

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.

FINANCIAL STATEMENTS

December 31, 2025 and 2024

CONTENTS

Independent Auditor's Report	1
Statements of Financial Position.....	3
Statements of Activities	5
Statements of Functional Expenses.....	6
Statements of Cash Flows	8
Notes to Financial Statements	10

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Young Men's Christian Association of Dane County, Inc.
Madison, Wisconsin

Opinion

We have audited the financial statements of Young Men's Christian Association of Dane County, 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 present fairly, in all material respects, the financial position of Young Men's Christian Association of Dane County, 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 Auditor's 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 Dane County, 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 Dane County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 Dane County, 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 Dane County, 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.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
May 20, 2026

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 6,428,658	\$ 4,488,292
Certificates of deposit	3,065,030	3,593,376
Receivables		
Current portion of unconditional promises to give	54,332	37,887
Grants	24,476	21,976
Accounts (net of allowance for credit losses of \$66,000)	194,476	94,267
Other	63,909	23,461
Current portion of beneficial interest in charitable lead trust	95,613	95,613
Prepaid expenses and other current assets	<u>149,316</u>	<u>136,914</u>
 Total current assets	 10,075,810	 8,491,786
NONCURRENT ASSETS		
Endowment cash	53,374	43,374
Certificate of deposit designated for unemployment insurance	177,710	177,710
Endowment investments	1,853,415	1,620,458
Beneficial interest in charitable lead trust less current portion	143,913	232,099
Beneficial interest in assets held by Madison Community Foundation	158,129	146,621
Beneficial interest in remainder trust	-	46,853
Property and equipment, net	10,900,398	9,054,202
Operating lease right-of-use assets	<u>29,127</u>	<u>21,523</u>
 Total noncurrent assets	 13,316,066	 11,342,840
OTHER ASSETS		
Assets restricted to investment in property and equipment		
Cash	3,746,965	-
Unconditional promises to give	<u>6,398,517</u>	<u>346,778</u>
 Total other assets	 <u>10,145,482</u>	 <u>346,778</u>
 Total assets	 <u><u>\$ 33,537,358</u></u>	 <u><u>\$ 20,181,404</u></u>

See accompanying notes.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION (continued)
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 538,234	\$ 342,415
Accrued salaries and benefits	294,063	294,952
Other accrued liabilities	370,850	222,718
Grant funds received in advance	17,172	64,523
Deferred revenue		
Program and other fees	661,632	659,903
Membership dues	56,583	60,321
Special events	10,200	-
Current portion of operating lease liabilities	10,704	20,380
Current portion of finance lease liabilities	142,080	147,179
Current portion of long-term debt	225,000	210,000
	<u>2,326,518</u>	<u>2,022,391</u>
Total current liabilities	2,326,518	2,022,391
NONCURRENT LIABILITIES		
Refundable advance	1,850,000	1,850,000
Operating lease liabilities less current portion	18,423	1,143
Finance lease liabilities less current portion	57,508	179,721
Long-term debt less current portion	3,055,577	3,275,001
	<u>4,981,508</u>	<u>5,305,865</u>
Total noncurrent liabilities	4,981,508	5,305,865
Total liabilities	7,308,026	7,328,256
NET ASSETS		
Without donor restrictions		
Available for general activities	10,188,422	8,770,601
Designated by the board of directors for		
Unemployment insurance	177,710	177,710
Endowment	1,906,789	1,663,832
Repairs and replacements	740,227	740,227
	<u>13,013,148</u>	<u>11,352,370</u>
Total without donor restrictions	13,013,148	11,352,370
With donor restrictions	<u>13,216,184</u>	<u>1,500,778</u>
Total net assets	26,229,332	12,853,148
Total liabilities and net assets	<u><u>\$ 33,537,358</u></u>	<u><u>\$ 20,181,404</u></u>

See accompanying notes.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2025 and 2024

	2025	2024
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Program and other fees	\$ 8,388,468	\$ 8,338,969
Less program assistance	<u>(201,365)</u>	<u>(341,945)</u>
Program and other fees, net	8,187,103	7,997,024
Membership dues	6,947,425	6,143,304
Less membership assistance	(341,223)	(317,227)
Less membership discounts	<u>(1,379,659)</u>	<u>(1,124,644)</u>
Membership dues, net	5,226,543	4,701,433
Contributions		
Individuals, corporations, and foundations	251,508	355,321
Grants	792,021	881,902
Special events	59,870	53,343
United Way of Dane County	9,259	20,433
Merchandise sales	861	1,004
Investment return, net	513,653	322,592
Change in value of beneficial interest in assets held by		
Madison Community Foundation	17,348	12,236
Other	<u>80,154</u>	<u>66,656</u>
Total support and revenue without donor restrictions	15,138,320	14,411,944
EXPENSES		
Program services		
Youth development	8,491,057	8,176,001
Healthy living	2,383,317	2,160,627
Social responsibility	<u>690,565</u>	<u>657,389</u>
Total program services	11,564,939	10,994,017
Supporting activities		
Management and general	1,543,659	1,776,265
Fundraising	<u>519,788</u>	<u>451,521</u>
Total supporting activities	<u>2,063,447</u>	<u>2,227,786</u>
Total expenses	13,628,386	13,221,803
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions and expiration of time restrictions	<u>150,844</u>	<u>61,768</u>
Change in net assets without donor restrictions	1,660,778	1,251,909
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Change in value of beneficial interest in remainder trust	(22,081)	(16,565)
Contributions	11,888,331	378,326
Net assets released from restrictions	<u>(150,844)</u>	<u>(61,768)</u>
Change in net assets with donor restrictions	<u>11,715,406</u>	<u>299,993</u>
Change in net assets	13,376,184	1,551,902
Net assets at beginning of year	<u>12,853,148</u>	<u>11,301,246</u>
Net assets at end of year	<u><u>\$ 26,229,332</u></u>	<u><u>\$ 12,853,148</u></u>

See accompanying notes.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025

	Program Services			Supporting Activities		Total Expenses
	Youth Development	Healthy Living	Social Responsibility	Management and General	Fundraising	
Salaries	\$ 5,041,115	\$ 1,082,822	\$ 420,071	\$ 677,299	\$ 183,055	\$ 7,404,362
Payroll taxes and insurance	404,970	89,923	36,224	55,830	15,713	602,660
Employee benefits	479,406	56,502	34,186	156,691	24,669	751,454
Professional fees	719	260,127	-	129,839	248,059	638,744
Supplies	534,308	36,917	67,900	23,641	9,906	672,672
Telephone and postage	12,691	40,168	-	35,443	80	88,382
Printing, promotion, and other	12,578	73,225	3,200	65,595	34,176	188,774
Occupancy	1,098,608	95,815	32,833	77,375	150	1,304,781
Technology	23,227	124,935	-	220,950	285	369,397
Interest	88,271	58,412	7,161	13	-	153,857
Depreciation and amortization	432,727	286,348	35,105	26,556	-	780,736
Minor equipment and equipment repairs	107,150	25,804	2,151	16,161	197	151,463
Travel, conferences, and meetings	98,547	20,526	3,547	20,308	366	143,294
National percentage support	131,719	87,162	10,686	-	-	229,567
Organizational dues	5,703	-	35,480	15,150	975	57,308
Credit losses	19,318	44,631	2,021	22,808	2,157	90,935
Total expenses	\$ 8,491,057	\$ 2,383,317	\$ 690,565	\$ 1,543,659	\$ 519,788	\$ 13,628,386

See accompanying notes.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services			Supporting Activities		Total Expenses
	Youth Development	Healthy Living	Social Responsibility	Management and General	Fundraising	
Salaries	\$ 4,845,284	\$ 980,621	\$ 375,083	\$ 683,162	\$ 251,675	\$ 7,135,825
Payroll taxes and insurance	411,876	83,386	31,161	57,085	20,854	604,362
Employee benefits	466,961	38,258	35,879	153,606	37,769	732,473
Professional fees	309	228,093	-	262,920	39,014	530,336
Supplies	523,258	37,710	132,790	15,504	8,025	717,287
Telephone and postage	12,195	40,176	-	9,447	-	61,818
Printing, promotion, and other	14,117	89,124	1,875	173,631	74,542	353,289
Occupancy	1,034,831	71,353	32,657	71,417	11,322	1,221,580
Technology	9,533	105,544	-	244,357	162	359,596
Interest	132,095	76,974	9,183	3,432	-	221,684
Depreciation and amortization	406,431	236,834	28,255	53,338	-	724,858
Minor equipment and equipment repairs	91,887	21,644	634	463	116	114,744
Travel, conferences, and meetings	103,505	12,916	1,974	9,052	2,504	129,951
National percentage support	113,607	66,200	7,898	-	-	187,705
Organizational dues	6,861	30	-	11,916	1,816	20,623
Credit losses	3,251	71,764	-	26,935	3,722	105,672
Total expenses	\$ 8,176,001	\$ 2,160,627	\$ 657,389	\$ 1,776,265	\$ 451,521	\$ 13,221,803

See accompanying notes.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 13,376,184	\$ 1,551,902
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Change in value of beneficial interest in remainder trust	22,081	16,565
Credit losses	90,935	105,672
Net realized and unrealized gains on investments	(205,856)	(121,949)
Change in value of beneficial interest in assets held by Madison Community Foundation	(17,348)	(12,236)
Depreciation and amortization on property and equipment and right-of-use assets	797,100	770,914
Amortization of debt issuance costs	5,576	6,637
Contributions restricted for long-term purposes	(11,833,999)	(378,326)
Interest earned on certificates of deposit	(158,446)	(85,876)
(Increase) decrease in assets		
Unconditional promises to give	(16,445)	(23,683)
Grants receivable	(2,500)	23,044
Accounts receivable	(191,144)	(40,338)
Other receivables	(40,448)	137,920
Prepaid expenses and other current assets	(12,402)	(34,713)
Beneficial interest in charitable lead trust	88,186	85,451
Beneficial interest in remainder trust	24,772	-
Increase (decrease) in liabilities		
Accounts payable	73,714	(246,128)
Accrued salaries and benefits	(889)	22,178
Other accrued liabilities	148,132	48,080
Grant funds received in advance	(47,351)	(22,032)
Deferred revenue	8,191	83,084
Operating lease liabilities	(21,940)	(52,693)
Net cash flows from operating activities	2,086,103	1,833,473
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,499,251)	(722,920)
Purchases of certificates of deposit	(625,000)	(1,901,400)
Proceeds from redemptions of certificates of deposit	1,311,792	-
Interest and dividends retained in endowment investments	(27,101)	(30,261)
Disbursements from beneficial interest in assets held by Madison Community Foundation	5,840	5,694
Net cash flows from investing activities	(1,833,720)	(2,648,887)

See accompanying notes.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
STATEMENTS OF CASH FLOWS (continued)
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on finance lease liabilities	(127,312)	(141,027)
Principal payments on long-term debt	(210,000)	(200,000)
Contributions restricted to investment in property and equipment	5,782,260	31,548
Refundable advance proceeds to be used to purchase land	-	1,850,000
	<u>5,444,948</u>	<u>1,540,521</u>
Net cash flows from financing activities	<u>5,444,948</u>	<u>1,540,521</u>
Net change in cash, restricted cash, and endowment cash	5,697,331	725,107
Cash, restricted cash, and endowment cash at beginning of year	<u>4,531,666</u>	<u>3,806,559</u>
Cash, restricted cash, and endowment cash at end of year	<u>\$ 10,228,997</u>	<u>\$ 4,531,666</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid for interest	\$ 153,857	\$ 221,684
Noncash investing and financing transactions		
Property and equipment financed with accounts payable	\$ 122,105	\$ 65,000
Right-of-use asset acquired through finance lease	-	84,749
Right-of-use asset acquired through operating lease	29,544	-
Cash at end of year is comprised of the following		
Cash	\$ 6,428,658	\$ 4,488,292
Cash restricted to investment in property and equipment	3,746,965	-
Cash designated for endowment	<u>53,374</u>	<u>43,374</u>
Total	<u>\$ 10,228,997</u>	<u>\$ 4,531,666</u>

See accompanying notes.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Young Men's Christian Association of Dane County, Inc. (the Association) offers human services that include programs within the general areas of healthy living, family support, childcare, youth leadership development, social responsibility, and community outreach to persons in the Dane County, Wisconsin region. The Association is primarily funded by program fees and membership dues.

Certificates of Deposit

Unless contractually obligated to be held for more than one year, certificates of deposit are classified as current assets because they are not subject to withdrawal limitations, although withdrawal before maturity usually results in a loss of a portion of the interest earned. The certificates of deposit are valued at cost plus accrued interest which approximates fair value.

Promises to Give

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Accounts Receivable

Accounts receivable are primarily from program participants and members. When estimating expected credit losses, the Association has elected to use the practical expedient that allows it to assume that the current economic conditions as of the statement of financial position date do not change for the remaining life of the asset and the accounting policy election that allows it to consider collection activity after the statement of financial position date. The Association has considered subsequent collection activity through May 20, 2026, which is the date the financial statements were available to be issued.

The allowance for credit losses is maintained at a level that is management's best estimate of probable credit losses incurred as of the statement of financial position date. Management's determination of the allowance is based on evaluation of the receivables, past collection experience, current economic conditions, forecasts, composition of the receivables, and the uncollected balance's delinquency status as of May 20, 2026. If actual defaults are higher than historical experience, management's estimates of the recoverability of amounts due to the Association could be adversely affected.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following table reflects beginning and ending accounts receivable and deferred revenue:

	2025	
	Beginning of Year	End of Year
Accounts receivable, gross	\$ 160,267	\$ 260,476
Deferred revenue	720,224	728,415
	2024	
	Beginning of Year	End of Year
Accounts receivable, gross	\$ 225,601	\$ 160,267
Deferred revenue	637,140	720,224

Investments

The Association reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Fair Value of Financial Instruments

The Association defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy ranks the quantity and reliability of the information used to determine fair values. Assets and liabilities measured, reported, and/or disclosed at fair value will be classified and disclosed into one of the three categories:

Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3 – Unobservable inputs reflecting management’s own assumptions about the inputs used in pricing the asset or liability.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair values are measured as follows:

	2025			Total
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Mutual funds	\$ 1,853,415	\$ -	\$ -	\$ 1,853,415
Certificates of deposit	-	3,242,740	-	3,242,740
Beneficial interest in assets held by Madison Community Foundation	-	-	158,129	158,129
Total	\$ 1,853,415	\$ 3,242,740	\$ 158,129	\$ 5,254,284

	2024			Total
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Mutual funds	\$ 1,620,458	\$ -	\$ -	\$ 1,620,458
Certificates of deposit	-	3,771,086	-	3,771,086
Beneficial interest in assets held by Madison Community Foundation	-	-	146,621	146,621
Beneficial interest in remainder trust	-	-	46,853	46,853
Total	\$ 1,620,458	\$ 3,771,086	\$ 193,474	\$ 5,585,018

Revenue Recognition

Customer Base

The Association serves a broad local population, including youth, adults, and seniors. Membership dues and program fees are derived from exchange transactions that are generally recurring in nature. Participation levels and pricing realization are influenced by local economic conditions, including employment levels and household income, which affect members' ability to pay and overall demand for services. The Association also offers financial assistance and discounts to enhance accessibility. Financial assistance and discounts are awarded for reasons such as economic or social hardships and are based on member application, income support, and the Association's approval.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Geographic Concentration

Operations are concentrated within a defined local geographic area (Dane County, Wisconsin). As a result, revenue and cash flows are sensitive to economic conditions within the community, including population trends and economic stability. Changes in these conditions may directly impact membership levels and program participation.

Nature and Timing of Revenue and Contracts

Program and other fees – The Association offers a wide variety of programs to members and non-members including sports, camps, childcare, fitness lessons, group classes, and more. The program service period could be just one day or span several months including across fiscal years. Revenue from programs is either recognized at the point in time when the program occurs or ratably over the program service period.

Membership dues – The Association offers youth, young adult, adult, family, senior adult, and senior plus one memberships. There are also one-day memberships offered. Member benefits include, but are not limited to, use of the Association's facilities, free and discounted classes and programs, early registration opportunities, and free drop-in childcare. The performance obligations related to membership dues are satisfied ratably over the membership period which is usually one month.

The Association recognizes revenues under fixed-fee billing arrangements. The Association agrees to a pre-established fee in exchange for a predetermined set of membership, program, or other services. Most arrangements with customers are short-term and cancellable in nature. In most cases, payments are required in advance of the membership or program period. Differences between the timing of billings and the recognition of revenue are recognized as either accounts receivables or deferred revenues in the statement of financial position. These arrangements provide a recurring revenue base but are subject to seasonality, member attrition, and fluctuations in program enrollment.

Uncertainty and Risk

Revenue is subject to variability due to changes in local economic conditions, membership retention, and program participation levels. Management monitors these factors and adjusts pricing, programming, and outreach efforts to maintain stable operating results.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restrictions ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants

The Association receives grants from government agencies and others that are conditional upon the Association incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by the Association, both a receivable from the grantor agency and revenue are recorded. Grants are also restricted by the grantor for a specific purpose. Grants whose conditions and restrictions are generally met in the same reporting period that the revenue is recognized are reported as increases in net assets without donor restrictions.

Beneficial Interest in Assets Held by Madison Community Foundation

The Association established a fund at the Madison Community Foundation (the Foundation). The agreement between the Association and the Foundation states that the transfer of assets is irrevocable and that the transferred assets will not be returned to the Association. However, the Foundation will make annual distributions of the income earned on the fund subject to the Foundation's spending policy. The agreement also grants variance power to the Foundation, which permits the Foundation to substitute another beneficiary in place of the Association if the Association ceases to exist or if the Foundation's board of governors votes that support of the Association either is no longer necessary or is inconsistent with the needs of the community. The fair value of the fund is based on the fair value of the underlying assets as reported to the Association by the Foundation. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Property and Equipment

The Association capitalizes all expenditures of property and equipment in excess of \$5,000. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed using the straight-line method.

Leases

The Association does not recognize short-term leases in the statement of financial position. For these leases, the Association recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Association also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, the Association uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and insurance, employee benefits, supplies, printing, promotion, and other, occupancy, technology, interest, depreciation and amortization, minor equipment and equipment repairs, travel, conferences, and meetings, and national percentage support, which are allocated on the basis of estimates of time and effort and based on a percentage of related revenue.

The following program services and supporting activities are included in the accompanying financial statements:

Youth development – The Association is committed to nurturing the potential of every child and teen. The Association believes all kids have great potential and deserve the opportunity to discover who they are and what they can achieve. The Association helps young people cultivate the values, skills, and relationships that lead to positive behaviors, better health, and educational achievement. Association programs, such as 4K, preschool, summer camp, safety around water, Friday Nights at the Y, and youth sports offer a range of experiences that enrich social-emotional, cognitive, and physical growth.

Healthy living – The Association is committed to improving America's health and well-being community by community. The Association brings families closer together, encourages good health, and fosters connections through fitness, sports, fun, and shared interests. As a result, countless people in the Association's community are receiving the support, guidance, and resources they need to achieve greater health in spirit, mind, and body. This is particularly important as the nation struggles with chronic disease and obesity, families wrestle with work/life balance, and individuals search for personal fulfillment. The programs are accessible, affordable, and open to all faiths, backgrounds, abilities, and income levels.

Social responsibility – The Association believes in giving back and supporting its neighbors. The Association has been listening and responding to its community's most critical social needs for more than 130 years. The Association is committed to making sure all members of its community have the opportunity to learn, grow, and thrive. The Association turns no one away because of the inability to pay. Financial assistance is provided to people who otherwise may not have been able to afford to participate. In addition, the Association donates memberships, programs, and services to other local nonprofit organizations to work together to inspire change and improve the lives of others in the communities.

Management and general – Activities that relate to the overall direction of the Association which include activities of the board of directors, business management, finance, and general recordkeeping.

Fundraising – Activities that include soliciting contributions from individuals, corporations, and foundations as well as putting together fundraising events.

Advertising and Promotion Costs

The Association expenses advertising and promotion costs as they are incurred. During the years ended December 31, 2025 and 2024, advertising and promotion costs totaled \$152,160 and \$190,412, respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Association qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Date of Management's Review

Management has evaluated subsequent events through May 20, 2026, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS

Credit Risk – The Association maintains cash balances at several financial institutions located in Wisconsin. Amounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2025 and 2024, the Association's uninsured cash balances totaled approximately \$8,282,000 and \$3,343,000, respectively. Management does not believe there is a significant risk of loss associated with these balances.

Economic Dependency – A major funding source is a source that provides 10% or more of the Association's total support and revenue. During the year ended December 31, 2025, the Association received 37% of its total support and revenue from one major funding source. There is \$5,000,000 included in unconditional promises to give from this funding source as of December 31, 2025. During the year ended December 31, 2024, there were no donors that met the 10% threshold to be considered major funding sources.

NOTE 3 – CERTIFICATE OF DEPOSIT DESIGNATED FOR UNEMPLOYMENT INSURANCE

The Association has elected the reimbursement (self-insured) method to finance the cost of unemployment compensation benefits. As required by the Wisconsin Department of Workforce Development, the Association has maintained a certificate of deposit with a balance totaling \$177,710 at December 31, 2025 and 2024, for the purpose of financing unemployment compensation benefit costs.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 4 – BENEFICIAL INTEREST IN CHARITABLE LEAD TRUST

During 2019, a donor established a trust with a local bank naming the Association as one of twenty beneficiaries of a charitable lead trust. Under the terms of the split-interest agreement, the Association will receive \$95,613 annually for nine years from the date of the agreement and one final payment of \$54,599 in the tenth year. The distributions are without donor restrictions. The present value of future payments expected to be received by the Association is calculated using a discount rate of 3.2%. Future scheduled payments from the trust are as follows:

	2025	2024
Receivable in less than one year	\$ 95,613	\$ 95,613
Receivable in one to five years	150,212	245,825
Total amount to be received	245,825	341,438
Discount to net present value	(6,299)	(13,726)
Beneficial interest in charitable lead trust	\$ 239,526	\$ 327,712

NOTE 5 – BENEFICIAL INTEREST IN REMAINDER TRUST

The Association is the beneficiary under a trust in which the donor has retained a life interest. The assets of the trust are not available to the Association until after the death of the donor's spouse which occurred during 2025. The Association was paid out approximately \$25,000 during 2025 following the death of the donor's spouse. As of December 31, 2025, there is no expected future benefit from the remainder trust.

NOTE 6 – PROMISES TO GIVE

Unconditional promises to give at year-end are as follows:

	2025	2024
Receivable in less than one year	\$ 5,448,481	\$ 126,387
Receivable in one to five years	1,123,018	299,000
Total unconditional promises to give	6,571,499	425,387
Discount to net present value	(118,650)	(40,722)
Net unconditional promises to give	\$ 6,452,849	\$ 384,665

The present value of future payments to be received by the Association is calculated at discount rates between 4.73% - 5.38%.

At December 31, 2025, the Association has a \$15,000,000 promise to give that is conditioned upon the Association raising an equal amount of contributions and the capital campaign project (Note 18) being substantially completed. This conditional promise to give will be recognized as revenue when the conditions are met in a future year. \$1,850,000 of this promise was received during 2024 and is recorded as a refundable advance.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 7 – ENDOWMENT INVESTMENTS

Endowment investments are comprised of the following:

	2025	2024
U.S. equity securities	\$ 883,442	\$ 798,506
Developed foreign securities	345,178	276,448
Fixed income securities	588,514	512,812
U.S. listed real estate securities	36,281	32,692
Total	\$ 1,853,415	\$ 1,620,458

Each type of security listed in the table above is considered a mutual fund. Fair values of mutual funds are based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Association are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Association are considered to be actively traded.

NOTE 8 – ENDOWMENT

At December 31, 2025 and 2024, the Association’s board of directors has designated \$1,906,789 and \$1,663,832, respectively, of net assets without donor restrictions as a general endowment to support the mission of the Association. Since those amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions.

Return objectives and risk parameters – The Association 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. Under these policies, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

Strategies employed for achieving objectives – To satisfy its long-term rate-of-return objectives, the Association 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 Association targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy – The Association has a policy of appropriating for distribution, funds which are subject to limitations imposed in the investment policy and which the finance and audit committee will recommend to the board of directors for approval.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 8 – ENDOWMENT (continued)

Composition of and changes in endowment net assets for the years ended December 31, 2025 and 2024, were as follows:

	2025	2024
Board-designated endowment net assets at beginning of year	\$ 1,663,832	\$ 1,508,790
Net appreciation	242,957	155,042
Board-designated endowment net assets at end of year	\$ 1,906,789	\$ 1,663,832

NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2025	2024
Land	\$ 3,669,880	\$ 1,742,454
Buildings and improvements	21,554,006	21,297,792
Equipment and leasehold improvements	3,235,960	3,148,568
Work in progress	211,397	127,985
Finance lease right-of-use assets	546,910	632,593
Property and equipment	29,218,153	26,949,392
Accumulated depreciation and amortization	(18,317,755)	(17,895,190)
Property and equipment, net	\$ 10,900,398	\$ 9,054,202

Depreciation and amortization expense related to property and equipment for the years ended December 31, 2025 and 2024, was \$775,160 and \$718,221, respectively, which includes \$125,442 and \$146,889, respectively, of amortization of finance lease right-of-use assets. Accumulated amortization of finance lease right-of-use assets is \$367,532 and \$327,773 at December 31, 2025 and 2024, respectively.

NOTE 10 – LEASES

The Association leases fitness equipment under finance leases that expire at various dates through the year ended December 31, 2027. These leases include options to purchase the underlying assets. Options that the Association believes are reasonably certain to be exercised are included in the measurement of right-of-use assets and leases liabilities.

The Association also has several operating leases primarily related to its waste management systems that expire at various dates through the year ended December 31, 2028.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 10 – LEASES (continued)

The components of lease cost are as follows:

	2025	2024
Finance lease cost		
Amortization of right-of-use assets	\$ 125,442	\$ 146,889
Interest on lease liabilities	19,867	28,893
Operating lease cost	22,278	54,426
Short-term lease cost	150,843	137,878
Variable lease cost	5,818	2,685
Total lease cost	\$ 324,248	\$ 370,771

Other information related to leases is as follows:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 19,867	\$ 28,893
Operating cash flows from operating leases	22,278	54,426
Financing cash flows from finance leases	147,179	169,919
Right-of-use asset obtained in exchange for new operating lease liability	29,544	-
Right-of-use asset obtained in exchange for new finance lease liability	-	84,749
Weighted-average remaining lease term		
Finance leases	1.54 years	2.48 years
Operating leases	2.75 years	0.65 years
Weighted-average discount rate		
Finance leases	7.41%	7.44%
Operating leases	3.41%	3.61%

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

	Finance Leases	Operating Leases
Year ending December 31:		
2026	\$ 142,080	\$ 11,505
2027	69,523	10,360
2028	-	8,633
Total minimum lease payments	211,603	30,498
Imputed interest	(12,015)	(1,371)
Total lease liabilities	\$ 199,588	\$ 29,127

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 11 – LONG-TERM DEBT

Long-term debt consisted of the following:

	2025	2024
City of Sun Prairie, Wisconsin Variable Rate Demand Development Revenue Bonds, Series 2006, with variable interest at 3.32% at December 31, 2025, annual principal payments of varying amounts from \$180,000 to \$370,000, due December 2036.	\$ 3,220,000	\$ 3,430,000
Interest-free promissory note payable to City of Madison only upon sale, change in use, or discontinuance of use of the East facility.	95,000	95,000
Long-term debt	3,315,000	3,525,000
Unamortized debt issuance costs	(34,423)	(39,999)
Long-term debt less unamortized debt issuance costs	3,280,577	3,485,001
Current portion of long-term debt	(225,000)	(210,000)
Long-term debt less current portion	\$ 3,055,577	\$ 3,275,001

Substantially all the Association's assets are pledged as collateral for the bonds. The endowment assets are pledged as collateral for the letter of credit described below. The letter of credit related to the bonds contains various covenants including a fixed charge coverage ratio. There are no violations of these covenants as of December 31, 2025 and 2024.

The bonds can be called on a daily basis by the bondholder. The Association has a remarketing agreement with the underwriter that provides for a "best efforts" remarketing of the bonds. The Association anticipates that additional bonds will be issued to extend the maturities; however, there can be no guarantee that these bonds can or will be remarketed. The bonds are secured by a letter of credit in the amount of the outstanding principal balance on the bonds plus accrued interest. If the letter of credit is drawn on to pay for the bonds that were not remarketed, such amounts are due immediately. The letter of credit expires in March 2027.

Assuming no bonds are called by the bondholders, the future scheduled maturities of long-term debt are as follows:

2026	\$ 225,000
2027	235,000
2028	250,000
2029	260,000
2030	275,000
Thereafter	2,070,000
Total	\$ 3,315,000

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Beneficial interest in remainder trust for youth scholarships	\$ -	\$ 46,853
Land for the West facility's activities	710,000	710,000
Capital campaign	12,212,325	378,326
Future periods	293,859	365,599
Net assets with donor restrictions	\$ 13,216,184	\$ 1,500,778

NOTE 13 – RETIREMENT PLANS

The Association participates in the YMCA Retirement Fund, Retirement Plan which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended and the YMCA Retirement Fund Tax Deferred Savings Plan, which is a defined contribution church retirement income account plan as defined in section 403(b)(9) of the code. Both plans are sponsored by the Young Men's Christian Association Retirement Fund (the Fund). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees.

The Association contributes 12% of eligible employees' salaries to the YMCA Retirement Fund Retirement Plan. For the years ended December 31, 2025 and 2024, contributions to the plan by the Association total \$458,811 and \$439,547, respectively.

Contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan are voluntary and are withheld from participating employees' salaries. There is no matching employer contribution in this plan.

NOTE 14 – PAYMENTS TO AFFILIATED ORGANIZATION

The Association serves the citizens of Dane County, Wisconsin, and is independently governed by a local board of community leaders and volunteers. The Association is dedicated to creating positive changes in its community and is a member of the national YMCA organization, YMCA of the USA. During the years ended December 31, 2025 and 2024, the Association paid annual national support fees of \$229,567 and \$187,705, respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 15 – LIQUIDITY AND AVAILABILITY

The following table reflects the Association's financial assets as of the statement of financial position date, reduced by amounts that are not available for general expenditures within one year of the date.

	2025	2024
Cash	\$ 10,228,997	\$ 4,531,666
Certificates of deposit	3,242,740	3,771,086
Unconditional promises to give, net	6,452,849	384,665
Grants receivable	24,476	21,976
Accounts receivable, net	194,476	94,267
Other receivables	63,909	23,461
Beneficial interest in charitable lead trust	239,526	327,712
Endowment investments	1,853,415	1,620,458
Beneficial interest in assets held by Madison Community Foundation	158,129	146,621
Beneficial interest in remainder trust	-	46,853
Financial assets at year end	22,458,517	10,968,765
Less those unavailable for general expenditures within one year		
Beneficial interest in charitable lead trust payments to be received in more than year	(143,913)	(232,099)
Beneficial interest in remainder trust with uncertain timing of future cash flows	-	(46,853)
Board designations		
Unemployment insurance	(177,710)	(177,710)
Endowment	(1,906,789)	(1,663,832)
Repairs and replacement	(740,227)	(740,227)
Restricted by donor to investment in property and equipment	(10,145,482)	(346,778)
Refundable advance received on a conditional contribution	(1,850,000)	(1,850,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 7,494,396	\$ 5,911,266

As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The endowment's purpose is to provide continuing financial support for programs, scholarships, new initiatives, general operating expenses, and to ensure the future stability of the Association. Endowment assets can be made available as approved by the board of directors. Additionally, revenue from programs and memberships are collected monthly to fund current operations.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 16 – PAYCHECK PROTECTION PROGRAM LOANS

The Association received loans totaling \$2,582,045 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loans accrue interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by the Association during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over two years. On February 5, 2021, the SBA preliminarily approved forgiveness of the Association's first draw loan. On February 2, 2022, the SBA preliminarily approved forgiveness of the Association's second draw loan. The Association must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Association's good-faith certification concerning the necessity of its loan request, whether the Association calculated the loan amount correctly, whether the Association used loan proceeds for the allowable uses specified in the CARES Act, and whether the Association is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Association was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of forgiven amounts.

NOTE 17 – EMPLOYEE RETENTION CREDIT

During the year ended December 31, 2021, the Association claimed Employee Retention Credits (ERC) totaling \$1,714,982 under the provisions the Coronavirus Aid, Relief, and Economic Security Act, as amended. Employers are eligible for the ERC if they experience either a significant decline in gross receipts or the full or partial suspension of operations because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. The Association determined it had met the requirements for the ERC. The Internal Revenue Service (IRS) generally has five years from the date an ERC claim is filed to audit the claim. Therefore, the IRS may audit the Association's eligibility for the ERC and its substantiation of the amounts claimed. If the IRS determines the Association was ineligible for the ERC, the Association could be required to repay the amount claimed along with penalties and interest.

NOTE 18 – CAPITAL CAMPAIGN

During the year ended December 31, 2024, the Association started a capital campaign to raise funds to construct a new YMCA West facility. No significant construction costs have been incurred as of December 31, 2025, however, the Association did purchase the land on which the new facility will be constructed. Amounts raised from the campaign are disclosed with net assets with donor restrictions (Note 12). Additionally, a conditional contribution for the campaign was received (Note 6). Contributions received for the campaign that have not yet been spent on construction costs are recorded as assets restricted to investment in property and equipment on the statement of financial position.