

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREENSBORO ENDOWMENT FUND, INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED
DECEMBER 31, 2024)



**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Officers and Executive Committee
December 31, 2025**

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC.

Chairperson:	Matt Bailey
Chair-elect:	Sheila Thrower
Past Chair:	Lynn Harvey-Akan
Secretary:	Luanne Arrington
Treasurer:	Rick Lusk
Vice Chair:	Dr. Love Jones
Vice Chair:	Steve Swetoha
President and Chief Executive Officer:	Rhonda Anderson

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO
ENDOWMENT FUND, INC.**

Chairman:	Dennis Stearns
Member at Large:	Sheila Thrower
Member at Large:	Lynn Harvey-Akan
Member at Large:	Rick Lusk
Member at Large:	Todd Rangel
Member at Large:	Candace Cummings
Member at Large:	Ford Bowers
Member at Large:	Dupont Kirven
Member at Large:	Matt Bailey
Member at Large:	Oliver Thomas
Member at Large:	Kiva Elliott
Member at Large:	Mary Eleanor Puckett

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
 YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
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Independent Auditor's Report

To the Board of Directors
Young Men's Christian Association of Greensboro, Inc.
Greensboro, North Carolina

Opinion

We have audited the consolidated financial statements of Young Men's Christian Association of Greensboro, Inc. and the Young Men's Christian Association of Greensboro Endowment Fund, Inc. (nonprofit organization and endowment fund), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Young Men's Christian Association of Greensboro, Inc. and Young Men's Christian Association of Greensboro Endowment Fund, Inc. (collectively the "Association") as of December 31, 2025, and the changes in their net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of 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 these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements.

Supplementary Information (Continued)

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE, 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.

Report on Summarized Comparative Information

We have previously audited Young Men's Christian Association of Greensboro, Inc. and Young Men's Christian Association of Greensboro Endowment Fund, Inc.'s December 31, 2024 consolidated financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 23, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects with the audited consolidated financial statements from which it has been derived.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
April 17, 2026

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Consolidated Statement of Financial Position
December 31, 2025
(With Comparative Totals as of December 31, 2024)**

	<u>Assets</u>	
	<u>2025</u>	<u>2024</u>
Current Assets:		
Cash and cash equivalents	\$ 10,363,131	\$ 11,544,950
Investments	3,692,674	3,977,240
Current portion of unconditional promises to give, net	135,083	147,683
Grants receivables	20,871	24,521
Other receivables	571,341	472,127
Prepaid expenses and other assets	313,371	309,817
Total Current Assets	<u>15,096,471</u>	<u>16,476,338</u>
Other Assets:		
Unconditional promises to give, less current portion	108,544	218,759
Property and equipment, net of accumulated depreciation	36,975,220	34,112,287
Operating lease right of use asset	921,054	1,133,522
Total Other Assets	<u>38,004,818</u>	<u>35,464,568</u>
Total Assets	<u>\$ 53,101,289</u>	<u>\$ 51,940,906</u>
	<u>Liabilities and Net Assets</u>	
Current Liabilities:		
Current maturities of long-term debt	\$ 698,831	\$ 674,344
Accounts payable and accrued expenses	610,412	720,717
Deferred revenue	1,301,800	1,127,793
Financing lease liability current portion	280,454	253,900
Operating lease liability current portion	208,449	215,536
Total Current Liabilities	<u>3,099,946</u>	<u>2,992,290</u>
Other Liabilities:		
Long-term debt, less current maturities	4,259,867	4,231,276
Financing lease liability, noncurrent portion	278,844	319,533
Operating lease liability, noncurrent portion	712,605	917,986
Total Other Liabilities	<u>5,251,316</u>	<u>5,468,795</u>
Total Liabilities	<u>8,351,262</u>	<u>8,461,085</u>
Net Assets:		
Assets without donor restrictions:		
Undesignated	35,568,979	33,451,136
Designated for reserves	2,425,529	2,788,922
Assets with donor restrictions	6,755,519	7,239,763
Total Net Assets	<u>44,750,027</u>	<u>43,479,821</u>
Total Liabilities and Net Assets	<u>\$ 53,101,289</u>	<u>\$ 51,940,906</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.**
Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support - Contributions:						
The United Way	\$ 21,898	\$ 20,871	\$ 42,769	\$ 25,557	\$ 24,521	\$ 50,078
Government grants	199,579	2,000,000	2,199,579	288,568	-	288,568
Annual support	718,345	-	718,345	719,270	-	719,270
Contributions and private grants	176,509	568,237	744,746	174,352	1,419,141	1,593,493
Total Public Support	<u>1,116,331</u>	<u>2,589,108</u>	<u>3,705,439</u>	<u>1,207,747</u>	<u>1,443,662</u>	<u>2,651,409</u>
Revenue:						
Membership dues	10,185,336	-	10,185,336	9,531,446	-	9,531,446
Program and service fees	6,451,609	-	6,451,609	6,286,588	-	6,286,588
Vending and other food related	5,585	-	5,585	11,819	-	11,819
Rental of real estate and facilities, net	232,625	-	232,625	223,335	-	223,335
Merchandise sales	43,471	-	43,471	50,261	-	50,261
Investment income, net	202,779	218,867	421,646	673,014	219,121	892,135
Gain (loss) on sale of property and equipment	23,685	-	23,685	39,746	-	39,746
Gain on sale of available for sale property	-	-	-	-	-	-
Other events	81,091	-	81,091	43,700	-	43,700
Miscellaneous	796	-	796	532	-	532
Unrealized gain (loss) on investments, net	1,774	147,562	149,336	(393,997)	179,868	(214,129)
Total Revenue	<u>17,228,751</u>	<u>366,429</u>	<u>17,595,180</u>	<u>16,466,444</u>	<u>398,989</u>	<u>16,865,433</u>
Net Assets Released from Restrictions:						
Satisfaction of program restrictions	513,896	(513,896)	-	457,019	(457,019)	-
Satisfaction of time restrictions	24,521	(24,521)	-	46,314	(46,314)	-
Satisfaction of property acquisition restrictions	2,901,364	(2,901,364)	-	741,938	(741,938)	-
Total Net Assets Released from Restrictions	<u>3,439,781</u>	<u>(3,439,781)</u>	<u>-</u>	<u>1,245,271</u>	<u>(1,245,271)</u>	<u>-</u>
Total Public Support, Revenue, and Net Assets Released from Restrictions	<u>21,784,863</u>	<u>(484,244)</u>	<u>21,300,619</u>	<u>18,919,462</u>	<u>597,380</u>	<u>19,516,842</u>
Functional Expenses:						
Program Services:						
Adult	7,489,515	-	7,489,515	7,241,976	-	7,241,976
Child care	4,738,286	-	4,738,286	4,786,832	-	4,786,832
Youth	5,234,490	-	5,234,490	4,953,234	-	4,953,234
Total Program Services	<u>17,462,291</u>	<u>-</u>	<u>17,462,291</u>	<u>16,982,042</u>	<u>-</u>	<u>16,982,042</u>
Supporting Services:						
Management and general	2,018,098	-	2,018,098	2,095,936	-	2,095,936
Fund-raising	325,168	-	325,168	413,882	-	413,882
Total Supporting Services	<u>2,343,266</u>	<u>-</u>	<u>2,343,266</u>	<u>2,509,818</u>	<u>-</u>	<u>2,509,818</u>
Total Functional Expenses	<u>19,805,557</u>	<u>-</u>	<u>19,805,557</u>	<u>19,491,860</u>	<u>-</u>	<u>19,491,860</u>
Other Expenses:						
Payments to affiliated organizations	224,856	-	224,856	268,386	-	268,386
Total Expenses	<u>20,030,413</u>	<u>-</u>	<u>20,030,413</u>	<u>19,760,246</u>	<u>-</u>	<u>19,760,246</u>
Changes in net assets	1,754,450	(484,244)	1,270,206	(840,784)	597,380	(243,404)
Net assets, beginning	<u>36,240,058</u>	<u>7,239,763</u>	<u>43,479,821</u>	<u>37,080,842</u>	<u>6,642,383</u>	<u>43,723,225</u>
Net assets, ending	<u>\$ 37,994,508</u>	<u>\$ 6,755,519</u>	<u>\$ 44,750,027</u>	<u>\$ 36,240,058</u>	<u>\$ 7,239,763</u>	<u>\$ 43,479,821</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.**
Consolidated Statement of Functional Expenses
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025								2024 TOTAL
	Program Services				Supporting Services			TOTAL	
	Adult Programs	Child Care	Youth Programs	Total	Management and General	Fund-Raising	Total		
Salaries and wages	\$ 3,267,410	\$ 2,010,714	\$ 2,262,053	\$ 7,540,177	\$ 837,797	\$ 202,310	\$ 1,040,107	\$ 8,580,284	\$8,315,983
Employee benefits	356,903	219,632	247,086	823,621	91,514	30,228	121,742	945,363	949,468
Payroll taxes	236,796	145,720	163,935	546,451	60,717	18,815	79,532	625,983	608,963
Total Salaries and Related Expenses	3,861,109	2,376,066	2,673,074	8,910,249	990,028	251,353	1,241,381	10,151,630	9,874,414
Professional fees	92,777	75,555	76,224	244,556	59,732	60	59,792	304,348	302,770
Supplies	427,641	263,164	296,059	986,864	109,652	63,990	173,642	1,160,506	1,218,981
Telephone	16,349	10,061	11,319	37,729	4,192	-	4,192	41,921	57,884
Postage and shipping	2,298	1,414	1,591	5,303	589	-	589	5,892	8,203
Occupancy	110,211	67,822	76,300	254,333	28,259	-	28,259	282,592	274,409
Printing and publication	58,940	36,270	40,804	136,014	15,113	-	15,113	151,127	163,677
Travel	59,744	36,766	41,362	137,872	15,319	-	15,319	153,191	140,807
Conferences, conventions and meetings	31,368	19,304	21,717	72,389	8,043	-	8,043	80,432	138,284
Interest and amortization	108,540	66,794	75,143	250,477	27,831	-	27,831	278,308	352,634
Bank service charges	29,517	18,165	20,436	68,118	7,569	-	7,569	75,687	212,693
Rental	51,241	31,534	35,476	118,251	13,139	-	13,139	131,390	143,341
Repairs and maintenance	207,623	127,769	143,740	479,132	53,237	-	53,237	532,369	458,766
Other events	64,417	39,642	44,597	148,656	16,517	-	16,517	165,173	125,068
Insurance	177,299	109,107	122,746	409,152	45,461	-	45,461	454,613	341,797
Depreciation	808,348	497,445	559,625	1,865,418	207,269	-	207,269	2,072,687	1,956,254
Utilities	465,098	286,215	321,991	1,073,304	119,256	-	119,256	1,192,560	1,215,842
Contracted services	542,074	333,584	375,282	1,250,940	138,993	8,215	147,208	1,398,148	1,350,475
Bad debt expense	-	-	-	-	114,668	-	114,668	114,668	116,327
Food and beverage	143,450	88,277	99,312	331,039	36,782	-	36,782	367,821	372,977
Scholarships	206,320	237,855	180,280	624,455	-	-	-	624,455	593,159
Dues	13,320	8,197	9,222	30,739	3,415	1,550	4,965	35,704	36,061
Training	11,831	7,280	8,190	27,301	3,034	-	3,034	30,335	37,037
Total Functional Expenses	\$ 7,489,515	\$ 4,738,286	\$ 5,234,490	\$ 17,462,291	\$ 2,018,098	\$ 325,168	\$ 2,343,266	\$ 19,805,557	\$ 19,491,860

See Notes to Consolidated Financial Statements

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Consolidated Statement of Cash Flows
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Changes in net assets	\$ 1,270,206	\$ (243,404)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	2,072,686	1,956,254
Amortization	16,573	16,576
(Gain) loss on sale of property and equipment	(23,685)	(39,760)
Investment income reinvested	(17,085)	(13,836)
Gain on sale of investments, net	(137,207)	(539,580)
Unrealized (gain) loss on investments, net	(149,336)	214,129
(Increase) decrease in:		
Unconditional promises to give	122,815	(65,829)
Grants receivable	3,650	(24,521)
Other receivables	(99,214)	(53,794)
Prepaid expenses and other assets	(3,554)	34,334
Increase (decrease) in:		
Accounts payable and accrued expenses	(110,305)	315,063
Deferred revenue	174,007	(45,625)
Net cash provided by operating activities	<u>3,119,551</u>	<u>1,510,007</u>
Cash flows from investing activities:		
Purchase and construction of property and equipment	(4,676,243)	(1,342,199)
Deposit on property and equipment	(24,073)	14,693
Proceeds from sale of property and equipment	19,035	54,307
Proceeds from sale of investments	1,504,274	2,961,911
Net investment cash transactions in endowment fund	(111,510)	141,565
Purchase of investments	(804,570)	(905,379)
Net cash provided by (used in) investing activities	<u>(4,093,087)</u>	<u>924,898</u>
Cash flows from financing activities:		
Borrowings on long-term debt	727,421	-
Payments on long-term debt	(935,704)	(895,224)
Net cash used in financing activities	<u>(208,283)</u>	<u>(895,224)</u>
Net increase (decrease) in cash and cash equivalents	(1,181,819)	1,539,681
Cash and cash equivalents, beginning	<u>11,544,950</u>	<u>10,005,269</u>
Cash and cash equivalents, ending	<u>\$ 10,363,131</u>	<u>\$ 11,544,950</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Notes to Consolidated Financial Statements**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Young Men's Christian Association of Greensboro, Inc. ("YMCA") is a not for profit organization incorporated in 1910 to establish, equip, maintain, conduct and operate various YMCA branches and to perform any acts reasonably incidental thereto in the greater Greensboro, Eden and Reidsville, North Carolina areas.

The Young Men's Christian Association of Greensboro Endowment Fund, Inc. ("Endowment Fund") was incorporated in 1994 as a support organization for the benefit of the YMCA to hold and invest permanently restricted net assets. This corporation states in its articles of incorporation that it is organized for and at all times shall operate exclusively for the benefit of, to perform the functions of, and to carry out the purposes of the YMCA. The articles also state that the Endowment Fund shall be operated, supervised, or controlled by the YMCA, and that the Directors of the Endowment Fund shall be elected or appointed by the Board of Directors of the YMCA. Because of the oversight authority of the YMCA Board over the actions of the Endowment Fund, the two entities have been consolidated for financial statement presentation purposes.

The consolidated financial statements include the accounts of the YMCA and the Endowment Fund. All material intercompany transactions have been eliminated. The consolidated entities will be referred to as the "Association" for purposes of these consolidated financial statements.

A summary of the Association's significant accounting policies follow:

Financial Statement Presentation

The Association reports information regarding its financial position and activities using two classes of net assets, as follows:

Without donor restrictions: All revenue not restricted by donors, unrestricted contributions designated by the board and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

With donor restrictions: All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in donor restricted net assets. The investment income arising from endowment funds, if any, are accounted for in accordance with donor stipulations. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Comparative Financial Information

The financial statements include certain prior period summarized comparative information in totals but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's consolidated financial statements for the year ended December 31, 2024, from which the summarized information was derived.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Notes to Consolidated Financial Statements**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of reporting the consolidated statements of cash flows, the Association considers all highly liquid investments, except those held by the Endowment Fund, purchased with maturities of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met, either by passage of time or by use, in the reporting period in which the income and gains are recognized.

Receivables

The Association records unconditional promises to give and other receivables at total unpaid balance, which approximates estimated fair value, less any allowance for credit loss. The Association determines past due status of individual receivables based on the contractual terms of the original grant agreement or pledge commitment.

The Association estimates its allowance for credit loss based on a combination of factors, including historical loss experience and any anticipated effects related to current economic conditions, as well as management's knowledge of the current composition of receivables. Receivables that management believes to be ultimately not collectible are written off upon such determination.

Property and Equipment

The Association generally capitalizes expenditures of \$2,500 or more for property and equipment whose life exceeds one year. Property and equipment are stated at cost or, in the case of donated assets, at estimated fair value at date of donation.

Depreciation, including amortization of capital lease assets, is provided for using the straight-line method over the shorter of its estimated useful lives of the assets or its related lease term.

Bond Issuance Costs

Bond issuance costs are being amortized on a straight-line basis over 20 years which approximates the effective interest rate method. Accumulated amortization amounted to \$256,924. Estimated amortization for each of the next two years is \$16,573. Bond issuance costs have been netted against long term debt in accordance with ASU 2015-03, "Interest Imputation of Interest".

Advertising

Advertising, printing and publication costs are expensed as incurred. During the year, costs related to these activities totaled \$151,127.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Notes to Consolidated Financial Statements**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Association derives its revenues primarily from membership dues or program and service fees. Membership contracts consist of month-to-month or annual basis and they can cancel their membership at any time with a 30 day notice. Membership dues revenue is recognized on a monthly basis in which the Association provides access to the facilities. Membership dues paid under an annual contract will be recorded as deferred revenue and amortized each month as the revenue is earned. Program and service fee revenues consist of camps, sporting leagues, after school care, training sessions, etc., which are recognized upon completion of the related performance obligation and at an amount that represents the consideration paid to participate. The Association does not have a significant financing component as events are typically paid for in advance and are recognized as deferred revenue prior to completion of the performance obligation.

Due to the nature of the Association's business, there is typically no significant variable consideration, such as discounts, allowances, and returns. However, if variable consideration is deemed significant, variable consideration is estimated at the most likely amount that is expected to be earned.

Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are estimated based upon historical experience and known trends.

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Contributions receivable due beyond one year are stated at net present value of the estimated cash flows using a risk adjusted rate. Conditional contributions are recognized as revenues when the conditions have been met by the Association. Contributions are considered to be without donor restrictions unless specifically restricted by the donee for a specific period of time or purpose. Grants received by the Association are being accounted for as contributions since they do not include exchange transaction elements associated with those grants.

Grant revenue consists primarily of cost-reimbursement grants from governmental agencies. The Association recognizes grant revenue in the period in which qualifying expenditures are incurred, provided such expenditures are in compliance with the terms and conditions of the respective grant agreements. Grant funds received in advance of incurring allowable expenditures are recorded as deferred revenue and are recognized as revenue when the related costs are incurred and the conditions of the grant are satisfied. Amounts expended in excess of grant funds received are recorded as grants receivable, provided collection is considered probable.

Grant revenue is recognized only to the extent that the Association has met the applicable performance or eligibility requirements of the grant agreement. Expenditures that do not meet grant requirements are not recognized as grant revenue and are charged to operations as incurred.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Notes to Consolidated Financial Statements**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund

The Endowment Fund consists of various fixed income funds, equity funds, and cash equivalents established for a variety of purposes. The endowment consists of donor-restricted endowment funds as well as board designated endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Endowment Fund has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that meet funding requirements while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Endowment Fund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The endowment portfolio is invested across multiple asset classes with emphasis on equities and fixed income as well as alternative investments, real estate and a low level of exposure to money market cash instruments.

The Endowment Fund has a policy for appropriating for distribution each year approximately 5% of its endowment funds average market value plus or minus 1.5% over the 3 year trailing average market value of the Endowment Fund. In establishing this policy, the Endowment Fund considered the long-term expected return of the endowment. Accordingly, over the long-term the Endowment Fund expects the current spending policy to preserve the purchasing power of the endowment funds over time, and to provide a reasonably stable and predictive revenue stream for use in connection with the charitable purposes of the Association. The Board of Directors annually adopts a spending rate.

Donated Services and Materials

The Association occasionally benefits from the services of volunteers in various programs. The services donated are not identical to services the donor would usually charge a fee to provide; therefore, a monetary amount cannot be assigned to the value of these services. Significant donated materials are recorded at their fair value as a contribution and related purchase.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Tax Status

The Association is classified as a public charity and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements. Contributions to the Association are tax deductible by the donor.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Notes to Consolidated Financial Statements**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Status (Continued)

It is the Association's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the consolidated financial statements. No material uncertain tax positions were identified for 2025. Currently, the statute of limitations remains open subsequent to and including 2022; however, no examinations are in process or anticipated. Any changes in the amount of a tax provision will be recognized in the period the change occurs.

Use of Estimates

The preparation of consolidated financial statements in conformity 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Association has evaluated events and transactions for potential recognition or disclosure through April 17, 2026, the date the consolidated financial statements were available to be issued.

NOTE 2 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give amounts to be received in future periods are discounted to a present value using an interest rate of 5.0%. Unconditional promises to give are as follows:

Amounts receivable less than one year	\$ 135,083
Amounts receivable in one to five years	121,483
Total unconditional promises to give	<u>256,566</u>
Less - discount to present value for future pledges	6,692
Less - allowance for uncollectible pledges	6,247
	<u><u>\$ 243,627</u></u>

NOTE 3 - FAIR VALUE MEASUREMENTS

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. In determining fair values, the Association uses various methods including market, income and cost approaches. Based on these approaches, the Association often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Notes to Consolidated Financial Statements**

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

The Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Association is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 Inputs — Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 Inputs — Observable prices that are based on inputs not quoted on active markets, but corroborated by market data, discounted cash flow models or similar techniques.

Level 3 Inputs — Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The following summarizes the fair value measurements:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset:				
Investments (See Note 4 for major categories)	<u>\$ 3,692,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,692,674</u>

NOTE 4 - INVESTMENTS

A breakdown of the investments held are as follows:

<u>Description</u>	<u>Reported Value</u>	<u>Cost</u>
Mutual Funds	\$ 1,763,270	\$ 2,126,857
Common Stock	1,929,404	1,500,588
	<u>\$ 3,692,674</u>	<u>\$ 3,627,445</u>

Investment income consists of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Income:			
Dividends	\$ 95,921	\$ 79,582	\$ 175,503
Capital gain distribution	-	24,188	24,188
Other interest	99,056	-	99,056
Capital gains on sales of securities	8,348	128,859	137,207
	<u>203,325</u>	<u>232,629</u>	<u>435,954</u>
Expenses: Investment fees	546	15,603	16,149
	<u>\$ 202,779</u>	<u>\$ 217,026</u>	<u>\$ 419,805</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Notes to Consolidated Financial Statements**

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Land and improvements	\$ 6,582,267
Buildings	54,286,721
Equipment	4,817,652
Software costs	122,779
Furniture, fixtures and office equipment	621,704
Transportation vehicles	341,148
Leasehold improvements	1,318,564
Construction in progress	302,387
	<u>68,393,222</u>
Less accumulated depreciation	31,418,002
	<u><u>\$ 36,975,220</u></u>

NOTE 6 - LEASES

The Association has entered into various finance leases for fitness equipment with monthly payments totaling \$19,081, due in various periods through July 2028. The Association intends to exercise their purchase options at the end of the lease.

The Association leases office space, land and use of other program facilities under various operating lease agreements with varying expiration dates through 2029. Leases greater than 12 months result in the recognition of a right of use ("ROU") asset and a liability at the lease commencement date based on the present value of the lease payments over the term of the lease. The US Treasury rate was utilized in associated present value calculations. The Association also rents equipment on an as needed basis for program use.

The components of lease expense for the year ended December 31, 2025 is as follows:

Finance lease expense:	
Amortization of right-of-use-assets	\$ 258,922
Interest on lease liabilities	38,639
Total finance lease expense	<u>\$ 297,561</u>
Operating lease expense	<u>\$ 230,178</u>
Short-term lease expense	<u>\$ 183,804</u>
Sublease income	<u>\$ 107,680</u>

Other information:

Cash paid for amounts included in the measurement of lease liabilities -	
Operating cash flows from operating leases	\$ 221,419
ROU assets obtained in exchange for new operating lease liabilities	-
Weighted-average remaining lease term - finance leases	2.90
Weighted-average remaining lease term - operating leases	4.14
Weighted average discount rate - finance leases	7.69%
Weighted average discount rate - operating leases	2.41%

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
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Notes to Consolidated Financial Statements**

NOTE 6 - LEASES (Continued)

The maturities of lease liabilities as of December 31, 2025 were as follows:

	<u>Finance</u>	<u>Operating</u>
2026	\$ 280,454	\$ 208,449
2027	173,417	232,941
2028	109,929	238,381
2029	35,385	243,959
2030	21,023	44,222
Total lease payments	<u>620,208</u>	<u>967,952</u>
Less: present value discount	<u>(60,910)</u>	<u>(46,898)</u>
Present value of lease liabilities	<u>\$ 559,298</u>	<u>\$ 921,054</u>

The Association also leases its facilities to various organizations and individuals on a regular basis. Except as described below, these leasing transactions are normally short-term and on a case-by-case or month-to-month basis. Rental income for the association for the year totaled \$232,625.

The Association rented portions of its Ragsdale facility under a non-cancelable lease agreement. The facility has a cost of \$6,380,546 and accumulated depreciation of \$3,382,417. Depreciation expense was \$166,890 for the year. The agreement calls for monthly rents ranging from \$8,500 to \$10,013 through February 2029.

Future minimum rental income to be received under the sub-rental agreements is as follows:

2026	\$ 110,904
2027	115,154
2028	119,446
2029	20,026
	<u>\$ 365,530</u>

NOTE 7 - LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2025:

Unsecured bank qualified loan payable to a financial institution calling for 240 equal monthly principal installments through the maturity date of November 2030. Interest is payable monthly at the Adjusted SOFR of 79.5% of SOFR plus the spread of 1.36% (SOFR was 3.87% as of December 31, 2025). \$ 3,070,869

Unsecured nonbank qualified loan payable to a financial institution. The bond accrues interest at the Adjusted SOFR of 81.5% of SOFR plus 1.72% per annum (SOFR was 3.87% as of December 31, 2025). The Association pays monthly principal payments ranging from \$13,417 to \$20,238 with the final payment due November 2034. 1,234,998

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
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NOTE 7 - LONG-TERM DEBT (Continued)

Unsecured bank qualified loan payable to a financial institution. The note accrues interest at the Adjusted SOFR of SOFR plus 1.66% per annum (SOFR was 3.87% as of December 31, 2025). The Association pays interest only payments with all outstanding principle and unpaid interest due at maturity on January 31, 2027.

	\$ 727,422
	5,033,289
Less bond issuance cost, net of accumulated amortization	74,591
	4,958,698
Less current maturities	698,831
	\$ 4,259,867

The provisions of the bank qualified loan contains various financial covenants related to minimum levels of liquidity and net assets that the Association must maintain. The covenant also includes provisions related to borrowing leverage and other liquidity ratios. The Association was in compliance with all covenant provisions.

Future maturities of long-term debt, net of bond issuance cost, for each of the next five years and thereafter are as follows:

2026	\$ 698,789
2027	1,446,683
2028	744,103
2029	764,994
2030	742,356
Thereafter	561,773
	\$ 4,958,698

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, consist of the following:

Subject to spending policy and appropriation:

Investment in perpetuity (including amounts above original gift amount of \$1,937,766), which, once appropriated, is expendable to support the operations of the YMCA

\$ 3,383,440

Subject to the passage of time:

For periods after December 31, 2025

264,498

Subject to expenditures for specified purpose:

Building or equipment, improvements or repairs

2,671,338

Scholarships

128,862

Programs

278,794

3,078,994

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Notes to Consolidated Financial Statements**

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions, consist of the following (Continued):

Subject to expenditure when a specified event occurs:

Paid-up life insurance policy that will provide proceeds upon death of
insured for operations of the YMCA

\$ 28,587

\$ 6,755,519

NOTE 9 - DESIGNATED NET ASSETS

The Board of Directors has designated certain amounts of net assets without donor restrictions to be used for future activities, repairs and maintenance, and other purposes on a branch-by-branch basis. These reserves are funded by designated cash balances. The Board retains the right to undesignate these funds as they deem appropriate. The reserve cash balances was \$2,425,529.

The Board of Directors has also designated \$789,772 of net assets without donor restrictions to be set aside for future operations. These reserves have been funded by purchasing investments with a market value designed for this amount. The Board retains the right to undesignate these funds as they deem appropriate.

NOTE 10 - ENDOWMENT NET ASSETS

The Board of Directors of the Association has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies permanently restricted net assets as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purpose of the Association and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investment; (6) other resources of the Association; and (7) the investment policies of the Association.

The Association's endowment is held with an investment bank and investment firms. Under the endowment agreement, the principal balance in the fund is permanently restricted to ensure that resources would be available to provide for future operations.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
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NOTE 10 - ENDOWMENT NET ASSETS (Continued)

The Association has the following donor-restricted endowment net assets:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning of year	\$ -	\$ 3,130,503	\$ 3,130,503
Investment return:			
Investment income	-	103,770	103,770
Net appreciation (realized and unrealized)	-	276,420	276,420
Investment fees	-	(15,603)	(15,603)
Total investment return	-	364,587	364,587
Appropriations	113,601	(113,601)	-
Expenditures	(113,601)	-	(113,601)
Contributions	-	1,951	1,951
End of year	<u>\$ -</u>	<u>\$ 3,383,440</u>	<u>\$ 3,383,440</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Association to retain as a fund of perpetual duration. There were no such deficiencies of this kind during the year.

NOTE 11 - COMMUNITY POOL

The Association, the City of Reidsville (the "City"), and Reidsville Community Pool Association ("RCPA") have entered into an agreement, whereas, the Association will operate and manage a community pool adjacent to the Association's Reidsville facility for the benefit of residents of the greater Reidsville area. Under the agreement, the Association receives a fee for the management of the pool. The management fee is intended to be a reimbursement for the cost of administrative overhead directly attributable to aquatic activities, and shall be based on a formula agreed upon by all parties. The agreement calls for the fee to be waived if the City continues to make its annual contribution for pool activities.

The agreement also calls for three percent of user fees to be deposited into a repair account and matched equally by both the Association and the City. Accumulated funds greater than \$30,000 in this account may be disbursed at the discretion of RCPA for aquatic programs or services. Operating surpluses are to be deposited in the repair account or may be specifically designated by RCPA for other public purposes. At year end, the accumulated fund amounted to \$33,806.

The following summarizes the revenue and expenses for the pool for the year:

Revenue:	
User fees	\$ 33,804
City of Reidsville contribution	36,762
Pool rental	1,155
Other	7,450
Total revenue	<u>79,171</u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
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Notes to Consolidated Financial Statements**

NOTE 11 - COMMUNITY POOL (Continued)

Expenses:	
Payroll (including payroll taxes and benefits)	\$ 121,034
Permits	200
Supplies	4,351
Utilities	56,775
Maintenance	1,899
Other	13,900
Total expenses	<u>198,159</u>
Operating deficit	<u>\$ (118,988)</u>

NOTE 12 - PENSION PLAN

The Association is a participant in a multi-employer National YMCA Retirement Fund Plan (the "Fund Plan") for all eligible employees. Employees are eligible if they are at least 21 years old and have worked at least 1,000 hours in any 2 twelve-month periods beginning on the employee's hire date.

The Association has a two-year waiting period for enrollment and immediate vesting schedule. The Association's contributions to the Fund Plan are computed as a percentage of covered employees' annual salaries and the Association is not liable for any other amounts. Total retirement costs for the year totaled \$509,239.

NOTE 13 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

During the year, the Association paid interest of \$261,735.

During the year, the Association entered into the following non-cash investing transactions:

Property and equipment acquired through debt	<u>\$ 244,788</u>
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NOTE 14 - CONCENTRATIONS OF CREDIT RISK

The Association maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation. Deposit accounts, at times, may exceed federally insured limits. In addition, all of the Association's borrowings are concentrated with a single financial institution.

The Association's investments potentially subject it to market risk and concentrations of credit risk. The Association maintains various types of investments that encompass many different companies with varied industry and geographical characteristics designed to limit exposure to any one industry, company or geographical location. However, as most of the Association's investments are traded in public markets, they are subject to general fluctuations in the market's overall performance. The Association retains investment managers who perform periodic evaluations of the relative credit standing of the companies and financial institutions in which the Association invests.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
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NOTE 15 - ASSETS LIQUIDITY

The following reflects the Association's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date. Amounts not available include amounts set aside for reserves that could be drawn upon if the governing board approves that action.

Financial assets, at year end	\$ 15,096,471
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:	
Restricted by donor with purpose or time restrictions	6,755,519
Board designations for reserves	<u>2,425,529</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 5,915,423</u></u>



**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Board of Directors
Young Men's Christian Association of Greensboro, Inc.
Greensboro, North Carolina

We have audited, 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, the consolidated financial statements of Young Men's Christian Association of Greensboro, Inc. and Young Men's Christian Association of Greensboro Endowment Fund, Inc. (collectively the "Association"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 17, 2026.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
April 17, 2026



**Independent Auditor's Report on Compliance
For The Major Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance**

To the Board of Directors
Young Men's Christian Association of Greensboro, Inc.
Greensboro, North Carolina

Report on Compliance for The Major Federal Program

Opinion on Each Major Federal Program

We have audited Young Men's Christian Association of Greensboro, Inc. (the "Association") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Association's major federal program for the year ended December 31, 2025. The Association's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Association's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Association's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over compliance. Accordingly, no such opinion is expressed.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (Continued)

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
April 17, 2026

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Schedule of Revenues and Expenditures of Federal Awards
Year Ended December 31, 2025**

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant No. /State Pass-through Grantor's No.	Federal Expenditures
Federal Awards:			
U.S. Department of Housing and Urban Development Economic Development Initiative, Community Project Funding and Miscellaneous Grants	14.251	B-23-CP-NC-0948	<u>\$ 1,500,000</u>
U.S. Department of Agriculture Passed Through N.C. Department of Health and Human Services Child and Adult Care Food Program	10.558	Sponsor Agmt #6417	5,904
Passed Through N.C. Department of Public Instruction Summer Food Service Program	10.559	Sponsor Agmt #9153	<u>82,949</u>
Total U.S. Department of Agriculture			<u>88,853</u>
Total Federal Awards			<u><u>\$ 1,588,853</u></u>

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Notes to the Schedule of Revenues and Expenditures of Federal and State Awards
Year Ended December 31, 2025**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Young Men's Christian Association of Greensboro, Inc. and Young Men's Christian Association of Greensboro Endowment Fund, Inc. (collectively the "Association") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Association, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Association.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable.

Indirect Cost Rate – The Association has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025**

Section I - Summary of Auditor's Results

Financial Statements

- (i) Type of auditor's report issued: Unmodified
- (ii) Internal control over financial reporting:
- (a) Material weakness(es) identified? yes X no
- (b) Significant deficiency(ies)? yes X none reported
- (iii) Noncompliance material to financial statements noted? yes X no

Federal Awards

- (i) Internal control over major programs:
- (a) Material weakness(es) identified yes X no
- (b) Significant deficiency(ies) identified? yes X none reported
- (ii) Type of auditor's report issued on compliance for major programs: Unmodified
- (iii) Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance? yes X no
- (iv) Identification of major programs:

Assistance Listing Number(s)

14.251

Name of Federal Program

Economic Development Initiative, Community Project Funding and Miscellaneous Grants

- (v) Dollar threshold used to distinguish between type A and type B programs: \$750,000
- (vi) Auditee qualified as low-risk auditee? yes X no

Section II - Findings relating to the financial statements which are required to be reported in accordance with generally accepted government auditing standards:

A. Deficiencies in Internal Control

None reported

B. Compliance Findings

None reported

Section III - Findings and questioned costs relating to the major programs which are required to be reported in accordance with section 510(a) of the Uniform Guidance:

Findings and Questioned Costs

None reported

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO, INC. AND
YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREENSBORO ENDOWMENT FUND, INC.
Summary Schedule of Prior Year Audit Findings and Questioned Costs
Year Ended December 31, 2025**

Section II - Financial Statement Findings

None reported.

Section III - Federal and Award Findings and Questioned Costs

None reported.

Section IV - Summary of Prior Year Findings

None reported.