YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE CAPITAL AREA

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

DECEMBER 31, 2025

WITH

INDEPENDENT AUDITOR'S REPORT

HoganTaylor

CONTENTS

HoganTaylor

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Young Men's Christian Association of the Capital Area

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Young Men's Christian Association of the Capital Area, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Men's Christian Association of the Capital Area as of December 31, 2025, and the changes in its net assets and its 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 the Capital Area 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.

Prior Period Financial Statements

The financial statements as of December 31, 2024, were audited by Hawthorn, Waymouth & Carroll, L.L.P., who merged with HoganTaylor LLP as of January 1, 2026, and whose report dated June 30, 2025, expressed an unmodified opinion on those financial statements.

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 the Capital Area'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Young Men's Christian Association of the Capital Area'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 the Capital Area'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head or chief executive officer, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head or chief executive officer is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

As stated in the Prior Period Financial Statements paragraph, Hawthorn, Waymouth & Carroll, L.L.P. previously audited Young Men's Christian Association of the Capital Area's 2024 financial statements and expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026, on our consideration of Young Men's Christian Association of the Capital Area's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Young Men's Christian Association of the Capital Area's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Young Men's Christian Association of the Capital Area's internal control over financial reporting and compliance.

Hogan Taylor LLP

Baton Rouge, Louisiana
June 24, 2026

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE CAPITAL AREA

STATEMENT OF FINANCIAL POSITION

December 31, 2025
(with summarized information as of December 31, 2024)

	2025	2024
Assets		
Cash and cash equivalents	$ 879,916	$ 483,191
Accounts receivable, net	262,623	139,351
Pledges receivable, net	61,009	28,839
Due from related party	1,000,000	309,110
Beneficial interest in investments held by others	3,527,081	4,999,829
Prepaid expenses	11,240	11,572
Property and equipment, net	24,046,350	24,840,258
Operating lease right-of-use assets	4,638,185	1,091,355
Deferred compensation plan	-	94,738
Other assets	130,439	116,664
Total assets	$ 34,556,843	$ 32,114,907
Liabilities and Net Assets		
Liabilities:		
Line of credit	$ 499,992	$ 373,412
Notes payable	2,695,891	2,200,270
Bond payable	1,769,688	2,169,112
Finance lease obligations	119,191	310,022
Operating lease liabilities	4,656,979	1,097,244
Accounts payable	293,703	212,685
Accrued expenses	186,232	145,598
Deferred compensation plan payable	-	94,738
Deferred revenue	60,275	65,445
Total liabilities	10,281,951	6,668,526
Net assets:		
Without donor restrictions:		
General	20,354,231	19,894,372
Board designated	2,748,485	4,230,234
	23,102,716	24,124,606
With donor restrictions	1,172,176	1,321,775
Total net assets	24,274,892	25,446,381
Total liabilities and net assets	$ 34,556,843	$ 32,114,907

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE CAPITAL AREA

STATEMENT OF ACTIVITIES

Year ended December 31, 2025
(with summarized information for the year ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Public Support and Revenue				
Public support:				
Contributions and grants	$ 1,172,316	$ 106,001	$ 1,278,317	$ 1,634,401
Contributions of nonfinancial assets	24,515	-	24,515	98,059
Revenue:				
Membership fees	5,914,398	-	5,914,398	5,423,134
Program fees	2,303,897	-	2,303,897	2,108,752
Sales	21,485	-	21,485	21,920
Special events	100,631	-	100,631	107,435
Released from restrictions	263,957	(263,957)	-	-
Total public support and revenue	9,801,199	(157,956)	9,643,243	9,393,701
Expenses				
Program services	8,819,470	-	8,819,470	9,104,829
Management and general	2,338,101	-	2,338,101	2,045,196
Fundraising	264,691	-	264,691	211,494
Total expenses	11,422,262	-	11,422,262	11,361,519
Nonoperating Revenue and Expenses				
Net investment income	443,251	8,357	451,608	569,982
Lease income	137,506	-	137,506	130,258
Other income	9,342	-	9,342	6,325
Gain on disposal of property and equipment	9,074	-	9,074	-
Total nonoperating revenue and expenses	599,173	8,357	607,530	706,565
Change in net assets	(1,021,890)	(149,599)	(1,171,489)	(1,261,253)
Net assets, beginning of year	24,124,606	1,321,775	25,446,381	26,707,634
Net assets, end of year	$ 23,102,716	$ 1,172,176	$ 24,274,892	$ 25,446,381

See notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE CAPITAL AREA

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2025
(with summarized information for the year ended December 31, 2024)

	Program Services							
	Youth Development	Healthy Living	Social Responsibility	Total Program Services	Management and General	Fundraising	2025 Total	2024 Total
Expenses:								
Salaries and wages	$ 726,009	$ 1,845,274	$ 453,756	$ 3,025,039	$ 839,924	$ 201,499	$ 4,066,462	$ 4,298,724
Payroll taxes	64,162	163,077	40,101	267,340	74,229	17,807	359,376	383,027
Employee benefits	74,739	189,962	46,712	311,413	86,466	20,743	418,622	467,708
Occupancy	135,937	345,508	84,961	566,406	122,234	-	688,640	653,371
Insurance	214,553	545,323	134,096	893,972	192,924	-	1,086,896	948,425
Supplies	104,799	266,365	65,500	436,664	94,235	-	530,899	412,317
Dues and subscriptions	33,454	85,029	20,909	139,392	30,082	-	169,474	192,530
Contractual services	107,057	272,105	66,911	446,073	96,265	-	542,338	537,286
Repairs and maintenance	193,732	492,402	121,083	807,217	174,202	-	981,419	976,980
Special events	-	-	-	-	-	24,642	24,642	29,503
Printing and publications	33,144	84,240	20,715	138,099	29,803	-	167,902	188,832
Travel and conferences	6,353	16,146	3,970	26,469	105,874	-	132,343	138,624
Rent	108,227	275,078	67,642	450,947	97,317	-	548,264	318,075
Other	-	-	-	-	1,503	-	1,503	2,706
Bad debt expense	10,403	26,442	6,502	43,347	10,912	-	54,259	50,458
Depreciation and amortization	294,736	749,121	184,210	1,228,067	265,023	-	1,493,090	1,579,698
Interest	9,366	23,805	5,854	39,025	117,108	-	156,133	183,255
Total expenses	$ 2,116,671	$ 5,379,877	$ 1,322,922	$ 8,819,470	$ 2,338,101	$ 264,691	$ 11,422,262	$ 11,361,519

See notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE CAPITAL AREA

STATEMENT OF CASH FLOWS

Year Ended December 31, 2025
(with summarized information for the year ended December 31, 2024)

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ (1,171,489)	$ (1,261,253)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,493,090	1,579,698
Credit loss expense	54,259	50,458
Amortization of operating lease right-of-use assets	480,017	186,294
Gain on disposal of property and equipment	(9,074)	-
Net investment earnings on cash surrender value of life insurance	(8,357)	(5,209)
Appreciation in deferred compensation plan	6,294	(4,637)
Net realized and unrealized gains on investments	(443,251)	(564,773)
Changes in operating assets and liabilities:		
Accounts and pledges receivable	(209,701)	(39,208)
Due from related party	(690,890)	(8,447)
Prepaid expenses	332	8,571
Operating lease right-of-use assets	(158,265)	(40,721)
Other assets	(5,418)	(500)
Operating lease liabilities	(308,847)	(141,223)
Accounts payable	81,018	112,793
Accrued expenses	40,634	22,152
Deferred compensation plan payable	(94,738)	27,287
Deferred revenue	(5,170)	(21,800)
Net cash used in operating activities	(949,556)	(100,518)
Cash Flows from Investing Activities		
Purchase of property and equipment	(714,108)	(400,184)
Proceeds from sale of property and equipment	24,000	-
Contributions to deferred compensation plan	(500)	(22,650)
Distribution from deferred compensation plan	88,944	-
Contributions to beneficial interest in investments held by others	(9,001)	(111,165)
Distribution from beneficial interest in investments held by others	1,925,000	1,303,000
Net cash provided by investing activities	1,314,335	769,001

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE CAPITAL AREA

STATEMENT OF CASH FLOWS (continued)

Year Ended December 31, 2025
(with summarized information for the year ended December 31, 2024)

	2025	2024
Cash Flows from Financing Activities		
Increase in line of credit	126,580	40,000
Proceeds from note payable	600,000	267,138
Principal payments on notes payable	(104,379)	(66,867)
Principal payments on bond payable	(399,424)	(390,097)
Principal payments on finance lease obligations	(190,831)	(186,821)
Net cash provided by (used in) financing activities	31,946	(336,647)
Net change in cash and cash equivalents	396,725	331,836
Cash and cash equivalents, beginning of year	483,191	151,355
Cash and cash equivalents, end of year	$ 879,916	$ 483,191
Supplemental Cash Flow Disclosures		
Cash paid during the year for interest	$ 156,133	$ 183,255

Note 1 – Nature of Operations

The Young Men's Christian Association of the Capital Area (the YMCA) is an association of persons united in a common effort to enhance the quality of life - spiritually, mentally, physically and socially - for all people, regardless of the ability to pay, in the Baton Rouge, Louisiana community through the ecumenical application of Christian principles. It is dedicated to strengthening communities through youth development, healthy living, and social responsibility. The major sources of funding are from membership dues, program fees, and financial development efforts, including annual community fundraising, special events, and grants.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting and financial statement presentation

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United Staves of America (U.S. GAAP). Accordingly, such information should be read in conjunction with YMCA's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

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

Net Assets Without Donor Restrictions: Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions: Net assets subject to donor-imposed stipulations that (a) restrict their use to a specific purpose, which will be satisfied by actions of the YMCA or the passage of time; or (b) require that they be maintained in perpetuity by the YMCA; generally, the donor of these assets permits the YMCA to use all or part of the income earned, including capital appreciation, or related investments for purposes with or without donor restrictions. At December 31, 2025, the YMCA had net assets totaling $1,172,176 with donor restrictions.

Measure of operations

In its statement of activities, the YMCA defines "operations" as all revenue and expenses that are an integral part of its programs and supporting activities. Nonoperating activity consists primarily of investment returns above the amounts designated for operation, lease income, gains and losses from asset dispositions, debt forgiveness, and other nonoperating expenses.

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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statement of cash flows, the YMCA considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts receivable

Accounts receivable are presented at face value, net of allowance for credit losses. The YMCA maintains an allowance that reflects an estimate of the expected credit losses. The YMCA's allowance is estimated using a loss rate model based on aging and delinquency. The estimated loss rate is based on the YMCA's historical experience with specific members, an understanding of the current economic conditions and the YMCA's own judgments as to the likelihood of ultimate payment based upon available data. The actual rate of future credit losses, however, may not be similar to past experience. The estimate of credit losses could change based on changing circumstances, including changes in the economy or in the circumstances of individual customers. Accordingly, the YMCA may be required to increase or decrease its allowance. As of December 31, 2025 and 2024, the allowance for credit losses for accounts receivable was $3,501 and $3,280, respectively.

Pledges receivable

Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise is received. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Property and equipment

Property and equipment are stated at cost. Donated assets are recorded at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Expenditures for major repairs and improvements that extend the useful lives of property and equipment are capitalized at cost. Expenditures for maintenance and minor repairs are charged to expense as incurred. The estimated useful lives for property and equipment categories are as follows: buildings and components (5-39 years), pools (20 years), equipment (3-5 years), automobiles (5 years), and furniture and fixtures (3-7 years).

Beneficial interest in investments held by others

The YMCA holds a beneficial interest in investments held by others (investments) for which the YMCA is specified as the beneficiary. The investments are comprised of donor-restricted and board-designated endowment funds and are stated at fair value or estimated fair value. Variance power was not granted to the recipient association. Investment income and gains (losses) restricted by donors are reported as increases (decreases) in net assets with donor restrictions in the reporting period in which the income and gains (losses) are recognized.

Deferred revenue

Membership dues and program fees 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.

Income taxes

The YMCA has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes. The YMCA has been classified as an organization other than a private foundation. Accordingly, no provision has been made for income taxes.

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. If the YMCA were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors.

Revenue recognition

The YMCA has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership dues, program services fees, and sales of supplies.

Membership dues are recognized ratably over the period of membership, which varies based on when members join or leave the YMCA. Unearned membership revenue is reflected as deferred revenue on the statement of financial position. Members are provided with monthly access to the YMCA locations and a variety of services, and revenue is recognized monthly as the services are provided. Management has adopted the practical expedient whereby costs to obtain membership contracts are not capitalized as the average length of a membership contract is less than one year. Discounted fees on memberships are recognized during the year in which the discount is actually taken and service provided. Membership joining fees are recognized in the period when the new member joins.

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

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

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. Transaction prices are specific to a distinct performance obligation and do not consist of multiple transactions.

Contributions

The YMCA reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when stipulated time restriction 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, depending on the nature of the 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 donor restrictions.

Grants

The YMCA receives grant funding from various nongovernmental entities to provide a variety of program services to the public based on specific requirements included in the agreements. Such grants are nonreciprocal transactions and include conditions stipulated by the entity and are, therefore, accounted for as conditional contributions. Public support is recognized as conditions are satisfied, primarily as expenses are incurred. Cash received on grants prior to incurring allowable expenses is recorded as deferred revenue.

Contributed nonfinancial assets

Contributed nonfinancial assets, which include the donated use of buildings over their estimated useful lives in below market leases, are recorded at the respective fair values of the goods or services received at the date of the donation. Contributed nonfinancial assets are reported in the statement of activities apart from contributions and grants. See Note 17 for disclosure related to the contribution of nonfinancial assets in 2025.

Advertising

Advertising costs (included in printing and publications) are expensed when incurred and amounted to $167,902 for the year ended December 31, 2025.

Leases

Under ASC Topic 842, *Leases*, the YMCA determines if an arrangement is a lease at inception primarily based on the determination of the party responsible for directing the use of an underlying asset within a contract. Thereafter, the YMCA performs an analysis to classify the lease as either an operating lease or a finance lease. Operating lease right-of-use assets represent the YMCA's right to use an underlying asset for the lease term, and lease liabilities represent the YMCA's obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of committed lease payments, the YMCA uses its implicit rate in the lease as the discount rate when readily determinable; if the implicit rate is not available, the YMCA uses its incremental borrowing rate based on the information available at the lease commencement date which includes corporate debt financings of companies of similar size and credit rating over a loan term approximating the remaining term of each lease. If leases include payments of operating expenses that are dependent and may be revised based on the landlord's estimate, these variable payments are excluded from the lease payments used to determine the operating lease right-of-use asset and liability. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the YMCA will exercise such options. Lease expense is recognized on a straight-line basis over the expected lease term.

The YMCA elected to not apply the recognition of Topic 842 to short-term leases with terms of 12 months or less which do not include an option to purchase the underlying asset nor to leases with total lease amounts less than $20,000. These lease payments are recognized as operating expenses on a straight-line basis over the lease term. The YMCA elected to account for lease and nonlease components as a single lease component.

Fair value measurements

The YMCA follows FASB ASC 820, *Fair Value Measurements*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. FASB ASC 820 establishes a hierarchical framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment.

The YMCA utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. YMCA determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level I: Quoted prices (unadjusted) in active markets which are accessible at the measurement date.

Level II: Prices based on observable inputs corroborated by market data but no quoted active markets.

Level III: Prices based on unobservable inputs, including situations where there is little, if any, market activity for the assets or liabilities. The inputs used in the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investments.

Functional expenses

The costs of providing various programs and other activities of the YMCA have been summarized on a functional basis in the statement of functional expenses. Salary and other personnel costs that are not directly coded to programmatic activities are allocated based on time certifications and the best estimate of employees. All other operating costs are allocated using various allocation methodologies, including allocations based on square footage of each facility.

Note 3 – Financial Assets and Liquidity Resources

As of December 31, 2025, the following financial assets could be made readily available to meet general expenditures within one year of the statement of financial position date:

Cash and cash equivalents	$ 879,916
Accounts receivable, net	262,623
Pledges receivable, net	61,009
Beneficial interest in investments held by others	3,527,081
Less, those unavailable for general expenditures within one year, due to:	
Restricted investments	(908,117)
Restricted contributions	(264,059)
Net pledges receivable greater than one year	(10,548)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,547,905

As part of its liquidity management, YMCA has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

Note 4 – Pledges Receivable

The YMCA's pledges represent contributions for facilities and equipment and to support the ongoing operations of the YMCA. Outstanding pledge contributions from various entities and individuals were discounted using an interest rate of 4.50% based on imputed interest rates applicable to the year in which the promise was received, which were as follows at December 31, 2025:

Pledges due:	
In less than one year	$ 50,461
In one to five years	-
In more than five years	15,000
	65,461
Less: unamortized discount	(4,452)
Total pledges receivable, net	$ 61,009

Note 5 – Property and Equipment

The following is a breakdown of property and equipment as of December 31, 2025:

Buildings and parking lots	$ 36,213,942
Land	3,264,261
Swimming pools	1,153,454
Transportation equipment	26,626
Exercise equipment	2,654,036
Furniture and fixtures	570,932
Tennis court complex	2,712,067
Construction in progress	164,328
	46,759,646
Less: accumulated depreciation and amortization	(22,713,296)
Total property and equipment, net	$ 24,046,350

Note 6 – Net Assets with Donor Restrictions

Net assets with donor restrictions are comprised of the following as of December 31, 2025:

Purpose or time restricted:	
Various programs	$ 264,059
Endowment	129,521
	393,580
Perpetual in nature:	
Endowment	778,596
Total net assets with donor restrictions	$ 1,172,176

Note 7–Board-Designated and Donor-Restricted Endowments

The YMCA has board-designated and donor-restricted endowment funds established for the principal purpose to receive and administer funds for various cultural and educational purposes and organizations in the greater Baton Rouge community. As required by U.S. GAAP, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors of the YMCA has interpreted the State's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as maintaining 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 YMCA classifies the original value of the gifts to the endowment and the value of subsequent gifts to the endowment as net assets with donor restrictions because those net assets are time restricted until the YMCA Board of Directors (the Board) appropriates such amounts for expenditure. Most of these net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The YMCA would consider the endowment fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instruments.

The YMCA has interpreted UPMIFA to permit spending from underwater endowment funds in accordance with prudent measures required under the law. The endowment fund is not currently underwater.

The principal objective of the endowment fund investments is to achieve a long-term investment return, within a reasonable level of volatility, significant enough to pay all annual overhead expenses. The long-term total return is more important than the short-term results or market value volatility. The endowment fund assets are comprised of a diverse portfolio of stocks, bonds, CDs, mutual funds, closed end funds, exchange traded funds, notes, separately managed accounts, hedge funds, alternatives, annuities, cash equivalents, and other investments that may reflect varying rates of returns. The overall rate of return objective for the portfolio is a reasonable rate consistent with the risk levels established by the Board. The return objective for the total funds, measured over 3 to 5 years, is the return of appropriate investment benchmarks recommended by the investment consultant to the Finance Committee and approved by the Board.

The composition of endowment funds by type of fund as of December 31, 2025, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 2,748,485	$ -	$ 2,748,485
Donor-restricted endowment funds	-	908,117	908,117
Total endowment funds	$ 2,748,485	$ 908,117	$ 3,656,602

The following represents activity in the endowment funds for the year ended December 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2024	$ 4,230,234	$ 891,659	$ 5,121,893
Net appreciation	443,251	-	443,251
Transfer out	(1,925,000)	(900)	(1,925,900)
Contributions	-	9,001	9,001
Other income	-	8,357	8,357
Endowment net assets, December 31, 2025	$ 2,748,485	$ 908,117	$ 3,656,602

In 2025, investment expense of $34,085 was included in net investment income.

Note 8 – Deferred Compensation Plan

In 2021, the YMCA established a nonqualified deferred compensation plan under Section 457(b) of the Internal Revenue Code for the prior Chief Executive Officer (CEO), to which the YMCA contributed 10% of the prior CEO's salary up to the maximum contribution allowed under IRC Section 457. The YMCA also established a nonqualified deferred compensation plan under Section 457(f) of the IRC for the prior CEO, to which the YMCA contributed 10% of the prior CEO's salary less what was paid on the Section 457(b) plan. The prior CEO is entitled to all benefits accrued under the plans up to his termination of participation in the plans. The prior CEO terminated their participation in the plan effective November 1, 2024. In 2025, the entire Plan A balance of $88,944 was distributed to the prior CEO. The requirements under Plan B were not met; therefore, assets of $5,697 were returned to the YMCA and recorded as other income in the statement of activities.

Note 9 – Line of Credit

The YMCA has a $500,000 secured line of credit available. There was an outstanding balance of $499,992 as of December 31, 2025. The line bears interest at 6.75% and is collateralized by securities.

Note 10 – Notes Payable

The YMCA has an Economic Injury Disaster Loan dated June 23, 2020, with the U.S. Small Business Administration with an outstanding balance of $1,904,831 as of December 31, 2025, bearing interest at 2.75% and maturing in June 2050. The loan is collateralized by substantially all of the YMCA's assets.

The YMCA has a note payable to a financial institution with an outstanding balance of $198,014 as of December 31, 2025, bearing interest at 8.00%, maturing in June 2029, collateralized by fitness and pool equipment.

The YMCA has a note payable to a financial institution with an outstanding balance of $593,046 as of December 31, 2025, bearing interest at 6.85%, maturing in October 2035, collateralized by substantially all of the YMCA's assets.

Following are the future maturities of notes payable for each of the next five years and thereafter:

2026	$ 146,394
2027	155,254
2028	164,723
2029	141,755
2030	115,336
Thereafter	1,972,429
	$ 2,695,891

Note 11 – Bond Payable

The YMCA has a bond payable to Red River Bank with an outstanding balance of $1,769,688 as of December 31, 2025. The bond is secured by the revenue of the YMCA and due in monthly principal and interest payments of $37,201, bearing interest at 2.365%. The bond matures on March 1, 2030.

Following are the future maturities of the bond payable for each of the next five years:

2026	$ 408,973
2027	418,751
2028	428,762
2029	439,013
2030	74,189
	$ 1,769,688

Note 12 – Leases

The YMCA has the following finance lease obligations as of December 31, 2025:

The YMCA leased $277,928 of exercise equipment under a noncancellable finance lease, bearing an imputed interest rate of 6.32%, and expiring in December 2027.	$ 117,003
The YMCA leased $23,184 of exercise equipment under a noncancelable finance lease, bearing an imputed interest rate of 7.01%, and expiring in June 2026.	2,188
	$ 119,191

The YMCA has noncancellable operating leases, primarily for a branch building and an administration office, that expire at various dates over the next 14 years. The YMCA is responsible for utilities, maintenance, insurance, and property taxes under the leases.

The lease agreements include an option to renew or terminate at the YMCA's discretion. The lease terms do not include periods covered by this option as it is not reasonably certain that the YMCA will renew. The YMCA's lease agreements do not contain any material residual value guarantees or restrictive covenants. The total operating lease expense for the year ended December 31, 2025, was as follows:

Operating lease cost:	
Operating lease cost	$ 480,017
Impairment of operating lease ROU assets	-
Total operating lease cost	480,017
Finance lease cost:	
Amortization of ROU assets	178,749
Interest on lease liabilities	12,975
Total finance lease cost	191,724
Total lease cost	$ 671,741

Amortization of ROU assets is included in depreciation and amortization, and interest on lease liabilities is included in interest expense on the statement of functional expenses.

Amounts reported in the accompanying statement of financial position as of December 31, 2025, for the operating leases was as follows:

Operating lease right-of-use assets	$ 4,638,185
Operating lease liabilities	$ 4,656,979

Amounts reported in the accompanying statement of financial position as of December 31, 2025, for finance leases are included in the table below. The finance lease ROU assets are recorded within property and equipment (net) on the statement of financial position.

Finance lease ROU assets	$ 764,147
Accumulated amortization	(653,407)
Finance lease ROU assets, net	$ 110,740
Finance lease liabilities	$ 119,191

Supplemental cash flow information and non-cash activity related to the leases for the year ended December 31, 2025, was as follows:

Cash paid for amounts included in the measurement of lease liabilities and ROU assets:	
Operating cash flow from operating leases	$ (467,112)
Financing cash flow from finance leases	(190,831)
ROU assets obtained in exchange for lease obligations:	
Operating leases	3,868,582
Finance leases	-

Amounts disclosed for ROU assets obtained in exchange for lease obligations include amounts added to the carrying amount of ROU assets resulting from lease modifications and reassessments.

Weighted average remaining lease terms and discount rates for operating and finance leases as of December 31, 2025, were as follows:

Weighted average remaining lease term (years):	
Operating leases	20.16
Finance leases	1.89
Weighted average discount rate:	
Operating leases	4.50%
Finance leases	6.33%

Maturities of lease liabilities as of December 31, 2025, are as follows:

	Operating Leases	Finance Leases
2026	$ 600,661	$ 69,424
2027	600,661	59,564
2028	600,661	-
2029	453,137	-
2030	394,233	-
Thereafter	3,429,635	-
Total undiscounted lease payments	6,078,988	128,988
Less: imputed interest	(1,422,009)	(9,797)
Total lease liabilities	$ 4,656,979	$ 119,191

For the year ended December 31, 2025, short-term lease expense and long-term lease expense for total lease amounts for leases less than $20,000 amounted to $46,132 and is included in rent on the statement of functional expenses.

Note 13 – Retirement Plans

The YMCA participates in The YMCA Retirement Fund Retirement Plan (the 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 IRC of 1986, as amended and The YMCA Retirement Fund Tax-Deferred Savings Plan, which is a 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 (1922) 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. As a defined contribution plan, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with the agreement, the YMCA contributes 12% of salary for all eligible employees who meet certain age and length of service requirements. Contributions to the Retirement Plan totaled $283,784 for the year ended December 31, 2025.

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

Note 14 – Fair Value Measurements

Assets measured at fair value on a recurring basis at December 31, 2025, are comprised of the following:

	Level 1	Level 2	Level 3	Total
Beneficial interest in investments held by others	$ -	$ -	$ 3,527,081	$ 3,527,081

The following table sets forth a summary of changes in the fair value of the YMCA's Level 3 assets for the year ended December 31, 2025:

	Beneficial Interest
Balance, beginning of year	$ 4,999,829
Contributions	9,001
Distributions	(1,925,000)
Net investment earnings	443,251
Balance, end of year	$ 3,527,081

During the year ended December 31, 2025, the YMCA identified that beneficial interest in investments held by others were incorrectly classified as Level 2 within the fair value hierarchy in the prior year. These investments should have been classified as Level 3 due to the use of unobservable inputs in determining fair value. This error has been corrected in the current year financial statements. The correction did not impact previously reported change in net assets, total assets, or net assets, as the fair value measurements were appropriately determined. Prior-period financial statements are not presented herein.

Note 15 – Related Party Transactions

During the year ended December 31, 2025, the YMCA incurred insurance expense of $1,086,896 with a company owned by a Board member.

The YMCA paid dues to the YMCA of the USA totaling $150,649 for the year ended December 31, 2025.

At December 31, 2025, the YMCA had a $1,000,000 receivable from a company with the same management. The amount has no set repayment terms and is due on demand.

Note 16 – Concentrations

The YMCA derives approximately 61% of its revenue from memberships to its fitness centers. These centers are all located within the metropolitan area of Baton Rouge, Louisiana.

At various times during the year, cash on deposit with one banking institution exceeded the amount insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of the institution on a regular basis, along with their balances in cash, to minimize this potential risk.

Note 17 – Contingent Liability

The YMCA is a guarantor on a $13,109,000 loan and a $20,594,631 loan with a related party for the construction of the South Foster project.

Note 18 – A.C. Lewis Branch Operations

The YMCA completed the demolition of the A.C. Lewis branch building in September 2023. Upon completion of the demolition, the related land was donated to an unrelated not-for-profit organization.

Concurrently in September 2023, the YMCA signed a short-term operating lease agreement to continue its A.C. Lewis branch operations with payment terms set at $1 per month. The fair market value of the lease from January 2025 through April 2025 is estimated to be $24,515. As such, the YMCA recognized a contributed nonfinancial asset of $24,515 for the year ended December 31, 2025, for the use of building facilities. The expense of the contributed nonfinancial asset is included in rent on the statement of functional expenses.

Note 19 – Subsequent Events

The YMCA has evaluated all subsequent events through June 24, 2026, the date the financial statements were available to be issued. As a result, the YMCA noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

SUPPLEMENTARY INFORMATION

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE CAPITAL AREA

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Year ended December 31, 2025

Agency Head Name: Josh Landry, Interim CEO
January 1, 2025 through May 26, 2025

Purpose	Amount
Salary	$ -
Benefits - insurance	-
Benefits - retirement	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

Agency Head Name: Sean Elliot, President and CEO
May 27, 2025 through December 31, 2025

Purpose	Amount
Salary	$ -
Benefits - insurance	-
Benefits - retirement	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

The above tables represent compensation paid to the interim CEO and the CEO from public funds received by the YMCA. Josh Landry and Sean Elliot did not receive any compensation from public funds for the year ended December 31, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Young Men's Christian Association of the Capital Area

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Young Men's Christian Association of the Capital Area which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated .

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hogan Taylor LLP

Baton Rouge, Louisiana
June 24, 2026

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE CAPITAL AREA

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS

Year ended December 31, 2025

Part I. Summary of Audit Results

1) An unmodified opinion has been expressed on the financial statements and related note disclosures of Young Men's Christian Association of the Capital Area as of and for the year ended December 31, 2025.

2) No deficiencies in internal control over financial reporting that we consider to be material weaknesses were identified.

3) No instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* were identified.

4) A single audit in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* was not required.

5) A management letter was not issued.

Part II. Findings Related to an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

No findings were noted.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE CAPITAL AREA

SCHEDULE OF PRIOR YEAR FINDINGS

Year ended December 31, 2025

Part I. Findings Related to an Audit of Financial Statements

No findings were noted.

Part II. Management Letter

No management letter was issued for the year ended December 31, 2024.