

**Young Men's Christian Association  
of the Greater Houston Area**

Consolidated Financial Statements  
and Independent Auditors' Report  
for the years ended December 31, 2025 and 2024

# 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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and consolidating statement of activities for the year ended December 31, 2025 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 20, 2026 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 20, 2026

## Young Men’s Christian Association of the Greater Houston Area

Consolidated Statements of Financial Position as of December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 1,489,150	\$ 2,147,322
Accounts receivable	1,486,406	1,248,194
Contributions receivable, net ( <i>Note 3</i> ):		
Government grant receivables	1,405,900	7,824,441
Other	1,297,490	2,495,507
Prepaid expenses and other assets	2,733,276	5,047,924
Land and buildings held for sale	3,351,772	727,826
Operating investments ( <i>Notes 4 and 5</i> )	21,215,448	19,708,068
Bond proceeds held in trust ( <i>Note 8</i> )	12,443,500	12,443,500
Finance right-of-use assets ( <i>Note 6</i> )	2,358,276	2,710,291
Operating right-of-use assets ( <i>Note 6</i> )	2,898,571	3,664,117
Capital and endowment contributions receivable, net ( <i>Note 3</i> )	10,744,613	9,278,005
Cash restricted for capital and endowment	7,748,162	143,675
Investments restricted for capital	2,384,912	2,043,096
Endowment investments ( <i>Notes 4 and 5</i> )	24,560,347	22,294,346
Property and equipment, net ( <i>Note 7</i> )	<u>200,023,658</u>	<u>212,098,002</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 296,141,481</u></b>	<b><u>\$ 303,874,314</u></b>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 2,631,455	\$ 2,225,060
Construction payable	50,599	18,944
Salaries and benefits payable	3,152,261	3,834,937
Other accrued expenses	263,880	764,001
Finance lease liabilities ( <i>Note 6</i> )	240,606	430,858
Operating lease liabilities ( <i>Note 6</i> )	3,320,778	4,092,699
Deferred contract revenue	695,223	2,043,424
Bonds payable, net ( <i>Note 8</i> )	<u>108,998,941</u>	<u>113,654,049</u>
Total liabilities	<u>119,353,743</u>	<u>127,063,972</u>
Commitments and contingencies ( <i>Notes 5, 7, and 12</i> )		
Net assets ( <i>Note 11</i> ):		
Without donor restrictions ( <i>Note 9</i> )	144,130,172	153,179,904
With donor restrictions ( <i>Note 10</i> )	<u>32,657,566</u>	<u>23,630,438</u>
Total net assets	<u>176,787,738</u>	<u>176,810,342</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 296,141,481</u></b>	<b><u>\$ 303,874,314</u></b>

*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, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contract revenue:			
Membership	\$ 49,410,175		\$ 49,410,175
Program	27,089,803		27,089,803
Other contract services	4,663,362		4,663,362
Contributions:			
Government agencies (Note 12)		\$ 15,635,002	15,635,002
Government agencies – nonfinancial assets (Notes 12 and 14)		1,354,315	1,354,315
Other nonfinancial assets (Note 14)		824,139	824,139
United Way	975,450	345,150	1,320,600
Other	3,454,712	12,609,623	16,064,335
Special events	1,301,618		1,301,618
Direct donor benefit costs	(505,531)		(505,531)
Net investment return	3,720,347	1,182,662	4,903,009
Loss on disposal of property and equipment	(83,735)		(83,735)
Other income	<u>121,282</u>		<u>121,282</u>
Total revenue	90,147,483	31,950,891	122,098,374
Net assets released from restrictions:			
Expenditure for program purposes	22,256,644	(22,256,644)	
Expiration of time restrictions	<u>667,119</u>	<u>(667,119)</u>	
Total	<u>113,071,246</u>	<u>9,027,128</u>	<u>122,098,374</u>
EXPENSES:			
Program services:			
Healthy Living	48,580,931		48,580,931
Youth Development	32,273,406		32,273,406
Social Responsibility	<u>20,816,321</u>		<u>20,816,321</u>
Total program services	101,670,658		101,670,658
Management and general	17,555,626		17,555,626
Fundraising	<u>2,894,694</u>		<u>2,894,694</u>
Total expenses	<u>122,120,978</u>		<u>122,120,978</u>
CHANGES IN NET ASSETS	(9,049,732)	9,027,128	(22,604)
Net assets, beginning of year	<u>153,179,904</u>	<u>23,630,438</u>	<u>176,810,342</u>
Net assets, end of year	<u>\$ 144,130,172</u>	<u>\$ 32,657,566</u>	<u>\$ 176,787,738</u>

*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:			
Healthy Living	48,354,376		48,354,376
Youth Development	33,569,783		33,569,783
Social Responsibility	66,325,251		66,325,251
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 Functional Expenses for the year ended December 31, 2025

EXPENSES	HEALTHY LIVING	YOUTH DEVELOPMENT	SOCIAL RESPONSIBILITY	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries, related taxes, and benefits	\$ 18,836,863	\$ 21,502,480	\$ 13,509,429	\$ 53,848,772	\$ 8,141,940	\$ 2,452,162	\$ 64,442,874
Occupancy	13,068,199	3,352,005	1,242,978	17,663,182	2,085,632		19,748,814
Depreciation	9,050,950	1,443,531		10,494,481	408,116	21,515	10,924,112
Specific assistance to individuals		1,132,728	4,453,540	5,586,268	2,224		5,588,492
Professional fees and contract services	1,647,250	1,177,210	128,376	2,952,836	1,990,287	202,071	5,145,194
Interest expense	2,613,894	1,005,344	402,137	4,021,375	393,781		4,415,156
Supplies	1,654,257	1,503,662	178,892	3,336,811	134,087	33,688	3,504,586
Communications	1,054,452	106,351	75,355	1,236,158	1,954,817	110,008	3,300,983
Printing, publication, and promotion	31,039	19,943	9,661	60,643	1,764,855	525	1,826,023
Travel and transportation	98,508	535,438	418,507	1,052,453	247,902	30,417	1,330,772
Membership dues	285,782	189,468	169,589	644,839	67,075	9,357	721,271
Camping activity supplies		213,154	148,816	361,970			361,970
Professional development and staff training	47,293	67,880	17,723	132,896	158,071		290,967
Equipment rental and maintenance	160,681	23,537	10,500	194,718	76,125		270,843
Conferences, conventions, and meetings	30,427	675		31,102	39,104	34,951	105,157
Bad debt expense					88,308		88,308
Allocations to service providers			50,818	50,818			50,818
Other	1,336			1,336	3,302		4,638
Total expenses	<u>\$ 48,580,931</u>	<u>\$ 32,273,406</u>	<u>\$ 20,816,321</u>	<u>\$ 101,670,658</u>	<u>\$ 17,555,626</u>	<u>\$ 2,894,694</u>	122,120,978
				83.25%	14.38%	2.37%	
Direct donor benefit costs							<u>505,531</u>
Total							<u>\$ 122,626,509</u>

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

*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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (22,604)	\$ 1,592,018
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Contributions restricted for building construction	(8,739,120)	(8,012,833)
Contributions restricted for endowment	(754,289)	(638,928)
Bad debt expense	88,308	104,443
Net realized and unrealized gain on investments	(3,651,664)	(3,187,477)
Net loss (gain) on sale or disposal of property and equipment	83,375	(735,041)
Depreciation and amortization	11,863,080	12,217,107
Amortization of bond issuance costs and bond premium	(250,108)	(250,108)
Changes in operating assets and liabilities:		
Accounts receivable	(326,520)	(491,592)
Contributions receivable, operating	7,616,558	(3,671,358)
Prepaid expenses and other assets	2,314,648	(2,419,935)
Accounts payable and accrued expenses	(776,402)	863,900
Operating lease liabilities	(771,921)	(720,159)
Deferred contract revenue	<u>(1,348,201)</u>	<u>(2,184,147)</u>
Net cash provided (used) by operating activities	<u>5,325,140</u>	<u>(7,534,110)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(21,312,957)	(29,928,241)
Proceeds from sale of investments	26,326,075	34,804,902
Net change in cash and money market mutual funds held as investments	(5,476,651)	(2,803,373)
Purchases of property and equipment	(1,359,065)	(5,907,087)
Proceeds from sale of property and equipment	<u>6,021,745</u>	<u>6,021,745</u>
Net cash provided (used) by investing activities	<u>(1,822,598)</u>	<u>2,187,946</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on bonds	(4,405,000)	(4,215,000)
Principal payments on finance leases	(178,028)	(263,206)
Proceeds from contributions restricted for building construction	7,258,512	3,344,680
Proceeds from contributions restricted for endowment	<u>768,289</u>	<u>642,906</u>
Net cash provided (used) by financing activities	<u>3,443,773</u>	<u>(490,620)</u>
<b>NET CHANGE IN CASH</b>	<b>6,946,315</b>	<b>(5,836,784)</b>
Cash, beginning of year	<u>2,290,997</u>	<u>8,127,781</u>
Cash, end of year	<u>\$ 9,237,312</u>	<u>\$ 2,290,997</u>
<i>Supplemental disclosure of cash flow information:</i>		
Interest paid	\$4,659,510	\$4,351,368

*See accompanying notes to consolidated financial statements.*

## Young Men’s Christian Association of the Greater Houston Area

Notes to Consolidated Financial Statements for the years ended December 31, 2025 and 2024

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### 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, 3 adaptive sites, 1 resident camp, and 160 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, 2025 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. Accounts receivable were \$1,486,406, \$1,248,194 and \$861,045 at December 31, 2025, 2024 and 2023, respectively.

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.

Bond proceeds held in trust consist of cash that is contractually restricted as to usage or withdrawal due to a contractual agreement associated with the Series 2013 and 2019 Bonds (see Note 8). The Association has presented these restricted funds separately from cash in the consolidated statements of financial position.

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 lease components or account for them as a single lease component. The YMCA elected not to separate lease components and 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.

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.

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, 2025, 2024, and 2023, deferred contract revenue was \$695,223, \$2,043,424 and \$4,227,571, 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, 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 the 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 \$1,160,797 and \$1,250,593 for the years ended December 31, 2025 and 2024, 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:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash	\$ 9,237,312	\$ 2,290,997
Accounts receivable	1,486,406	1,248,194
Contributions receivable, net	13,448,003	19,597,953
Investments	48,160,707	44,045,510
Bond proceeds held in trust	<u>12,443,500</u>	<u>12,443,500</u>
Total financial assets	84,775,928	79,626,154
Less financial assets not available for general expenditure:		
Donor-restricted and board-designated endowment assets less appropriation	(24,629,809)	(21,838,867)
Debt service reserve fund and sinking funds held in trust	(12,443,500)	(12,443,500)
Other donor-restricted assets subject to satisfaction of restriction and the passage of time	<u>(19,998,346)</u>	<u>(12,362,852)</u>
Total financial assets available for general expenditure	<u>\$ 27,704,273</u>	<u>\$ 32,980,935</u>

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 contributions 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:

	<u>2025</u>	<u>2024</u>
Receivables for building construction	\$ 10,799,909	\$ 9,267,473
Receivables from government agencies	1,405,900	7,824,441
Receivables from others	1,018,015	2,260,974
Receivables from United Way	361,151	387,559
Unamortized contributed use of facilities	<u>176,085</u>	<u>254,345</u>
Total contributions receivable	13,761,060	19,994,792
Allowance for uncollectible receivables	(74,760)	(153,351)
Discount to net present value	<u>(238,297)</u>	<u>(243,488)</u>
Contributions receivable, net	<u>\$ 13,448,003</u>	<u>\$ 19,597,953</u>

Contributions receivable at December 31, 2025 are expected to be collected as follows:

2026	\$ 10,343,411
2027	2,612,649
2028	755,000
2029	<u>50,000</u>
Total contributions receivable	<u>\$ 13,761,060</u>

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, 2025 and 2024, unamortized balances of \$176,085 and \$254,345, respectively, are reflected as contributions receivable.

*Conditional contributions from government agencies* – At December 31, 2025, the Association has approximately \$2.9 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:

	<u>2025</u>	<u>2024</u>
Common stock	\$ 15,110,417	\$ 7,396,640
Exchange-traded funds	10,065,436	12,667,960
Fixed-income mutual funds	6,187,891	4,841,320
Cash	6,153,900	1,055,310
Money market mutual funds	3,516,495	3,138,434
U. S. Treasury securities	2,971,585	6,993,322
Equity mutual funds	1,495,328	4,971,335
Private credit hedge fund	1,464,913	1,499,667
Private equity limited partnerships	1,194,742	549,226
Real estate investment funds	<u>                    </u>	<u>932,296</u>
Total investments	<u>\$ 48,160,707</u>	<u>\$ 44,045,510</u>

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, 2025 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Common stock	\$ 15,110,417			\$ 15,110,417
Exchange-traded funds	10,065,436			10,065,436
Fixed-income mutual funds	6,187,891			6,187,891
Money market mutual funds	3,516,495			3,516,495
U. S. Treasury securities:				
0-12 months	786,131			786,131
1-5 years	2,185,454			2,185,454
Equity mutual funds	<u>1,495,328</u>			<u>1,495,328</u>
Total	<u>\$ 39,347,152</u>	<u>\$ 0</u>	<u>\$ 0</u>	39,347,152
Investments measured at net asset value using the practical expedient:				
Private equity hedge fund (a)				1,464,913
Private equity limited partnership (b)				<u>1,194,742</u>
Total assets measured at fair value				<u>\$ 42,006,807</u>

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

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Common stock	\$ 7,396,640			\$ 7,396,640
Exchange-traded funds	12,667,960			12,667,960
Fixed-income mutual funds	4,841,320			4,841,320
Money market mutual funds	3,138,434			3,138,434
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
Real estate investment trusts	<u>932,296</u>			<u>932,296</u>
Total	<u>\$ 40,941,307</u>	<u>\$ 0</u>	<u>\$ 0</u>	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)				<u>549,226</u>
Total assets measured at fair value				<u>\$ 42,990,200</u>

- (a) The 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, 2025.
- (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 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, 2025. 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, 2025, there were unfunded commitments of \$200,000.

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

- *Common stock, exchange-traded funds and real estate investment trusts* are valued at the closing price reported on the active market on which the individual securities are traded.
- *Mutual funds* are valued at the reported net asset value.
- *U. S. Treasury securities* are valued using prices obtained from active market makers and inter-dealer brokers on a daily basis.
- *Hedge fund and limited partnership* are valued at net asset value as a practical expedient as provided by the fund managers, based on the NAV 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, 2025 and 2024.

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:

	<u>2025</u>	<u>2024</u>
Short-term lease costs	\$ 295,893	\$ 310,137
Operating lease cost:		
Fixed rent expense	772,649	751,906
Finance lease cost:		
Amortization of right-of-use assets	352,015	436,811
Interest expense	<u>5,754</u>	<u>5,493</u>
Total lease costs	<u>\$ 1,426,311</u>	<u>\$ 1,504,347</u>

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

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$778,855	\$733,899
Operating cash flows from finance leases	\$5,290	\$5,493
Financing cash flows from finance leases	\$178,028	\$263,206

Future payments due under operating and finance leases as of December 31, 2025 are as follows:

	<u>OPERATING</u>	<u>FINANCE</u>
2026	\$ 544,575	\$ 150,828
2027	398,733	91,029
2028	394,660	499
2029	503,361	
Thereafter	<u>1,541,155</u>	
Total minimum lease payments	3,382,484	242,356
Less effects of discounting	<u>(61,706)</u>	<u>(1,750)</u>
Total lease liabilities recognized	<u>\$ 3,320,778</u>	<u>\$ 240,606</u>

The weighted-average term and discount rate for both operating and finance leases outstanding at December 31, 2025:

	<u>OPERATING</u>	<u>FINANCE</u>
Weighted-average remaining lease term	7.27 years	1.59 years
Weighted-average discount rate	0.89%	1.67%

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

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

#### **NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 25,370,161	\$ 25,670,804
Buildings and improvements	294,863,422	298,183,532
Furniture and equipment	28,943,298	29,183,197
Vehicles	2,211,066	2,215,064
Construction in progress	<u>684,451</u>	<u>435,252</u>
Total property and equipment, at cost	352,072,398	355,687,849
Accumulated depreciation	<u>(152,048,740)</u>	<u>(143,589,847)</u>
Property and equipment, net	<u>\$ 200,023,658</u>	<u>\$ 212,098,002</u>

*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 \$0 in 2025 and \$552,000 in 2024.

#### **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.



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:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
Capital projects	\$ 19,998,346	\$ 11,253,756
Other programs	1,392,835	2,429,946
Subject to passage of time:		
Contributions receivable that are not restricted by donors, but which are unavailable for expenditures until due	627,660	949,629
General endowment subject to spending policy and appropriation	<u>10,638,725</u>	<u>8,997,107</u>
Total net assets with donor restrictions	<u>\$ 32,657,566</u>	<u>\$ 23,630,438</u>

#### 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, 2025, there were no funds with original gift values, fair values and deficiencies reported in *net assets with donor restrictions*. 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*. Deficiencies of this nature result from unfavorable market fluctuations and continued appropriation.

Board-designated endowment funds are classified as *net assets without donor restrictions* and represent 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:

	BOARD- DESIGNATED ENDOWMENT	WITH DONOR RESTRICTIONS		TOTAL
		ACCUMULATED NET INVESTMENT RETURN	REQUIRED TO BE MAINTAINED IN PERPETUITY	
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	<u>(1,955)</u>			<u>(1,955)</u>
Endowment net assets, December 31, 2024	13,566,760	2,703,819	6,293,288	22,563,867
Contributions and other additions			754,289	754,289
Net investment return	1,783,340	1,182,662		2,966,002
Distribution to the Association	(456,368)	(295,333)		(751,701)
Expenses	<u>(2,649)</u>			<u>(2,649)</u>
Endowment net assets, December 31, 2025	<u>\$ 14,891,083</u>	<u>\$ 3,591,148</u>	<u>\$ 7,047,577</u>	<u>\$ 25,529,808</u>

#### **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:

	2025	2024
Federal grants and contracts:		
U. S. Department of Health and Human Services	\$ 13,110,448	\$ 47,868,882
U. S. Department of Justice	1,498,874	1,606,713
U. S. Department of Agriculture	1,354,315	2,416,706
U. S. Department of State	481,422	3,790,122
U. S. Department of Treasury	442,404	228,268
U. S. Department of Education	62,079	274,075
U. S. Department of Homeland Security	<u>39,775</u>	<u>174,608</u>
Total contributions from government agencies	<u>\$ 16,989,317</u>	<u>\$ 56,359,374</u>

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 \$2,992,322 and \$3,571,969 to this plan during the years ended December 31, 2025 and 2024, 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	2025	2024
Food commodities	Program	None	Fair value based on average price per pound estimated by the most recent Feeding America Product Valuation Survey.	\$1,655,527	\$3,784,067
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.	\$376,508	\$3,735,439
School supplies	Program	None	Fair value estimated based on current rates for similar goods.	\$65,327	\$41,043
Adopt A Family Event	Program	None	Fair value estimated based on current rates for similar goods.	\$63,436	\$136,807
Other	Program	None	Fair value estimated based on current rates for similar goods and services.	\$12,821	\$31,179
Airline flights	Program	None	Fair value estimated based on current rates for similar services.	\$4,835	\$52,000
Total contributed nonfinancial assets				<u>\$2,178,454</u>	<u>\$7,780,535</u>

**NOTE 15 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 20, 2026, which is the date that the consolidated financial statements were available to be issued. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

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## Young Men's Christian Association of the Greater Houston Area

Consolidating Statement of Financial Position as of December 31, 2025

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	<u>YMCA</u>	<u>FOUNDATION</u>	<u>ELIMINATIONS</u>	<u>CONSOLIDATED</u>
<b>ASSETS</b>				
Cash	\$ 1,489,150			\$ 1,489,150
Accounts receivable	1,486,406			1,486,406
Due from YMCA		\$ 90,120	\$ (90,120)	
Contributions receivable, net:				
Government grant receivables	1,405,900			1,405,900
Other	1,297,490			1,297,490
Prepaid expenses and other assets	2,733,276			2,733,276
Land and buildings held for sale	3,351,772			3,351,772
Operating investments	21,215,448			21,215,448
Bond proceeds held in trust	12,443,500			12,443,500
Finance right-of-use assets	2,358,276			2,358,276
Operating right-of-use assets	2,898,571			2,898,571
Capital and endowment contributions receivable	10,691,268	53,345		10,744,613
Cash restricted for capital and endowment	6,922,166	825,996		7,748,162
Investments restricted for capital	2,384,912			2,384,912
Endowment investments		24,560,347		24,560,347
Property and equipment, net	<u>200,023,658</u>			<u>200,023,658</u>
<b>TOTAL ASSETS</b>	<u>\$ 270,701,793</u>	<u>\$ 25,529,808</u>	<u>\$ (90,120)</u>	<u>\$ 296,141,481</u>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable	\$ 2,631,455			\$ 2,631,455
Construction payable	50,599			50,599
Salaries and benefits payable	3,152,261			3,152,261
Other accrued expenses	263,880			263,880
Finance lease liabilities	240,606			240,606
Operating lease liabilities	3,320,778			3,320,778
Deferred contract revenue	695,223			695,223
Due to Foundation	90,120		\$ (90,120)	
Bonds payable, net	<u>108,998,941</u>			<u>108,998,941</u>
<b>Total liabilities</b>	<u>119,443,863</u>		<u>(90,120)</u>	<u>119,353,743</u>
Net assets:				
Without donor restrictions	129,239,089	\$ 14,891,083		144,130,172
With donor restrictions	<u>22,018,841</u>	<u>10,638,725</u>		<u>32,657,566</u>
<b>Total net assets</b>	<u>151,257,930</u>	<u>25,529,808</u>		<u>176,787,738</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 270,701,793</u>	<u>\$ 25,529,808</u>	<u>\$ (90,120)</u>	<u>\$ 296,141,481</u>

## Young Men's Christian Association of the Greater Houston Area

Consolidating Statement of Activities for the year ended December 31, 2025

	YMCA	FOUNDATION	ELIMINATIONS	CONSOLIDATED
<b>REVENUE:</b>				
Contract revenue:				
Membership	\$ 49,410,175			\$ 49,410,175
Program	27,089,803			27,089,803
Other contract services	4,663,362			4,663,362
Contributions:				
Government agencies	15,635,002			15,635,002
Government agencies – in-kind	1,354,315			1,354,315
Other in-kind	824,139			824,139
United Way	1,320,600			1,320,600
Other	16,061,747	\$ 754,289	\$ (751,701)	16,064,335
Special events	1,301,618			1,301,618
Direct donor benefit costs	(505,531)			(505,531)
Net investment return	1,937,007	2,966,002		4,903,009
Loss on disposal of property and equipment	(83,735)			(83,735)
Other income	121,282			121,282
Total revenue	<u>119,129,784</u>	<u>3,720,291</u>	<u>(751,701)</u>	<u>122,098,374</u>
<b>EXPENSES:</b>				
Program services:				
Healthy Living	48,580,931	751,701	(751,701)	48,580,931
Youth Development	32,273,406			32,273,406
Social Responsibility	20,816,321			20,816,321
Total program services	101,670,658	751,701	(751,701)	101,670,658
Management and general	17,552,977	2,649		17,555,626
Fundraising	2,894,694			2,894,694
Total expenses	<u>122,118,329</u>	<u>754,350</u>	<u>(751,701)</u>	<u>122,120,978</u>
CHANGES IN NET ASSETS	(2,988,545)	2,965,941	0	(22,604)
Net assets, beginning of year	<u>154,246,475</u>	<u>22,563,867</u>		<u>176,810,342</u>
Net assets, end of year	<u>\$ 151,257,930</u>	<u>\$ 25,529,808</u>	<u>\$ 0</u>	<u>\$ 176,787,738</u>