conditional contributions from government agencies – At December 31, 2024, the Association has approximately $4.0 million of conditional contributions from various government agencies primarily for refugee assistance. The contributions will be recognized as revenue when the conditions are met, which include performance of allowable activities and incurring allowable expenses.

NOTE 4 – INVESTMENTS

Investments consist of the following:

	2024	2023
Exchange-traded funds	$ 12,667,960	$ 17,476,521
Common stock	7,396,640	6,162,819
U. S. Treasury securities	6,993,322	3,341,825
Equity mutual funds	4,971,335	8,471,848
Fixed-income mutual funds	4,841,320	4,026,639
Money market mutual funds	3,138,434	1,367,830
Private credit hedge fund	1,499,667	841,230
Cash	1,055,310	22,541
Real estate investment trusts	932,296	959,650
Private equity limited partnerships	549,226	60,120
Municipal bonds		200,298
Total investments	$ 44,045,510	$ 42,931,321

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

NOTE 5 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

Equity investments which do not have a readily determinable fair value, but qualify to be measured at net asset value or its equivalent as a practical expedient, are not required to be assigned to a level within the fair value hierarchy.

Assets measured at fair value at December 31, 2024 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments:				
Exchange-traded funds	$ 12,667,960			$ 12,667,960
Common stock	7,396,640			7,396,640
U. S. Treasury securities:				
0-12 months	3,628,737			3,628,737
1-5 years	3,364,585			3,364,585
Equity mutual funds	4,971,335			4,971,335
Fixed-income mutual funds	4,841,320			4,841,320
Money market mutual funds	3,138,434			3,138,434
Real estate investment trusts	932,296			932,296
Total	$ 40,941,307	$	$ 0	40,941,307
Investments measured at net asset value using the practical expedient:				
Private equity hedge fund (a)				1,499,667
Private equity limited partnership (b)				549,226
Total assets measured at fair value				$ 42,990,200

Assets measured at fair value at December 31, 2023 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investments:				
Exchange-traded funds	$ 17,476,521			$ 17,476,521
Common stock	6,162,819			6,162,819
U. S. Treasury securities:				
0-12 months	2,749,828			2,749,828
1-5 years	591,997			591,997
Equity mutual funds	8,471,848			8,471,848
Fixed-income mutual funds	4,026,639			4,026,639
Money market mutual funds	1,367,830			1,367,830
Real estate investment trusts	959,650			959,650
Municipal bonds:				
0-12 months		$ 200,298		200,298
Total	$ 41,807,132	$ 200,298	$ 0	42,007,430
Investments measured at net asset value using the practical expedient:				
Private equity hedge fund (a)				841,230
Private equity limited partnership (b)				60,120
Total assets measured at fair value				$ 42,908,780

(a) The private equity hedge fund targets current income and capital appreciation by primarily investing in privately originated and privately negotiated senior secured loans to U. S. companies, including those in the middle market. Shares can be sold quarterly at net asset value (NAV) at the quarter end and are limited to 5.0% of aggregate shares outstanding. Shares held for less than one year and tendered for repurchase will be purchased at 98% of NAV. There are no outstanding commitments at December 31, 2024.

(b) The fund represents investments in two private equity limited partnerships. One fund representing 81% of this asset class, is focused on privately negotiated, equity-oriented investments, diversified across geographies and sectors. Shares can be sold quarterly at net asset value (NAV) at the quarter end and are limited to 3.0% of aggregate shares outstanding. Shares held for less than two years and tendered for repurchase will be purchased at 95% of NAV. There are no outstanding commitments at December 31, 2024. The other fund, representing 19% of this asset class, seeks to generate attractive rates of return across market cycles through investments in various distressed opportunities. Withdrawal is generally limited. At December 31, 2024, there were unfunded commitments of $200,000.

Valuation methods used for assets measured at fair value are as follows:

- *Exchange-traded funds, common stock* and *real estate investment trusts* are valued at the closing price reported on the active market on which the individual securities are traded.
- *U. S. Treasury securities* are valued using prices obtained from active market makers and inter-dealer brokers on a daily basis.
- *Mutual funds* are valued at the reported net asset value.
- *Municipal bonds* are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas which may include market-corroborated inputs for credit risk factors, interest rate and yield curves and broker quotes, to calculate fair values.
- *Hedge fund* and *limited partnership* are valued at net asset value as a practical expedient as provided by the fund managers, based on the net asset value of the underlying investments.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 6 – RIGHT-OF-USE ASSETS AND LEASES

The YMCA and Humble Independent School District (Humble ISD) entered into a Joint Use Agreement in February 2017, whereby the YMCA can utilize the Miracle League facilities based on an agreed-upon use schedule for a term of 20 years. The agreement automatically renews for a 1-year term unless terminated by either party with at least 90 days' notice. In exchange for the right to use the Miracle League facilities, the YMCA donated land improvements to Humble ISD. The fair value of the right to use the Miracle League facilities is reported in the consolidated statement of financial position as a finance lease and is being amortized over the 20-year term of the agreement. Amortization expense of approximately $177,000 was recognized in both years ended December 31, 2024 and 2023.

The Association leases certain office space and equipment used in its operations that are classified as operating leases.

The YMCA evaluated its lease portfolio and did not identify any residual value guarantees and determined it was unlikely to execute any renewal options.

Lease costs associated with operating and finance leases are as follows:

	2024	2023
Short-term lease costs	$ 310,137	$ 316,412
Operating lease cost:		
Fixed rent expense	751,906	612,171
Finance lease cost:		
Amortization of right-of-use assets	436,811	1,013,802
Interest expense	5,493	47,219
Total lease costs	$ 1,504,347	$ 1,989,604

Cash and non-cash activities associated with operating and finance leases are as follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$733,899	$285,950
Operating cash flows from finance leases	$5,493	$47,219
Financing cash flows from finance leases	$263,206	$1,362,898

Future payments due under operating and finance leases as of December 31, 2024 are as follows:

	OPERATING	FINANCE
2025	$ 799,237	$ 177,269
2026	547,791	164,289
2027	401,949	98,225
2028	397,876	228
Thereafter	2,046,660	
Total minimum lease payments	4,193,513	440,011
Less effects of discounting	(100,814)	(9,153)
Total lease liabilities recognized	$ 4,092,699	$ 430,858

The weighted-average term and discount rate for both operating and finance leases outstanding at December 31, 2024:

	OPERATING	FINANCE
Weighted-average remaining lease term	7.54 years	2.60 years
Weighted-average discount rate	1.19%	1.67%

The weighted-average term and discount rate for both operating and finance leases outstanding at December 31, 2023:

	OPERATING	FINANCE
Weighted-average remaining lease term	8.83 years	3.08 years
Weighted-average discount rate	1.05%	1.71%

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2024	2023
Land	$ 25,670,804	$ 25,993,654
Buildings and improvements	298,183,532	300,929,612
Furniture and equipment	29,183,197	27,907,163
Vehicles	2,215,064	2,223,420
Construction in progress	435,252	3,337,302
Total property and equipment, at cost	355,687,849	360,391,151
Accumulated depreciation	(143,589,847)	(136,379,506)
Property and equipment, net	$ 212,098,002	$ 224,011,645

Related party transactions – The YMCA uses construction companies whose owners/officers also serve on the Board of Directors of the YMCA. Total construction costs for these vendors were $552,000 in 2024 and $1.3 million in 2023.

NOTE 8 – BONDS PAYABLE

In February 2013, on behalf of the Association, the Harris County Cultural Education Facilities Finance Corporation issued four bonds in the aggregate principal amount of $151,625,000 (Series 2013 Bonds), the proceeds of which were used to refund outstanding Harris County Health Facilities Development Corporation revenue bonds (Series 2008 Bonds), fund the cost of issuance of the Series 2013 Bonds, and fund a debt service reserve fund securing only the Series 2013A Bonds. At December 31, 2024, the balance of the debt service reserve fund is $22,618,000 and is included in investments in the consolidated statement of financial position.

In May 2019, on behalf of the Association, the Harris County Cultural Education Facilities Finance Corporation issued bonds in the aggregate principal amount of $69,835,000 (Series 2019 Bonds), the proceeds of which were used to refund outstanding Harris County Cultural Education Facilities Finance Corporation revenue refunding bonds (Series 2016A and B Bonds) and fund a portion of the cost of issuance of the Series 2019 Bonds.

The interest rate of the Series 2013A Bonds is a fixed rate of 5% at December 31, 2024. The interest rate of the Series 2019 Bonds is a fixed rate of 2.7% at December 31, 2024. The bonds contain various covenants related to fiscal operations and financial performance, including limitations on additional borrowings. The Series 2013A and 2019 Bonds are redeemable upon demand by the bondholders.

Additionally, the Association is required to maintain a cash balance at the Bank of New York of $5,670,000 for the Series 2013A Bonds and $6,773,500 for the Series 2019 Bonds, which are reported as bond proceeds held in trust in the consolidated statement of financial position at December 31, 2024.

Principal amounts due under each bond are as follows:

	SERIES 2013A	SERIES 2019	TOTAL 2024	TOTAL 2023
Series 2013A	$ 51,990,000		$ 51,990,000	$ 53,935,000
Series 2019		$ 61,100,000	61,100,000	63,370,000
Total bonds payable	51,990,000	61,100,000	113,090,000	117,305,000
Bond premium – Series 2013A	2,170,584		2,170,584	2,530,031
Bond issuance costs:				
Series 2013A	(1,227,524)		(1,227,524)	(1,317,343)
Series 2019		(379,011)	(379,011)	(398,531)
Bonds payable, net	$ 52,933,060	$ 60,720,989	$ 113,654,049	$ 118,119,157

Bonds payable are due in the fiscal year ended December 31, 2024 as follows:

2025	$ 4,405,000
2026	4,615,000
2027	4,815,000
2028	5,035,000
2029	5,915,000
Thereafter	88,305,000
Total bonds payable	$ 113,090,000

Interest expense, including amortization of bond issuance costs and bond premium, was approximately $4,101,000 and $4,247,000 for the years ended December 31, 2024 and 2023, respectively. The effective interest rate was 3.56% for the years ended December 31, 2024 and 2023.

NOTE 9 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of the following:

	2024	2023
Board-designated endowment for operations	$ 13,566,760	$ 12,461,893
Cash and investments designated for debt service and sinking funds held in trust	35,061,500	35,904,500
Property and equipment, net of acquisition debt	98,443,953	105,892,488
Undesignated	6,107,691	4,563,841
Total net assets without donor restrictions	$ 153,179,904	$ 158,822,722

The Board of Directors does not have a specific policy in regard to establishing board-designated endowments or reserves. However, the Board of Directors may designate excess cash flow for reserves, specific projects, or endowments, as deemed prudent.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	2024	2023
Subject to expenditure for specified purpose:		
Capital projects	$ 11,253,756	$ 5,819,044
Other programs	2,429,946	380,167
Subject to passage of time:		
Contributions receivable that are not restricted by donors, but which are unavailable for expenditures until due	949,629	2,520,004
General endowment subject to spending policy and appropriation	8,997,107	7,676,387
Total net assets with donor restrictions	$ 23,630,438	$ 16,395,602

NOTE 11 – ENDOWMENTS

The Foundation's endowment funds were established for the purpose of supporting operating needs and program services that are consistent with the Association's mission, and to provide growth and expansion of programs and/or creation of new programs. The funds include both donor-restricted endowment funds and funds designated by the Board of Directors (the Board) of the Foundation to function as endowments.

Donor-restricted endowment funds are subject to the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA). The Board has interpreted TUPMIFA as allowing the Foundation to appropriate for expenditure or accumulate as much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to explicit donor stipulations.

Donor-restricted endowment net assets are classified as *net assets with donor restrictions* until appropriated in accordance with spending policies and used for the stipulated purpose, if any. The Foundation classifies contributions to an endowment plus any donor-stipulated accumulations as *net assets with donor restrictions* required to be maintained in perpetuity. The unappropriated accumulated investment return on donor-restricted endowments also are classified as *net assets with donor restrictions* – accumulated net investment return. The Board has interpreted TUPMIFA as not precluding the Foundation from spending below the amount required to be maintained in perpetuity subject to prudent standards. An endowment fund is *underwater* if the fair value of the fund's investments falls below the amount required to be maintained in perpetuity because of declines in the fair value of investments and/or continued appropriation and spending in accordance with prudent measures. At December 31, 2024, funds with original gift values of $207,199, fair values of $205,052 and deficiencies of $2,147 were reported in *net assets with donor restrictions*. At December 31, 2023, funds with original gift values of $2,078,039, fair values of $2,064,691 and deficiencies of $13,348 were reported in *net assets with donor restrictions*. Deficiencies of this value result from unfavorable market fluctuations and continued appropriation.

Board-designated endowment funds are classified as *net assets without donor restrictions* and represents funds the Board has internally designated to be invested to provide support for the Association generally for a long term, but not necessarily a specified period of time. The Board retains discretion over the use of these funds.

Investment Policies and Strategy

The purpose of the Foundation is to provide an endowment fund that will support the YMCA for generations to come. The Foundation's strategic asset allocation is based on this long-term perspective.

The Foundation has adopted investment policies for endowment assets that attempt to maximize return within reasonable and prudent levels of risk determined from one or more asset allocation studies conducted from time to time, as well as to maintain the purchasing power of the current assets and all future contributions. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the Board of the Foundation, the assets of the Foundation are invested in a manner that seek to maintain an appropriate, diversified asset allocation based on a total return policy that is compatible with a flexible spending policy, while still having the potential to produce positive real returns.

Spending Policy

The Foundation has a policy of appropriating net investment return on the general endowment toward operations and program delivery. The Foundation distributes 4% of the average fair value of its net assets over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is to be made. Any earnings allocated to funds below $10,000 will remain in the Foundation to be reinvested. However, in the event that the YMCA is unable to fulfill its current mission, the Board of the Foundation may authorize distributions to meet the YMCA's objectives. This policy is consistent with the Foundation's objective to maintain the purchasing power of the investments held in perpetuity or for a specific term, as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets are as follows:

		WITH DONOR RESTRICTIONS		
	BOARD-DESIGNATED ENDOWMENT	ACCUMULATED NET INVESTMENT RETURN	REQUIRED TO BE MAINTAINED IN PERPETUITY	TOTAL
Endowment net assets, December 31, 2022	$ 9,557,052	$ 1,444,275	$ 3,479,744	$ 14,481,071
Contributions and other additions	1,785,446		2,174,616	3,960,062
Net investment return	1,517,838	782,026		2,299,864
Distribution to the Association	(396,476)	(204,274)		(600,750)
Expenses	(1,967)			(1,967)
Endowment net assets, December 31, 2023	12,461,893	2,022,027	5,654,360	20,138,280
Contributions and other additions			638,928	638,928
Net investment return	1,528,546	941,569		2,470,115
Distribution to the Association	(421,724)	(259,777)		(681,501)
Expenses	(1,955)			(1,955)
Endowment net assets, December 31, 2024	$ 13,566,760	$ 2,703,819	$ 6,293,288	$ 22,563,867

NOTE 12 – CONTRIBUTIONS FROM GOVERNMENT AGENCIES

The Association is the recipient of contributions from various federal, state, and local agencies. Should these awards not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Contributions from government agencies include the following:

	2024	2023
Federal grants and contracts:		
U. S. Department of Health and Human Services	$ 47,868,882	$ 43,033,835
U. S. Department of Agriculture	2,416,706	2,033,863
U. S. Department of State	3,790,122	1,218,856
U. S. Department of Justice	1,606,713	1,179,489
U. S. Department of Education	274,075	994,317
U. S. Department of Treasury	228,268	
U. S. Department of Homeland Security	174,608	134,170
Total federal grants and contracts	56,359,374	48,594,530
State – Texas Workforce Commission		18,398,691
Total contributions from government agencies	$ 56,359,374	$ 66,993,221

The Association's government contributions require fulfillment of certain conditions as set forth in the awards and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of non-compliance by the Association with the terms of the awards. Management believes such disallowances, if any, would not be material to the Association's financial position or changes in net assets.

NOTE 13 – EMPLOYEE BENEFIT PLAN

The Association participates in a defined contribution retirement plan administered by the Young Men's Christian Association Retirement Fund. Employees may elect to participate following two years of service. The Association contributes 12% of the eligible employee's compensation into the plan. The Association contributed approximately $3,572,000 and $3,161,000 to this plan during the years ended December 31, 2024 and 2023, respectively.

NOTE 14 – NONFINANCIAL CONTRIBUTIONS

The Association recognized the following nonfinancial contributions:

CONTRIBUTED NONFINANCIAL ASSETS	MONETIZED OR UTILIZED IN PROGRAMS/ACTIVITIES	DONOR RESTRICTIONS	VALUATION TECHNIQUES AND INPUTS	2024	2023
Food commodities	Program	None	Fair value based on average price per pound estimated by the most recent Feeding America Product Valuation Survey.	$3,784,067	$3,577,606
Home and personal goods, and phone and related service	Program	None	Fair value estimated using the Salvation Army guide for used items or retail value for new items.	$3,735,439	$617,475

CONTRIBUTED NONFINANCIAL ASSETS	MONETIZED OR UTILIZED IN PROGRAMS/ACTIVITIES	DONOR RESTRICTIONS	VALUATION TECHNIQUES AND INPUTS	2024	2023
Adopt A Family Event	Program	None	Fair value estimated based on current rates for similar goods.	$136,807	$156,042
Airline flights	Program	None	Fair value estimated based on current rates for similar services.	$52,000	$51,200
School supplies	Program	None	Fair value estimated based on current rates for similar goods.	$41,043	
Office space	Program	None	Fair value based on the average price per square foot of similar properties.		$210,452
Other	Program	None	Fair value estimated based on current rates for similar goods and services.	$31,179	$9,393
Total contributed nonfinancial assets				$7,780,535	$4,622,168

NOTE 15 – SUBSEQUENT EVENTS

In January 2025, the U. S. Office of Management and Budget (OMB) issued a memo directing federal agencies to temporarily pause funding of all federal assistance programs to allow time to evaluate agencies and programs for consistency with the law and with Presidential priorities. The memo was later rescinded but there continue to be delays in funding and increased scrutiny of programs. These actions are the subject of various on-going legal proceedings which may impact collectability of existing contracts and future funding availability.

As a result of this uncertainty around programming, availability and collectability of funding, as well as various Executive Orders and stop-work orders, several YMCA federal assistance programs were discontinued in February and March 2025. YMCA contracts totaling approximately $45 million were either discontinued or are in the process of being discontinued. While this represents a significant share of revenue, the YMCA swiftly executed corresponding cost adjustments involving both staff and program operational costs to minimize the impact on future changes in net assets and cash flow from operations. The YMCA currently has approximately $2.0 million outstanding receivables for services through April 30, 2025, related to these discontinued programs, all of which the organization believes are collectible.

Management has evaluated subsequent events through May 8, 2025, which is the date that the financial statements were available for issuance. As a result of this evaluation, no other events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

Young Men's Christian Association of the Greater Houston Area

Consolidating Statement of Financial Position as of December 31, 2024

	YMCA	FOUNDATION	ELIMINATIONS	CONSOLIDATED
ASSETS				
Cash	$ 2,147,322	$ 143,675		$ 2,290,997
Accounts receivable	1,248,194			1,248,194
Due from YMCA		58,501	$ (58,501)	
Contributions receivable, net:				
Government grant receivables	7,824,441			7,824,441
Other	11,706,167	67,345		11,773,512
Prepaid expenses and other assets	5,047,924			5,047,924
Land and buildings held for sale	727,826			727,826
Operating investments	21,751,164			21,751,164
Bond proceeds held in trust	12,443,500			12,443,500
Finance right-of-use assets	2,710,291			2,710,291
Operating right-of-use assets	3,664,117			3,664,117
Endowment investments		22,294,346		22,294,346
Property and equipment, net	212,098,002			212,098,002
TOTAL ASSETS	$ 281,368,948	$ 22,563,867	$ (58,501)	$ 303,874,314
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	$ 2,225,060			$ 2,225,060
Construction payable	18,944			18,944
Salaries and benefits payable	3,834,937			3,834,937
Other accrued expenses	764,001			764,001
Finance lease liabilities	430,858			430,858
Operating lease liabilities	4,092,699			4,092,699
Deferred contract revenue	2,043,424			2,043,424
Due to Foundation	58,501		$ (58,501)	
Bonds payable, net	113,654,049			113,654,049
Total liabilities	127,122,473		(58,501)	127,063,972
Net assets:				
Without donor restrictions	139,613,144	$ 13,566,760		153,179,904
With donor restrictions	14,633,331	8,997,107		23,630,438
Total net assets	154,246,475	22,563,867		176,810,342
TOTAL LIABILITIES AND NET ASSETS	$ 281,368,948	$ 22,563,867	$ (58,501)	$ 303,874,314

Young Men's Christian Association of the Greater Houston Area

Consolidating Statement of Activities for the year ended December 31, 2024

	YMCA	FOUNDATION	ELIMINATIONS	CONSOLIDATED
REVENUE:				
Contract revenue:				
Membership	$ 46,539,615			$ 46,539,615
Program	27,025,154			27,025,154
Other contract services	6,530,367			6,530,367
Contributions:				
Government agencies	53,942,667			53,942,667
Government agencies – in-kind	2,416,707			2,416,707
Other in-kind	5,363,828			5,363,828
United Way	1,654,239			1,654,239
Other	18,437,354	$ 638,928	$ (681,501)	18,394,781
Special events	1,200,249			1,200,249
Direct donor benefit costs	(482,190)			(482,190)
Net investment return	1,845,937	2,470,115		4,316,052
Gain on disposal of property and equipment	735,041			735,041
Other income	266,933			266,933
Total revenue	165,475,901	3,109,043	(681,501)	167,903,443
EXPENSES:				
Program services:				
Social Responsibility	66,325,251			66,325,251
Healthy Living	48,354,376	681,501	(681,501)	48,354,376
Youth Development	33,569,783			33,569,783
Total program services	148,249,410	681,501	(681,501)	148,249,410
Management and general	15,564,540	1,955		15,566,495
Fundraising	2,495,520			2,495,520
Total expenses	166,309,470	683,456	(681,501)	166,311,425
CHANGES IN NET ASSETS	(833,569)	2,425,587	0	1,592,018
Net assets, beginning of year	155,080,044	20,138,280		175,218,324
Net assets, end of year	$ 154,246,475	$ 22,563,867	$ 0	$ 176,810,342