YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2025 and 2024

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC.
AND SUBSIDIARIES

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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors
Young Men's Christian Association of Metropolitan Atlanta, Inc. and Subsidiaries
Atlanta, Georgia

Opinion

We have audited the accompanying consolidated financial statements of the Young Men's Christian Association of Metropolitan Atlanta, Inc. and Subsidiaries (collectively, the "Association"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2025, and the changes in their net assets and their 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 audit. 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 Consolidated 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, and for 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 Responsibility for the Audit of the Consolidated 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 generally accepted 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 generally accepted 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.

Report on Summarized Comparative Information

We have previously audited the Association's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 7, 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 financial statements from which it has been derived.

Cherry Bekaert LLP

Atlanta, Georgia
June 25, 2026

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 8,338,738	$ 9,128,219
Restricted cash	307,324	1,416,697
Accounts receivable, net	2,627,437	2,378,812
Grants receivable	824,575	1,345,400
Unconditional promises to give, net	-	47,498
Other assets	953,464	616,454
NMTC leveraged loan notes receivable	14,533,500	14,533,500
Endowment investments	33,768,051	30,803,815
Other investments	4,247,486	4,054,074
Land, buildings, and equipment, net	237,291,873	245,905,703
Total Assets	$ 302,892,448	$ 310,230,172
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 8,601,993	$ 6,808,151
Accrued expenses and other current liabilities	10,013,466	10,241,569
Deferred revenue	5,771,102	6,182,025
Custodial liability	27,500	1,377
Financing lease obligations	1,942,918	3,233,930
Line of credit	4,675,000	5,000,000
Short-Term note payable	3,734,043	-
NMTC notes payable, net	20,023,033	19,780,045
Bonds payable, net	58,729,326	59,083,561
Total Liabilities	113,518,381	110,330,658
Net Assets:		
Without Donor Restrictions:		
Undesignated	120,861,593	120,712,143
Designated by the Board for operating reserve	4,247,486	4,054,074
Designated by the Board for endowment	8,323,604	8,020,194
Total Without Donor Restrictions	133,432,683	132,786,411
With Donor Restrictions:		
Perpetual in nature	20,849,129	19,047,692
Purpose restrictions	8,590,571	20,827,893
Time restricted for future periods	26,501,684	27,237,518
Total With Donor Restrictions	55,941,384	67,113,103
Total Net Assets	189,374,067	199,899,514
Total Liabilities and Net Assets	$ 302,892,448	$ 310,230,172

The accompanying notes to the consolidated financial statements are an integral part of these statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025 (WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Revenues, Gains, and Other Support:				
Direct support – government agencies	$ 42,112,219	$ -	$ 42,112,219	$ 35,077,253
Direct support – Public	4,848,425	6,727,391	11,575,816	10,955,522
Contributions of nonfinancial assets	10,823,091	-	10,823,091	10,771,552
Total Support	57,783,735	6,727,391	64,511,126	56,804,327
Membership dues	48,599,967	-	48,599,967	44,867,220
Program service fees	28,933,290	-	28,933,290	27,927,804
Investment returns, net	395,914	-	395,914	410,555
Other revenue	1,335,283	-	1,335,283	683,268
Total Revenues, Gains, and Other Support	137,048,189	6,727,391	143,775,580	130,693,174
Net Assets Released from Restrictions:				
Expiration of time and purpose restrictions	19,920,555	(19,920,555)	-	-
Total Revenues, Gains, and Other Support	156,968,744	(13,193,164)	143,775,580	130,693,174
Expenses:				
Program services	132,046,698	-	132,046,698	124,624,404
Management and general	21,571,159	-	21,571,159	22,683,469
Fundraising	3,504,320	-	3,504,320	2,168,185
Total Expenses	157,122,177	-	157,122,177	149,476,058
Deficit of Operating Revenue Over Expenses	(153,433)	(13,193,164)	(13,346,597)	(18,782,884)
Nonoperating Activities:				
Gain on sale of fixed assets	86,028	-	86,028	95,821
Gain on cancellation of debt	-	-	-	6,568,749
Investment returns, net	713,677	2,021,445	2,735,122	3,167,263
Total Nonoperating Activities	799,705	2,021,445	2,821,150	9,831,833
Change in net assets	646,272	(11,171,719)	(10,525,447)	(8,951,051)
Net assets, beginning of year	132,786,411	67,113,103	199,899,514	208,850,565
Net assets, end of year	$ 133,432,683	$ 55,941,384	$ 189,374,067	$ 199,899,514

The accompanying notes to the consolidated financial statements are an integral part of these statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025 (WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2024)

	Program Services	Management and General	Fund Raising	Total Expenses 2025	Total Expenses 2024
Salaries	$ 47,324,192	$ 7,932,982	$ 1,593,179	$ 56,850,353	$ 53,459,966
Employee benefits	6,507,503	1,082,180	206,596	7,796,279	6,906,849
Payroll taxes	4,081,922	544,127	110,271	4,736,320	4,277,094
Total Salaries and Related Expenses	57,913,617	9,559,289	1,910,046	69,382,952	64,643,909
Professional fees and contract services	23,334,339	3,982,295	165,366	27,482,000	26,387,556
Supplies	10,090,675	153,170	15,122	10,258,967	10,140,458
Telephone	192,087	994,455	-	1,186,542	985,677
Postage	145,693	16,157	19,055	180,905	195,990
Occupancy	15,084,753	489,907	-	15,574,660	14,432,409
Equipment expense and maintenance	2,898,655	497,411	73	3,396,139	3,090,393
Promotion and printing	290,354	4,558,054	1,051,577	5,899,985	5,591,767
Travel and transportation expense	929,522	62,346	7,600	999,468	1,223,626
Conferences, meetings, and training	525,025	126,978	323,836	975,839	939,758
Insurance	1,713,027	5,712	-	1,718,739	2,138,359
National support	816,105	81,573	885	898,563	949,161
Interest and fees	5,364,990	307,291	-	5,672,281	5,834,957
Depreciation and amortization	11,469,015	477,049	-	11,946,064	11,911,141
Bad debt expense	1,140,922	-	-	1,140,922	-
Recruitment, retention, and relocation	135,790	172,260	-	308,050	350,053
Miscellaneous	2,129	87,212	10,760	100,101	660,844
Total Expenses	$ 132,046,698	$ 21,571,159	$ 3,504,320	$ 157,122,177	$ 149,476,058

The accompanying notes to the consolidated financial statements are an integral part of these statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ (10,525,447)	$ (8,951,051)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	11,557,311	11,464,077
Amortization of debt issuance cost	388,753	447,064
Gain on cancellation of debt	-	(6,568,749)
Gain on disposal of land, buildings, and equipment	(86,028)	(95,821)
Contributions restricted for long-term investment	(1,801,437)	-
Net unrealized and realized gains on investments	(805,939)	(1,986,960)
Provision for bad debts	1,140,922	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,389,547)	685,457
Grants receivable	520,825	324,231
Unconditional promises to give, net	47,498	333,865
Other assets	(337,010)	243,803
Accounts payable	1,394,469	(5,865,200)
Accrued expenses and other liabilities	(228,103)	405,401
Deferred revenue	(410,923)	(1,123,561)
Custodial liability	26,123	(324,261)
Net cash flows from operating activities	(508,533)	(11,011,705)
Cash flows from investing activities:		
Proceeds from sales of investments	1,572,324	4,475,030
Purchases of investments	(3,924,033)	(1,370,418)
Proceeds from sale of land, buildings, and equipment	86,028	370,827
Purchases of land, buildings, and equipment	(2,544,108)	(5,367,654)
Net cash flows from investing activities	(4,809,789)	(1,892,215)
Cash flows from financing activities:		
Proceeds from contributions restricted for long-term purposes	1,801,437	-
Principal payments on financing lease obligations	(1,291,012)	(863,955)
Proceeds from line of credit	-	5,000,000
Principal payments on line of credit	(325,000)	-
Proceeds from short-term notes payable	3,734,043	-
Principal payment on bonds payable	(500,000)	(500,000)
Net cash flows from financing activities	3,419,468	3,636,045
Change in cash, cash equivalents, and restricted cash	(1,898,854)	(9,267,875)
Cash, cash equivalents, and restricted cash, beginning of year	10,544,916	19,812,791
Cash, cash equivalents, and restricted cash, end of year	$ 8,646,062	$ 10,544,916

The accompanying notes to the consolidated financial statements are an integral part of these statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF METROPOLITAN ATLANTA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Supplemental information:		
Cash paid for interest	$ 3,980,131	$ 3,745,531
Supplemental noncash investing and financing transactions:		
Property and equipment acquisition included in accounts payable	$ 399,373	$ 3,514,258
Right-of-use asset acquired in exchange for lease liabilities	$ -	$ 453,346

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Note 1—Organization and purpose

The Young Men's Christian Association of Metropolitan Atlanta, Inc. (the "YMCA"), reflecting its Judeo-Christian heritage, is an association of volunteers, members and staff, open to and serving all, providing programs and services which develop spirit, mind and body. All programs are directed toward strengthening the foundations of community. Financial assistance is available in the form of a reduced membership rate or program fee credit for those in need. The YMCA is comprised of the Metropolitan YMCA, 24 branches and two resident camps. The YMCA's program areas of focus are youth development, healthy living, and social responsibility. The YMCA's programs are funded primarily by charitable contributions, foundation and government grants, and membership and program fees.

The Early Childhood Development Co., LLC (the "ECDC") was incorporated in 1999 to operate the Head Start program. Head Start is a federally funded program that provides services in both early childhood development and health. Parents play an integral part in the program by attending parent education classes, serving on committees, and providing transportation.

The YMCA Community Development Co., LLC (the "CDC") was incorporated in 2002 to receive, hold, administer, and oversee grant funding for certain community oriented programs and projects in the metropolitan Atlanta area.

The YMCA East Lake Youth Center, LLC (the "ELYC") was incorporated in 2011 to receive, hold, administer, and oversee the funding for the East Lake Youth Center.

The Atlanta YMCA Westside QALICB, Inc. (the "Westside QALICB"), was incorporated in 2017 and is a special-purpose-entity lessor that operates with a sole purpose to enable the YMCA to develop the Leadership and Learning Center in Atlanta's Westside utilizing the New Markets Tax Credit ("NMTC") program. The Westside QALICB was dissolved on April 28, 2025.

The YMCA Woodson Park QALICB, Inc. (the "Woodson QALICB"), was incorporated in 2019 is a special-purpose-entity lessor that operates with a sole purpose to enable the YMCA to develop the Woodson Park Early Learning Center utilizing the NMTC Program.

The Atlanta YMCA Young QALICB, Inc. (the "Young QALICB") was incorporated in 2025 is a special-purpose-entity lessor that operates with a sole purpose to enable the YMCA to finance renovations at the Andrew and Walter Young Family YMCA utilizing the NMTC Program.

ECDC, CDC, ELYC, Westside QALICB, Woodson QALICB, and Young QALICB are designated as 501(c)(3) entities by the Internal Revenue Service and were established to operate exclusively for the benefit of and to carry out the purpose of the YMCA and are all sole member limited liability corporations.

Basis of Accounting and Principles of Consolidation – The accounting and reporting policies of the YMCA and its subsidiaries comply with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The consolidated financial statements include the accounts of the YMCA, ECDC, CDC, ELYC, Westside QALICB, Woodson QALICB, and Young QALICB (collectively, the "Association"). All significant inter-company accounts and transactions have been eliminated.

Note 2—Significant accounting policies and other matters

Net Assets – The Association's net assets and its support and revenues are classified based on the existence or absence of donor-imposed restrictions using the following net asset classifications:

> *Net Assets Without Donor Restrictions* – Net assets available for use in the general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions may be designated for specific purposes by the Board of Directors.
>
> *Net Assets With Donor Restrictions* – Net assets subject to donor imposed or legal restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met with the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Operating Activities – Operating activities in the consolidated statements of activities reflect all transactions related to the core operations of the Association. All other transactions, including activity related to endowment earnings in excess of spend rate, other income for other long-term restricted purposes, and certain other non-recurring items are included as nonoperating activities.

Contributions – Contributions are recognized as revenue when an unconditional promise to give is made or when cash is received, if an unconditional promise does not exist. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restriction. Unconditional promises to give are classified as net assets without donor restrictions. Conditional gifts, with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor.

A donor-imposed restriction is satisfied when a stipulated time restriction expires or when a purpose restriction is accomplished. Upon satisfaction, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statement of activities as net assets released from restrictions. Donor restricted contributions that are both received and released in the same year are recorded as net assets without donor restrictions.

Donor-imposed restrictions that require the principal be maintained in perpetuity reflect the principal amount of that contribution and is reported as net assets with donor restrictions. Investment income either permanently or temporarily restricted by the donor is classified as net assets with donor restriction. If no donor-imposed restriction exists, investment income is classified as net assets without donor restriction.

Contributions of long-lived assets are recorded at the estimated fair value at the date of receipt and are recorded as net assets without donor restriction unless the use of such contributed assets is subject to donor-imposed restrictions. Contributed long-lived assets with donor-imposed stipulations limiting their use are reported as net assets with donor restrictions. The Association does not imply time restrictions on contributions of long-lived assets (or of other assets restricted to the purchase of long-lived assets) received without donor stipulations about how long the contributed assets must be used. As a result, contributions of cash and other assets restricted to the acquisition of long-lived assets are reported as net assets with donor restrictions; those restrictions expire when the long-lived assets are placed in service.

Note 2—Summary of significant accounting policies (continued)

Government Grants and Contracts – The YMCA receives grant and contract funding from various federal, state, and local governments to provide a variety of program services to the public based on specific requirements included in the agreement, including eligibility, procurement, reimbursement, curriculum, staffing, and other requirements. These program services range from childcare after school programs, day camp, family programs, programs for seniors, and immigration and health and welfare related programs. Such YMCA's government grants and contracts are nonreciprocal transactions and include conditions stipulated by the government agencies and are, therefore, accounted for as conditional contributions. Direct support is recognized as conditions are satisfied, primarily as expenses are incurred.

Certain direct and indirect support from government agencies is subject to independent audit under the Office of Management and Budget Uniform Guidance and review by grantor agencies. Such review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Management believes costs ultimately disallowed, if any, would not materially affect the consolidated financial position of the Association.

Donations In-Kind and Contributed Services – Donations in-kind and contributed services are recorded at their estimated fair value at the date the contribution becomes an unconditional promise to give. Donated leases are reflected as net assets with donor restriction and as land, buildings, and equipment in the consolidated financial statements. Donated materials are recorded at the time the donated items are placed into service or distributed.

Contributed services are reported at their fair value if such services create or enhance non-financial assets. These services would have been purchased if not provided by contributions and require specialized skills. A substantial number of volunteers have donated significant amounts of time and services in the Association's program operations and in its fund-raising campaigns. However, the Association does not record such contributed services as they do not meet the criteria for revenue recognition.

Revenue Recognition – The YMCA has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and program fees, and government contract revenues.

Because the YMCA's performance obligations relate to contracts with a duration of less than one year, the YMCA has elected to apply the optional exemption provided in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606-10-50-14(a), *Revenue from Contracts with Customers* and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Membership Dues and Program Fees – Membership dues and program fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs. Members join for varying lengths of time and may cancel at any time. Members generally pay a onetime joining fee plus monthly dues in advance. Memberships provide use of the recreation facilities, access to free classes, programs and activities, and discounts to fee-based programs. The YMCA offers a variety of programs including family, childcare, day camp, resident camp, teen, scholastic, fitness, aquatics, health, immigration, and international services. Fee-based programs are available to the public. Program fees for short duration programs of two months or less, such as aquatics classes, are typically paid in advance at the time of registration. Program fees for longer duration programs, such as fee-based childcare, are usually paid monthly in advance. Cancellation provisions vary by program, but most transactions are cancellable with a 15 to 30-day notice. Refunds may be available for services not provided. Financial assistance is available to members and program participants. Such financial assistance is reflected as a reduction of gross membership dues and program fees.

Note 2—Summary of significant accounting policies (continued)

Membership dues and program fees are recognized over the period the membership or program service is provided, on a straight-line basis in an amount that reflects the consideration the YMCA expects to be entitled to in exchange for those services. All YMCA revenue from contracts with customers are from performance obligations satisfied over time. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. Membership joining fees are fully recognized at the membership start date.

Funds received by the Association for services related to childcare, membership, and other programs that are designated for or related to future years' activities are deferred and recognized as revenue in the period in which the revenue is earned. In certain instances, gains from the sale of properties are deferred and recognized as revenue in the period in which the revenue is earned.

Cash and Cash Equivalents and Restricted Cash – Cash and cash equivalents and restricted cash are short-term, highly liquid investments with original maturities of three months or less, with the exception of cash and money market funds held in investment funds, which are considered to be investments. Cash and cash equivalents and restricted cash on hand consisted of the following at December 31:

	2025	2024
Cash and cash equivalents	$ 8,338,738	$ 9,128,219
Restricted cash for capital projects	307,324	1,416,697
	$ 8,646,062	$ 10,544,916

Unconditional Promises to Give – 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 future years are recorded at the present value of the estimated future cash flows and are discounted at the rate applicable to the year in which the pledge was made. The discount rate is commensurate with the risk associated with the ultimate collection of the unconditional promises to give, including collectability, at the date of the contribution. The discount is amortized using an effective yield over the expected collection period of the unconditional promises to give and is recorded as contribution revenue.

Accounts Receivable – Accounts receivables are stated at cost less an allowance for credit loss. The allowance for credit losses is based on the Association's assessment of the collectability of membership and program accounts receivable. In accordance with ASC Topic 326, *Financial Instruments – Credit Losses*, the Association makes ongoing estimates relating to the collectability of accounts receivable and records an allowance for estimated losses expected from the inability of its members and participants to make required payments. The Association establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a member's and participant's ability to pay, and creditworthiness of significant members or participants. These inputs are used to determine a range of expected credit losses and an allowance is recorded within range. Accounts receivables are written off when there is no reasonable expectation of recovery.

Changes in the allowance for credit losses related to accounts receivable for the year ended December 31, 2025 were as follows:

Balance, January 1, 2025	$ 606,585
Provisions	1,143,422
Write-offs, net of recoveries	-
Balance, December 31, 2025	$ 1,750,007

Note 2—Summary of significant accounting policies (continued)

Changes in the allowance for credit losses related to accounts receivable for the year ended December 31, 2024 were as follows:

Balance, January 1, 2024	$	606,585
Provisions		-
Write-offs, net of recoveries		-
Balance, December 31, 2024	$	606,585

NMTC Leverage Loan Note Receivable – NMTC leverage loan note receivables are collateralized by the membership interests related to NMTC transactions (see Note 10) and is stated at the principal amount. Payments on NMTC leverage loan notes receivables are allocated first to accrued and unpaid interest with the remainder to the outstanding principal balance. Interest on NMTC leverage loan note receivables are recognized over the term of the notes and is calculated using the simple-interest method on principal amounts outstanding. The Association has one class of financing receivables from a highly credible institution and management assesses the credit quality of NMTC leverage loan notes receivable based on indicators such as collateralization, collection experience, and management’s internal metrics. Management also reviews the collectability of NMTC leverage loan notes receivable on an ongoing basis, and no reserve has been established.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value. Fair value is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities. Alternative investments are carried at net asset value (“NAV”) per share based upon financial information provided by external investment partners. Because the alternative investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would have been used had a ready market for the investments existed. Investment income, changes in the fair value of securities, less investment fees are reflected as investment returns in the consolidated statements of activities.

Land, Buildings, and Equipment – Land, buildings, land and leasehold improvements, finance leases, and equipment are recorded at acquisition cost or, if donated, at fair value at the date of donation. Acquisition costs include costs necessary to get the asset ready for its intended use. Certain application development costs incurred to develop internal-use software are capitalized and amortized over the expected useful life of the software application. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Useful lives of the respective assets follow:

Land improvements	20-30 years
Buildings and improvements	30-40 years
Leasehold improvements	3-10 years
Equipment	3-10 years
Donated land leases	Lease term
Right-of-use assets	Lease term or life of underlying asset

Land, buildings, and equipment are periodically reviewed for impairment based on an assessment of future operations. The Association records impairment losses on land, buildings, and equipment used in operations when indicators of impairment are present and the estimated undiscounted cash flows expected to be generated by those assets are less than the assets’ carrying amount. For the years ended December 31, 2025 and 2024, no impairment losses were recognized.

Note 2—Summary of significant accounting policies (continued)

Fair Value Measurements – The Association records certain assets and liabilities at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820, *Fair Value Measurements and Disclosures*, establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of inputs used to measure fair value are as follows:

> *Level 1* – Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.
>
> *Level 2* – Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets in markets that are not active; (c) observable inputs other than quoted prices for the asset or liability; and (d) inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
>
> *Level 3* – Inputs that are unobservable and significant to the overall fair value measurement of the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed from sources independent of the reporting entity. Unobservable inputs reflect the reporting Association's own assumptions about the assumptions market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The Association has placed funds for investment with entities that measure the fair value of those investments on the basis of NAV per share. These entities have established, for accounting purposes, an initial unit value for an accounting unit of the participants' accounts based on the participants' net assets divided by the unit value. At all times, the total value of the participants' net assets, divided by the total of all participants' units, will equal the unit value. The unit value of the net assets will be determined on the valuation date.

Concentrations of Credit and Market Risk – Financial instruments that potentially expose the Association to concentrations of credit and market risk consist primarily of cash and cash equivalents, accounts and grants receivables, and unconditional promises to give. The Association places its cash and cash equivalents on deposit are maintained at large multistate financial institutions. The Federal Deposit Insurance Corporation covers $250,000 for substantially all depository accounts. The Association from time to time may have amounts on deposit in excess of the insured limits. Accounts and grants receivable are due from a large number of government agencies, entities and individuals, therefore, diversifying the related concentration of credit risk.

Custodial Liability – Custodial liabilities represent cash held for others in which the YMCA acts as a fiscal agent.

Note 2—Summary of significant accounting policies (continued)

Leases – The Association leases certain equipment. The determination of whether an arrangement is a lease is made at the lease's inception. For contracts entered into on or after the effective date or at the inception of a contract, the Association assessed whether the contract is, or contains, a lease. The assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Association obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether the Association has the right to direct the use of the asset.

Right-of-use ("ROU") assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses are factored into the determination of the lease term if it is reasonably certain that these options would be exercised by the Association. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain of the Association's lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance, property tax, and property insurance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. To determine the present value of lease payments, the Association uses the implicit rate when it is readily determinable. As most of the Association's leases do not provide an implicit rate, the Association has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

Functional Expenses – The costs of providing programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and consolidated statements of functional expenses. The statement of functional expenses present the natural classification detail of expense by function. Accordingly, certain costs have been allocated to program services and supporting services. The expenses that are allocated include depreciation and amortization which is allocated by direct cost, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes – The YMCA and its subsidiaries are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Additionally, they are not private foundations pursuant to IRC Section 509(a)(1).

The Association utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more likely-than-not the positions will be sustained upon examination by the tax authorities. Management has determined that there are no material uncertain positions that require recognition in the consolidated financial statements. Additionally, no provision for income taxes is reflected in these consolidated financial statements. Interest and penalties would be recognized as tax expense; however, there is no interest or penalties recognized in the consolidated statements of activities.

Use of Estimates **–** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Presentation of Certain Prior Year Information **–** The consolidated financial statements include certain summarized comparative information from the prior year in total. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. 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.

Note 3—Liquidity and availability of resources

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

	2025	2024
Financial assets, at year-end		
Cash and cash equivalents	$ 8,338,738	$ 9,128,219
Accounts receivable, net	2,627,437	2,378,812
Governmental grants receivable	824,575	1,345,400
Unconditional promises to give, net	-	47,498
Other investments	4,247,486	4,054,074
Total financial assets at year-end	16,038,236	16,954,003
Resources appropriated by the Board and available for next year:		
Appropriation from Board-designated endowments	424,516	409,636
Appropriation from donor-restricted endowments	1,293,364	1,162,687
Total resources appropriated	1,717,880	1,572,323
Total financial assets and board appropriations	17,756,116	18,526,326
Less net assets unavailable to meet cash needs for general expenditures within one year:		
Custodial liabilities	(27,500)	(1,377)
Employee retention tax credit funds received	(5,612,156)	(5,612,156)
Subject to purposes restrictions	(3,995,253)	(17,091,964)
Financial assets not available to be used within one year	$ 8,121,207	$ (4,179,171)

The Association obtains certain support from donor-restricted contributions. Because a donor's restriction requires resources to be used for a particular purpose or in a future period, the Association must maintain sufficient resources to meet those responsibilities of its donors. Investment returns from donor-restricted endowments that are restricted for specific purposes or for time are not available for general expenditure.

The Association's board designated endowment is subject to the same annual spending policy as donor-restricted endowments. The board-designated endowment was $8,323,604 and $8,020,194 at December 31, 2025 and 2024, respectively. Although the Association does not intend to spend from this board-designated endowment, other than amounts appropriated for general expenditure, these amounts could be made available if necessary.

A part of the Association's liquidity management plan includes cash reserves growth. To meet this objective, the Association's board established an operating reserve and invests excess cash in various investment vehicles. The board-designated operating reserve was $4,247,486 and $4,054,074 at December 31, 2025 and 2024, respectively. Although the Association does not intend to spend from this board-designated operating reserve these amounts could be made available if necessary.

As described in Note 9, the Association also has a line of credit in the amount of $5,000,000. There was $325,000 available on the line of credit at December 31, 2025.

In July 2023, the Association received employee retention tax credit net proceeds of $5,612,146. Management is currently assessing the Association's eligibility to receive these funds and has record the proceeds received as a liability in accounts payable on the statements of financial position at December 31, 2025 and 2024.

Note 4—Investments

Investments consist of the following at December 31:

	2025	2024
Cash and money market funds	$ 725,415	$ 87,202
Domestic equities	12,859,668	14,180,852
International equities	4,913,030	3,308,505
Mutual funds	2,328,203	2,236,129
U.S. government and agency securities	5,566,503	6,106,371
Corporate bonds	8,535,436	7,392,620
Exchange traded funds	798,276	-
Private equity funds	2,222,082	1,479,285
Other	66,924	66,925
	$ 38,015,537	$ 34,857,889

Investment return, net for the years ended December 31 consisted of the following:

	2025	2024
Interest and dividends	$ 2,439,405	$ 1,696,143
Realized and unrealized gains, net	805,939	1,986,960
Subtotal	3,245,344	3,683,103
Less investment management expenses	(114,308)	(105,285)
Investment return, net	$ 3,131,036	$ 3,577,818

Note 5—Fair value measurements

Required disclosures concerning the estimated fair value of financial instruments are presented below. The following tables summarize the required fair value disclosures and measurements at December 31, 2025 and 2024 for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures*:

	Fair Value Measurements at December 31, 2025:				
	Total	Level 1	Level 2	Level 3	NAV
ASSETS					
Investments:					
Cash and money market funds	$ 725,415	$ 725,415	$ -	$ -	$ -
Domestic equities	12,859,668	12,859,668	-	-	-
International equities	4,913,030	4,913,030	-	-	-
Mutual funds	2,328,203	2,328,203	-	-	-
U.S. government and agency securities	5,566,503	5,566,503		-	-
Corporate bonds	8,535,436	-	8,535,436	-	-
Exchange traded funds	798,276	798,276	-	-	-
Private equity funds*	2,222,082	-	-	-	2,222,082
Other	66,924	-	-	66,924	-
	$ 38,015,537	$ 27,191,095	$ 8,535,436	$ 66,924	$ 2,222,082

	Fair Value Measurements at December 31, 2024:				
	Total	Level 1	Level 2	Level 3	NAV
ASSETS					
Investments:					
Cash and money market funds	$ 87,202	$ 87,202	$ -	$ -	$ -
Domestic equities	14,180,852	14,180,852	-	-	-
International equities	3,308,505	3,308,505	-	-	-
Mutual funds	2,236,129	2,236,129	-	-	-
U.S. government and agency securities	6,106,371	6,106,371	-	-	-
Corporate bonds	7,392,620	-	7,392,620	-	-
Exchange traded funds	-	-	-	-	-
Private equity funds*	1,479,285	-	-	-	1,479,285
Other	66,925	-	-	66,925	-
	$ 34,857,889	$ 25,919,059	$ 7,392,620	$ 66,925	$ 1,479,285

* In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Note 5—Fair value measurements (continued)

Following are descriptions of the valuation methodologies used for assets and liabilities measured at fair value.

- Money market funds and exchange traded funds are principally valued at the regular trading session closing price on the exchange or market in which such funds are principally traded on the last business day of each period presented using the market approach.

- Equities and mutual funds are principally valued at the regular trading session closing price on the exchange or market in which such securities are principally traded on the last business day of each period presented using the market approach.

- United States government and agency securities are valued on the basis of evaluated prices provided by independent pricing services when such processes are believed to reflect the fair market value of such securities using the income approach.

- Interest rate swaps consist of swap contracts and are valued primarily based on data readily observable in public markets presented using the income approach.

The preceding valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For entities that calculate NAV per share (or its equivalent), the following table provides information about the probability of investments being sold at amounts different from NAV per share for the year ended December 31, 2025:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commonfund Capital Global Private Equity Partners II, L.P. {a}	$ 1,131,513	$ 118,650	N/A	N/A
Commonfund Capital Venture Partners XII, L.P. {b}	747,129	18,000	N/A	N/A
Harrison Street Real Assets Fund LLC {c}	343,440	-	N/A	N/A
	$ 2,222,082	$ 118,650		

(a) The Fund represents illiquid investments in private equity with a long term investment horizon and a high risk and return profile. This is intended to augment public equity exposure and generate returns in excess of public equities.

(b) The Fund operates as a fund-of-funds, a strategy that allocates capital across a portfolio of other venture capital funds rather than investing directly in startups. Historically, this vehicle has targeted primary fund investments, secondaries, and co-investments to build highly diversified private equity programs tailored specifically for nonprofit and public institutional investors.

(c) The Fund is designed to serve as a core real assets holding and seeks to provide exposure to private infrastructure, private farmland, private timberland and public real assets by investing in institutional private real assets funds and institutional real assets securities managers.

Note 6—Land, buildings, and equipment, net

The components of land, buildings, and equipment recorded in the consolidated financial statements are as follows at December 31:

	2025	2024
Land and land improvements	$ 65,159,714	$ 65,331,033
Buildings and improvements	265,639,326	251,745,800
Leasehold improvements	18,753,144	18,753,144
Equipment	68,417,024	66,896,658
Donated land and facility use leases	35,918,133	35,918,133
Finance lease right-of-use assets	5,342,569	5,342,569
Construction-in-progress	151,462	12,450,561
	459,381,372	456,437,898
Accumulated amortization on finance lease right-of-use assets	(1,915,450)	(1,915,450)
Accumulated depreciation and other amortization	(220,174,049)	(208,616,745)
	$ 237,291,873	$ 245,905,703

Depreciation and amortization expense was $11,557,310 and $11,464,077 for the years ended December 31, 2025 and 2024, respectively.

Donated land and facility use leases consisted of the following at December 31. The fair value at the donation date was based on appraisals performed by a third party:

Donated Land and Facility Use Leases	Fair Value at Donation Date	Unamortized Value at December 31, 2025	Unamortized Value at December 31, 2024	Year of Lease Start Date	Lease Term
Facility use – City of Alpharetta	$ 2,100,000	$ 1,690,910	$ 1,710,458	1998	50 years
Land use - East Lake Community	595,000	545,182	549,759	2001	54 years
Facility use - Atlanta Housing Authority	3,650,000	634,934	875,348	1998	30 years
Land use - City of Covington	335,000	135,938	154,074	1999	30 years
Land use - Atlanta Housing Authority	1,250,000	1,209,279	1,213,152	2004	57 years
Facility use - City of Canton	17,588,133	16,493,792	16,589,442	2006	49 years
Facility use - DeKalb County	10,050,000	5,695,000	6,030,000	2012	30 years
Land use – Bartow County	350,000	96,649	115,285	2010	20 years
	$ 35,918,133	$ 26,501,684	$ 27,237,518		

Note 7—Contributions of nonfinancial assets

The Association received the following donated nonfinancial assets for the years ended December 31:

	2025	2024
Consulting and teaching services - Head Start Program	$ 7,327,076	$ 7,450,542
Donated space - Head Start Program	2,268,010	3,235,750
Other	1,228,005	85,260
	$ 10,823,091	$ 10,771,552

The Association generally receives contributed nonfinancial assets and utilizes them in support of its mission. The Association recognizes these in-kind contributed nonfinancial assets at their estimated fair value on the date of receipt. The estimated fair value is determined by either valuation reports provided by the organization providing the donation or by appraisal performed by a third party.

Contributed nonfinancial assets are generally not sold but are utilized to support the Association's programmatic work in support of its mission. The Association also recognizes contributed services as in-kind revenues at their estimated fair value on the date of receipt if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. No contributed nonfinancial assets with donor restrictions were received during the years ended December 31, 2025 and 2024.

Note 8—Deferred revenue

Deferred revenue includes the following at December 31:

	2025	2024
Membership and Program fees	$ 4,381,394	$ 4,714,953
Deferred gain on sale of properties	607,824	635,453
Miscellaneous	781,884	831,619
	$ 5,771,102	$ 6,182,025

Note 9—Bonds payable, note payable, and line of credit

Bonds Payable – On December 14, 2023, the YMCA issued $60,800,000 of Tax-Exempt and Taxable Bonds, Series 2023 Bonds ("2023 Bonds"). The 2023 bonds were issued and used to fully refinance a previous Term loan entered into in 2021. The sole purchaser of the 2023 Bonds is a financial institution. The 2023 Bonds were issued in nine series.

Bonds payable include the following at December 31:

	2025	2024
Bonds payable	$ 59,800,000	$ 60,300,000
Less unamortized debt issuance costs	(1,070,674)	(1,216,439)
	$ 58,729,326	$ 59,083,561

The outstanding balance of the 2023 Bonds at December 31 are as follows:

	2025	2024
Tax Exempt Series:		
2023A-1, Development Authority of Fulton County, Revenue Bonds	$ 6,700,000	$ 6,700,000
2023B-1, Development Authority of Dekalb County, Revenue Bonds	7,900,000	7,900,000
2023C-1, Development Authority of Forsyth County, Revenue Bonds	10,500,000	10,500,000
2023D-1, Coweta County Development Authority, Revenue Bonds	12,000,000	12,000,000
Taxable Series:		
2023Y, Association Revenue Bonds	13,400,000	13,900,000
2023A-2, Development Authority of Fulton County, Revenue Bonds	5,600,000	5,600,000
2023B-2, Development Authority of Dekalb County, Revenue Bonds	2,700,000	2,700,000
2023C-2, Development Authority of Forsyth County, Revenue Bonds	700,000	700,000
2023D-2, Coweta County Development Authority, Revenue Bonds	300,000	300,000
	$ 59,800,000	$ 60,300,000

Future principal maturities of bonds and notes payable subsequent to June 30, 2025 are as follows:

<u>Years Ending December 31:</u>	
2026	$ 500,000
2027	656,000
2028	1,784,325
2029	1,849,743
2030	1,850,000
Thereafter	53,159,932
	$ 59,800,000

Note 9—Bonds payable, note payable, and line of credit (continued)

Revolving Line of Credit Arrangement – On December 14, 2023, the Association entered into an unsecured revolving line of credit in the amount of $5,000,000. The variable interest rate is the adjusted term secured overnight financing rate plus 1.85%; provided, however, if the interest rate has been converted to bear interest at the greater of the prime rate or 2.5% the line of credit will bear interest at that rate (5.61% at December 31, 2025). There is an unused facility fee of .30% per annum on the daily amount of the undrawn portion of the revolving commitment. As of December 31, 2025 and 2024, the outstanding balance on the line of credit was $4,675,000 and $5,000,000, respectively.

The bonds payable and the revolving line of credit agreements include financial covenants that require the Association to maintain a historical debt service ratio, a liquidity ratio and to provide audited and unaudited financial statements within a specified period of time. The Association was not in compliance with the liquidity ratio financial covenant at December 31, 2025 and obtained a waiver from the bank.

Short-Term Note payable – In October 2025, the Association entered into an unsecured short-term note payable with the Community Foundation of Greater Atlanta for a total available principal of $3,750,000, an interest rate of 3% and a maturity date of April 30, 2026. During the year ended December 31, 2025, the Association drew down a total of $3,734,043 which was still outstanding as of December 31, 2025. The note was paid off in full on January 12, 2026.

Interest expense incurred on bonds, note, and line of credit for the years ended December 31, 2025 and 2024 totaled $3,632,689 and $3,364,331, respectively.

Note 10—New Market Tax Credit financing transactions

The NMTC program was designed to stimulate investment and economic growth in low-income communities by offering taxpayers a 39% tax credit against federal income taxes over a seven-year period for Qualified Equity Investments (“QEI”) in designated Community Development Entities (“CDE”). CDEs receive NMTC allocations pursuant to Section 45D of the IRC. These designated CDEs must use substantially all of the proceeds to make Qualified Low-Income Community Investments. To earn the tax credit, the QEI must remain invested in the CDE for a seven-year period. Also, the entity receiving the loans needs to be treated as a Qualified Active Low-Income Community Business (“QALICB”) for the duration of the seven-year period.

In 2022, AEMI Fund XXIX, LLC made NMTC enhanced loans totaling $9,800,000, the QALICB NMTC Loan, to the Young QALICB for renovations to the Andrew and Walter Young Family YMCA. The YFYMCA Atlanta Investment Fund, LLC (the “Young YMCA Investment Fund”), a Georgia limited liability company, contributed capital totaling $10,000,000 to the CDE’s as a capital contribution. Truist Community Capital, LLC invested $3,120,000 in the Young YMCA Investment Fund and the YMCA made a loan, YMCA Investment Fund leverage loan note receivable, of $7,180,000 to the YMCA Investment Fund. All principal on the leverage loan note receivable is due and payable on December 1, 2052, the maturity date. The leverage loan note receivable bears interest at 1.362% per annum.

Note 10—New Market Tax Credit financing transactions (continued)

The Young QALICB NMTC Loan has an interest rate of 1.00% per annum and interest shall be paid quarterly on the outstanding principal balance until the end of the credit period which is December 1, 2056. The Young QALICB NMTC Loan is not eligible for prepayment and the entire principal amount outstanding is due and payable on the maturity date. At the NMTC Loan's maturity date, Young QALICB will pay the Sub CDE's the principal amounts due. The Sub-CDE's will distribute the principal amounts to the Young YMCA Investment Fund and the Young YMCA Investment Fund will repay the YMCA the leverage loan note receivable. At the Young QALICB NMTC Loan's maturity date, the YMCA is able to purchase the outstanding interests in the YMCA Investment Fund at a nominal amount.

In 2019, NFF New Markets Fund XXXVIII, LLC and ST CDE LXIV, LLC made NMTC enhanced loans totaling $10,730,000, QALICB NMTC Loan, to the Woodson QALICB to develop the Woodson Park Early Learning Center. The GP YMCA Atlanta Investment Fund, LLC (the "GP YMCA Investment Fund"), a Georgia limited liability company, contributed capital totaling $9,000,000 to the CDE's as a capital contribution. SunTrust Community Capital invested $4,290,000 in the GP YMCA Investment Fund and the YMCA made a loan, YMCA leverage loan note receivable, of $7,353,500 to the YMCA Investment Fund. All principal on the leverage loan note receivable is due and payable on June 1, 2048, the maturity date. The leverage loan note receivable bears interest at 1.42% per annum.

The Woodson QALICB NMTC Loan has an interest rate of 1.00% per annum and interest shall be paid quarterly on the outstanding principal balance until the end of the credit period which is December 1, 2025. The Woodson QALICB NMTC Loan is not eligible for prepayment and the entire principal amount outstanding is due and payable on the maturity date. At the NMTC Loan's maturity date, Woodson QALICB will pay the Sub CDE's the principal amounts due. The Sub-CDE's will distribute the principal amounts to the GP YMCA Investment Fund and the GP YMCA Investment Fund will repay the YMCA the leverage loan note receivable. At the Woodson QALICB NMTC Loan's maturity date, the YMCA is able to purchase the outstanding interests in the YMCA Investment Fund at a nominal amount.

In 2017, AEMI Fund XVI, LLC, ST CDE LXXXI, LLC, and MBS-UI Sub-CDE 37, LLC (Sub CDE's) made NMTC enhanced loans totaling $21,700,000, the QALICB NMTC Loan, to the Westside QALICB to develop the Leadership and Learning Center. The YMCA of Metro Atlanta Investment Fund, LLC (YMCA Investment Fund), a Georgia limited liability company, contributed capital totaling $22,000,000 to the Sub CDE's as a capital contribution. SunTrust Community Capital invested $7,378,800 in the YMCA Investment Fund and the YMCA made a loan, YMCA leverage loan note receivable, of $14,893,700 to the YMCA Investment Fund. All principal on the leverage loan note receivable is due and payable on October 5, 2044, the maturity date. The leverage loan note receivable bears interest at 1.42% per annum.

The Westside QALICB NMTC Loan has an interest rate of 1.25% per annum and interest shall be paid annually on the outstanding principal balance until the end of the credit period which is October 5, 2024. The Westside QALICB NMTC Loan is not eligible for prepayment and the entire principal amount outstanding is due and payable on the maturity date. At the NMTC Loan's maturity date, the Westside QALICB will pay the Sub CDE's the principal amounts due. The Sub-CDE's will distribute the principal amounts to the YMCA Investment Fund and the YMCA Investment Funds will repay the YMCA the YMCA Investment Fund Leverage Loan. At the Westside QALICB NMTC Loan's maturity date, the YMCA is able to purchase the outstanding interests in the YMCA Investment Fund at a nominal amount.

Note 10—New Market Tax Credit financing transactions (continued)

The seven-year compliance period for the Westside NMTC transaction ended in October 2024, at which time the YMCA exercised its option to purchase the outstanding interests in the YMCA Investment Fund. All the related notes receivable and payables were subsequently cancelled as the YMCA then completed the unwind process for the Westside QUALICB NMTC financing; resulting in the recognition of a gain of $6,568,749 during the year ended December 31, 2024. All assets and liabilities of previously held by the Westside QALICB were then transferred to the YMCA. Effective April 28, 2025, the Board of Directors of the Westside QUALICB unanimously consented to the dissolution of the Westside QUALICB.

NMTC leverage loan notes receivable totaled $14,533,500 and $14,533,500 at December 31, 2025 and 2024, respectively, and are reported in the consolidated statements of financial position. Total interest income earned on the NMTC leverage loan notes receivable was $202,285 and $220,332 for the years ended December 31, 2025 and 2024, respectively.

NMTC notes payable, net totaled $20,023,033 and $19,780,045 at December 31, 2025 and 2024, respectively, and is net of unamortized deferred financing costs of $506,967 and $749,955 at December 31, 2025 and 2024, respectively. Total interest expense on the NMTC notes payable was $205,300 and $279,719 for the years ended December 31, 2025 and 2024, respectively.

Note 11—Retirement plans

The Association participates in a defined contribution, individual account, money purchase, retirement plan (the “Plan”) which is administered by the Young Men’s Christian Association Retirement Fund (the “Retirement Fund”), a separately incorporated entity. The Plan is for the benefit of all eligible employees of the Association who qualify under the participation requirements. The Association remits monthly contributions, which are based on a percentage of the participating employee’s salary, to the Retirement Fund. Contributions to the Plan totaled $2,106,777 and $1,953,002 for the years ended December 31, 2025 and 2024, respectively. The Retirement Fund qualifies as a church pension plan and is a non-profit, tax-exempt New York State corporation.

ECDC participates in a defined contribution plan administered by the Teachers Insurance and Annuity Association (“TIAA”). This defined contribution plan is for the benefit of all eligible employees of ECDC. The Association remits monthly contributions, which are based on a percentage of the participating employee’s salary, to TIAA. Contributions to this defined contribution plan totaled $1,239,915 and $1,099,104 for the years ended December 31, 2025 and 2024, respectively. This defined contribution plan is operated under Section 403(b) of the IRC.

Note 12—Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	2025	2024
Subject to expenditure for the following specified purposes:		
Construction or acquisition of land, buildings, and equipment	$ 868,981	$ 13,714,757
Special purpose gifts	3,126,272	3,377,207
Subject to the passage of time:		
Donated land and facility use leases	26,501,684	27,237,518
	30,496,937	44,329,482
Endowments:		
Subject to YMCA endowment spending policy and appropriation for the following purposes:		
General use	1,060,382	967,799
Programs	3,468,011	2,701,205
Corpus - restricted in perpetuity	20,849,129	19,047,692
Investment - restricted in perpetuity	66,925	66,925
	25,444,447	22,783,621
	$ 55,941,384	$ 67,113,103

Net assets released from donor restrictions were for the following purposes at December 31:

	2025	2024
Subject to expenditure for the following specified purposes:		
Construction or acquisition of land, buildings, and equipment	$ 13,786,931	$ 737,422
Special purpose gifts	4,235,734	5,288,022
Subject to the passage of time:		
Donated land and facility use leases	735,834	735,834
	18,758,499	6,761,278
Restricted-purpose spending rate distributions and appropriations:		
General use	125,192	356,313
Programs	1,036,864	2,951,045
	1,162,056	3,307,358
	$ 19,920,555	$ 10,068,636

Note 13—Endowments

The Association's endowment consists of 37 individual funds established for a variety of purposes and includes both donor-restricted and board-designated endowment funds.

Interpretation of Relevant Law – The Board of Directors of the Association has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") in the state of Georgia 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 as net assets with donor restrictions: (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor restricted amounts not retained in perpetuity are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund
- The purposes of the Association and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation (depreciation) of investments
- Other resources of the Association
- The investment policies of the Association

Endowment net assets consist of the following as of December 31, 2025 is as follows:

	Without Restrictions	With Donor Restrictions	Total
Board-designated	$8,323,604	$ -	$ 8,323,604
Donor Restricted:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	20,849,129	20,849,129
Accumulated investment gains	-	4,595,318	4,595,318
	$ 8,323,604	$ 25,444,447	$ 33,768,051

Endowment net assets consist of the following as of December 31, 2024 is as follows:

	Without Restrictions	With Donor Restrictions	Total
Board-designated	$ 8,020,194	$ -	$ 8,020,194
Donor Restricted:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	19,047,692	19,047,692
Accumulated investment gains	-	3,735,929	3,735,929
	$ 8,020,194	$ 22,783,621	$ 30,803,815

Note 13—Endowments (continued)

The changes in endowment net assets for the year ended December 31, 2025 are as follows:

	Without Restrictions	With Donor Restrictions	Total
Endowment net assets as of January 1, 2025	$ 8,020,194	$ 22,783,621	$ 30,803,815
Investment returns, net	$713,677	2,021,445	2,735,122
Contributions	-	1,801,437	1,801,437
Appropriated for expenditure	(410,267)	(1,162,056)	(1,572,323)
Endowment net assets as of December 31, 2025	$ 8,323,604	$ 25,444,447	$ 33,768,051

The changes in endowment net assets for the year ended December 31, 2024 are as follows:

	Without Restrictions	With Donor Restrictions	Total
Endowment net assets as of January 1, 2024	$ 8,361,430	$ 23,750,152	$ 32,111,582
Investment returns, net	826,436	2,340,827	3,167,263
Contributions	-	-	-
Appropriated for expenditure	(1,167,672)	(3,307,358)	(4,475,030)
Endowment net assets as of December 31, 2024	$ 8,020,194	$ 22,783,621	$ 30,803,815

From time to time, certain donor restricted endowments funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Association's interpreted UPMIFA to permit spending from underwater endowments accordance with prudent measures required under law. At December 31, 2025 and 2024, the Association had no underwater endowments.

Spending Policy – The Association's objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The Association has an endowment spending policy to spend the investment earnings from the endowment fund assets that is based on a total return formula and considers the long-term expected return. The Association has a policy of appropriating for distribution each year up to 5% of the related investments' average market value for the prior 12 quarters less investment expenses for the current year calculated at June 30 of the prior year.

Return Objectives and Risk Parameters – The Association's investment policy for endowment assets was monitored by the Finance and Audit Committee of its Board of Directors. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. In addition to the spending policy, the investment policy describes the objective for the fund and sets ranges for asset allocation. The objective is to earn the highest possible total return consistent with a level of risk suitable for these assets. At a minimum, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of these assets and provide necessary capital to fund the spending policy. The desired minimum rate of return is equal to the Consumer Price Index plus 500 basis points on an annualized basis. Actual returns in any given year may vary from this amount.

Note 13—Endowments (continued)

To satisfy its long-term rate-of-return objectives, the Association relies on a total return approach with a significant portion of the funds invested to seek growth of principal over time. The endowment assets are invested for the long-term, and a higher short-term volatility in these assets is expected. The following is a summary of the asset allocation guidelines, with allowable ranges for each asset type:

Asset Category	Minimum	Target	Maximum
Cash	0%	0%	30%
Fixed income securities	10%	30%	50%
Equity securities	40%	70%	90%
Alternative assets	0%	0%	15%

Note 14—Commitments and contingencies

Contract Commitments – Authorized commitments for construction projects totaled approximately $-0- and $814,000 as of December 31, 2025 and 2024, respectively.

Federal and State Funding – Federally funded programs are subject to special audits. Such audits could result in claims against the resources of the Association. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Leases – The Association has obligations as a lessee for fitness equipment and buses with initial noncancelable terms in excess of one year. The Association has classified these leases as finance leases.

Required supplemental information related to the Association’s finance leases as of and for the years ended December 31 are as follows:

	2025	2024
Cash Flow Information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases (i.e., interest)	$ 123,015	$ 251,477
Financing cash flows from finance leases (i.e., principal portion)	$ 1,291,012	$ 863,955
Lease Term and Discount Rate:		
Weighted average remaining lease term - finance leases	4.17 years	4.0 years
Weighted average discount rate - finance leases	6.27%	5.91%

Future minimum lease payments under finance leases as of December 31, 2025 are as follows:

Years Ending December 31:	
2026	$ 872,326
2027	872,326
2028	271,850
2029	71,691
2030	17,923
	2,106,116
Less imputed interest	(163,198)
	$ 1,942,918

Note 15—Subsidiary financial information

At December 31, 2025 the Association had two subsidiaries whose sole purpose was to allow the Association to finance specific capital projects utilizing the NMTC Program. Summarized financial information for those entities, before elimination and consolidation entries, as of December 31, 2025 and for the year then ended are as follows:

	Woodson Park QALICB, Inc	Atlanta YMCA Young QALICB, LLC
ASSETS:		
Cash and cash equivalents	$ 60,370	$ 241,227
Due from Parent	1,043,239	-
Land, buildings, and equipment, net	9,065,411	8,580,986
Total Assets	$ 10,169,020	$ 8,822,213
LIABILITIES:		
NMTC notes payable, net	10,493,861	9,529,172
Total Liabilities	10,493,861	9,529,172
NET ASSETS	(324,841)	(706,959)
TOTAL LIABILITIES AND NET ASSETS	$ 10,169,020	$ 8,822,213

	Woodson Park QALICB, Inc	Atlanta YMCA Young QALICB, LLC
REVENUE:		
Rental revenue	$ 116,000	$ 111,000
Interest income	104,493	97,792
Total Revenue	220,493	208,792
EXPENSES:		
Interest expense	262,520	303,868
Depreciation and amortization	335,905	109,279
Operating Expenses	598,425	413,147
Total Operating Income (Loss)	$ (377,932)	$ (204,355)

Note 16—Subsequent events

Management has performed an analysis of the activities and transactions subsequent to December 31, 2025, to determine the need for any adjustments to and/or disclosures within the audited consolidated financial statements for the year ended December 31, 2025. The Association evaluated subsequent events through June 25, 2026, which is the date the consolidated financial statements were available for issuance.