

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



INDEPENDENT AUDITORS' REPORT

Board of Directors
Young Men's Christian Association
of Metropolitan Milwaukee, Inc.
Milwaukee, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Young Men's Christian Association of Metropolitan Milwaukee, Inc., which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Young Men's Christian Association of Metropolitan Milwaukee, Inc. 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 (GAAS). 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 Young Men's Christian Association of Metropolitan Milwaukee, Inc., 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 Young Men's Christian Association of Metropolitan Milwaukee, Inc.'s ability to continue as a going concern within one year after the date 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 GAAS 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 GAAS, 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 Young Men's Christian Association of Metropolitan Milwaukee, Inc.'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 Young Men's Christian Association of Metropolitan Milwaukee, Inc.'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.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
June 1, 2026

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024**

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 1,219,934	\$ 1,845,870
Investments	5,197,241	4,382,005
Accounts Receivable, Net	170,704	442,432
Grants Receivable	159,970	118,462
Promises to Give, Net	254,392	236,174
Prepaid Expenses	1,418,444	1,511,544
Property and Equipment, Net	9,196,209	9,573,907
Other Assets	657,773	708,349
Right-of-Use (ROU) Asset Operating	2,112,064	2,408,864
ROU Asset Financing	-	46,641
	<u>\$ 20,386,731</u>	<u>\$ 21,274,248</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 785,331	\$ 745,237
Accrued Liabilities	268,978	278,916
Deferred Revenue	1,274,676	1,544,763
Other Liabilities	997,488	1,078,792
Lease Liability - Operating	2,321,201	2,628,327
Lease Liability - Financing	43,958	99,820
Total Liabilities	<u>5,691,632</u>	<u>6,375,855</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	7,840,540	8,483,859
Board-Designated	1,623,794	1,540,876
Total Without Donor Restrictions	<u>9,464,334</u>	<u>10,024,735</u>
With Donor Restrictions	5,230,765	4,873,658
Total Net Assets	<u>14,695,099</u>	<u>14,898,393</u>
Total Liabilities and Net Assets	<u>\$ 20,386,731</u>	<u>\$ 21,274,248</u>

See accompanying Notes to Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND PUBLIC SUPPORT			
Contributions	\$ 499,559	\$ 950,637	\$ 1,450,196
Government and Private Grants	397,704	-	397,704
United Way	93,017	93,016	186,033
Membership Fees	2,814,378	-	2,814,378
Program Fees	8,109,793	-	8,109,793
Services and Sales	513,934	-	513,934
Other	394,040	125,454	519,494
Satisfaction of Restrictions	1,141,344	(1,141,344)	-
Total Revenues, Gains, and Public Support	<u>13,963,769</u>	<u>27,763</u>	<u>13,991,532</u>
EXPENSES			
Program	11,914,052	-	11,914,052
Management and General	2,572,479	-	2,572,479
Fundraising	214,758	-	214,758
Total Expenses	<u>14,701,289</u>	<u>-</u>	<u>14,701,289</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(737,520)	27,763	(709,757)
NONOPERATING REVENUES AND EXPENSES			
Net Investment Gain	177,119	370,052	547,171
Change in Cash Surrender Value of Life Insurance	-	(40,708)	(40,708)
Total Nonoperating Revenues and Expenses	<u>177,119</u>	<u>329,344</u>	<u>506,463</u>
CHANGE IN NET ASSETS	(560,401)	357,107	(203,294)
Net Assets - Beginning of Year	<u>10,024,735</u>	<u>4,873,658</u>	<u>14,898,393</u>
NET ASSETS - END OF YEAR	<u>\$ 9,464,334</u>	<u>\$ 5,230,765</u>	<u>\$ 14,695,099</u>

See accompanying Notes to Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND PUBLIC SUPPORT			
Contributions	\$ 460,383	\$ 1,340,039	\$ 1,800,422
Government and Private Grants	551,521	-	551,521
Employee Retention Credit	610,934		610,934
United Way	116,269	116,269	232,538
Membership Fees	2,677,052	-	2,677,052
Program Fees	7,341,284	-	7,341,284
Services and Sales	428,569	-	428,569
Other	296,849	39,759	336,608
Satisfaction of Restrictions	1,165,235	(1,165,235)	-
Total Revenues, Gains, and Public Support	13,648,096	330,832	13,978,928
EXPENSES			
Program	11,896,260	-	11,896,260
Management and General	2,653,818	-	2,653,818
Fundraising	281,639	-	281,639
Total Expenses	14,831,717	-	14,831,717
CHANGE IN NET ASSETS FROM OPERATIONS	(1,183,621)	330,832	(852,789)
NONOPERATING REVENUES AND EXPENSES			
Net Investment Gain	221,380	286,781	508,161
Change in Cash Surrender Value of Life Insurance	-	13,111	13,111
Total Nonoperating Revenues and Expenses	221,380	299,892	521,272
CHANGE IN NET ASSETS	(962,241)	630,724	(331,517)
Net Assets - Beginning of Year	10,986,976	4,242,934	15,229,910
NET ASSETS - END OF YEAR	\$ 10,024,735	\$ 4,873,658	\$ 14,898,393

See accompanying Notes to Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Functional Expenses</u>
EXPENSES - GENERAL OPERATIONS				
Salaries, Wages, and Related Expenses	\$ 7,150,658	\$ 1,360,533	\$ 175,859	\$ 8,687,050
Professional Fees	74,030	365,453	31,729	471,212
Program and Supplies Expense	953,667	26,642	-	980,309
Postage and Shipping	4,038	5,181	1,064	10,283
Occupancy	1,576,565	9,537	-	1,586,102
Utilities and Telephone	536,632	23,700	-	560,332
Insurance	259,868	-	-	259,868
Equipment Leases, Rental, and Maintenance	125,185	486,812	4,909	616,906
Advertising, Printing, and Promotion	83,243	33,916	1,197	118,356
Conferences, Training, and Employee Expense	115,852	30,742	-	146,594
Dues	1,686	134,792	-	136,478
Interest Expense	-	11,748	-	11,748
Credit Losses	-	71,223	-	71,223
Depreciation and Amortization	1,032,628	12,200	-	1,044,828
	<u>1,032,628</u>	<u>12,200</u>	<u>-</u>	<u>1,044,828</u>
 Total Expenses - General Operations	 <u>\$ 11,914,052</u>	 <u>\$ 2,572,479</u>	 <u>\$ 214,758</u>	 <u>\$ 14,701,289</u>

See accompanying Notes to Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Functional Expenses</u>
EXPENSES - GENERAL OPERATIONS				
Salaries, Wages, and Related Expenses	\$ 7,103,241	\$ 1,497,957	\$ 259,481	\$ 8,860,679
Professional Fees	35,622	293,641	-	329,263
Program and Supplies Expense	1,028,897	36,299	128	1,065,324
Postage and Shipping	2,172	4,878	2,570	9,620
Occupancy	1,576,536	8,752	-	1,585,288
Utilities and Telephone	512,264	25,570	-	537,834
Insurance	191,137	-	-	191,137
Equipment Leases, Rental, and Maintenance	122,727	439,928	2,493	565,148
Advertising, Printing, and Promotion	42,953	31,886	11,482	86,321
Conferences, Training, and Employee Expense	142,993	27,765	5,485	176,243
Dues	1,778	168,006	-	169,784
Interest Expense	-	20,789	-	20,789
Credit Losses	-	86,981	-	86,981
Depreciation and Amortization	1,135,940	11,366	-	1,147,306
 Total Expenses - General Operations	 <u>\$ 11,896,260</u>	 <u>\$ 2,653,818</u>	 <u>\$ 281,639</u>	 <u>\$ 14,831,717</u>

See accompanying Notes to Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (203,294)	\$ (331,517)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	979,070	979,068
Amortization of ROU Asset	65,758	168,238
Provision for Credit Losses	71,223	86,981
Deferred Gain on Sale Leasebacks	(81,304)	(81,304)
Contributions Restricted for Endowment Purposes	(51,461)	(312,500)
Change in Cash Surrender Value of Life Insurance	40,708	(13,111)
Realized Gain on Investments	(288)	(222,265)
Unrealized Gain on Investments	(565,791)	(176,595)
Effects of Changes in Operating Assets and Liabilities:		
Accounts and Grants Receivable	158,997	56,922
Promises to Give	(18,218)	160,033
Prepaid Expenses and Other Assets	102,968	(8,039)
Accrued Liabilities and Other Liabilities	(9,938)	(986)
Accounts Payable	(21,667)	249,870
Deferred Revenue	(270,087)	345,495
Lease Liability - Operating	(29,443)	(1,032)
Net Cash Provided by Operating Activities	167,233	899,258
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Purchase of Fixed Assets	(539,611)	(1,289,768)
Purchases of Investments	(2,803,396)	(4,731,840)
Proceeds from the Sale of Investments	2,554,239	4,795,468
Net Cash Used by Investing Activities	(788,768)	(1,226,140)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing Lease Payments	(55,862)	(117,436)
Proceeds from Contributions Restricted for Endowment Purposes	51,461	312,500
Net Cash Used by Financing Activities	(4,401)	195,064
NET DECREASE IN CASH AND CASH EQUIVALENTS	(625,936)	(131,818)
Cash and Cash Equivalents - Beginning of Year	1,845,870	1,977,688
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,219,934	\$ 1,845,870
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property and Equipment Additions Included in Accounts Payable	\$ 61,761	\$ -

See accompanying Notes to Financial Statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Young Men's Christian Association of Metropolitan Milwaukee, Inc. (the YMCA or Organization) is a nonprofit, volunteer-led, human development charitable organization whose mission is to put Christian principles into practice through programs that build healthy spirit, mind, and body for all.

The YMCA is a diverse organization of men, women, and children joined together by a shared commitment to nurturing the potential of kids, promoting healthy living, and fostering a sense of social responsibility. Since no two communities are exactly alike, no two YMCAs are exactly alike. They are united by a deep commitment to strengthening their communities and to ensure that those they serve learn, grow, and thrive. Core programs include health and well-being, early childhood education, elementary education and academic mentoring, camping, aquatics, youth leadership, and family programs. The YMCA's financial assistance program provides funds for those in need – everyone is welcome to participate in YMCA programs.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The donors of these resources permit the YMCA to use all or part of the income earned, including capital appreciation, for purposes with or without donor restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The YMCA defines cash and cash equivalents as highly liquid, short-term investments with a maturity, at the date of acquisition, of three months or less. Excluded from this definition are cash equivalents held for long-term purposes.

Investments and Investment Income

Investments are generally recorded at fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. The YMCA records the change of ownership of bonds and stocks on the day a trade is made.

Investment income is reported as operating revenue and is included in the changes in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Accounts Receivable

Accounts receivable are generally uncollateralized member/client obligations due upon receipt. Accounts receivable are carried at the original invoice amount, less an estimate made for credit losses based on a review of all outstanding amounts. Management determines the allowance for credit losses by identifying troubled accounts and by using historical experience, specific participants' circumstances, and economic conditions that are adjusted for reasonable expectations of future collection performance, net of estimated recoveries. This analysis is then applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Accounts receivable over 90 days past due are written off as uncollectible. The allowance for credit losses is \$328 and \$327 as of December 31, 2025 and 2024, respectively.

Grants Receivable

Grants receivable consist of various federal and state grant funds passed through governmental agencies to the YMCA for various programs. Management believes no allowance for uncollectible grants is required based upon management's judgment and consideration of the collectability of each grant.

Promises to Give

The YMCA records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2025 and 2024, the allowance was \$18,593 and \$18,593, respectively.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Credit Risk

Financial instruments, which potentially subject the YMCA to concentrations of credit risk, consist of cash and cash equivalents, receivables, and investments. These financial instruments are carried at their approximate fair value. The YMCA's policy is to limit credit exposure on financial instruments and place its cash with financial institutions deemed as being credit worthy.

The YMCA's cash is only insured up to the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000 per financial institution. At December 31, 2025 and 2024, the YMCA had \$966,410 and \$1,411,835, respectively, in excess of FDIC insurance limits. The YMCA has not experienced any losses in such accounts. The YMCA monitors the financial stability of financial institutions regularly and management does not believe there is a significant credit risk associated with deposits in excess of federally insured amounts.

Concentration of credit risk with respect to receivables is limited due to the large member base and the expectation that government programs will make timely payments.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair value at date of the gift, if donated. All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, improvements, and betterments that materially prolong the estimated useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment are depreciated using the straight-line method over their estimated useful lives. The principal depreciation rates are based upon the following estimated useful lives:

Land Improvements	15 Years
Buildings and Improvements	10 to 50 Years
Machinery and Equipment	5 to 12 Years
Leasehold Improvements	30 to 50 Years

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The YMCA reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less cost to sell.

Deferred Revenue

Program service fees applying to services to be rendered in future periods are recorded as deferred revenue when received and reflected as support in the year when the program service fees are earned. Revenue from membership dues is recognized on a pro rata basis over the period to which the membership relates.

Tax-Exempt Status

The YMCA is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the IRC. The YMCA had no unrelated business income for the years ended December 31, 2025 and 2024. None of the YMCA's federal or state informational returns are currently under examination.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. No conditional contributions exist at December 31, 2025 and 2024.

The YMCA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Grant revenue is recognized as revenue in the period in which it is expended for cost-reimbursed agreements. The YMCA received cost reimbursable grants of \$-0- that have not been recognized at December 31, 2025 and 2024, because qualifying expenditures have not yet been incurred.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Membership dues are recognized ratably over the period of membership, which varies based on when members join or leave the YMCA. Unearned membership revenue is reflected as deferred revenue on the statements of financial position. Membership revenue is recognized monthly as the services are provided. Management has adopted the practical expedient whereby costs to obtain membership contracts are not capitalized as the average length of a membership contract is less than one year. Dues revenue is allocated among the performance obligations and is recognized when each of the performance obligations are satisfied, as follows:

- Monthly access to the various YMCA locations and services included in the monthly membership – recognized monthly as service is provided.
- Discounted program service fees – recognized during the year in which the discount is actually taken and the program service provided.

Program fees are reported at the amount that reflects the consideration to which the YMCA expects to be entitled in exchange for providing services to their program participants. Program fees include fitness classes, childcare, camps, swim lessons, and various other programs operating at YMCA locations, program sites or schools. Performance obligations are generally providing a service at a point in time. Revenue is recognized at the time the program is held. Unearned program fees are reflected as deferred revenue on the statements of financial position.

Services and sales include one-time sales of various items at the YMCA locations. Revenue is recognized at the point in time of the sale as no subsequent performance obligations exist.

Donated Services and Assets

The YMCA receives contributions of services for its programs. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation. There were no contributed services that were recognized as revenue for the years ended December 31, 2025 and 2024.

Donated assets are recorded at fair value at the date of donation or, if sold immediately after receipt, at the amount of sales proceeds received, which are considered a reasonable approximation of the fair value at the date of donation.

Advertising and Promotion

Advertising and promotion costs are charged to operations when incurred. Advertising and promotion expense was \$118,356 and \$86,321 for the years ended December 31, 2025 and 2024, respectively.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, while the remaining natural expense categories are allocated on the basis of estimates of time and effort toward program and supporting services.

Leases

The YMCA determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The YMCA recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. See Notes 7 and 8 for additional information on the YMCA's leases as of and for the years ended December 31, 2025 and 2024.

ROU assets represent the YMCA's right to use an underlying asset for the lease term and lease liabilities represent the YMCA's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the YMCA will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The YMCA has elected to recognize payments for short-term leases with terms of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statements of financial position. Short-term lease cost was \$274,273 and \$146,091 for the years ended December 31, 2025 and 2024, respectively.

The individual operating lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the YMCA has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all operating lease liabilities. For finance lease contracts, the interest rate is imputed based on the value of the equipment and the scheduled payment amounts.

The YMCA has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Subsequent Events

Management has evaluated subsequent events through June 1, 2026, the date the financial statements were available to be issued.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revisions

Certain revisions of amounts previously reported have been made to the accompanying financial statements. In footnote 2 of the financial statements, the disclosure of the financial assets available for general expenditures for the prior year has been revised to \$710,650. The revision had no impact on previously reported net assets.

NOTE 2 LIQUIDITY AND AVAILABILITY

The YMCA regularly monitors liquidity required to meet its operating needs and other contractual commitments and has cash and cash equivalents, investments, and receivables at its disposal for these needs.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the YMCA considers all expenditures related to its ongoing activities in the areas of youth development, healthy living, and social responsibility as well as services undertaken to support these activities.

The YMCA's governing board has designated a portion of its unrestricted resources for endowment and other purposes. These funds are invested for long-term appreciation but remain available and may be spent at the discretion of the board.

In addition to financial assets available to meet general expenditures over the next 12 months, the YMCA operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statements of cash flows which identifies the sources and uses of the Organization's cash.

The following table reflects the YMCA's financial assets as of December 31, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date that is, without donor or other restrictions limiting their use.

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 1,219,934	\$ 1,845,870
Investments	5,197,241	4,382,005
Accounts Receivable, Net	170,704	442,432
Grants Receivable	159,970	118,462
Promises to Give, Current	<u>239,771</u>	<u>220,146</u>
Total	6,987,620	7,008,915
Less Amounts Not Available to be Used Within One Year:		
Board-Designated Endowment Funds	(1,623,794)	(1,540,876)
Donor-Restricted for Scholarships and Programs	(1,423,470)	(1,424,462)
Donor-Restricted for Capital Campaign	(135,024)	(175,185)
Donor-Restricted to be Maintained in Perpetuity and Endowment Earnings	<u>(3,579,255)</u>	<u>(3,157,742)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 226,077</u>	<u>\$ 710,650</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 3 INVESTMENTS

A summary of investments was as follows at December 31:

	2025		
	Cost or Gift Value	Unrealized Gains (Losses)	Investments at Fair Value
Short-Term Cash Investments	\$ 68,185	\$ -	\$ 68,185
Mutual Funds	3,350,563	636,204	3,986,767
Common Stock/ETFs	307,939	75,420	383,359
Bonds	750,430	8,500	758,930
Total Investments	\$ 4,477,117	\$ 720,124	\$ 5,197,241
	2024		
	Cost or Gift Value	Unrealized Gains (Losses)	Investments at Fair Value
Short-Term Cash Investments	\$ 67,377	\$ -	\$ 67,377
Mutual Funds	2,164,123	(150,533)	2,013,590
Common Stock/ETFs	1,343,718	450,395	1,794,113
Bonds	513,251	(6,326)	506,925
Total Investments	\$ 4,088,469	\$ 293,536	\$ 4,382,005

NOTE 4 FAIR VALUE MEASUREMENTS

In determining fair value, the YMCA uses various valuation approaches within the fair value measurement framework of accounting standards. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

Accounting standards establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The standards define levels within the hierarchy based on the reliability of inputs as follows:

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

Level 2 – Inputs to the valuation methodology based on quoted prices for similar assets or liabilities or identical assets or liabilities in active markets, such as dealer or broker markets.

Level 3 – Inputs to the valuation methodology are derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions, or are supported by little or no market activity.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the YMCA at year-end.

Common stocks/ETFs are valued at the closing price reported in the active market in which the individual security is traded.

Corporate bonds, government bonds, and foreign bonds, are valued with an institutional bid evaluation or an institutional mid evaluation. A bid evaluation is an estimated price at which a dealer would pay for a security (typically in an institutional round lot). A mid evaluation is the average of the estimated price at which a dealer would sell a security and the estimated price at which a dealer would pay for a security (typically in an institutional round lot).

Short-Term Cash Investments are valued at their net asset value (NAV).

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy at December 31:

	2025			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 3,986,767	\$ -	\$ -	\$ 3,986,767
Common Stock/ETFs	383,359	-	-	383,359
Corporate Bonds	526,119	-	-	526,119
Government Bonds	232,811	-	-	232,811
Total Assets at Fair Value	<u>\$ 5,129,056</u>	<u>\$ -</u>	<u>\$ -</u>	5,129,056
Short-Term Cash Investments				68,185
Total Investments				<u>\$ 5,197,241</u>
	2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 2,013,590	\$ -	\$ -	\$ 2,013,590
Common Stock/ETFs	1,794,113	-	-	1,794,113
Corporate Bonds	262,458	-	-	262,458
Government Bonds	177,544	-	-	177,544
Foreign Bonds	66,923	-	-	66,923
Total Assets at Fair Value	<u>\$ 4,314,628</u>	<u>\$ -</u>	<u>\$ -</u>	4,314,628
Short-Term Cash Investments				67,377
Total Investments				<u>\$ 4,382,005</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 5 PROMISES TO GIVE

Unconditional promises to give consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Less than One Year	\$ 239,771	\$ 201,553
One to Five Years	40,000	60,000
Over Five Years	-	-
Total	<u>279,771</u>	<u>261,553</u>
Less: Discount to Present Value	6,786	6,786
Less: Allowance for Uncollectible Promises to Give	18,593	18,593
Total Promises to Give, Net	<u>\$ 254,392</u>	<u>\$ 236,174</u>

Promises to give in more than one year are discounted at 6.75% and 4.27% at December 31, 2025 and 2024, respectively.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Land and Land Improvements	\$ 1,042,736	\$ 1,042,736
Buildings and Improvements	17,960,700	17,125,764
Machinery and Equipment	3,487,277	3,450,154
Leasehold Improvements	1,140,018	1,140,018
Construction in Progress	97,512	368,199
Total - at Cost	<u>23,728,243</u>	<u>23,126,871</u>
Less: Accumulated Depreciation	<u>(14,532,034)</u>	<u>(13,552,964)</u>
Total Property and Equipment, Net	<u>\$ 9,196,209</u>	<u>\$ 9,573,907</u>

Total depreciation expense for the years ended December 31, 2025 and 2024, was \$979,070 and \$979,068, respectively.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 7 OPERATING LEASES

The YMCA leases various facilities and equipment, under long-term, noncancelable lease agreements.

Quantitative information concerning the YMCA's leases for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Operating Lease Cost	\$ 376,883	\$ 455,556
Operating Cash Flows from Operating Leases	\$ 387,212	\$ 457,839
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	\$ -	\$ -
Weighted Average Remaining Lease Term	6.3 Years	7.3 Years
Weighted Average Discount Rate	3.26%	3.26%

A maturity analysis of annual undiscounted cash flows for operating lease liabilities as of December 31, 2025, is as follows:

<u>Year Ending December 31,</u>	
2026	\$ 393,129
2027	399,194
2028	405,411
2029	411,786
2030	418,314
Thereafter	<u>541,385</u>
Undiscounted Cash Flows	2,569,219
Less: Imputed Interest	<u>(248,018)</u>
Total Present Value	<u><u>\$ 2,321,201</u></u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 8 FINANCING LEASES

The YMCA has two financing leases with interest imputed at a rate of 5.5% and 5.8%, respectively. Monthly payments of principal and interest are \$4,975 and \$7,314, respectively. The ROU assets and lease liabilities under these financing leases are recorded at the fair value of the assets, which approximates the present value of the future minimum lease payments.

Quantitative information concerning the YMCA's leases for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Financing Lease Cost:		
Amortization of Right-of-Use Assets	\$ 46,641	\$ 62,188
Interest on Lease Liabilities	\$ 3,843	\$ 8,096
Operating Cash Flows from Financing Leases	\$ 3,843	\$ 8,096
Financing Cash Flows from Financing Leases	\$ 55,862	\$ 117,436
Right-of-Use Assets Obtained in Exchange for Financing Lease Liabilities	\$ -	\$ -
Weighted Average Remaining Lease Term	.7 Years	1.7 Years
Weighted Average Discount Rate	5.53%	5.53%

A maturity analysis of annual undiscounted cash flows for financing lease liabilities as of December 31, 2025, is as follows:

<u>Year Ending December 31,</u> 2026	<u>\$ 44,775</u>
Undiscounted Cash Flows	44,775
Less: Imputed Interest	(817)
Total Present Value	<u><u>\$ 43,958</u></u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 9 SALE LEASEBACKS

In February 2008, the YMCA sold 14.86 acres of land with a carrying value of \$127,718 for \$3,750,000. Total gain on the sale was \$3,622,282. The YMCA maintained ownership of two buildings located on 2.9 acres of the land sold and entered into a 25-year lease with the purchaser for use of land. The gain on the sale in excess of the present value of the minimum lease payments in the amount of \$1,589,687 was recognized at the time of the sale, and the remaining gain of \$2,032,595 was deferred and will be amortized over the life of the lease. The YMCA will recognize \$81,304 of the deferred gain on an annual basis until the lease expires in January 2033. The YMCA recognized \$81,304 of the deferred gain for the in the years ended December 31, 2025 and 2024. At December 31, 2025 and 2024, the remaining deferred gain was \$575,902 and \$657,205, respectively. This amount is included in other liabilities, as of December 31, 2025 and 2024, in the accompanying statements of financial position.

In July 2008, the YMCA sold one of the buildings located on the 2.9 acres of land leased for \$1,125,000. The carrying value of the building was \$2,262,796, and a loss on the sale of \$1,137,796 was recorded. The building sold sits on 1.88 acres of the 2.9 acres leased by the YMCA. The YMCA entered into a 25-year sublease with the purchaser for use of this land. The lease requires the purchaser to make payments of \$35,000 per year to the YMCA with the first payment due July 15, 2013. Beginning July 15, 2014, the lease payments will increase by the consumer price index annually. The YMCA received lease payments of \$43,881 and \$43,020 for the years ended December 31, 2025 and 2024, respectively. Lease revenue of \$34,016 and an increase in other assets in the accompanying statements of financial position of the same amount was recognized for the years ended December 31, 2025 and 2024.

In May 2021, the YMCA sold 50.1 acres of land and all buildings and improvements thereon with a carrying value of \$1,952,461 for \$2,450,000. Total gain on the sale was \$497,539. The YMCA continued operations at this location and entered into a 10-year lease with the purchaser for use of the real estate. The gain on the sale was less than the present value of the minimum lease payments and therefore \$-0- was recognized at the time of the sale, and the entire gain of \$497,539 was deferred and will be amortized over the life of the lease. The YMCA will recognize \$49,754 of the deferred gain on an annual basis until the lease expires. As of December 31, 2022, the YMCA suspended operations at this location and the lease has been paused. The YMCA is in active discussions about operations restarting. The YMCA recognized \$-0- of the deferred gain in the years ended December 31, 2025 and 2024. At December 31, 2025 and 2024, the remaining deferred gain was \$418,762. This amount is included in other liabilities in the accompanying statements of financial position.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 9 SALE LEASEBACKS (CONTINUED)

The lease agreement requires the YMCA to make payments of \$150,000 per year. The Organization received consideration of \$1,500,000 in lease forgiveness as part of the sale. The YMCA recognized lease expense of \$-0- for the years ended December 31, 2025 and 2024, and decreased prepaid rent expense of \$-0- for the years ended December 31, 2025 and 2024. Prepaid rent expense of \$1,254,167 as of December 31, 2025 and 2024 is included in prepaid expenses in the accompanying statements of financial position.

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specified Purpose:		
Scholarships and Programs	\$ 1,423,470	\$ 1,424,462
Capital Campaign	135,024	175,185
Total	<u>1,558,494</u>	<u>1,599,647</u>
Subject to the Passage of Time:		
United Way Pledges	93,016	116,269
Endowments Subject to the YMCA's Spending Policy and/or Appropriation, Including Amounts Held in Perpetuity of \$1,650,921 and \$1,599,460 for 2025 and 2024, respectively, Which are Available to Support:		
Building Maintenance	347,191	250,318
Operations and Programs	3,027,186	2,728,758
International Programs	204,878	178,666
Total Endowments	<u>3,579,255</u>	<u>3,157,742</u>
Total Net Assets with Donor Restrictions	<u>\$ 5,230,765</u>	<u>\$ 4,873,658</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 11 ENDOWMENT FUNDS

The YMCA's endowment funds consist of donor-restricted funds established for the YMCA.

The YMCA has interpreted the State of Wisconsin's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As of December 31, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the YMCA retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts including promises to give at fair value) donated to the Endowment, and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the YMCA in a manner consistent with the standard of prudence prescribed by UPMIFA.

The primary long-term financial objective for the YMCA's endowments is to preserve the real purchasing power of endowment assets and income after accounting for endowment spending and costs of portfolio management. Performance of the overall endowment against this objective is measured over rolling periods of one, three, and five years.

The endowment funds are managed to optimize the long-run total rate of return on invested assets, assuming a prudent level of risk. The goal for this rate of return is one that provides funding for the YMCA's existing spending policy. Over the short-term, the return for each element of the endowment portfolio should match or exceed each of the returns for the broader capital markets in which assets are invested.

The endowment assets are governed by a spending policy that seeks to distribute specific payout rate of the endowment base to support the YMCA's programs. The endowment base will be defined as the three-year moving average of the market value of the total endowment portfolio (calculated as of the last day of December for the prior three years). The distribution of payout rate will be calculated at a specific fixed percentage of the base. Such a policy will allow for a greater predictability of spendable income for budgeting purposes and for gradual steady growth for the support of operations by the endowments. In addition, this policy will minimize the probability of invading the principal over the long term. Spending in a given year will reduce the unit value of each endowment element by the payout percentage. In the case of short-term declines in the market value of the endowment pool of funds, the overall spending rate may be calculated below the designated payout percentage in order to maintain the original unit value of certain elements of the true endowment. Growth of the unit values over time should allow for spending of principal, without drawing from the original corpus of a particular gift. During the years ended December 31, 2025 and 2024, the board of directors appropriated for expenditure an additional \$-0- of endowment funds that were not tied to gifts to be maintained in perpetuity. These funds had been restricted for purposes tied to the ongoing activities of the YMCA.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 11 ENDOWMENT FUNDS (CONTINUED)

The endowment is invested in cash and cash equivalents and equity and fixed income mutual funds. The total endowment will be monitored on a continual basis for consistency of investment philosophy, return relative to objectives, and asset allocation.

Endowment net asset composition by type of fund is as follows as of December 31:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Board-Designated Endowment Funds	\$ 1,623,794	\$ -	\$ 1,623,794
Due from Undesignated Net Assets			-
Original Donor-Restricted Gift Amount Required to be Maintained in Perpetuity by Donor	-	1,650,921	1,650,921
Accumulated Growth of Perpetual Gifts Subject to Appropriation for a Specific Purpose	-	1,928,334	1,928,334
Total Funds	<u>\$ 1,623,794</u>	<u>\$ 3,579,255</u>	<u>\$ 5,203,049</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Board-Designated Endowment Funds	\$ 1,540,876	\$ -	\$ 1,540,876
Due from Undesignated Net Assets	-	-	-
Original Donor-Restricted Gift Amount Required to be Maintained in Perpetuity by Donor	-	1,599,460	1,599,460
Accumulated Growth of Perpetual Gifts Subject to Appropriation for a Specific Purpose	-	1,558,282	1,558,282
Total Funds	<u>\$ 1,540,876</u>	<u>\$ 3,157,742</u>	<u>\$ 4,698,618</u>

Changes in endowment net assets are as follows for the years ended December 31:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Endowment Net Assets - Beginning of Year	\$ 1,540,876	\$ 3,157,742	\$ 4,698,618
Investment Return, Net	177,119	370,052	547,171
Contributions	-	51,461	51,461
Appropriation of Endowment Assets for Expenditure	(94,201)	-	(94,201)
Endowment Net Assets - End of Year	<u>\$ 1,623,794</u>	<u>\$ 3,579,255</u>	<u>\$ 5,203,049</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 11 ENDOWMENT FUNDS (CONTINUED)

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>
Endowment Net Assets - Beginning of Period	\$ 1,175,812	\$ 2,870,961	\$ 4,046,773
Investment Return, Net	221,380	286,781	508,161
Contributions	312,500	-	312,500
Appropriation of Endowment Assets for Expenditure	(168,816)	-	(168,816)
Endowment Net Assets - End of Period	<u>\$ 1,540,876</u>	<u>\$ 3,157,742</u>	<u>\$ 4,698,618</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The YMCA has no underwater endowment funds at December 31, 2025 and 2024.

NOTE 12 REVENUE

The following table shows the YMCA's revenue disaggregated according to the timing of the transfer of goods or services for the twelve months ended December 31:

	2025	2024
Revenue Recognized at a Point in Time:		
Services and Sales	\$ 513,934	\$ 428,569
Other Income	519,494	336,608
Revenue Recognized Over Time:		
Membership Fees	2,814,378	2,677,052
Program Fees	8,109,793	7,341,284
Total Revenue Recognized	<u>\$ 11,957,599</u>	<u>\$ 10,783,513</u>

Contract liabilities consisted of the following:

	December 31, 2025	December 31, 2024	December 31, 2023
Membership	\$ 85,570	\$ 100,442	\$ 51,030
Program	1,189,106	1,444,321	781,281
Total Contract Liabilities	<u>\$ 1,274,676</u>	<u>\$ 1,544,763</u>	<u>\$ 832,311</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 12 REVENUE (CONTINUED)

Contract assets consisted of the following:

	December 31, 2025	December 31, 2024	December 31, 2023
Membership	\$ 2,373	\$ 8,303	\$ 23,973
Program Fees	168,331	434,129	263,457
Total Contract Assets	\$ 170,704	\$ 442,432	\$ 287,430

NOTE 13 RETIREMENT PLAN

The YMCA participates in a defined contribution, individual account, money purchase retirement plan covering all eligible employees. The plan is administered by the Young Men's Christian Association Retirement Fund (a separate corporation). The YMCA makes monthly contributions to the Young Men's Christian Association Retirement Fund based on a percentage of the participating employee's salary. Plan expense totaled \$399,468 and \$417,584 for the years ended December 31, 2025 and 2024, respectively.

The Young Men's Christian Association Retirement Fund is operated as a church pension plan and is a nonprofit, tax-exempt New York State corporation (1922). Participation is available to all duly organized or reorganized YMCAs in the United States of America. As a defined contribution plan, the retirement fund has no unfunded benefit obligations.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Financial Awards from Grantors

Financial awards from federal, state, and local governments in the form of grants are subject to special audit. Such audits could result in claims against the YMCA for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

Letter of Credit

The YMCA utilizes one letter of credit to satisfy requirements of the Wisconsin Unemployment Reserve Fund in the amount of \$212,269 for the YMCA, expiring December 31, 2029.

Litigation

The YMCA is involved in certain legal proceedings arising in the ordinary course of operations. Management believes these matters are without merit or are adequately covered by insurance. While the ultimate outcome of these matters cannot presently be determined, management does not believe the resolution will have a material adverse effect on the YMCA's financial position, changes in net assets, or cash flows. Accordingly, no provision for loss has been recorded as of December 31, 2025.

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF METROPOLITAN MILWAUKEE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 15 EMPLOYEE RETENTION CREDIT

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended December 31, 2024, the YMCA complied with the conditions of Employee Retention Credit (ERC) funding from the Internal Revenue Service, in the amount of \$610,934, in compliance with the program.

Grants related to this program are recorded as revenue on the statements of activities. The YMCA recognized \$610,934 of Employee Retention Credit related to performance requirements being met and costs being incurred in compliance with the program during the year ended December 31, 2024. This amount is subject to eligibility review for up to five years from the date of claim. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the YMCA's financial position.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.