



YMCA of the Roses and Subsidiary
**Consolidated Financial Statements and
Supplementary Information**

December 31, 2025 and 2024



YMCA of the Roses and Subsidiary

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Independent Auditor's Report

To the Board of Directors
YMCA of the Roses and Subsidiary
York, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of YMCA of the Roses and Subsidiary (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2025 and 2024, the related consolidated statements of activities, changes in net assets, functional expenses - by natural classification, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Organization's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

RKL LLP

June 15, 2026
York, Pennsylvania

YMCA of the Roses and Subsidiary

Consolidated Statement of Financial Position

	December 31,	
	2025	2024
Assets		
Current Assets		
Cash - operating	\$ 472,637	\$ 290,225
Accounts receivable, net	494,570	682,923
Accounts receivable - related organizations, net	122,667	432,430
Promises to give, net	778,034	1,050,201
Prepaid expenses	567,252	136,267
Total Current Assets	2,435,160	2,592,046
Property and Equipment, Net	35,479,451	29,786,694
Other Assets		
Beneficial interest in perpetual trusts	7,937,494	7,247,565
Investments	4,957,054	4,394,830
Notes receivable - related organizations	1,833,324	1,811,880
Cash - restricted	1,046,694	1,229,841
Promises to give, net	746,161	1,290,946
Right-of-use asset - operating leases	502,078	562,975
Right-of-use asset - financing leases, net	343,951	607,346
Deposits and reserve funds	231,990	169,057
Interest in net assets of community foundations	175,925	160,031
Total Other Assets	17,774,671	17,474,471
Total Assets	\$ 55,689,282	\$ 49,853,211

YMCA of the Roses and Subsidiary

Consolidated Statement of Financial Position (continued)

	December 31,	
	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Current portion of obligations under operating leases	\$ 45,050	\$ 60,077
Current portion of obligations under financing leases	207,205	253,423
Current maturities of long-term debt	134,706	135,796
Current portion of charitable gift annuities	7,807	7,807
Accounts payable	971,866	602,413
Accrued interest payable	45,681	15,584
Accrued payroll	431,535	474,702
Payroll taxes withheld and accrued	30,739	34,909
Accrued expenses	195,441	173,690
Deposits and prepaid rent	29,770	31,032
Deferred income	307,748	395,639
Total Current Liabilities	2,407,548	2,185,072
Other Liabilities		
Long-term debt	12,050,689	6,199,039
Mortgage payable - PHFA	940,000	940,000
Obligations under operating leases	487,251	528,311
Obligations under financing leases	153,054	360,260
Charitable gift annuities	40,194	42,453
Total Other Liabilities	13,671,188	8,070,063
Total Liabilities	16,078,736	10,255,135
Net Assets		
Without donor restrictions	28,939,979	28,742,188
With donor restrictions	12,756,334	12,716,662
Organization's Net Assets	41,696,313	41,458,850
Noncontrolling interest	(2,085,767)	(1,860,774)
Total Net Assets	39,610,546	39,598,076
Total Liabilities and Net Assets	\$ 55,689,282	\$ 49,853,211

See accompanying notes.

YMCA of the Roses and Subsidiary

Consolidated Statement of Activities

	Year Ended December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Membership dues, net	\$ 5,517,625	\$ -	\$ 5,517,625
Fee income, net	4,019,980	-	4,019,980
Grants	1,833,242	-	1,833,242
Contributions	865,324	518,177	1,383,501
Rental income	780,253	-	780,253
Special event income	442,937	-	442,937
Investment and interest income, net	419,372	(15,765)	403,607
Residence income	273,291	-	273,291
In-kind contributions	270,817	-	270,817
Gain on sale of investments	28,603	96,088	124,691
Management fee income	89,750	-	89,750
Food and merchandise sales	62,187	-	62,187
United Way	17,237	19,463	36,700
Miscellaneous income	30,130	-	30,130
Net assets released from restrictions	1,392,739	(1,392,739)	-
Gain on sale of property and equipment	-	-	-
Loss on disposal of right-of-use asset - financing lease	(9,885)	-	(9,885)
Total Support and Revenue	16,033,602	(774,776)	15,258,826
Expenses			
Program services	13,321,748	-	13,321,748
Supporting services			
Management and general	2,246,359	-	2,246,359
Fundraising	776,515	-	776,515
Total Expenses	16,344,622	-	16,344,622
Deficiency of Support and Revenue over Expenses	(311,020)	(774,776)	(1,085,796)
Unrealized Holding Gains on Investments	270,036	122,407	392,443
Change in Interest in Net Assets of Community Foundations	13,782	2,112	15,894
Change in Value of Perpetual Trusts	-	689,929	689,929
Changes in Net Assets	\$ (27,202)	\$ 39,672	\$ 12,470

See accompanying notes.

YMCA of the Roses and Subsidiary

Consolidated Statement of Activities (continued)

	Year Ended December 31, 2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Membership dues, net	\$ 5,228,911	\$ -	\$ 5,228,911
Fee income, net	3,670,070	-	3,670,070
Grants	1,116,639	-	1,116,639
Contributions	694,440	1,268,532	1,962,972
Rental income	718,742	-	718,742
Special event income	411,203	-	411,203
Investment and interest income, net	447,485	(99,262)	348,223
Residence income	287,495	-	287,495
In-kind contributions	2,677,608	10,348	2,687,956
Gain on sale of investments	24,729	80,496	105,225
Management fee income	88,423	-	88,423
Food and merchandise sales	63,317	-	63,317
United Way	57,308	70,433	127,741
Miscellaneous income	22,437	-	22,437
Net assets released from restrictions	938,083	(938,083)	-
Gain on sale of property and equipment	1,700	-	1,700
Loss on disposal of right-of-use asset - financing lease	-	-	-
	<u>16,448,590</u>	<u>392,464</u>	<u>16,841,054</u>
Total Support and Revenue			
	16,448,590	392,464	16,841,054
Expenses			
Program services	12,347,065	-	12,347,065
Supporting services			
Management and general	2,039,954	-	2,039,954
Fundraising	911,797	-	911,797
	<u>15,298,816</u>	<u>-</u>	<u>15,298,816</u>
Total Expenses			
	15,298,816	-	15,298,816
Excess of Support and Revenue over Expenses	1,149,774	392,464	1,542,238
Unrealized Holding Gains on Investments	180,718	52,837	233,555
Change in Interest in Net Assets of Community Foundations	6,416	1,600	8,016
Change in Value of Perpetual Trusts	-	968,267	968,267
Changes in Net Assets	<u>\$ 1,336,908</u>	<u>\$ 1,415,168</u>	<u>\$ 2,752,076</u>

See accompanying notes.

YMCA of the Roses and Subsidiary

Consolidated Statement of Changes in Net Assets

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets at December 31, 2023	\$ 25,544,506	\$ 11,301,494	\$ 36,846,000
Changes in net assets	<u>1,336,908</u>	<u>1,415,168</u>	<u>2,752,076</u>
Net Assets at December 31, 2024	26,881,414	12,716,662	39,598,076
Changes in net assets	<u>(27,202)</u>	<u>39,672</u>	<u>12,470</u>
Net Assets at December 31, 2025	<u>\$ 26,854,212</u>	<u>\$ 12,756,334</u>	<u>\$ 39,610,546</u>

YMCA of the Roses and Subsidiary

Consolidated Statement of Functional Expenses - by Natural Classification

	Year Ended December 31, 2025			
	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 6,112,268	\$ 756,892	\$ 418,820	\$ 7,287,980
Depreciation and amortization	1,816,880	27,674	-	1,844,554
Occupancy	1,461,205	139,890	329	1,601,424
Supplies	950,475	34,048	1,316	985,839
Professional fees and contracted services	578,113	351,619	5,203	934,935
Employee benefits	623,302	98,156	62,262	783,720
Payroll taxes	438,097	117,865	28,227	584,189
Insurance	375,987	105,505	4,128	485,620
Miscellaneous expenses	233,546	80,226	26,708	340,480
Equipment rental and maintenance	251,449	21,769	907	274,125
Dues and subscriptions	32,124	201,041	2,209	235,374
Interest	7,587	210,437	-	218,024
Special event expenses	-	821	209,661	210,482
Travel	158,821	8,126	528	167,475
Provision for credit losses and uncollectible promises to give	149,749	-	-	149,749
Telephone	120,064	14,154	618	134,836
Advertising	7,812	73,272	5,990	87,074
Postage and shipping	2,701	4,088	2,900	9,689
Printing and publications	-	776	6,709	7,485
Contributions	1,568	-	-	1,568
	<u>\$ 13,321,748</u>	<u>\$ 2,246,359</u>	<u>\$ 776,515</u>	<u>\$ 16,344,622</u>

YMCA of the Roses and Subsidiary

Consolidated Statement of Functional Expenses - by Natural Classification (continued)

	Year Ended December 31, 2024			
	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 5,595,737	\$ 741,113	\$ 430,332	\$ 6,767,182
Depreciation and amortization	1,748,826	26,426	-	1,775,252
Occupancy	1,429,789	113,229	1,208	1,544,226
Supplies	897,647	36,998	7,956	942,601
Professional fees and contracted services	397,800	258,006	5,575	661,381
Employee benefits	540,803	86,816	62,060	689,679
Payroll taxes	382,245	111,884	28,317	522,446
Insurance	338,485	83,204	4,594	426,283
Miscellaneous expenses	230,173	40,036	20,956	291,165
Equipment rental and maintenance	333,030	32,298	1,142	366,470
Dues and subscriptions	30,138	179,735	3,119	212,992
Interest	5,539	233,037	-	238,576
Special event expenses	58	-	225,307	225,365
Travel	133,823	10,107	72	144,002
Provision for credit losses and uncollectible promises to give	150,962	(24)	117,153	268,091
Telephone	116,616	10,952	516	128,084
Advertising	11,464	67,588	2,393	81,445
Postage and shipping	2,294	4,821	1,097	8,212
Printing and publications	-	3,728	-	3,728
Contributions	1,636	-	-	1,636
	<u>\$ 12,347,065</u>	<u>\$ 2,039,954</u>	<u>\$ 911,797</u>	<u>\$ 15,298,816</u>

See accompanying notes.

YMCA of the Roses and Subsidiary

Consolidated Statement of Cash Flows

	Years Ended December 31,	
	2025	2024
Cash Flows from Operating Activities		
Changes in net assets	\$ 12,470	\$ 2,752,076
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	1,844,554	1,775,252
Amortization of debt issuance costs	7,726	5,652
Provision for credit losses and uncollectible promises to give	149,749	268,091
Gain on sale of investments	(124,691)	(105,225)
Unrealized holding gains on investments	(392,443)	(233,555)
In-kind contributions - contributed property and equipment	(167,030)	(2,564,695)
In-kind contributions - donated securities	-	(18,389)
Capitalized interest income on notes receivable	(21,444)	(21,444)
Capitalized interest expense on long-term debt	12,200	12,200
Change in value of perpetual trusts	(689,929)	(968,267)
Change in unamortized discount - promises to give	(40,711)	(85,810)
Change in interest in net assets of community foundations	(15,894)	(8,016)
Gain on sale of property and equipment	-	(1,700)
Loss on disposal of right-of-use asset - financing lease	9,885	-
Proceeds from sale of donated securities - operating	-	8,041
Restricted contributions - capital improvements	(361,556)	(1,017,520)
Amortization of right-of-use asset - operating leases included in equipment rental and maintenance, and occupancy	66,187	113,960
(Increase) decrease in assets		
Accounts receivable	38,604	(199,158)
Accounts receivable - related organizations	309,763	(152,017)
Promises to give	71,516	41,820
Prepaid expenses	(430,985)	(2,453)
Deposits and insurance escrow	(8,059)	(2,303)
Increase (decrease) in liabilities		
Accounts payable	80,783	(116,021)
Accrued interest payable	(1,060)	(1,157)
Accrued payroll	(43,167)	70,917
Payroll taxes withheld and accrued	(4,170)	340
Accrued expenses	21,751	(2,532)
Deposits and prepaid rent	(1,262)	(6,317)
Deferred income	(87,891)	117,414
Obligations under operating leases	(61,377)	(106,281)
Charitable gift annuities	(2,259)	(2,368)
Net Cash Provided by (Used in) Operating Activities	171,260	(449,465)

YMCA of the Roses and Subsidiary

Consolidated Statement of Cash Flows (continued)

	Years Ended December 31,	
	2025	2024
Cash Flows from Investing Activities		
Capital expenditures	\$ (6,746,944)	\$ (1,049,176)
Purchase of investments	(257,960)	(251,128)
Change in reserve for replacement	(54,874)	(44,901)
Proceeds from sale of property and equipment	-	1,700
Proceeds from sale of investments	212,870	422,466
Net Cash Used in Investing Activities	(6,846,908)	(921,039)
Cash Flows from Financing Activities		
Restricted contributions - capital improvements	935,733	1,170,799
Restricted contributions - endowment	145,000	145,000
Proceeds from sale of donated securities - capital improvements	16,970	36,783
Principal repayments of obligations under financing leases	(253,424)	(172,553)
Proceeds from long-term debt	6,010,679	-
Cash paid for debt issuance costs	(39,890)	-
Principal repayments of long-term debt	(140,155)	(458,170)
Net Cash Provided by Financing Activities	6,674,913	721,859
Net Decrease in Cash	(735)	(648,645)
Cash at Beginning of Year	1,520,066	2,168,711
Cash at End of Year	\$ 1,519,331	\$ 1,520,066
Cash Consists of the Following		
Cash - operating	\$ 472,637	\$ 290,225
Cash - restricted	1,046,694	1,229,841
	\$ 1,519,331	\$ 1,520,066
Supplementary Cash Flows Information		
Interest paid	\$ 168,001	\$ 221,881

YMCA of the Roses and Subsidiary

Consolidated Statement of Cash Flows (continued)

Supplementary Schedule of Noncash Investing and Financing Activities

In 2025

Investments of \$16,970 and property and equipment of \$50,000 were received as payments on promises to give.

Accounts payable and accrued interest payable include \$341,044 and \$31,157, respectively, of capital expenditures.

A right-of-use asset - operating leases and operating lease liability of \$5,290 was recorded during the year ended December 31, 2025.

In 2024

Investments of \$26,435 were received as payments on promises to give.

Accounts payable includes \$52,374 of capital expenditures.

A right-of-use asset - financing leases and financing lease liability of \$481,234 was recorded during the year ended December 31, 2024.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 1 - Nature of Operations

YMCA of the Roses (a Pennsylvania non-profit corporation) (the YMCA) was founded in 1855. Its purpose is to help adults and youth develop Christian character and to aid them in building a Christian society. This is accomplished by the development and maintenance of activities that serve to contribute to the physical, social, mental, and spiritual growth of its members and to put Christian principles into practice through programs that build healthy spirit, mind, and body for all. The YMCA exists to develop and practice the principles of faith, hope, love, honesty, respect, and responsibility. The YMCA's primary sources of revenue are contributions, grants, fees, memberships, and investment income.

Triangle Group Limited Partnership (a Pennsylvania limited partnership) (the Partnership) was formed on May 19, 1997 for the purpose of constructing and operating a recreational facility and a rental housing project. The rental housing project consists of 120 units located in York, Pennsylvania, and is currently operating under the name of York YMCA SRO Project. The Partnership's principal sources of revenue are from rents.

During the year ended December 31, 2019, the limited partner of the Partnership, Santander Bank, N.A. (Bank), entered into an agreement of sale with the YMCA that transferred 88% of the Bank's total limited partnership interest to the YMCA.

The YMCA currently operates five branches: (1) The Arthur J. Glatfelter Branch (Downtown); (2) Bob Hoffman Branch (Dover); (3) The W. Dale Brougner Foundation Branch (Southern); (4) Lancaster City Branch; and (5) Lampeter-Strasburg Branch. During the year ended December 31, 2024, the Organization began construction on a sixth branch that will be located in Spring Grove, Pennsylvania.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Use of Estimates

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

Principles of Consolidation

The consolidated financial statements include the accounts of YMCA of the Roses and Triangle Group Limited Partnership, collectively referred to throughout these consolidated financial statements as the Organization. All significant intercompany balances and transactions are eliminated in consolidation.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable are stated at outstanding balances, less an allowance for credit losses. The allowance for credit losses is established through provisions charged against income. Accounts deemed to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for credit losses is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management's periodic evaluation of the adequacy of the allowance is based on past experience, aging of the receivables, adverse situations that may affect a customer's ability to pay, current and expected economic conditions, and other relevant factors. This evaluation is inherently subjective as it requires estimates that may be susceptible to significant change. Unpaid balances remaining after the stated payment terms are considered past due.

As of December 31, 2025 and 2024, management established the allowance for credit losses of \$354,996 and \$254,657, respectively.

Promises to Give

Promises to give are stated at outstanding balances, less an allowance for uncollectible accounts. The allowance for uncollectible accounts is established through provisions charged against income. Accounts deemed to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for uncollectible accounts is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management's periodic evaluation of the adequacy of the allowance is based on past experience, aging of the receivables, adverse situations that may affect a donor's ability to pay, current economic conditions, and other relevant factors. This evaluation is inherently subjective as it requires estimates that may be susceptible to significant change. Unpaid balances remaining after the stated payment terms are considered past due.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair market value, if contributed.

Property and equipment are depreciated using the straight-line method over the estimated average useful lives of the assets as follows:

Land improvements	10 to 40 years
Buildings and building improvements	10 to 40 years
Vehicles	3 to 10 years
Furniture and equipment	3 to 10 years

Maintenance, repairs, and minor renewals, which do not significantly improve or extend the lives of the respective assets, are charged to operations when incurred. Additions, improvements, and major renewals are capitalized.

The Organization's policy is to capitalize property and equipment expenditures of \$3,000 or more.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Fair value estimates are based on assumptions concerning the amount and timing of estimated future cash flows and discount rates reflecting varying degrees of perceived risk. Management has concluded that no impairment adjustments were required during 2025 and 2024.

Beneficial Interest in Perpetual Trusts

Beneficial interest in perpetual trusts is reported at fair value, as determined by the YMCA's beneficiary interest percentage in the trust. The change in value of perpetual trusts is reported as increases or decreases in net assets with donor restrictions.

Investments

Investments in debt and equity securities with readily determinable fair values are reported at fair value. Contributed investments are valued at market value on the date contributed. Unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Realized gains and losses, if any, on the sale or disposal of investments are computed on a specific identification basis and are also included as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

Interest in Net Assets of Community Foundations

Interest in net assets of community foundations is reported at fair value as determined by the community foundations.

Debt Issuance Costs

Costs related to the issuance of long-term debt are capitalized and amortized to interest expense over the term of the debt. Gross debt issuance costs amounted to \$187,987 and \$148,097 as of December 31, 2025 and 2024, respectively, and accumulated amortization amounted to \$71,343 and \$63,617 as of December 31, 2025 and 2024, respectively. Total amortization expense recognized in interest expense amounted to \$7,726 and \$5,652 for the years ended December 31, 2025 and 2024, respectively.

Net Assets

Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that are restricted for a specified purpose or passage of time or are restricted in perpetuity.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Noncontrolling Interest

The YMCA has an 88% partnership interest in Triangle Group Limited Partnership as of December 31, 2025 and 2024 (refer to Note 1). For financial reporting purposes, the assets and liabilities of the Partnership are consolidated with those of the YMCA and the outside investor's interest in the Partnership is included in the Organization's consolidated financial statements as noncontrolling interest.

Revenue Recognition

Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as support with donor restrictions that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Grants

Grant revenue deemed to be a contribution is classified as with donor restrictions when received or receivable. Such grant revenue is not deemed to be in respect of exchange transactions since the proceeds thereof are non-reciprocal, unconditional, and voluntary.

The Organization also receives grant revenue, which is deemed to be in respect of exchange transactions and is classified as revenue without donor restrictions or deferred income, as appropriate, when received or receivable. Such grant revenue is not deemed to be a contribution since the proceeds thereof are used to pursue objectives of the grantor.

Fee Income

Fee income includes childcare, camp, and various fitness and youth activities offered by the Organization. Fee income is recognized at the time the service is provided. Any amounts collected but unearned would be classified as deferred income and recognized as income in the applicable period.

Memberships

Memberships, which operate on a monthly basis, are recognized as revenue in the applicable period. Collected but unearned memberships are presented as deferred income and are fully recognized as revenue on a monthly basis. The Organization offers members discounted or free services, such as fitness classes, that are available during each month of membership. There are no remaining performance obligations at the end of each membership period.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Residence Income

Residence income includes fees charged to related parties (refer to Note 25) for reimbursement of residential operating expenses. The revenue is recognized on a monthly basis as the expenses are incurred.

Special Event Income

Special event income includes some events with both an exchange element in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received, and a contribution element for the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. Special event fees collected by the Organization in advance are initially recorded as liabilities (deferred income) and recognized as special event income after delivery of the event.

Right-of-Use Assets and Lease Liabilities

The Organization records leases in accordance with Topic 842, *Leases*, which recognizes most leases on the consolidated statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of twelve months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Functional Expense Classification

The cost of providing the various programs and other activities are summarized on a functional basis in the consolidated statement of activities and the consolidated statement of functional expenses - by natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting services consist of management and general and fundraising expenses. Expenses require allocation on a reasonable basis that is consistently applied. Expenses are generally allocated on the basis of estimates of time and effort or on the basis of square footage.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Donated or Contributed Investments, Services, or Materials

Donated or contributed investments, services, or materials meeting the criteria for recognition are reflected in the consolidated financial statements as in-kind contributions at their estimated value on the date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of goods and services received for special event auctions are valued at the realized sales price. Contributions of other tangible assets are recognized at the fair value when received.

Advertising Costs

The Organization expenses advertising costs as incurred. For the years ended December 31, 2025 and 2024, advertising expense amounted to \$87,074 and \$81,445, respectively.

Note 3 - Income Taxes

The YMCA is a not-for-profit entity described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code. In addition, the YMCA was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes.

Items of income, expense, credits, gains, and losses are passed through to the partners of the Partnership who bear personal responsibility for the tax consequences of those items. Accordingly, no provision for income taxes is recorded in the accompanying consolidated financial statements. Partnership income or loss is allocated 0.01% to the general partner and 99.99% to the limited partners until the deficit in limited partners' equity equals the Partnership's outstanding debt obligation, including accrued interest, to the limited partners to the extent of its deemed debt restoration obligation. Such an income allocation limitation will continue through the end of the Partnership.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that the Organization has taken no uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before 2022.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 4 - Fair Value of Financial Instruments

The fair value hierarchy prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following valuation techniques were used to measure fair value of assets in the tables below on a recurring basis:

Cash and cash equivalents - The carrying amounts approximate fair value because of the short-term nature of these investments.

Mutual funds - Fair value of mutual funds was based on quoted market prices for the identical securities.

Beneficial interest in perpetual trusts - The beneficial interest in perpetual trusts are valued at fair value based on the Organization's interest in the fair values of the underlying assets, which approximate the present value of estimated cash flows to be received from the trusts. The present value measured is utilized as the underlying assets of each individual trust are not in control of the Organization.

Interest in net assets of community foundations - Fair value of the interest in net assets of community foundations was based on the Organization's ownership interest of the fund as determined by the community foundations. The fund assets were valued based on the performance of underlying investments as well as an administrative fee.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods 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.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 4 - Fair Value of Financial Instruments (continued)

For assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy are as follows as of December 31:

	2025			
	Total	Level 1	Level 2	Level 3
Cash and Cash Equivalents	\$ 167,953	\$ 167,953	\$ -	\$ -
Mutual Funds				
Domestic equity	2,337,765	2,337,765	-	-
Fixed income	1,640,128	1,640,128	-	-
International equity	811,208	811,208	-	-
Total Investments	4,957,054	4,957,054	-	-
Beneficial Interest in Perpetual Trusts	7,937,494	-	-	7,937,494
Interest in Net Assets of Community Foundations	175,925	-	-	175,925
	<u>\$ 13,070,473</u>	<u>\$ 4,957,054</u>	<u>\$ -</u>	<u>\$ 8,113,419</u>
	2024			
Cash and Cash Equivalents	\$ 262,025	\$ 262,025	\$ -	\$ -
Mutual Funds				
Domestic equity	2,167,801	2,167,801	-	-
Fixed income	1,331,965	1,331,965	-	-
International equity	633,039	633,039	-	-
Total Investments	4,394,830	4,394,830	-	-
Beneficial Interest in Perpetual Trusts	7,247,565	-	-	7,247,565
Interest in Net Assets of Community Foundations	160,031	-	-	160,031
	<u>\$ 11,802,426</u>	<u>\$ 4,394,830</u>	<u>\$ -</u>	<u>\$ 7,407,596</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 4 - Fair Value of Financial Instruments (continued)

Changes in Fair Value Levels (continued)

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended December 31, 2025 and 2024, there were no transfers in or out of Level 3.

Note 5 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the consolidated statement of financial position, comprise the following as of December 31:

	<u>2025</u>	<u>2024</u>
Financial Assets		
Cash - operating	\$ 472,637	\$ 290,225
Cash - restricted	1,046,694	1,229,841
Accounts receivable, net	494,570	682,923
Accounts receivable - related organizations, net	122,667	432,430
Promises to give, net - current	778,034	1,050,201
Deposits and reserve funds	231,990	169,057
Investments	4,957,054	4,394,830
Distributions from beneficial interest in perpetual trusts	316,421	180,531
Distributions from interest in net assets of community foundations	6,174	6,049
Total Financial Assets	<u>8,426,241</u>	<u>8,436,087</u>
Amounts Not Available to be Used for General Expenditures Within One Year		
Cash subject to donor restrictions	(1,046,694)	(1,229,841)
Deposits and reserve funds	(231,990)	(169,057)
Investments subject to donor restrictions	(2,229,148)	(1,881,418)
Promises to give subject to donor restrictions	(637,434)	(855,343)
Board-designated for		
Investment fund	(2,578,043)	(2,360,273)
Scholarship funds	(30,198)	(28,949)
Total Amounts Not Available to be Used for General Expenditures Within One Year	<u>(6,753,507)</u>	<u>(6,524,881)</u>
Financial Assets Available to be Used for General Expenditures Within One Year	<u>\$ 1,672,734</u>	<u>\$ 1,911,206</u>

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 5 - Liquidity and Availability (continued)

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

The investment funds consist of donor restricted funds subject to a specific purpose as well as funds designated by the board as endowments. The board-designated funds as of December 31, 2025 and 2024 of \$2,578,043 and \$2,360,273, respectively, are subject to a target spending rate of 4.5%, as approved by the Board of Directors on an annual basis. The spending rate shall be based on the size, growth, and performance as well as the needs of the operating budget. Although the Organization does not intend to spend from this board-designated fund other than the approved annual distribution, if any, these funds could be made available if necessary.

The Organization also has a line of credit available to meet short-term needs. See Note 15 for information about this arrangement.

Note 6 - In-kind Contributions

In-kind contributions consist of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Property and equipment	\$ 167,030	\$ 2,564,695
Supplies	76,457	47,684
Special events	27,283	55,928
Miscellaneous	47	-
Investment securities	-	18,389
Professional fees and contracted services	-	1,260
	<u>\$ 270,817</u>	<u>\$ 2,687,956</u>

Supplies are goods and services donated to the Organization for general program or management expenses. This support is valued at the estimated fair value in the consolidated financial statements based on current costs for similar services and products.

Special events are goods and services donated to a particular special event and include items such as equipment, printing, advertising, and supplies used to run the event. This support is valued at the estimated fair value in the consolidated financial statements based on current costs for similar services and products.

Property and equipment includes capital assets donated to the Organization for use in program services. The assets are valued using estimated prices for similar items of comparable condition.

Investment securities are valued at market value on the date contributed. Fair value was based on quoted market prices for the identical securities. It is the Organization's policy to sell contributed securities immediately upon receipt. If there are any associated donor restrictions, the proceeds from the sale of the securities are included with net assets with donor restrictions until spent. As of December 31, 2025 and 2024, \$-0- and \$10,348, respectively, of proceeds from the sale of the securities with donor restrictions remain unspent.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 6 - In-kind Contributions (continued)

Professional fees and contracted services are for-hire services that are performed as a donation to the Organization. Such fees and services are valued using the fee that would have been charged for the services performed.

There are no associated donor restrictions related to in-kind contributions received during the years ended December 31, 2025 and 2024, except as noted above.

In addition, a substantial number of individual volunteers and businesses have donated significant amounts of time to the Organization's program and administrative functions. These services do not meet the criteria for recognition as contributed services, and are not reflected on the accompanying consolidated financial statements.

Note 7 - Cash and Concentration of Credit Risk

Cash consists of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Checking accounts	\$ 1,507,686	\$ 1,508,271
Savings and money market accounts	10,595	10,595
Cash on hand	<u>1,050</u>	<u>1,200</u>
	<u>\$ 1,519,331</u>	<u>\$ 1,520,066</u>
Cash - operating	\$ 472,637	\$ 290,225
Cash - restricted	<u>1,046,694</u>	<u>1,229,841</u>
	<u>\$ 1,519,331</u>	<u>\$ 1,520,066</u>

The Organization maintains its cash accounts in several financial institutions located in York and Lancaster, Pennsylvania. At times during the years ended December 31, 2025 and 2024, the Organization's cash balances may have exceeded the federally insured limit of \$250,000.

The Partnership also has restricted deposits and funded reserve accounts held at the Pennsylvania Housing Finance Agency. None of the balances in these accounts are insured deposits.

Note 8 - Promises to Give

Promises to give - Spring Grove represents funds raised for a project related to the opening of a new branch. The promises to give that were acquired during the year ended December 31, 2025 and prior, and are expected to be collected in more than one year, were discounted to present value using risk-adjusted rates of return ranging from 4.01% to 4.16%.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 8 - Promises to Give (continued)

Promises to give - endowment represents a gift received for the donor restricted endowment fund. This promise to give that was acquired during the year ended December 31, 2019, and is expected to be collected in more than one year, is discounted to present value using a risk-adjusted rate of return of 2.99%.

Promises to give - other represents general operating contributions that will be received subsequent to the year end. As of December 31, 2025 and 2024, the present value discount for promises to give - other that is expected to be collected in more than one year is considered not significant.

Promises to give - present value of life insurance policies represents various life insurance policies that were donated to the Organization. These policies are in the possession of the Organization, who is named as the sole beneficiary of each. The present value of each of these policies was determined by use of life expectancy tables, and risk-adjusted rates of return ranging from 4.73% to 4.78%. Based on the nature of these promises to give as of December 31, 2025 and 2024, none of these are considered current.

Promises to give - United Way represents contributions that will be received subsequent to the year end. The due dates of promises to give - United Way for each of the years ended December 31, 2025 and 2024 are less than one year.

Promises to give - Annual Campaign represents gifts received for the annual fundraising campaign. The due dates of promises to give - Annual Campaign for each of the years ended December 31, 2025 and 2024 are less than one year.

Promises to give consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Spring Grove project	\$ 739,442	\$ 1,380,589
Endowment	545,000	690,000
Other - operating	117,126	143,169
Present value of life insurance policies	144,016	135,971
United Way	19,463	70,433
Annual Campaign	8,708	11,256
	<u>1,573,755</u>	<u>2,431,418</u>
Unamortized discount	(29,560)	(70,271)
Allowance for uncollectible promises to give	(20,000)	(20,000)
	<u>\$ 1,524,195</u>	<u>\$ 2,341,147</u>

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 8 - Promises to Give (continued)

Due dates of promises to give, assuming no changes in current terms, consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Receivable in less than one year	\$ 793,239	\$ 1,063,005
Receivable in one to five years	636,500	1,232,442
Receivable in more than five years	144,016	135,971
	<u>\$ 1,573,755</u>	<u>\$ 2,431,418</u>
Current portion	\$ 778,034	\$ 1,050,201
Noncurrent portion	746,161	1,290,946
	<u>\$ 1,524,195</u>	<u>\$ 2,341,147</u>

Note 9 - Property and Equipment

Property and equipment consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Buildings and building improvements	\$ 41,448,032	\$ 41,202,185
Construction in progress *	10,472,658	3,555,031
Furniture and equipment	3,315,894	3,281,679
Land and land improvements	3,142,680	3,063,294
Vehicles	182,069	185,394
	<u>58,561,333</u>	<u>51,287,583</u>
Accumulated depreciation	<u>(23,081,882)</u>	<u>(21,500,889)</u>
	<u>\$ 35,479,451</u>	<u>\$ 29,786,694</u>

* Not depreciated

As of December 31, 2025, the Organization had long-term construction contracts related to construction of the new Spring Grove branch amounting to approximately \$7,017,000. As of December 31, 2025, the Organization incurred approximately \$6,127,000 of this total.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 10 - Notes Receivable - Related Organizations

Notes receivable - related organizations consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Triangle Group Limited Partnership, a related organization; \$450,000 note receivable; collateralized by a mortgage; bearing interest at 5.06%; outstanding principal and accrued interest are due October 1, 2028; includes accrued interest of \$1,381,954 and \$1,293,718 as of December 31, 2025 and 2024, respectively; balance eliminated in consolidation	\$ 1,831,954	\$ 1,743,718
Triangle Group Limited Partnership, a related organization; \$1,155,450 note receivable; collateralized by a mortgage; interest accrued at 8.50% through construction completion; thereafter no interest shall accrue; outstanding principal and accrued interest are due October 1, 2028; includes accrued interest of \$51,752; balance eliminated in consolidation	1,207,202	1,207,202
Y Community Development Corporation, a related organization; \$385,000 note receivable; collateralized by a mortgage; interest accrues at 5.57%; includes accrued interest of \$425,576 and \$404,132 as of December 31, 2025 and 2024, respectively; outstanding principal due September 7, 2031	810,576	789,132
Y Community Development Corporation, a related organization; \$615,000 note receivable; collateralized by a mortgage; noninterest bearing; due September 7, 2031	615,000	615,000
Triangle Group Limited Partnership, a related organization; \$227,000 note receivable; collateralized by assets of the Partnership; interest accrued at 9.50% through November 30, 2009, no interest thereafter; principal and interest due November 30, 2029; includes accrued interest of \$215,650; balance eliminated in consolidation	442,650	442,650
Y Community Development Corporation, a related organization; \$220,000 note receivable; noninterest bearing; due September 7, 2031; note collateralized on the mortgage by the property	220,000	220,000

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 10 - Notes Receivable - Related Organizations (continued)

	<u>2025</u>	<u>2024</u>
Y Community Development Corporation, a related organization; \$363,523 development fee note receivable; interest accrues at 0.50%, compounded annually; due September 7, 2031	\$ 142,748	\$ 142,748
Newberry Properties, a related organization; \$45,000 note receivable; noninterest bearing; no stated repayment terms	<u>45,000</u>	<u>45,000</u>
	5,315,130	5,205,450
Eliminated in consolidation	(3,481,806)	(3,393,570)
Current portion	<u>-</u>	<u>-</u>
	<u>\$ 1,833,324</u>	<u>\$ 1,811,880</u>

Aggregate maturities of notes receivable, assuming no change in current terms, consist of the following for the five years ending December 31 and thereafter:

2026	\$ -
2027 through 2030	-
Thereafter	1,833,324

Note 11 - Beneficial Interest in Perpetual Trusts

The Organization is named as beneficiary under several perpetual trusts. The Organization's beneficiary interest allocation ranges from 2.5% to 75% for each of the years ended December 31, 2025 and 2024. The cost, gross unrealized gains and losses, and fair value of investments consist of the following as of December 31:

	<u>2025</u>			
	<u>Cost</u>	<u>Gross Unrealized</u>		
		<u>Gains</u>	<u>Losses</u>	
Beneficial interest in perpetual trusts	<u>\$ 6,316,886</u>	<u>\$ 1,620,608</u>	<u>\$ -</u>	<u>\$ 7,937,494</u>
	<u>2024</u>			
Beneficial interest in perpetual trusts	<u>\$ 6,160,596</u>	<u>\$ 1,086,969</u>	<u>\$ -</u>	<u>\$ 7,247,565</u>

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 12 - Investments

The cost, gross unrealized gains and losses, and fair value for investments consist of the following as of December 31:

	2025			
	Cost	Gross Unrealized		Fair Value
		Gains	Losses	
Cash and Cash Equivalents	\$ 167,953	\$ -	\$ -	\$ 167,953
Mutual Funds				
Domestic equity	1,822,691	516,323	(1,249)	2,337,765
Fixed income	1,670,846	8,184	(38,902)	1,640,128
International equity	638,367	172,841	-	811,208
	<u>\$ 4,299,857</u>	<u>\$ 697,348</u>	<u>\$ (40,151)</u>	<u>\$ 4,957,054</u>
	2024			
Cash and Cash Equivalents	\$ 262,025	\$ -	\$ -	\$ 262,025
Mutual Funds				
Domestic equity	1,728,633	446,259	(7,091)	2,167,801
Fixed income	1,422,834	3,349	(94,218)	1,331,965
International equity	606,198	35,203	(8,362)	633,039
	<u>\$ 4,019,690</u>	<u>\$ 484,811</u>	<u>\$ (109,671)</u>	<u>\$ 4,394,830</u>

Investment and interest income consists of the following for the years ended December 31:

	2025	2024
Trust distributions	\$ 296,845	\$ 246,706
Interest and dividends - cash and investments, net	84,604	79,395
Interest - notes receivable	22,158	22,122
Total Investment and Interest Income, Net	<u>\$ 403,607</u>	<u>\$ 348,223</u>

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 13 - Endowments (continued)

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the relevant state law 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 Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions or net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the relevant state law.

Unless specifically defined by a donor-restricted endowment fund required by donor stipulation, the Organization considers the following factors in making a determination to accumulate or appropriate endowment funds:

- a) The duration and preservation of the fund
- b) The purposes of the Organization and the donor-restricted endowment fund
- c) General economic conditions
- d) The possible effect of inflation and deflation
- e) The expected total return from income and appreciation of investments
- f) Other resources of the Organization
- g) The investment policies of the Organization

The following schedule represents the endowment net asset composition by type of endowment fund as of December 31:

	<u>2025</u>	<u>2024</u>
Without donor restrictions	\$ 2,578,043	\$ 2,360,273
With donor restrictions	<u>2,789,087</u>	<u>2,567,494</u>
	<u>\$ 5,367,130</u>	<u>\$ 4,927,767</u>

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 13 - Endowments (continued)

Interpretation of Relevant Law (continued)

The following schedules represent the changes in endowment net assets for the years ended December 31:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning	\$ 2,360,273	\$ 2,567,494	\$ 4,927,767
Contributions	-	17,475	17,475
Investment return			
Interest and dividends, net	31,954	30,237	62,191
Realized and unrealized holding gains	287,324	219,883	507,207
Disbursements	(101,508)	(46,002)	(147,510)
Endowment Net Assets, Ending	\$ 2,578,043	\$ 2,789,087	\$ 5,367,130
	2024		
Endowment Net Assets, Beginning	\$ 2,378,737	\$ 2,513,686	\$ 4,892,423
Contributions	-	19,455	19,455
Investment return			
Interest and dividends, net	27,235	28,025	55,260
Realized and unrealized holding gains	196,614	133,615	330,229
Disbursements	(242,313)	(127,287)	(369,600)
Endowment Net Assets, Ending	\$ 2,360,273	\$ 2,567,494	\$ 4,927,767

Funds with Deficiencies

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the relevant state law requires the Organization to retain as a fund of perpetual duration. The relevant state law has no requirement to restore donor-restricted fund deficiencies and accounting standards provide that the generally accepted rule of reporting such deficiencies as net assets without donor restrictions should be applied only in the absences of donor stipulations or laws to the contrary. The Organization has interpreted state law to allow spending of the original principal with no requirement to restore fund deficiencies to the original value. As such, the Organization has no underwater endowments as of December 31, 2025 and 2024. Any fund deficiencies are reported as reductions to net assets with donor restrictions.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 13 - Endowments (continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to preserve the long-term purchasing power of the endowment fund and to provide a reasonably stable and predictable revenue stream from the endowment to support the operating budget of the Organization, and to protect the endowment investments from regular operating spending needs. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results to allow the Organization to fund the appropriate programs while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

The Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Organization has a total return policy of appropriating for distribution each year a percent of its endowment fund's market value. The spending rate shall be recommended to the Corporate Board of Directors each year based on the rolling three-year average of the June 30 market values of the endowment. The spending rate shall be based on the size, growth, and performance of the endowment fund and the needs of the operating budget. The target spending rate will be 4%; however, the recommended spending rate may be within a range of plus or minus 1% of the target spending rate. Based on anticipated future cash flow needs, the Board of Directors accepted the recommendation for a 4.5% spending policy rate for the years ended December 31, 2025 and 2024, respectively.

Note 14 - Interest in Net Assets of Community Foundations

The Organization is the beneficiary of endowment funds of the York County Community Foundation and Lancaster County Community Foundation (collectively, Foundations), both community foundations. As beneficiary, the Organization is entitled to annual distributions from the funds, based upon the Foundations' spending policy. The Foundations maintain variance power only over distributions from the funds.

The organizational endowment fund created by the Organization at the Foundations is reflected in the consolidated statement of financial position as interest in net assets of community foundations. Through December 31, 2025 and 2024, the Organization has contributed \$100,500 to the fund. Future contributions are at the discretion of the Board of Directors of the Organization. As of December 31, 2025 and 2024, the fair value of the Organization's interest in net assets of community foundations amounted to \$175,925 and \$160,031, respectively.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 14 - Interest in Net Assets of Community Foundations (continued)

In addition to the organizational endowment fund, contributions made by third parties directly to York County Community Foundation (YCCF) created designated endowment funds, which are not assets of the Organization, and are not reflected in the consolidated statement of financial position. YCCF maintains variance power over the designated endowment funds. The Organization receives information on the value of the funds on an annual basis. As of December 31, 2025 and 2024, the balance of the YCCF funds, in which the Organization is currently designated by the contributor as the beneficiary, amounted to \$240,504 and \$216,510, respectively, which includes the funds' accumulated investment earnings in excess of annual distributions and fees.

Note 15 - Line of Credit

The Organization entered into a \$250,000 revolving line of credit agreement with Fulton Bank in November 2004. Amendments since 2004 have increased the revolving line of credit to \$1,000,000 as of December 31, 2025 and 2024. Amounts borrowed against this line of credit bear interest at the Secured Overnight Financing Rate (SOFR), plus 2.62%, with a floor rate of 2.77%. The interest for the line of credit was 6.49% and 7.17% as of December 31, 2025 and 2024, respectively. There were no borrowings against this line of credit as of December 31, 2025 and 2024.

Note 16 - Leases

The Organization leases land, certain fitness and office equipment, pool usage, and a vehicle under operating lease agreements with initial terms ranging from 3 to 39 years. Some leases include one or more options to renew, at the Organization's sole discretion, with renewal terms that can extend the lease term indefinitely. In addition, certain leases contain termination options, where the rights to terminate are held by either the Organization, the lessor, or both parties. The options to extend or terminate a lease are included in the lease terms only when it is reasonably certain that the Organization will exercise that option. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

The Organization also leases office equipment, office space, and storage space on a short-term basis.

Operating lease cost is recognized on a straight-line basis over the lease term.

The Organization leases fitness equipment under agreements that have been determined to qualify as financing leases. The initial lease terms for the leases range from three to five years.

The components of lease expense are as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Financing lease cost - amortization of right-of-use asset	\$ 253,510	\$ 191,124
Short-term lease cost	251,870	218,821
Operating lease cost	80,138	130,465
Financing lease cost - interest on lease liabilities	<u>20,742</u>	<u>20,916</u>
Total Lease Cost	<u>\$ 606,260</u>	<u>\$ 561,326</u>

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 16 - Leases (continued)

	<u>2025</u>	<u>2024</u>
Weighted-Average Remaining Lease Term		
Operating leases	17.13 Years	16.91 Years
Financing leases	2.09 Years	2.78 Years
Weighted-Average Discount Rate		
Operating leases	2.41%	2.53%
Financing leases	4.32%	4.38%

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the consolidated statement of financial position are as follows as of December 31, 2025:

	<u>Operating Leases</u>	<u>Financing Leases</u>
2026	\$ 57,215	\$ 217,425
2027	57,215	101,108
2028	47,254	36,204
2029	21,000	21,119
2030	21,000	-
Thereafter	440,600	-
Total Lease Payments	644,284	375,856
Imputed interest	(111,983)	(15,597)
Total Present Value of Lease Liabilities	\$ 532,301	\$ 360,259
Current portion of obligations under operating and financing leases	\$ 45,050	\$ 207,205
Long-term portion of obligations under operating and financing leases	487,251	153,054
	\$ 532,301	\$ 360,259

An analysis of leased property under financing leases consists of the following as of and for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Fitness equipment	\$ 836,503	\$ 862,290
Accumulated depreciation	(492,552)	(254,944)
Right-of-use Asset - Financing Leases	\$ 343,951	\$ 607,346
Amortization expense	\$ 253,510	\$ 191,124

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 16 - Leases (continued)

The amortization expense on financing leases is included in the amount of depreciation and amortization expense reported in the consolidated statement of functional expenses - by natural classification.

Note 17 - Long-Term Debt

Long-term debt consists of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Fulton Bank - note payable; issued July 17, 2025; authorized aggregate principal amount up to \$4,200,000; variable interest rate equal SOFR (floor of 0.15%), plus 2.37%, or 6.24% as of December 31, 2025; effective interest rate of 7.05% for the year ended December 31, 2025; interest only due monthly through July 2028; outstanding principal and interest due August 1, 2028; collateralized by certain assets of the Organization, including grant funds to be received	\$ 4,200,000	\$ -
Fulton Bank - East Hempfield Township Industrial Development Authority Revenue Note - Series A of 2021; issued November 29, 2021; authorized aggregate principal amount of \$3,360,000; interest fixed at 3.32% through November 2028, at which time the rate changes to a variable rate equal to the Tax-Exempt Rate Multiplier times SOFR (floor of 0.15%), plus 2.62%; effective interest rate of 3.52% and 3.53% for the years ended December 31, 2025 and 2024, respectively; principal and interest due monthly beginning January 2022 through November 2046; outstanding principal and interest due December 1, 2046; call option available December 1, 2028 and each five-year anniversary thereafter	2,993,918	3,090,336
Partnership's second mortgage payable to the YMCA for the sum of \$450,000; bearing interest at 5.06%; principal and interest due on October 1, 2028; relates to the development of the rental housing project and is collateralized by the rental housing project's assets; amount drawn is \$450,000, plus accrued interest of \$1,381,954 and \$1,293,718 as of December 31, 2025 and 2024, respectively; balance eliminated in consolidation	1,831,954	1,743,718

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 17 - Long-Term Debt (continued)

	<u>2025</u>	<u>2024</u>
Fulton Bank - note payable; issued July 17, 2025; authorized aggregate principal amount up to \$3,000,000; variable interest rate equal SOFR (floor of 0.15%), plus 2.37%, or 6.24% as of December 31, 2025; effective interest rate of 6.90% for the year ended December 31, 2025; interest only due monthly through July 2030; beginning August 2030, monthly principal and interest amortized over fifteen years; outstanding principal and interest due August 1, 2045; collateralized by certain assets of the Organization	\$ 1,810,679	\$ -
Fulton Bank - East Hempfield Township Industrial Development Authority Revenue Note - Series B of 2021; issued November 29, 2021; authorized aggregate principal amount of \$1,440,000; variable interest rate equal to the Tax-Exempt Rate Multiplier times the SOFR (floor of 0.15%), plus 2.62%, or 5.26% and 5.81% as of December 31, 2025 and 2024, respectively; effective interest rate of 5.83% and 6.61% for the years ended December 31, 2025 and 2024, respectively; principal and interest due monthly beginning January 2022 through November 2046; outstanding principal and interest due December 1, 2046; call option available December 1, 2028 and each five-year anniversary thereafter	1,317,110	1,348,847
Note payable to the City of York, Pennsylvania; collateralized by a mortgage; interest at 1.00% per year; outstanding principal and accrued interest is due September 1, 2031; includes accrued interest of \$247,003 and \$237,003 as of December 31, 2025 and 2024, respectively	1,247,003	1,237,003
Partnership's first mortgage payable to the YMCA for the maximum sum of \$1,155,450; interest of 8.50% accrued from commencement date through completion of construction; thereafter no interest to accrue; principal and interest due October 1, 2028; relates to the development of the recreational facility and is collateralized by the recreational facility's assets; amount drawn is \$1,155,450, plus accrued interest of \$51,752 as of December 31, 2025 and 2024; balance eliminated in consolidation	1,207,202	1,207,202

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 17 - Long-Term Debt (continued)

	<u>2025</u>	<u>2024</u>
Note payable to the City of York, Pennsylvania; noninterest bearing note with no set repayment terms so long as the YMCA adheres to the terms and conditions of the loan agreement; if the YMCA violates the agreement, outstanding principal due October 2, 2028	\$ 450,000	\$ 450,000
Partnership's note payable - the YMCA for the sum of \$227,000; bearing simple interest at 9.50% per annum through November 30, 2009, no interest shall accrue after this date; principal and interest due November 30, 2029; relates to the development of the rental housing project and is collateralized by the rental housing project's assets; amount drawn is \$227,000, plus accrued interest of \$215,650 as of December 31, 2025 and 2024; balance eliminated in consolidation	442,650	442,650
Note payable to the City of York, Pennsylvania; collateralized by mortgages; interest at 1.00% per year; principal and interest due September 1, 2031; the City of York, Pennsylvania has option to purchase property or forgive interest over the next fifteen years; includes accrued interest of \$51,329 and \$49,129 as of December 31, 2025 and 2024, respectively	271,329	269,129
Note payable to DAK Properties, L.P.; noninterest bearing note; annual principal payments of \$12,000 beginning November 2018 through November 2026	12,000	24,000
Unamortized debt issuance costs	(116,644)	(84,480)
	15,667,201	9,728,405
Eliminated in consolidation	(3,481,806)	(3,393,570)
Current maturities	(134,706)	(135,796)
	<u>\$ 12,050,689</u>	<u>\$ 6,199,039</u>

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 17 - Long-Term Debt (continued)

Aggregate maturities of long-term debt and estimated amortization of debt issuance costs, assuming no changes in current terms, consist of the following for the five years ending December 31 and thereafter:

	<u>Principal Payments</u>	<u>Amortization of Debt Issuance Costs</u>	<u>Net</u>
2026	\$ 147,025	\$ (12,319)	\$ 134,706
2027	140,336	(12,319)	128,017
2028	4,795,604	(9,132)	4,786,472
2029	151,615	(4,669)	146,946
2030	188,169	(4,669)	183,500
Thereafter	6,879,290	(73,536)	6,805,754
	<u>\$ 12,302,039</u>	<u>\$ (116,644)</u>	<u>\$ 12,185,395</u>

Total interest expense amounted to \$218,024 and \$238,576 for the years ended December 31, 2025 and 2024, respectively.

Long-term debt includes agreements that also contain restrictive covenants which, among other things, require the Organization to maintain a minimum debt service coverage ratio and a minimum net asset balance. For the year ended December 31, 2025, the Organization was in compliance with this covenant.

Note 18 - Mortgage Payable - PHFA

Mortgage payable - PHFA consists of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Second mortgage is held by the Pennsylvania Housing Finance Agency (PHFA) in the amount of \$1,000,000; bears no interest; yearly installments of principal only are based on a thirty-year amortization; repayment to be based on a PHFA approved distribution of surplus cash between principal payments and return on equity	<u>\$ 940,000</u>	<u>\$ 940,000</u>

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 19 - Charitable Gift Annuity Obligation

The Organization is the beneficiary of various charitable gift annuities that provide for the payment of distributions to the annuitants for the remainder of their lives. After this time period, the remaining assets are available for the Organization's use. The value of the gift annuities received over the calculated liability is recognized as contribution revenue without donor restrictions, unless restricted by donor stipulation. There were no new gift annuities during the years ended December 31, 2025 and 2024. The annuities are reflected as a liability on the Organization's consolidated statement of financial position at their present value discounted over the expected lives of the annuitants using a discount rate of 5.00%. The liability is revalued on an annual basis with changes reported in the consolidated statement of activities as change in value of charitable gift annuities. The current portion of the liability consists of all payment distributions due within one year. The charitable gift annuity obligation amounted to \$48,001 and \$50,260 as of December 31, 2025 and 2024, respectively.

Note 20 - Financial Assistance Provided

The Organization provides financial assistance through contributions and fundraising to help defray the costs of membership and program and other fees for individuals with need. Membership dues and fee income are recorded net of such assistance in the consolidated statement of activities. Net membership dues and fee revenue amounted to the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Membership dues	\$ 5,924,134	\$ 5,583,246
Financial assistance provided	<u>(406,509)</u>	<u>(354,335)</u>
Membership Dues, Net	<u>\$ 5,517,625</u>	<u>\$ 5,228,911</u>
Fee income	\$ 4,236,744	\$ 3,931,108
Financial assistance provided	<u>(216,764)</u>	<u>(261,038)</u>
Fee Income, Net	<u>\$ 4,019,980</u>	<u>\$ 3,670,070</u>

Note 21 - Retirement Plan

The Organization participates in the YMCA Retirement Fund Retirement Plan, which is a defined contribution, money purchase, church pension plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, and the YMCA Retirement Fund Tax-Deferred Savings Plan, which is a 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 YMCA Retirement Fund Retirement Plan and YMCA Retirement Fund Tax-Deferred Savings Plan have no unfunded benefit obligations.

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 21 - Retirement Plan (continued)

In accordance with the Organization's agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employee's salary. Participants must meet certain age and length of service requirements. Total contributions charged to retirement expense for the years ended December 31, 2025 and 2024 amounted to \$334,560 and \$312,199, respectively. Unpaid contributions amounted to \$30,204 and \$15,654 as of December 31, 2025 and 2024, respectively.

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 22 - Rental Income

The Organization leases portions of their property to a phone company for cellular phone tower usage, with varying contract terms. The Organization also leases portions of their property to unrelated third parties for use of space with varying contract terms.

Rental income relating to these leases amounted to \$44,032 and \$42,131 for the years ended December 31, 2025 and 2024, respectively, and excludes rental income from specific event facility rental.

Future minimum rental lease payments, assuming no change in current terms, consist of the following for each of the remaining five years ending December 31 and thereafter:

2026	\$	45,928
2027		43,191
2028		38,368
2029		21,000
2030		14,000
		<hr/>
	\$	162,487

Note 23 - Net Assets Without Donor Restrictions

The Organization's net assets without donor restrictions consist of undesignated and board-designated amounts for the following purposes as of December 31:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 26,331,738	\$ 26,352,966
Board-designated for		
Investment fund	2,578,043	2,360,273
Scholarship funds	30,198	28,949
	<hr/>	<hr/>
	\$ 28,939,979	\$ 28,742,188

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 24 - Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Subject to expenditures for specific purpose		
Cash - Spring Grove project services	\$ 677,974	\$ 878,971
Cash - Y Achievers	214,515	280,711
Cash - capital improvements	124,847	7,086
Investments - scholarships	17,491	16,767
Cash - scholarships	10,595	10,595
Cash - Young Thinkers	6,860	-
Cash - wellness programs	5,055	20,277
Cash - TechRev York	3,748	3,748
Cash - neighborhood revitalization	2,000	2,000
Cash - community development	1,100	-
Cash - preschool contributions	-	15,953
Cash - Lampeter Strasburg wellness and maintenance	-	10,500
Subject to the passage of time		
Promises to give - Spring Grove	712,133	1,327,890
Promises to give - other	120,834	149,425
Promises to give - present value of life insurance policies	113,138	107,247
Promises to give - present value of life insurance policies, donor restricted for endowment	30,878	28,724
Promises to give - United Way	19,463	70,433
Perpetual in nature		
Beneficial interest in perpetual trusts	7,937,494	7,247,565
Investments - endowment		
Glatfelter Endowment Fund	1,349,160	1,090,393
Gelhard Memorial Fund	225,893	202,798
Bamford Campership Fund	201,245	180,670
Bechtold Campership Fund	140,278	125,936
Pathfinder Fund	107,015	96,074
Nolt Endowment Fund	104,643	93,944
Raggers Endowment Fund	41,091	36,889
Infrastructure Endowment Fund	24,839	22,243
Hallman Campership Fund	17,493	15,704
Promises to give - endowment	527,749	657,428
Interest in net assets of a community foundation	18,803	16,691
	<u>\$ 12,756,334</u>	<u>\$ 12,716,662</u>

YMCA of the Roses and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

Note 25 - Related Parties

The YMCA is related to Newberry Properties (Newberry), Y Community Development Corporation (YCDC), Historic Fairmount, L.P. (Fairmount), George Street Commons LP d/b/a George Street Commons (GSC), and George Street Commons Commercial LP (GSCC) through common management.

The Organization has the following balances with related parties as of December 31:

	<u>2025</u>	<u>2024</u>
Accounts receivable	\$ 122,667	\$ 432,430
Notes receivable	1,833,324	1,811,880

The Organization has the following transactions with related parties for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Income		
Management fees - YCDC	\$ 32,336	\$ 34,799
Management fees - GSC	32,090	29,857
Management fees - Fairmount	25,324	23,767
Interest income - YCDC	22,158	22,122
Expense		
Rent expense - YCDC	13,800	-

The Organization also received residence income from related parties for reimbursement of residential operating expenses, which amounted to \$273,291 and \$287,495 for the years ended December 31, 2025 and 2024, respectively.

Note 26 - Commitments and Contingencies

The Organization is involved in a legal proceeding arising from activities in the ordinary course of business. Although it is not possible to presently determine the final outcome of these matters, management believes the aggregate liability, if any, will not have a material adverse effect on the Organization's consolidated financial statements. There has been no provision for the potential loss recorded.

Note 27 - Subsequent Events

The Organization has evaluated subsequent events through June 15, 2026. This date is the date the consolidated financial statements were available to be issued. No material events subsequent to December 31, 2025 were noted.

YMCA of the Roses and Subsidiary

Consolidating Schedule of Financial Position - by Fund Information

	December 31, 2025									
	YMCA of the Roses							Triangle Group Limited Partnership		
	General Fund	Investment Fund	Plant Fund	Capital Campaign Fund	Aquatics Fund	Club Fund	Total		Eliminations	Total
Assets										
Current Assets										
Cash - operating	\$ 339,785	\$ -	\$ -	\$ (114,687)	\$ (5,147)	\$ 117,367	\$ 337,318	\$ 135,319	\$ -	\$ 472,637
Accounts receivable, net	481,963	-	-	-	10,715	-	492,678	1,892	-	494,570
Accounts receivable - related organizations, net	145,080	-	-	-	-	-	145,080	-	(22,413)	122,667
Promises to give, net	140,297	145,000	-	492,737	-	-	778,034	-	-	778,034
Prepaid expenses	565,364	-	-	376	-	-	565,740	1,512	-	567,252
Total Current Assets	1,672,489	145,000	-	378,426	5,568	117,367	2,318,850	138,723	(22,413)	2,435,160
Property and Equipment, Net	-	-	34,282,850	-	-	-	34,282,850	1,196,601	-	35,479,451
Other Assets										
Beneficial interest in perpetual trusts	-	7,937,494	-	-	-	-	7,937,494	-	-	7,937,494
Investments	-	4,957,054	-	-	-	-	4,957,054	-	-	4,957,054
Notes receivable - related organizations	5,315,130	-	-	-	-	-	5,315,130	-	(3,481,806)	1,833,324
Cash - restricted	368,720	-	-	677,974	-	-	1,046,694	-	-	1,046,694
Promises to give, net	113,138	413,627	-	219,396	-	-	746,161	-	-	746,161
Right-of-use asset - operating leases	502,078	-	-	-	-	-	502,078	-	-	502,078
Right-of-use asset - financing leases, net	343,951	-	-	-	-	-	343,951	-	-	343,951
Deposits and reserve funds	-	-	-	-	-	-	-	231,990	-	231,990
Interest in net assets of community foundations	-	175,925	-	-	-	-	175,925	-	-	175,925
Total Other Assets	6,643,017	13,484,100	-	897,370	-	-	21,024,487	231,990	(3,481,806)	17,774,671
Total Assets	\$ 8,315,506	\$ 13,629,100	\$ 34,282,850	\$ 1,275,796	\$ 5,568	\$ 117,367	\$ 57,626,187	\$ 1,567,314	\$ (3,504,219)	\$ 55,689,282

YMCA of the Roses and Subsidiary

Consolidating Schedule of Financial Position - by Fund Information (continued)

	December 31, 2025									
	YMCA of the Roses							Triangle Group Limited Partnership		
	General Fund	Investment Fund	Plant Fund	Capital Campaign Fund	Aquatics Fund	Club Fund	Total		Eliminations	Total
Liabilities and Net Assets										
Current Liabilities										
Current portion of obligations under operating leases	\$ 45,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,050	\$ -	\$ -	\$ 45,050
Current portion of obligations under financing leases	207,205	-	-	-	-	-	207,205	-	-	207,205
Current maturities of long-term debt	143,185	-	-	(8,479)	-	-	134,706	-	-	134,706
Current portion of charitable gift annuities	-	7,807	-	-	-	-	7,807	-	-	7,807
Accounts payable	458,363	-	397,269	70,061	39,964	-	965,657	28,622	(22,413)	971,866
Accrued interest payable	14,524	-	-	31,157	-	-	45,681	-	-	45,681
Accrued payroll	431,535	-	-	-	-	-	431,535	-	-	431,535
Payroll taxes withheld and accrued	30,739	-	-	-	-	-	30,739	-	-	30,739
Accrued expenses	195,441	-	-	-	-	-	195,441	-	-	195,441
Deposits and prepaid rent	-	-	-	-	-	-	-	29,770	-	29,770
Deferred income	307,748	-	-	-	-	-	307,748	-	-	307,748
Total Current Liabilities	1,833,790	7,807	397,269	92,739	39,964	-	2,371,569	58,392	(22,413)	2,407,548
Other Liabilities										
Long-term debt	6,067,535	-	-	5,983,154	-	-	12,050,689	-	-	12,050,689
Mortgage payable - PHFA	-	-	-	-	-	-	-	940,000	-	940,000
Obligations under operating leases	487,251	-	-	-	-	-	487,251	-	-	487,251
Obligations under financing leases	153,054	-	-	-	-	-	153,054	-	-	153,054
Charitable gift annuities	-	40,194	-	-	-	-	40,194	-	-	40,194
Notes payable - related party	-	-	-	-	-	-	-	3,481,806	(3,481,806)	-
Total Other Liabilities	6,707,840	40,194	-	5,983,154	-	-	12,731,188	4,421,806	(3,481,806)	13,671,188
Total Liabilities	8,541,630	48,001	397,269	6,075,893	39,964	-	15,102,757	4,480,198	(3,504,219)	16,078,736
Net Assets/Deficit in Partners' Equity										
	(226,124)	13,581,099	33,885,581	(4,800,097)	(34,396)	117,367	42,523,430	(2,912,884)	-	39,610,546
Total Liabilities and Net Assets	\$ 8,315,506	\$ 13,629,100	\$ 34,282,850	\$ 1,275,796	\$ 5,568	\$ 117,367	\$ 57,626,187	\$ 1,567,314	\$ (3,504,219)	\$ 55,689,282

YMCA of the Roses and Subsidiary

Consolidating Schedule of Financial Position - by Fund Information (continued)

	December 31, 2024									
	YMCA of the Roses							Triangle Group Limited Partnership		
	General Fund	Investment Fund	Plant Fund	Capital Campaign Fund	Aquatics Fund	Club Fund	Total		Eliminations	Total
Assets										
Current Assets										
Cash - operating	\$ 607,467	\$ -	\$ -	\$ (510,894)	\$ 15,679	\$ 126,283	\$ 238,535	\$ 51,690	\$ -	\$ 290,225
Accounts receivable, net	644,243	-	-	-	38,077	-	682,320	603	-	682,923
Accounts receivable - related organizations, net	455,416	-	-	-	-	-	455,416	-	(22,986)	432,430
Promises to give, net	194,858	145,000	-	710,343	-	-	1,050,201	-	-	1,050,201
Prepaid expenses	134,998	-	-	-	-	-	134,998	1,269	-	136,267
Total Current Assets	<u>2,036,982</u>	<u>145,000</u>	<u>-</u>	<u>199,449</u>	<u>53,756</u>	<u>126,283</u>	<u>2,561,470</u>	<u>53,562</u>	<u>(22,986)</u>	<u>2,592,046</u>
Property and Equipment, Net	<u>-</u>	<u>-</u>	<u>28,294,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,294,442</u>	<u>1,492,252</u>	<u>-</u>	<u>29,786,694</u>
Other Assets										
Beneficial interest in perpetual trusts	-	7,247,565	-	-	-	-	7,247,565	-	-	7,247,565
Investments	-	4,394,830	-	-	-	-	4,394,830	-	-	4,394,830
Notes receivable - related organizations	5,205,450	-	-	-	-	-	5,205,450	-	(3,393,570)	1,811,880
Cash - restricted	350,870	-	-	878,971	-	-	1,229,841	-	-	1,229,841
Promises to give, net	132,247	541,152	-	617,547	-	-	1,290,946	-	-	1,290,946
Right-of-use asset - operating leases	562,975	-	-	-	-	-	562,975	-	-	562,975
Right-of-use asset - financing leases, net	607,346	-	-	-	-	-	607,346	-	-	607,346
Deposits and reserve funds	-	-	-	-	-	-	-	169,057	-	169,057
Interest in net assets of community foundations	-	160,031	-	-	-	-	160,031	-	-	160,031
Total Other Assets	<u>6,858,888</u>	<u>12,343,578</u>	<u>-</u>	<u>1,496,518</u>	<u>-</u>	<u>-</u>	<u>20,698,984</u>	<u>169,057</u>	<u>(3,393,570)</u>	<u>17,474,471</u>
Total Assets	<u>\$ 8,895,870</u>	<u>\$ 12,488,578</u>	<u>\$ 28,294,442</u>	<u>\$ 1,695,967</u>	<u>\$ 53,756</u>	<u>\$ 126,283</u>	<u>\$ 51,554,896</u>	<u>\$ 1,714,871</u>	<u>\$ (3,416,556)</u>	<u>\$ 49,853,211</u>

YMCA of the Roses and Subsidiary

Consolidating Schedule of Financial Position - by Fund Information (continued)

	December 31, 2024									
	YMCA of the Roses							Triangle Group Limited Partnership	Eliminations	Total
	General Fund	Investment Fund	Plant Fund	Capital Campaign Fund	Aquatics Fund	Club Fund	Total			
Liabilities and Net Assets										
Current Liabilities										
Current portion of obligations under operating leases	\$ 60,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,077	\$ -	\$ -	\$ 60,077
Current portion of obligations under financing leases	253,423	-	-	-	-	-	253,423	-	-	253,423
Current maturities of long-term debt	135,796	-	-	-	-	-	135,796	-	-	135,796
Current portion of charitable gift annuities	-	7,807	-	-	-	-	7,807	-	-	7,807
Accounts payable	376,622	-	119,313	16,307	74,997	-	587,239	38,160	(22,986)	602,413
Accrued interest payable	15,584	-	-	-	-	-	15,584	-	-	15,584
Accrued payroll	474,702	-	-	-	-	-	474,702	-	-	474,702
Payroll taxes withheld and accrued	34,909	-	-	-	-	-	34,909	-	-	34,909
Accrued expenses	173,690	-	-	-	-	-	173,690	-	-	173,690
Deposits and prepaid rent	-	-	-	-	-	-	-	31,032	-	31,032
Deferred income	395,639	-	-	-	-	-	395,639	-	-	395,639
Total Current Liabilities	1,920,442	7,807	119,313	16,307	74,997	-	2,138,866	69,192	(22,986)	2,185,072
Other Liabilities										
Long-term debt	6,199,039	-	-	-	-	-	6,199,039	-	-	6,199,039
Mortgage payable - PHFA	-	-	-	-	-	-	-	940,000	-	940,000
Obligations under operating leases	528,311	-	-	-	-	-	528,311	-	-	528,311
Obligations under financing leases	360,260	-	-	-	-	-	360,260	-	-	360,260
Charitable gift annuities	-	42,453	-	-	-	-	42,453	-	-	42,453
Notes payable - related party	-	-	-	-	-	-	-	3,393,570	(3,393,570)	-
Total Other Liabilities	7,087,610	42,453	-	-	-	-	7,130,063	4,333,570	(3,393,570)	8,070,063
Total Liabilities	9,008,052	50,260	119,313	16,307	74,997	-	9,268,929	4,402,762	(3,416,556)	10,255,135
Net Assets/Deficit in Partners' Equity										
	(112,182)	12,438,318	28,175,129	1,679,660	(21,241)	126,283	42,285,967	(2,687,891)	-	39,598,076
Total Liabilities and Net Assets	\$ 8,895,870	\$ 12,488,578	\$ 28,294,442	\$ 1,695,967	\$ 53,756	\$ 126,283	\$ 51,554,896	\$ 1,714,871	\$ (3,416,556)	\$ 49,853,211

YMCA of the Roses and Subsidiary

Consolidating Schedule of Activities - by Fund Information

	Year Ended December 31, 2025									
	YMCA of the Roses						Total	Triangle Group Limited Partnership	Eliminations	Total
	General Fund	Investment Fund	Plant Fund	Capital Campaign Fund	Aquatics Fund	Club Fund				
Support and Revenue										
Membership dues, net	\$ 5,517,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,517,625	\$ -	\$ -	\$ 5,517,625
Fee income, net	3,986,810	-	-	-	33,170	-	4,019,980	-	-	4,019,980
Grants	1,818,578	-	4,500	-	-	-	1,823,078	10,164	-	1,833,242
Contributions	973,391	23,164	319,660	67,286	-	-	1,383,501	-	-	1,383,501
Rental income	172,365	-	-	-	-	-	172,365	607,888	-	780,253
Special event income	437,237	-	-	-	5,700	-	442,937	-	-	442,937
Investment and interest income, net	423,393	61,651	-	-	-	-	485,044	6,799	(88,236)	403,607
Residence income	501,698	-	-	-	-	-	501,698	-	(228,407)	273,291
In-kind contributions	103,787	-	-	167,030	-	-	270,817	-	-	270,817
Gain on sale of investments	-	124,691	-	-	-	-	124,691	-	-	124,691
Management fee income	137,492	-	-	-	-	-	137,492	-	(47,742)	89,750
Food and merchandise sales	43,155	-	-	-	19,032	-	62,187	-	-	62,187
United Way	36,700	-	-	-	-	-	36,700	-	-	36,700
Miscellaneous income	16,854	-	150	-	6,790	-	23,794	6,336	-	30,130
Gain on sale of property and equipment	-	-	-	-	-	-	-	-	-	-
Loss on disposal of right-of-use asset - financing lease	(9,885)	-	-	-	-	-	(9,885)	-	-	(9,885)
Total Support and Revenue	14,159,200	209,506	324,310	234,316	64,692	-	14,992,024	631,187	(364,385)	15,258,826
Expenses										
Program services	11,425,478	13,599	1,256,255	58,132	76,147	342	12,829,953	856,180	(364,385)	13,321,748
Supporting services										
Management and general	2,205,595	-	27,674	13,087	-	3	2,246,359	-	-	2,246,359
Fundraising	774,815	-	-	-	1,700	-	776,515	-	-	776,515
Total Expenses	14,405,888	13,599	1,283,929	71,219	77,847	345	15,852,827	856,180	(364,385)	16,344,622
Excess (Deficiency) of Support and Revenue over Expenses	(246,688)	195,907	(959,619)	163,097	(13,155)	(345)	(860,803)	(224,993)	-	(1,085,796)
Unrealized Holding Gains on Investments	-	392,443	-	-	-	-	392,443	-	-	392,443
Change in Interest in Net Assets of Community Foundations	-	15,894	-	-	-	-	15,894	-	-	15,894
Change in Value of Perpetual Trusts	-	689,929	-	-	-	-	689,929	-	-	689,929
Changes in Net Assets before Interfund Transfers	(246,688)	1,294,173	(959,619)	163,097	(13,155)	(345)	237,463	(224,993)	-	12,470
Interfund Transfers	132,746	(151,392)	6,670,071	(6,642,854)	-	(8,571)	-	-	-	-
Changes in Net Assets	\$ (113,942)	\$ 1,142,781	\$ 5,710,452	\$ (6,479,757)	\$ (13,155)	\$ (8,916)	\$ 237,463	\$ (224,993)	\$ -	\$ 12,470

YMCA of the Roses and Subsidiary

Consolidating Schedule of Activities - by Fund Information (continued)

	Year Ended December 31, 2024									
	YMCA of the Roses						Triangle Group Limited Partnership	Eliminations	Total	
	General Fund	Investment Fund	Plant Fund	Capital Campaign Fund	Aquatics Fund	Club Fund				Total
Support and Revenue										
Membership dues, net	\$ 5,228,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,228,911	\$ -	\$ -	\$ 5,228,911
Fee income, net	3,640,272	-	-	-	29,798	-	3,670,070	-	-	3,670,070
Grants	1,099,081	-	-	-	-	-	1,099,081	17,558	-	1,116,639
Contributions	853,005	24,224	92,696	991,547	1,500	-	1,962,972	-	-	1,962,972
Rental income	135,713	-	-	-	-	-	135,713	583,029	-	718,742
Special event income	402,910	-	-	-	8,293	-	411,203	-	-	411,203
Investment and interest income (loss), net	369,484	57,337	-	(32)	205	-	426,994	5,136	(83,907)	348,223
Residence income	514,185	-	-	-	-	-	514,185	-	(226,690)	287,495
In-kind contributions	115,413	-	66,600	2,505,943	-	-	2,687,956	-	-	2,687,956
Gain on sale of investments	60	105,165	-	-	-	-	105,225	-	-	105,225
Management fee income	136,752	-	-	-	-	-	136,752	-	(48,329)	88,423
Food and merchandise sales	44,199	-	-	-	19,118	-	63,317	-	-	63,317
United Way	127,741	-	-	-	-	-	127,741	-	-	127,741
Miscellaneous income	14,351	-	450	-	2,847	-	17,648	4,789	-	22,437
Gain on sale of property and equipment	1,700	-	-	-	-	-	1,700	-	-	1,700
Loss on disposal of right-of-use asset - financing lease	-	-	-	-	-	-	-	-	-	-
Total Support and Revenue	12,683,777	186,726	159,746	3,497,458	61,761	-	16,589,468	610,512	(358,926)	16,841,054
Expenses										
Program services	10,495,124	1,906	1,255,751	7,557	80,934	227	11,841,499	864,492	(358,926)	12,347,065
Supporting services										
Management and general	1,995,784	-	28,227	7,838	8,101	4	2,039,954	-	-	2,039,954
Fundraising	795,358	-	-	114,573	1,866	-	911,797	-	-	911,797
Total Expenses	13,286,266	1,906	1,283,978	129,968	90,901	231	14,793,250	864,492	(358,926)	15,298,816
Excess (Deficiency) of Support and Revenue over Expenses	(602,489)	184,820	(1,124,232)	3,367,490	(29,140)	(231)	1,796,218	(253,980)	-	1,542,238
Unrealized Holding Gains on Investments	-	233,555	-	-	-	-	233,555	-	-	233,555
Change in Interest in Net Assets of Community Foundations	-	8,016	-	-	-	-	8,016	-	-	8,016
Change in Value of Perpetual Trusts	-	968,267	-	-	-	-	968,267	-	-	968,267
Changes in Net Assets before Interfund Transfers	(602,489)	1,394,658	(1,124,232)	3,367,490	(29,140)	(231)	3,006,056	(253,980)	-	2,752,076
Interfund Transfers	176,715	(374,110)	3,540,413	(3,323,422)	2	(19,598)	-	-	-	-
Changes in Net Assets	\$ (425,774)	\$ 1,020,548	\$ 2,416,181	\$ 44,068	\$ (29,138)	\$ (19,829)	\$ 3,006,056	\$ (253,980)	\$ -	\$ 2,752,076

YMCA of the Roses and Subsidiary

Consolidating Schedule of Changes in Net Assets - by Fund Information

	YMCA of the Roses						Triangle Group Limited Partnership	Eliminations	Total	
	General Fund	Investment Fund	Plant Fund	Capital Campaign Fund	Aquatics Fund	Club Fund				Total
Net Assets/Deficit in Partners' Equity at December 31, 2023	\$ 313,592	\$ 11,417,770	\$ 25,758,948	\$ 1,635,592	\$ 7,897	\$ 146,112	\$ 39,279,911	\$ (2,433,911)	\$ -	\$ 36,846,000
Changes in net assets	(425,774)	1,020,548	2,416,181	44,068	(29,138)	(19,829)	3,006,056	(253,980)	-	2,752,076
Net Assets/Deficit in Partners' Equity at December 31, 2024	(112,182)	12,438,318	28,175,129	1,679,660	(21,241)	126,283	42,285,967	(2,687,891)	-	39,598,076
Changes in net assets	(113,942)	1,142,781	5,710,452	(6,479,757)	(13,155)	(8,916)	237,463	(224,993)	-	12,470
Net Assets/Deficit in Partners' Equity at December 31, 2025	<u>\$ (226,124)</u>	<u>\$ 13,581,099</u>	<u>\$ 33,885,581</u>	<u>\$ (4,800,097)</u>	<u>\$ (34,396)</u>	<u>\$ 117,367</u>	<u>\$ 42,523,430</u>	<u>\$ (2,912,884)</u>	<u>\$ -</u>	<u>\$ 39,610,546</u>

YMCA of the Roses and Subsidiary

Consolidating Schedule of Functional Expenses - by Natural Classification - by Fund Information

Year Ended December 31, 2025										
Program Service Expenses										
	YMCA of the Roses						Triangle Group Limited Partnership		Eliminations	Total
	General Fund	Investment Fund	Plant Fund	Capital Campaign Fund	Aquatics Fund	Club Fund	Total			
Salaries and wages	\$ 6,087,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,087,420	\$ 151,232	\$ (126,384)	\$ 6,112,268
Depreciation and amortization	253,510	-	1,256,255	-	-	-	1,509,765	307,115	-	1,816,880
Occupancy	1,443,718	-	-	17,487	-	-	1,461,205	77,799	(77,799)	1,461,205
Supplies	911,327	-	-	-	21,943	-	933,270	21,614	(4,409)	950,475
Employee benefits	623,302	-	-	-	-	-	623,302	-	-	623,302
Professional fees and contracted services	522,233	-	-	39,550	-	-	561,783	16,330	-	578,113
Payroll taxes	438,097	-	-	-	-	-	438,097	-	-	438,097
Insurance	339,936	-	-	-	-	-	339,936	36,051	-	375,987
Equipment rental and maintenance	197,032	-	-	-	2,841	-	199,873	64,722	(13,146)	251,449
Miscellaneous expenses	205,648	12,031	-	727	2,499	342	221,247	18,968	(6,669)	233,546
Travel	120,041	-	-	-	38,780	-	158,821	-	-	158,821
Provision for credit losses and uncollectible promises to give	128,980	-	-	-	9,994	-	138,974	10,775	-	149,749
Telephone	104,468	-	-	-	-	-	104,468	15,596	-	120,064
Dues and subscriptions	32,034	-	-	-	90	-	32,124	-	-	32,124
Advertising	7,444	-	-	368	-	-	7,812	-	-	7,812
Interest	7,587	-	-	-	-	-	7,587	88,236	(88,236)	7,587
Postage and shipping	2,701	-	-	-	-	-	2,701	-	-	2,701
Contributions	-	1,568	-	-	-	-	1,568	-	-	1,568
Special event expenses	-	-	-	-	-	-	-	-	-	-
Management fees	-	-	-	-	-	-	-	47,742	(47,742)	-
	<u>\$ 11,425,478</u>	<u>\$ 13,599</u>	<u>\$ 1,256,255</u>	<u>\$ 58,132</u>	<u>\$ 76,147</u>	<u>\$ 342</u>	<u>\$ 12,829,953</u>	<u>\$ 856,180</u>	<u>\$ (364,385)</u>	<u>\$ 13,321,748</u>
Supporting Service Expenses										
Salaries and wages	\$ 1,175,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,175,712	\$ -	\$ -	\$ 1,175,712
Professional fees and contracted services	356,822	-	-	-	-	-	356,822	-	-	356,822
Special event expenses	208,782	-	-	-	1,700	-	210,482	-	-	210,482
Interest	206,551	-	-	3,886	-	-	210,437	-	-	210,437
Dues and subscriptions	203,010	-	-	240	-	-	203,250	-	-	203,250
Employee benefits	160,418	-	-	-	-	-	160,418	-	-	160,418
Payroll taxes	146,092	-	-	-	-	-	146,092	-	-	146,092
Occupancy	140,219	-	-	-	-	-	140,219	-	-	140,219
Insurance	100,672	-	-	8,961	-	-	109,633	-	-	109,633
Miscellaneous expenses	106,931	-	-	-	-	3	106,934	-	-	106,934
Advertising	79,262	-	-	-	-	-	79,262	-	-	79,262
Supplies	35,364	-	-	-	-	-	35,364	-	-	35,364
Depreciation and amortization	-	-	27,674	-	-	-	27,674	-	-	27,674
Equipment rental and maintenance	22,676	-	-	-	-	-	22,676	-	-	22,676
Telephone	14,772	-	-	-	-	-	14,772	-	-	14,772
Travel	8,654	-	-	-	-	-	8,654	-	-	8,654
Printing and publications	7,485	-	-	-	-	-	7,485	-	-	7,485
Postage and shipping	6,988	-	-	-	-	-	6,988	-	-	6,988
Provision for credit losses and uncollectible promises to give	-	-	-	-	-	-	-	-	-	-
	<u>\$ 2,980,410</u>	<u>\$ -</u>	<u>\$ 27,674</u>	<u>\$ 13,087</u>	<u>\$ 1,700</u>	<u>\$ 3</u>	<u>\$ 3,022,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,022,874</u>

YMCA of the Roses and Subsidiary

Consolidating Schedule of Functional Expenses - by Natural Classification - by Fund Information (continued)

Year Ended December 31, 2024										
Program Service Expenses										
	YMCA of the Roses						Triangle Group Limited Partnership			
	General Fund	Investment Fund	Plant Fund	Capital Campaign Fund	Aquatics Fund	Club Fund	Total	Eliminations	Total	
Salaries and wages	\$ 5,572,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,572,282	\$ 148,656	\$ (125,201)	\$ 5,595,737
Depreciation and amortization	185,966	-	1,255,751	-	-	-	1,441,717	307,109	-	1,748,826
Occupancy	1,435,874	-	-	-	-	-	1,435,874	72,511	(78,596)	1,429,789
Supplies	794,620	-	-	-	78,153	-	872,773	29,895	(5,021)	897,647
Employee benefits	540,803	-	-	-	-	-	540,803	-	-	540,803
Professional fees and contracted services	376,657	-	-	6,204	-	-	382,861	14,939	-	397,800
Payroll taxes	382,245	-	-	-	-	-	382,245	-	-	382,245
Insurance	304,484	-	-	-	-	-	304,484	34,001	-	338,485
Equipment rental and maintenance	253,513	-	-	-	2,504	-	256,017	91,735	(14,722)	333,030
Miscellaneous expenses	212,914	1,276	-	353	147	227	214,917	18,357	(3,101)	230,173
Travel	133,823	-	-	-	-	-	133,823	-	-	133,823
Provision for credit losses and uncollectible promises to give	149,703	-	-	-	-	-	149,703	1,259	-	150,962
Telephone	102,871	-	-	-	-	-	102,871	13,794	(49)	116,616
Dues and subscriptions	30,008	-	-	-	130	-	30,138	-	-	30,138
Advertising	10,464	-	-	1,000	-	-	11,464	-	-	11,464
Interest	5,539	-	-	-	-	-	5,539	83,907	(83,907)	5,539
Postage and shipping	2,294	-	-	-	-	-	2,294	-	-	2,294
Contributions	1,006	630	-	-	-	-	1,636	-	-	1,636
Special event expenses	58	-	-	-	-	-	58	-	-	58
Management fees	-	-	-	-	-	-	-	48,329	(48,329)	-
	<u>\$ 10,495,124</u>	<u>\$ 1,906</u>	<u>\$ 1,255,751</u>	<u>\$ 7,557</u>	<u>\$ 80,934</u>	<u>\$ 227</u>	<u>\$ 11,841,499</u>	<u>\$ 864,492</u>	<u>\$ (358,926)</u>	<u>\$ 12,347,065</u>
Supporting Service Expenses										
Salaries and wages	\$ 1,171,445	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,171,445	\$ -	\$ -	\$ 1,171,445
Professional fees and contracted services	263,581	-	-	-	-	-	263,581	-	-	263,581
Special event expenses	223,441	-	-	-	1,866	-	225,307	-	-	225,307
Interest	231,236	-	1,801	-	-	-	233,037	-	-	233,037
Dues and subscriptions	182,527	-	-	327	-	-	182,854	-	-	182,854
Employee benefits	148,876	-	-	-	-	-	148,876	-	-	148,876
Payroll taxes	140,201	-	-	-	-	-	140,201	-	-	140,201
Occupancy	114,437	-	-	-	-	-	114,437	-	-	114,437
Insurance	84,899	-	-	2,899	-	-	87,798	-	-	87,798
Miscellaneous expenses	60,988	-	-	-	-	4	60,992	-	-	60,992
Advertising	69,981	-	-	-	-	-	69,981	-	-	69,981
Supplies	44,954	-	-	-	-	-	44,954	-	-	44,954
Depreciation and amortization	-	-	26,426	-	-	-	26,426	-	-	26,426
Equipment rental and maintenance	33,440	-	-	-	-	-	33,440	-	-	33,440
Telephone	11,468	-	-	-	-	-	11,468	-	-	11,468
Travel	10,179	-	-	-	-	-	10,179	-	-	10,179
Printing and publications	-	-	-	3,728	-	-	3,728	-	-	3,728
Postage and shipping	5,034	-	-	884	-	-	5,918	-	-	5,918
Provision for credit losses and uncollectible promises to give	(5,545)	-	-	114,573	8,101	-	117,129	-	-	117,129
	<u>\$ 2,791,142</u>	<u>\$ -</u>	<u>\$ 28,227</u>	<u>\$ 122,411</u>	<u>\$ 9,967</u>	<u>\$ 4</u>	<u>\$ 2,951,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,951,751</u>

YMCA of the Roses

Schedule of Activities - Corporate Branch

	Years Ended December 31,	
	2025	2024
Support		
In-kind contributions	\$ 167,076	\$ 2,505,943
Contributions	87,751	993,714
	<u>254,827</u>	<u>3,499,657</u>
Revenue		
Investment and interest income, net	299,913	250,227
Miscellaneous income	4,096	1,595
Gain on sale of property and equipment	-	1,700
	<u>304,009</u>	<u>253,522</u>
Total Support and Revenue	<u>558,836</u>	<u>3,753,179</u>
Expenses		
Salaries and wages	964,435	969,140
Professional fees and contracted services	287,513	219,413
Interest	181,241	192,999
Employee benefits	111,632	109,706
Payroll taxes	89,680	84,693
Advertising	78,293	70,596
Miscellaneous expenses	71,015	36,485
Equipment rental and maintenance	28,209	34,733
Dues and subscriptions	25,835	22,051
Insurance	12,179	13,364
Printing and publications	7,485	3,728
Postage and shipping	6,284	4,719
Travel	6,083	9,740
Supplies	3,647	3,221
Telephone	1,737	1,451
Special event expenses	1,377	2,064
Occupancy	15	830
Provision for credit losses and uncollectible promises to give	-	114,573
	<u>1,876,660</u>	<u>1,893,506</u>
Total Expenses	<u>1,876,660</u>	<u>1,893,506</u>
Excess (Deficiency) of Support and Revenue over Expenses	<u>\$ (1,317,824)</u>	<u>\$ 1,859,673</u>

YMCA of the Roses

Schedule of Activities - The Arthur J. Glatfelter Branch (Downtown)

	Years Ended December 31,	
	2025	2024
Support		
Membership dues, net	\$ 537,580	\$ 512,246
Grants	375,305	210,431
Contributions	372,943	417,025
Special event income	228,398	210,203
In-kind contributions	31,139	28,638
United Way	25,594	89,083
	<u>1,570,959</u>	<u>1,467,626</u>
Revenue		
Fee income, net	598,665	623,822
Investment and interest income, net	48,931	41,201
Gain on sale of investments	40,302	47,012
Rental income	28,293	3,579
Food and merchandise sales	1,390	1,340
Miscellaneous income	230	541
	<u>717,811</u>	<u>717,495</u>
Total Support and Revenue	<u>2,288,770</u>	<u>2,185,121</u>
Expenses		
Salaries and wages	1,279,605	1,341,439
Depreciation and amortization	595,439	595,455
Occupancy	294,473	260,940
Supplies	235,613	221,284
Employee benefits	166,256	158,383
Insurance	129,583	146,787
Special event expenses	115,682	115,740
Payroll taxes	101,095	103,066
Professional fees and contracted services	82,699	65,038
Travel	82,275	100,442
Provision for credit losses and uncollectible promises to give	65,164	85,138
Equipment rental and maintenance	46,873	60,128
Dues and subscriptions	36,294	28,640
Miscellaneous expenses	25,899	29,941
Telephone	22,186	21,542
Interest	7,497	9,954
Advertising	2,357	7,426
Contributions	1,568	630
Postage and shipping	1,325	751
	<u>3,291,883</u>	<u>3,352,724</u>
Total Expenses	<u>3,291,883</u>	<u>3,352,724</u>
Deficiency of Support and Revenue over Expenses	<u>\$ (1,003,113)</u>	<u>\$ (1,167,603)</u>

YMCA of the Roses

Schedule of Activities - Bob Hoffman Branch (Dover)

	Years Ended December 31,	
	2025	2024
Support		
Membership dues, net	\$ 293,345	\$ 277,014
Contributions	84,709	126,076
Grants	35,407	21,033
Special event income	19,389	36,641
In-kind contributions	947	7,097
	<u>433,797</u>	<u>467,861</u>
Revenue		
Fee income, net	431,774	521,184
Rental income	3,493	3,211
Food and merchandise sales	281	224
Miscellaneous income	54	58
	<u>435,602</u>	<u>524,677</u>
Total Support and Revenue	<u>869,399</u>	<u>992,538</u>
Expenses		
Salaries and wages	559,286	635,871
Depreciation and amortization	103,834	96,481
Employee benefits	70,279	68,787
Supplies	48,667	48,784
Occupancy	46,365	56,157
Payroll taxes	43,021	48,601
Insurance	32,476	29,308
Professional fees and contracted services	31,408	31,644
Provision for credit losses and uncollectible promises to give	30,150	13,046
Equipment rental and maintenance	19,223	14,538
Miscellaneous expenses	17,599	19,650
Dues and subscriptions	14,382	15,272
Telephone	9,135	10,387
Special event expenses	6,849	18,998
Interest	2,823	3,771
Travel	2,438	3,100
Postage and shipping	201	339
Advertising	49	682
	<u>1,038,185</u>	<u>1,115,416</u>
Total Expenses	<u>1,038,185</u>	<u>1,115,416</u>
Deficiency of Support and Revenue over Expenses	<u>\$ (168,786)</u>	<u>\$ (122,878)</u>

YMCA of the Roses

Schedule of Activities - The W. Dale Brougner Foundation Branch (Southern)

	Years Ended December 31,	
	2025	2024
Support		
Membership dues, net	\$ 1,576,294	\$ 1,480,249
Contributions	314,674	70,951
In-kind contributions	64,073	60,041
Grants	53,548	47,989
Special event income	53,371	58,512
United Way	4,443	15,463
	<u>2,066,403</u>	<u>1,733,205</u>
Revenue		
Fee income, net	955,670	885,862
Rental income	67,683	70,785
Miscellaneous income	10,904	11,385
Food and merchandise sales	1,160	1,146
	<u>1,035,417</u>	<u>969,178</u>
Total Support and Revenue	<u>3,101,820</u>	<u>2,702,383</u>
Expenses		
Salaries and wages	1,149,098	1,139,151
Occupancy	232,652	246,844
Depreciation and amortization	224,595	216,029
Supplies	211,249	190,954
Employee benefits	106,349	103,849
Professional fees and contracted services	104,287	55,688
Payroll taxes	86,974	86,791
Insurance	77,058	40,280
Miscellaneous expenses	60,375	62,200
Dues and subscriptions	39,937	44,767
Equipment rental and maintenance	30,355	31,321
Special event expenses	21,076	32,297
Travel	14,661	12,565
Telephone	13,292	13,272
Provision for credit losses and uncollectible promises to give	8,491	16,383
Interest	4,092	11,356
Postage and shipping	536	854
Advertising	108	800
	<u>2,385,185</u>	<u>2,305,401</u>
Excess of Support and Revenue over Expenses	<u>\$ 716,635</u>	<u>\$ 396,982</u>

YMCA of the Roses

Schedule of Activities - Lancaster City Branch

	Years Ended December 31,	
	2025	2024
Support		
Membership dues, net	\$ 1,802,540	\$ 1,689,876
Grants	1,262,005	668,564
Contributions	258,526	284,571
Special event income	96,502	49,627
In-kind contributions	5,862	8,635
	<u>3,425,435</u>	<u>2,701,273</u>
Revenue		
Fee income, net	595,062	508,273
Gain on sale of investments	84,389	58,213
Rental income	29,672	22,357
Investment and interest income, net	25,806	29,332
Food and merchandise sales	7,950	7,006
Miscellaneous income	1,440	1,222
Loss on disposal of right-of-use asset - financing lease	(5,220)	-
	<u>739,099</u>	<u>626,403</u>
Total Support and Revenue	<u>4,164,534</u>	<u>3,327,676</u>
Expenses		
Salaries and wages	1,511,958	1,163,159
Occupancy	396,195	441,175
Depreciation and amortization	314,468	277,561
Supplies	258,733	226,731
Professional fees and contracted services	258,516	115,593
Employee benefits	145,352	107,066
Payroll taxes	113,266	87,117
Insurance	91,266	76,036
Miscellaneous expenses	79,327	64,070
Dues and subscriptions	59,987	48,261
Special event expenses	47,510	25,935
Equipment rental and maintenance	44,587	61,049
Telephone	30,944	32,849
Provision for credit losses and uncollectible promises to give	14,600	25,635
Travel	11,755	14,318
Interest	5,295	4,349
Advertising	5,005	548
Postage and shipping	6	395
	<u>3,388,770</u>	<u>2,771,847</u>
Total Expenses	<u>3,388,770</u>	<u>2,771,847</u>
Excess of Support and Revenue over Expenses	<u>\$ 775,764</u>	<u>\$ 555,829</u>

YMCA of the Roses

Schedule of Activities - Lampeter Strasburg Branch

	Years Ended December 31,	
	2025	2024
Support		
Membership dues, net	\$ 1,307,866	\$ 1,263,126
Contributions	45,313	41,302
Special event income	31,029	47,927
Grants	5,779	-
In-kind contributions	1,720	11,002
	<u>1,391,707</u>	<u>1,363,357</u>
Revenue		
Fee income, net	386,443	376,765
Rental income	6,126	8,249
Food and merchandise sales	3,225	3,321
Miscellaneous income	280	-
Loss on disposal of right-of-use asset - financing lease	(4,665)	-
	<u>391,409</u>	<u>388,335</u>
Total Support and Revenue	<u>1,783,116</u>	<u>1,751,692</u>
Expenses		
Salaries and wages	697,658	671,925
Depreciation and amortization	254,488	219,020
Occupancy	190,182	219,304
Employee benefits	77,600	62,404
Supplies	75,577	67,217
Professional fees and contracted services	72,472	68,174
Payroll taxes	65,817	50,721
Insurance	51,744	43,863
Miscellaneous expenses	48,220	42,288
Dues and subscriptions	29,454	25,304
Telephone	22,606	22,591
Equipment rental and maintenance	22,194	54,080
Special event expenses	12,504	30,331
Travel	5,651	2,523
Provision for credit losses and uncollectible promises to give	5,200	5,203
Interest	4,875	3,946
Advertising	225	548
Postage and shipping	29	111
	<u>1,636,496</u>	<u>1,589,553</u>
Total Expenses	<u>1,636,496</u>	<u>1,589,553</u>
Excess of Support and Revenue over Expenses	<u>\$ 146,620</u>	<u>\$ 162,139</u>

YMCA of the Roses

Schedule of Activities - Spring Grove Branch

	Years Ended December 31,	
	2025	2024
Support		
Contributions	\$ 122,098	\$ -
Special event income	8,548	-
Grants	3,652	-
	<u>134,298</u>	<u>-</u>
Revenue		
Fee income, net	222,813	-
Rental income	17,723	4,220
	<u>240,536</u>	<u>4,220</u>
Total Support and Revenue	<u>374,834</u>	<u>4,220</u>
Expenses		
Salaries and wages	269,958	-
Occupancy	37,928	-
Supplies	22,389	-
Payroll taxes	20,618	-
Insurance	12,040	2,899
Dues and subscriptions	8,911	-
Telephone	6,779	-
Employee benefits	6,288	-
Equipment rental and maintenance	6,176	-
Provision for credit losses and uncollectible promises to give	5,085	-
Miscellaneous expenses	4,684	15
Special event expenses	3,784	-
Professional fees and contracted services	3,724	-
Travel	2,929	-
Postage and shipping	389	-
Advertising	6	-
	<u>411,688</u>	<u>2,914</u>
Total Expenses	<u>411,688</u>	<u>2,914</u>
Excess (Deficiency) of Support and Revenue over Expenses	<u>\$ (36,854)</u>	<u>\$ 1,306</u>

YMCA of the Roses

Schedule of Activities - Community Development

	Years Ended December 31,	
	2025	2024
Support		
Grants	\$ 13,850	\$ 11,424
United Way	6,663	23,195
Contributions	(307)	(1,439)
	<u>20,206</u>	<u>33,180</u>
Revenue		
Residence income	501,698	514,185
Management fee income	137,492	136,752
Investment and interest income, net	110,394	106,029
Food and merchandise sales	6,919	6,188
Fee income, net	6,440	7,491
	<u>762,943</u>	<u>770,645</u>
Total Support and Revenue	<u>783,149</u>	<u>803,825</u>
Expenses		
Salaries and wages	425,585	416,709
Occupancy	88,324	90,458
Employee benefits	64,125	53,076
Payroll taxes	32,491	31,122
Interest	12,201	12,201
Equipment rental and maintenance	10,192	9,529
Dues and subscriptions	8,969	13,470
Miscellaneous expenses	8,291	12,192
Supplies	6,977	20,481
Travel	2,640	362
Professional fees and contracted services	1,979	2,612
Insurance	1,827	2,026
Telephone	1,122	1,158
Postage and shipping	917	1,043
Contributions	-	1,006
Provision for credit losses and uncollectible promises to give	-	(121)
	<u>665,640</u>	<u>667,324</u>
Total Expenses	<u>665,640</u>	<u>667,324</u>
Excess of Support and Revenue over Expenses	<u>\$ 117,509</u>	<u>\$ 136,501</u>

YMCA of the Roses

Schedule of Activities - Graham Aquatic Center

	Years Ended December 31,	
	2025	2024
Support		
Contributions	\$ 46,010	\$ 4,292
Special event income	5,700	8,293
	<u>51,710</u>	<u>12,585</u>
Revenue		
Fee income, net	686,138	609,981
Food and merchandise sales	41,262	44,092
Miscellaneous income	6,790	2,847
Rental income	6,350	12,850
Investment and interest income, net	-	205
	<u>740,540</u>	<u>669,975</u>
Total Support and Revenue	<u>792,250</u>	<u>682,560</u>
Expenses		
Salaries and wages	291,014	294,222
Occupancy	286,765	216,235
Supplies	81,716	130,963
Professional fees and contracted services	59,191	45,599
Travel	38,856	48
Employee benefits	30,963	21,776
Depreciation and amortization	25,560	21,622
Insurance	23,440	22,841
Payroll taxes	22,623	21,760
Miscellaneous expenses	11,131	7,354
Equipment rental and maintenance	9,540	13,182
Dues and subscriptions	8,123	11,623
Telephone	7,428	7,037
Special event expenses	1,700	-
Postage and shipping	2	-
Provision for credit losses and uncollectible promises to give	-	5,680
Advertising	-	845
	<u>898,052</u>	<u>820,787</u>
Total Expenses	<u>898,052</u>	<u>820,787</u>
Deficiency of Support and Revenue over Expenses	<u>\$ (105,802)</u>	<u>\$ (138,227)</u>

YMCA of the Roses

Schedule of Activities - Leola Outdoor Pool

	Years Ended December 31,	
	2025	2024
Revenue		
Fee income, net	\$ 132,005	\$ 135,262
Rental income	3,425	2,862
Total Revenue	135,430	138,124
Expenses		
Salaries and wages	43,330	58,232
Provision for credit losses and uncollectible promises to give	10,284	-
Payroll taxes	3,306	4,455
Miscellaneous expenses	1,587	1,461
Professional fees and contracted services	1,026	1,530
Supplies	778	1,108
Insurance	487	601
Employee benefits	367	-
Telephone	5	-
Travel	-	904
Total Expenses	61,170	68,291
Excess of Revenue over Expenses	\$ 74,260	\$ 69,833

YMCA of the Roses

Schedule of Activities - TechRev York

	Years Ended December 31,	
	2025	2024
Support		
Grants	\$ 73,532	\$ 139,640
Contributions	51,784	26,480
In-kind contributions	-	66,600
Membership dues, net	-	6,400
	<u>125,316</u>	<u>239,120</u>
Revenue		
Rental income	9,600	7,600
Fee income, net	4,970	1,430
	<u>14,570</u>	<u>9,030</u>
Total Support and Revenue	<u>139,886</u>	<u>248,150</u>
Expenses		
Salaries and wages	71,205	53,879
Occupancy	28,525	18,368
Supplies	23,288	6,984
Depreciation and amortization	19,055	41,975
Professional fees and contracted services	15,790	41,151
Insurance	17,469	14,277
Payroll taxes	5,298	4,120
Equipment rental and maintenance	5,200	10,897
Employee benefits	4,509	4,632
Telephone	4,006	4,052
Dues and subscriptions	3,482	3,604
Advertising	1,031	-
Travel	187	-
Miscellaneous expenses	53	253
Provision for credit losses and uncollectible promises to give	-	1,295
	<u>199,098</u>	<u>205,487</u>
Total Expenses	<u>199,098</u>	<u>205,487</u>
Excess (Deficiency) of Support and Revenue over Expenses	<u>\$ (59,212)</u>	<u>\$ 42,663</u>

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

To the Board of Directors
YMCA of the Roses and Subsidiary
York, Pennsylvania

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 consolidated financial statements of YMCA of the Roses and Subsidiary (collectively, the Organization), which comprise the Organization's consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, changes in net assets, functional expenses - by natural classification, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RKL LLP

June 15, 2026
York, Pennsylvania