

YMCA of the Rockies

Financial Report
December 31, 2025

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Independent Auditor's Report

Board of Directors
YMCA of the Rockies

Opinion

We have audited the financial statements of YMCA of the Rockies (the YMCA), which comprise the statements of financial position as of December 31, 2025 and 2024, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the YMCA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the YMCA's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the YMCA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the YMCA'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.

RSM US LLP

Kansas City, Missouri
May 14, 2026

YMCA of the Rockies

**Statements of Financial Position
December 31, 2025 and 2024**

	2025	2024
Assets		
Cash	\$ 3,052,708	\$ 2,898,874
Investments—with donor restrictions	30,698,688	23,061,181
Investments—without donor restrictions	41,170,443	41,870,661
Accounts receivable	1,021,392	689,542
Inventories	792,219	906,360
Prepaid expenses	2,518,319	2,716,656
Contributions receivable, net	11,435,407	12,561,752
Right-of-use finance lease assets, net	90,910	119,788
Property and equipment, net	135,094,772	128,837,282
	<u>135,094,772</u>	<u>128,837,282</u>
Total assets	\$ 225,874,858	\$ 213,662,096
Liabilities and Net Assets		
Accounts payable	\$ 2,076,782	\$ 2,047,570
Accrued expenses	2,828,457	2,316,147
Deferred membership income	2,077,104	2,035,152
Deferred rental income	1,481,536	1,362,981
Advance deposits	6,882,600	5,709,380
Finance lease liabilities, net	90,910	119,788
Water rights liability	2,718,833	2,813,518
Interest rate swap agreement	1,362,982	969,907
Long-term debt, net	26,014,148	27,500,748
	<u>26,014,148</u>	<u>27,500,748</u>
Total liabilities	45,533,352	44,875,191
Net assets:		
Without donor restrictions:		
Board-designated for endowment	35,947,480	37,897,469
Undesignated	102,647,449	95,269,201
	<u>138,594,929</u>	<u>133,166,670</u>
With donor restrictions:		
Purpose restrictions	27,269,817	22,652,318
Perpetual in nature	14,476,760	12,967,917
	<u>41,746,577</u>	<u>35,620,235</u>
Total net assets	180,341,506	168,786,905
	<u>180,341,506</u>	<u>168,786,905</u>
Total liabilities and net assets	\$ 225,874,858	\$ 213,662,096
	<u>\$ 225,874,858</u>	<u>\$ 213,662,096</u>

See notes to financial statements.

YMCA of the Rockies

**Statement of Activities
Year Ended December 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support:			
Public support:			
Contributions	\$ 2,329,236	\$ 12,457,041	\$ 14,786,277
Total public support	2,329,236	12,457,041	14,786,277
Program service revenue:			
Estes Park Center	36,883,626	-	36,883,626
Snow Mountain Ranch	16,750,899	-	16,750,899
Membership dues	1,321,651	-	1,321,651
Total program service revenue	54,956,176	-	54,956,176
Other income	756,381	-	756,381
	58,041,793	12,457,041	70,498,834
Net assets released from restrictions	8,755,232	(8,755,232)	-
Total revenue, gains and other support	66,797,025	3,701,809	70,498,834
Expenses:			
Program services:			
Estes Park Center	35,283,447	-	35,283,447
Snow Mountain Ranch	20,396,632	-	20,396,632
Total program services	55,680,079	-	55,680,079
Supporting services	7,447,443	-	7,447,443
Fundraising	1,622,235	-	1,622,235
Total expenses	64,749,757	-	64,749,757
Change in net assets before nonoperating activities	2,047,268	3,701,809	5,749,077
Other income (expense):			
Gain on insurance proceeds	125,717	-	125,717
Loss on disposal of assets	(843,345)	-	(843,345)
Investment return, net	4,491,694	2,424,533	6,916,227
Change in fair value of interest rate swap agreement	(393,075)	-	(393,075)
Total other income	3,380,991	2,424,533	5,805,524
Change in net assets	5,428,259	6,126,342	11,554,601
Net assets, beginning of year	133,166,670	35,620,235	168,786,905
Net assets, end of year	\$ 138,594,929	\$ 41,746,577	\$ 180,341,506

See notes to financial statements.

YMCA of the Rockies

**Statement of Activities
Year Ended December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support:			
Public support:			
Contributions	\$ 2,258,074	\$ 18,359,219	\$ 20,617,293
Total public support	2,258,074	18,359,219	20,617,293
Program service revenue:			
Estes Park Center	35,773,046	-	35,773,046
Snow Mountain Ranch	15,719,822	-	15,719,822
Membership dues	1,280,296	-	1,280,296
Total program service revenue	52,773,164	-	52,773,164
Other income	698,028	-	698,028
	55,729,266	18,359,219	74,088,485
Net assets released from restrictions	7,867,489	(7,867,489)	-
Total revenue, gains and other support	63,596,755	10,491,730	74,088,485
Expenses:			
Program services:			
Estes Park Center	33,590,219	-	33,590,219
Snow Mountain Ranch	18,314,770	-	18,314,770
Total program services	51,904,989	-	51,904,989
Supporting services	7,140,067	-	7,140,067
Fundraising	2,045,612	-	2,045,612
Total expenses	61,090,668	-	61,090,668
Change in net assets before nonoperating activities	2,506,087	10,491,730	12,997,817
Other income (expense):			
Gain on sale of asset	16,000	-	16,000
Loss on disposal of assets	(705,287)	-	(705,287)
Investment return, net	4,840,376	2,004,162	6,844,538
Change in fair value of interest rate swap agreement	1,025,575	-	1,025,575
Total other income	5,176,664	2,004,162	7,180,826
Change in net assets	7,682,751	12,495,892	20,178,643
Net assets, beginning of year	125,483,919	23,124,343	148,608,262
Net assets, end of year	\$ 133,166,670	\$ 35,620,235	\$ 168,786,905

See notes to financial statements.

YMCA of the Rockies

**Statement of Functional Expenses
Year Ended December 31, 2025**

	Program Services			Support Services		Total Expenses
	Estes Park Center	Snow Mountain Ranch	Total	Management and General	Fundraising	
Cost of goods sold	\$ 5,392,964	\$ 2,643,950	\$ 8,036,914	\$ -	\$ -	\$ 8,036,914
Salary expense	11,093,021	7,914,722	19,007,743	4,097,531	715,605	23,820,879
Payroll taxes and benefits	2,246,927	1,423,245	3,670,172	1,001,403	211,499	4,883,074
Other employee expenses	315,833	252,456	568,289	59,036	67,536	694,861
Supplies	929,776	636,124	1,565,900	40,630	1,426	1,607,956
Equipment	989,788	714,351	1,704,139	169,575	41,069	1,914,783
Repair and replacement	1,272,158	600,409	1,872,567	-	-	1,872,567
Utilities	2,600,649	900,971	3,501,620	-	-	3,501,620
Telephone	199,352	108,165	307,517	32,983	4,921	345,421
Credit card fees	847,708	387,346	1,235,054	50,939	-	1,285,993
Bond fees	21,778	-	21,778	-	-	21,778
Insurance	2,139,756	1,023,479	3,163,235	-	-	3,163,235
Property taxes	54,426	24,013	78,439	-	-	78,439
Interest expense	1,260,632	-	1,260,632	-	-	1,260,632
Professional services	83,731	49,439	133,170	430,324	109,334	672,828
Communications	-	-	-	531,305	-	531,305
Other	1,210,609	1,399,730	2,610,339	1,033,717	470,845	4,114,901
Depreciation	4,624,339	2,318,232	6,942,571	-	-	6,942,571
	\$ 35,283,447	\$ 20,396,632	\$ 55,680,079	\$ 7,447,443	\$ 1,622,235	\$ 64,749,757

See notes to financial statements.

YMCA of the Rockies

**Statement of Functional Expenses
Year Ended December 31, 2024**

	Program Services			Support Services		Total Expenses
	Estes Park Center	Snow Mountain Ranch	Total	Management and General	Fundraising	
Cost of goods sold	\$ 5,071,168	\$ 2,484,618	\$ 7,555,786	\$ -	\$ -	\$ 7,555,786
Salary expense	10,975,128	7,184,639	18,159,767	3,837,025	673,494	22,670,286
Payroll taxes and benefits	2,176,070	1,273,125	3,449,195	898,654	185,387	4,533,236
Other employee expenses	340,444	300,838	641,282	57,929	67,325	766,536
Supplies	915,421	600,461	1,515,882	36,877	2,862	1,555,621
Equipment	892,432	704,097	1,596,529	199,943	43,702	1,840,174
Repair and replacement	1,259,884	530,130	1,790,014	-	-	1,790,014
Utilities	2,386,663	843,091	3,229,754	-	-	3,229,754
Telephone	257,322	95,269	352,591	39,936	5,034	397,561
Credit card fees	835,115	391,796	1,226,911	44,564	-	1,271,475
Bond fees	21,450	-	21,450	-	-	21,450
Insurance	1,865,161	925,012	2,790,173	-	-	2,790,173
Property taxes	47,572	24,013	71,585	-	-	71,585
Interest expense	1,338,445	-	1,338,445	-	-	1,338,445
Professional services	140,767	79,792	220,559	274,308	85,841	580,708
Communications	-	-	-	551,172	-	551,172
Other	646,053	597,328	1,243,381	1,199,659	981,967	3,425,007
Depreciation	4,421,124	2,280,561	6,701,685	-	-	6,701,685
	<u>\$ 33,590,219</u>	<u>\$ 18,314,770</u>	<u>\$ 51,904,989</u>	<u>\$ 7,140,067</u>	<u>\$ 2,045,612</u>	<u>\$ 61,090,668</u>

See notes to financial statements.

YMCA of the Rockies

Statements of Cash Flows Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 11,554,601	\$ 20,178,643
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,942,571	6,701,685
Amortization of debt issuance costs	13,400	13,400
Net realized and unrealized gains on investments	(5,367,345)	(5,353,761)
Donated securities	(2,300,074)	(2,415,721)
Bad debt expense	21,375	18,456
Change in fair value of interest rate swap agreements	393,075	(1,025,575)
Contributions restricted for property and equipment	(10,404,022)	(15,953,517)
Contributions restricted to investment in endowment	(648,380)	(1,468,730)
Loss on disposal of property and equipment	843,345	689,287
Changes in:		
Accounts receivable	(353,225)	1,319,278
Contributions receivable, net	1,126,345	(6,798,173)
Right-of-use operating assets, net	28,878	25,367
Inventories	114,141	(88,969)
Prepaid expenses	198,337	(2,301,887)
Accounts payable and accrued expenses	(230,200)	16,107
Operating lease liabilities	(28,878)	(25,367)
Deferred rental and membership income	160,507	37,821
Advanced deposits	1,173,220	1,206,341
Net cash provided by (used in) operating activities	3,237,671	(5,225,315)
Cash flows from investing activities:		
Purchases of property and equipment	(13,271,684)	(11,925,946)
Proceeds from sale of property and equipment	-	16,000
Purchase of investment securities	(25,810,559)	(20,868,701)
Proceeds from sale of maturity of investment securities	26,540,689	22,503,545
Net cash used in investing activities	(12,541,554)	(10,275,102)
Cash flows from financing activities:		
Principal payments on long-term debt	(1,500,000)	(1,440,000)
Principal payment on water rights liability	(94,685)	(91,927)
Contributions restricted to investment in endowment	648,380	1,468,730
Contributions restricted for investment in property and equipment	10,404,022	15,953,517
Net cash provided by financing activities	9,457,717	15,890,320
Net change in cash	153,834	389,903
Cash:		
Beginning	2,898,874	2,508,971
Ending	\$ 3,052,708	\$ 2,898,874
Supplemental cash flow information:		
Interest paid	\$ 1,258,190	\$ 1,319,217
Property and equipment purchases in accounts payable	\$ 771,722	\$ 679,835

See notes to financial statements.

YMCA of the Rockies

Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities: YMCA of the Rockies (the YMCA) is a not-for-profit organization whose mission and principal activities are to promote family relationships, healthy lifestyles and youth leadership, by providing a Christian environment and programming for religious, educational and recreational conferences, as well as family gatherings of all sizes and overnight summer camps for children. The YMCA's principal operations are in Grand and Larimer counties in Colorado.

Basis of accounting: The financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Not-for-Profit Entities Topic. Under this Topic, the YMCA is required to report information regarding its financial position and activities according to net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash: For the purposes of the statements of cash flows, cash is considered to be all unrestricted highly liquid investments with maturities of three months or less at the time of acquisition. Uninvested cash included in investment accounts are not considered to be cash for financial reporting purposes.

Investments and investment return, net: The YMCA records transactions on a trade-date basis, and securities are carried at fair value. Investments in alternative investments are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. Investments are presented in the statements of financial position as with and without donor restrictions.

Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date, and are determined using the specific identification method. Interest income is recognized under the accrual basis. Dividend income is recognized on the ex-dividend date.

Investment return that is initially restricted by donor stipulation, and for which the restriction will be satisfied in the same year, is included in net assets with donor restrictions until released from restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions, based upon the existence and nature of any donor or legally imposed restrictions.

Financial risk: The YMCA maintains its cash in demand deposits with commercial banks and financial institutions which, at times, exceed federally insured limits. The uninsured portions of cash are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the YMCA. However, the YMCA has not experienced any such losses in the past, and does not believe it is exposed to any significant financial risk on these cash balances.

YMCA of the Rockies

Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

The YMCA also invests funds in a professionally managed portfolio that contains various types of marketable securities, as detailed in Note 3. Such investments are exposed to market and credit risks. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Accounts receivable: Accounts receivable are carried at the original amount billed to customers, of which the YMCA has an unconditional right to receive payment. Accounts receivable are ordinarily due upon receipt of the service. Accounts receivable are regularly evaluated for collectability, considering factors including, but not limited to, the credit quality of the customer, historical trends of the customer and changes in customer payment terms. Accounts past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. Recoveries of accounts receivable previously written off are recorded when received. Credit loss expense totaled approximately \$21,400 and \$18,500 for the years ended December 31, 2025 and 2024, respectively. The YMCA will continue to monitor and evaluate the adequacy of the allowance for credit losses on accounts receivable on a regular basis, and make adjustments as necessary, in response to changes in economic conditions and credit quality indicators.

Insurance involuntary conversion claims: During 2025, the YMCA received payments in the amount of \$125,717 relating to a claim filed in 2023, resulting from hail damage to buildings. This amount is recorded as gain on insurance proceeds on the statements of activities.

Inventories: Inventories consist of food service items, retail merchandise, outdoor equipment and museum items. Inventories are stated at the lower of cost or net realizable value. Costs of inventories are determined using the first-in, first-out (FIFO) method.

Property and equipment: Property and equipment acquisitions are stated at cost, at the date of acquisition, or fair value, at the date of the gift. The property and equipment are depreciated or amortized on the straight-line basis over the following useful lives. Maintenance and repairs are charged to expense as incurred. Major acquisitions greater than \$10,000 and improvements are capitalized.

	<u>Years</u>
Buildings	33 years
Land improvements	25 years
Other improvements	10 years
Transportation and other equipment	5 years

Long-lived asset impairment: The YMCA evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability, and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2025 and 2024.

Deferred revenue: Revenue from membership and rental fees is deferred and recognized over the periods to which the fees relate.

YMCA of the Rockies

Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Debt issuance costs: Debt issuance costs represent costs incurred in connection with the issuance of long-term debt. The YMCA records these costs as direct deductions from the related debt. Such costs are being amortized over the term of the respective debt using the effective interest method.

Net assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations, and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time, or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue recognition:

Revenue from exchange transactions: The YMCA recognized revenue in accordance with FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or other similar arrangements, and establishes a performance obligation approach to revenue recognition. The YMCA records exchange transaction revenue relating to membership dues and program service revenues in its statements of activities and changes in net assets. The YMCA determines the transaction prices for membership dues and program service revenues based on standard published charges for goods and services provided.

The YMCA has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected primarily by the individual or group members/guests that have different payment methodologies.

Membership and program service revenue: Membership and program service revenue is recognized as the YMCA satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price, or amount that reflects the consideration to which the YMCA expects to be entitled, in exchange for providing goods or services. The YMCA determines the transaction price based on standard charges for goods and services provided.

Membership dues revenue: Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the YMCA expects to be entitled in exchange for providing bundled membership services.

Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term. The YMCA bills members annually, or every three years, based on the membership term selected.

Program service revenue: Program service revenue is reported at the amount that reflects the consideration to which the YMCA expects to be entitled in exchange for providing lodging, food and other services.

Revenue is recognized as performance obligations are satisfied, which is ratably over the guest's stay. The YMCA receives a deposit prior to, and final payment at the conclusion of, the guest's stay.

YMCA of the Rockies

Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

For the years ended December 31, 2025 and 2024, the YMCA recognized revenue of approximately \$52,286,000 and \$50,001,000, respectively, from membership dues and program service revenues that transfer to the customer over time, and approximately \$3,318,000 and \$3,379,000, respectively, from general store or other point-of-sale revenues that transfer to the customer at a point in time.

The YMCA records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not been recognized, a contract liability (deferred revenue) also is recorded. Opening balances as of January 1, 2024, were as follows:

Accounts receivable	\$ 2,027,276
Deferred membership income	2,063,703
Deferred rental income	1,296,609
	<u>\$ 5,387,588</u>

The following table provides information about significant changes in deferred revenue for the years ended December 31, 2025 and 2024:

	2025	2024
Deferred revenue, beginning of year	\$ 2,035,152	\$ 2,063,703
Revenue recognized that was included in deferred at the beginning of the year	(2,035,152)	(2,063,703)
Increases in deferred revenue due to cash received during the year	2,077,104	2,035,152
	<u>\$ 2,077,104</u>	<u>\$ 2,035,152</u>

Contributions: Contributions are provided to the YMCA either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts— with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction: Gifts that depend on the YMCA overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
Unconditional gifts, with or without restriction: Received at date of gift—cash and other assets	Fair value
Received at date of gift—property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

YMCA of the Rockies

Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor, and for which the restriction is met in the same time period the gift is received, are recorded as revenue with donor restrictions, and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions. There were no conditional contributions for the years ended December 31, 2025 or 2024.

Nonoperating revenues and expenses: Nonoperating revenues and expenses consist primarily of involuntary conversion activities and the change in fair value of the interest rate swap agreement.

Advertising: The YMCA uses advertising to promote its facilities and programs. The costs of advertising are expensed as incurred. During the years ended December 31, 2025 and 2024, advertising expenses were approximately \$521,000 and \$536,000, respectively.

Leases: The YMCA 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 customer 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 YMCA also considers whether its service arrangements include the right to control the use of an asset.

The YMCA recognizes most leases on its statements 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. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities.

The YMCA made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 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 received. To determine the present value of lease payments, the YMCA 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.

Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The YMCA has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The non-lease components typically represent additional services transferred to the YMCA, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Functional allocation of expenses: The costs of supporting the programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Costs in the statements of functional expense have been classified based on the direct use of expenses. Additionally, certain costs, including salaries, employee benefits, equipment, depreciation, professional services, and communications, have been allocated among the programs, based on the revenue generated by each center.

Income tax status: The YMCA is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, and a similar provision of state law. However, the YMCA is subject to federal income tax on any unrelated business taxable income. The YMCA's tax filings are subject to examination by various taxing authorities. The YMCA's open examination periods are 2022 and forward.

Reclassifications: Certain reclassifications of unrestricted net assets between Board designated and undesignated previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent events: The YMCA has evaluated subsequent events through May 14, 2026, the date on which the financial statements were available to be issued.

YMCA of the Rockies

Notes to Financial Statements

Note 2. Liquidity and Availability

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use, within one year of the date of the statements of financial position, comprise the following as of December 31, 2025 and 2024:

	2025	2024
Financial assets at year-end:		
Cash	\$ 3,052,708	\$ 2,898,874
Investments	71,869,131	64,931,842
Accounts receivable	1,021,392	689,542
Contributions receivable, net	11,435,407	12,561,752
	<u>87,378,638</u>	<u>81,082,010</u>
Less amounts not available to be used for general expenditures within one year:		
Board-designated net assets	(35,947,480)	(37,897,469)
Net assets with donor restrictions	(41,746,577)	(35,620,235)
	<u>(77,694,057)</u>	<u>(73,517,704)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,684,581</u>	<u>\$ 7,564,306</u>

The YMCA regularly monitors the availability of resources to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Designated net assets have increased due to fundraising activities and investment performance. Designated assets, liquidity and related balances are monitored at least monthly through detailed cash and investment forecasting.

The YMCA has designated a portion of its net assets without donor restrictions for endowment. Those amounts are identified as board-designated endowment in the table above. These funds are invested for long-term appreciation, but remain available and may be spent at the discretion of the board.

Note 3. Fair Value Measurements

The YMCA reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability, based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset, and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Money market: Shares of money market funds are valued at quoted market prices that represent the fair value of shares held by the YMCA at year-end.

Equity securities: The fair value of equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

YMCA of the Rockies

Notes to Financial Statements

Note 3. Fair Value Measurements (Continued)

U.S. government securities: The YMCA invests in U.S. government securities traded in the financial markets, which are valued using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2.

Investments measured at NAV: The YMCA entered into an agreement with a foundation to provide investment management services for the YMCA. The foundation provides pooled investment fund options, which are fund of funds invested in underlying assets, as discussed below. The underlying assets are liquid and can be redeemed as of the first business day of the calendar month following three days written notice. There are no unfunded commitments related to the alternative investments.

Interest rate swap agreement: The fair value is estimated using inputs that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient, as identified in the following, at December 31, 2025 and 2024:

	2025				
	Total	Fair Value Measurements Using			
		Quoted Prices		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		in Active Markets for Identical Assets (Level 1)			
Assets:					
Investments:					
Common stocks	\$ 34,935	\$ 34,935	\$ -	\$ -	
Money market funds	10,963,587	10,963,587	-	-	
U.S. government obligations	1,791,809	-	1,791,809	-	
	<u>12,790,331</u>	<u>10,998,522</u>	<u>1,791,809</u>	<u>-</u>	
Investments, measured at net asset value (a):					
Fixed income (b)	6,044,283	-	-	-	
Equities (c):					
Large-cap	20,424,550	-	-	-	
Small/mid-cap	7,149,014	-	-	-	
International	5,875,628	-	-	-	
Emerging markets	3,714,656	-	-	-	
Money market investment fund (d)	15,870,669	-	-	-	
	<u>59,078,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	
	<u>\$ 71,869,131</u>	<u>\$ 10,998,522</u>	<u>\$ 1,791,809</u>	<u>\$ -</u>	
Liabilities:					
Interest rate swap agreement	\$ (1,362,982)	\$ -	\$ (1,362,982)	\$ -	

YMCA of the Rockies

Notes to Financial Statements

Note 3. Fair Value Measurements (Continued)

	2024			
	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments:				
Money market funds	\$ 3,057,958	\$ 3,057,958	\$ -	\$ -
U.S. government obligations	4,265,488	-	4,265,488	-
	<u>7,323,446</u>	<u>3,057,958</u>	<u>4,265,488</u>	<u>-</u>
Investments, measured at net asset value (a):				
Fixed income (b)	6,283,126	-	-	-
Equities (c):				
Large-cap	21,635,245	-	-	-
Small/mid-cap	7,441,841	-	-	-
International	5,566,926	-	-	-
Emerging markets	3,409,232	-	-	-
Money market investment fund (d)	13,272,026	-	-	-
	<u>57,608,396</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 64,931,842</u>	<u>\$ 3,057,958</u>	<u>\$ 4,265,488</u>	<u>\$ -</u>
Liabilities:				
Interest rate swap agreement	\$ (969,907)	\$ -	\$ (969,907)	\$ -

The following table reconciles total investments to amounts reported on the statements of financial position:

	2025	2024
Investments—without donor restrictions	\$ 41,170,443	\$ 41,870,661
Investments—with donor restrictions	30,698,688	23,061,181
	<u>\$ 71,869,131</u>	<u>\$ 64,931,842</u>

(a) Certain investments that are measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

(b) The fixed income fund is a diversified bond portfolio consisting principally of high quality, investments—grade corporate, mortgage, asset-backed and limited high-yield securities.

YMCA of the Rockies

Notes to Financial Statements

Note 3. Fair Value Measurements (Continued)

(c) The large cap equity fund is a broadly diversified portfolio of mostly U.S. and some international stocks that seeks to provide opportunities for long-term growth, while avoiding speculation and undue risk.

The small/mid cap equity fund consists of a blended-style portfolio of small U.S. companies allocated among managers with distinct growth, value and core strategies.

The international equity fund consists of a broadly diversified portfolio of large, high quality non-U.S. companies that are either ordinary shares traded on securities exchanges around the world or American Depository Receipts traded on U.S. exchanges.

(d) The money market investment fund consists of a broadly diversified portfolio of cash and cash equivalent securities.

Note 4. Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows after an allowance for estimated uncollectible contributions is provided. The discounts on those amounts are computed using a risk-adjusted rate applicable to the year in which the promise is received. The discount rate used for contributions receivable in 2025 and 2024 was 4%. Contributions receivable that have no donor-imposed restrictions, but are scheduled to be received in future periods, are classified as net assets with donor restrictions due to the passage of time restriction. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Unconditional promises to give with donor restrictions are expected to be realized in the following periods at December 31, 2025:

Due within one year	\$ 4,681,109	\$ 5,460,970
Due in one to five years	7,191,214	7,620,409
	<u>11,872,323</u>	<u>13,081,379</u>
Less discount to net present value	436,916	519,627
	<u>\$ 11,435,407</u>	<u>\$ 12,561,752</u>

YMCA has determined that contributions receivable are fully collectible and, as such, no allowance for uncollectable promises to give has been recorded at December 31, 2025 or 2024.

YMCA of the Rockies

Notes to Financial Statements

Note 5. Property and Equipment

The cost of property and equipment and related accumulated depreciation at December 31, 2025 and 2024, are as follows:

	2025	2024
Buildings	\$ 185,713,824	\$ 173,822,612
Land and improvements	32,496,701	30,366,264
Transportation and other equipment	13,367,414	12,965,730
	<u>231,577,939</u>	<u>217,154,606</u>
Less accumulated depreciation	102,687,638	100,421,692
	<u>128,890,301</u>	<u>116,732,914</u>
Construction in progress	6,204,471	12,104,368
Total property and equipment	<u>\$ 135,094,772</u>	<u>\$ 128,837,282</u>

Construction in progress at December 31, 2025 and 2024, represents costs incurred in connection with building renovations, utility improvements and various other miscellaneous projects.

Note 6. Leases

The YMCA leases certain equipment under finance lease agreements with terms of five years, and interest rates of 13.03%. The YMCA's finance leases generally do not contain any material restrictive covenants or residual value guarantees.

Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term. The components of lease expense are as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Finance lease cost—amortization of right-of-use assets	\$ 28,878	\$ 25,367
Finance lease cost—interest on lease liabilities	13,926	16,080
Total lease cost	<u>\$ 42,804</u>	<u>\$ 41,447</u>

Supplemental statements of financial position information related to leases is as follows as of December 31, 2025 and 2024:

Weighted-average remaining lease term:		
Finance leases	2.5 years	3.5 years
Weighted-average discount rate:		
Finance leases	13.03%	13.03%

YMCA of the Rockies

Notes to Financial Statements

Note 6. Leases (Continued)

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

	Finance Leases
Years ending December 31:	
2026	\$ 42,804
2027	42,804
2028	21,364
Total lease payments	106,972
Less imputed interest	(16,062)
Total present value of lease liabilities	<u>\$ 90,910</u>

Note 7. Water Rights

During the year ended December 31, 2022, the YMCA decided to begin receiving water service from the Town of Estes Park (the Town), at its Estes Park Center, as opposed to utilizing its own water rights. As part of receiving water service from the Town, the YMCA is obligated to pay the Town \$1,007,438 over a period of 10-years, at 3% interest per annum. During the years ended December 31, 2025 and 2024, the YMCA has paid \$94,685 and \$91,927, respectively, of this amount. The remaining balance of \$630,833 and \$725,518 is included on the statements of financial position at December 31, 2025 and 2024, respectively, in the water rights liability line item. In addition, the YMCA is obligated to provide the Town water rights of 32 units at a later date. The YMCA has recorded this obligation at an estimated fair value of \$2,088,000. This amount is also recorded on the statements of financial position in the water rights liability line item.

Note 8. Interest Rate Swap Agreement

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, the YMCA entered into an interest rate swap agreement to fix the interest rate on related bonds.

The YMCA entered into a swap agreement to fix the interest rate on the Series 2011 Colorado Education and Cultural Facilities Authority Variable Rate Demand Refunding Bonds through October 1, 2038. Under the 2011 swap agreement, the YMCA was to receive interest from the counterparty at 70% of LIBOR, and to pay interest to the counterparty at a fixed rate of 3.52% on an original notional amount of \$43,420,000. Upon the issuance of the Colorado Educational and Cultural Facilities Authority Revenue Refunding Bonds (YMCA of the Rockies Project), Series 2022 (see Note 9), the 2011 swap agreement was amended and restated.

As part of the reissuance of the Colorado Education and Cultural Facilities Authority Revenue Refunding Bonds, Series 2022, on October 6, 2022, the swap agreement was amended and restated to be associated with the new bonds. Under the amended and restated swap agreement, the YMCA is to receive interest from the counterparty at 79% of USD-SOFR Average 30D, and to pay interest to the counterparty at a fixed rate of 3.755% on an original notional amount of \$30,510,000. The notional amount as of December 31, 2025, was \$26,185,000, with a maturity of October 1, 2038.

YMCA of the Rockies

Notes to Financial Statements

Note 8. Interest Rate Swap Agreement (Continued)

The agreement is recorded at its fair value with subsequent changes in fair value included in the statements of activities. The fair value of the interest rate swap was a liability of \$1,362,982 and \$969,907 as of December 31, 2025 and 2024, respectively. The corresponding (loss) gain related to the change in fair value was \$(393,075) and \$1,025,575 for the years ended December 31, 2025 and 2024, respectively, and was reported as nonoperating activities in the statements of activities.

Note 9. Long-Term Debt

Long-term debt at December 31, 2025 and 2024, consisted of the following:

	2025	2024
Colorado Education and Cultural Facilities Authority Bonds—Series 2022 (A)	\$ 26,185,000	\$ 27,685,000
Less unamortized debt issuance costs	(170,852)	(184,252)
	<u>\$ 26,014,148</u>	<u>\$ 27,500,748</u>

(A) In October 2022, the YMCA, through the Colorado Educational and Cultural Facilities Authority and Wells Fargo Bank, issued the Colorado Educational and Cultural Facilities Authority Revenue Refunding Bonds (YMCA of the Rockies Project), Series 2022. The purpose of the issuance was to refund the Colorado Educational and Cultural Facilities Authority Variable Rate Demand Refunding Bonds (YMCA of the Rockies Project), Series 2011 bonds, and to pay any costs of issuance. The terms of the issuance are substantially the same as the Series 2011 bonds, with maturity at October 1, 2038, and a variable interest rate, reset monthly, based on an index rate with SOFR as the established benchmark. The bonds are subject to mandatory tender prior to the maturity date.

The YMCA also entered into a Continuing Covenants Agreement with the financial institution containing several covenants, including compliance of certain financial ratios, liquidity provisions and limitations on additional indebtedness.

Aggregate maturities of long-term debt at December 31, 2025, are as follows:

Years ending December 31:	
2026	\$ 1,565,000
2027	1,625,000
2028	1,695,000
2029	1,765,000
2030	1,840,000
Thereafter	17,695,000
	<u>\$ 26,185,000</u>

YMCA of the Rockies

Notes to Financial Statements

Note 10. Net Assets

Net assets with donor restrictions: Net assets with donor restrictions are restricted the following purposes or periods as of December 31, 2025 and 2024:

	2025	2024
Subject to expenditure for specified purpose:		
Program activities	\$ 3,344,520	\$ 2,955,307
Property and equipment	18,637,231	15,153,323
Life income agreements	261,284	234,486
	<u>22,243,035</u>	<u>18,343,116</u>
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Program and facilities	<u>5,740,604</u>	<u>4,309,202</u>
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:		
Program and facilities	<u>13,762,938</u>	<u>12,967,917</u>
Total restricted endowments	<u>19,503,542</u>	<u>17,277,119</u>
Total restricted net assets	<u>\$ 41,746,577</u>	<u>\$ 35,620,235</u>

Life income agreements are accounted for as pooled income funds, and consist of the contributions of one donor who made contributions in 1996 and prior. The earnings on these funds are distributed to the donor's designated beneficiaries. The funds are released to the YMCA upon the death of the donor.

Net assets released from restrictions: Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2025	2024
Purpose restrictions accomplished:		
Capital releases for property and equipment	\$ 5,323,485	\$ 4,968,522
Other releases for property and equipment	727,085	262,067
Program activities	<u>2,704,662</u>	<u>2,636,900</u>
	<u>\$ 8,755,232</u>	<u>\$ 7,867,489</u>

Note 11. Endowments

The YMCA's endowment consists of 25 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by U.S. GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

YMCA of the Rockies

Notes to Financial Statements

Note 11. Endowments (Continued)

The YMCA's governing body has interpreted the state of Colorado *Uniform Prudent Management of Institutional Funds Act* (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the YMCA retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the YMCA in a manner consistent with the standard of prudence prescribed by UPMIFA. The YMCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and appreciation of investments.
6. Other resources of the YMCA.
7. The investment policies of the YMCA.

As of December 31, 2025 and 2024, the YMCA had the following endowment net asset composition by type of fund:

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 35,947,480	\$ -	\$ 35,947,480
Donor-restricted endowment funds:	-	-	-
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	-	13,762,938	13,762,938
Accumulated investment gains	-	5,740,604	5,740,604
Total endowment funds	<u>\$ 35,947,480</u>	<u>\$ 19,503,542</u>	<u>\$ 55,451,022</u>

YMCA of the Rockies

Notes to Financial Statements

Note 11. Endowments (Continued)

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 37,897,469	\$ -	\$ 37,897,469
Donor-restricted endowment funds:	-	-	-
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	-	12,967,917	12,967,917
Accumulated investment gains	-	4,309,202	4,309,202
Total endowment funds	<u>\$ 37,897,469</u>	<u>\$ 17,277,119</u>	<u>\$ 55,174,588</u>

Changes in endowment net assets for the years ended December 31, 2025 and 2024, consisted of the following:

	Year Ended December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 37,897,469	\$ 17,277,119	\$ 55,174,588
Transfer out	(4,126,779)	-	(4,126,779)
Investment return, net	4,318,103	2,053,845	6,371,948
Contributions and deposits	76,441	648,380	724,821
Amounts appropriated and/or released from restrictions	(2,217,754)	(475,802)	(2,693,556)
Endowment net assets, end of year	<u>\$ 35,947,480</u>	<u>\$ 19,503,542</u>	<u>\$ 55,451,022</u>

	Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 39,626,374	\$ 14,547,665	\$ 59,359,598
Transfer out	(5,395,095)	-	(6,038,237)
Investment return, net	4,722,842	1,785,730	6,508,572
Contributions and deposits	66,899	1,460,455	1,527,354
Amounts appropriated and/or released from restrictions	(1,123,551)	(516,731)	(1,640,282)
Endowment net assets, end of year	<u>\$ 37,897,469</u>	<u>\$ 17,277,119</u>	<u>\$ 59,717,005</u>

YMCA of the Rockies

Notes to Financial Statements

Note 11. Endowments (Continued)

Investment and spending policies: Under the YMCA's policies, endowment assets are invested with a long-term strategy with a balanced portfolio of equity and fixed income assets. The YMCA expects its endowment funds to provide an average rate of return of approximately 7% annually over time, reduced by inflation and management fees. Actual returns in any given year may vary from this amount. To satisfy its long-term rate of return objectives, the YMCA relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The YMCA 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.

The YMCA has an endowment spending policy that went into effect in May 2011 of appropriating for expenditure each year an amount not to exceed 4% of the three-year rolling average of the market value of each eligible endowment fund calculated as of September 30 of the prior fiscal year. An endowment that is less than its permanently restricted principal value shall not be eligible for granting. In establishing this policy, the YMCA considered the long-term expected return on its endowment. Accordingly, over the long-term, the YMCA expects the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with the YMCA's objective to maintain the purchasing power of endowment assets held in perpetuity, or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Underwater endowments: From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The YMCA has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law, but as a matter of policy, does not allow underwater funds to be eligible for drawing. At December 31, 2025 and 2024, there were no underwater endowment funds.

Note 12. Retirement Plan

The YMCA participates in a defined contribution (individual account) money purchase retirement plan. The plan is for the benefit of substantially all full-time professional and support staff of the YMCA who have completed 1,000 hours of service within 12 months, and two full years of employment.

The YMCA Retirement Fund (Retirement Fund) is operated as a church pension plan, and is a not-for-profit, tax-exempt New York State corporation. Participation is open to all duly organized or re-organized YMCAs in the United States. As a defined contribution plan, the Retirement Fund does not have any unfunded benefit obligations.

In accordance with the agreement with the Retirement Fund, contributions made by the YMCA are a percentage of the participating employee's salary, and are to be remitted to the Retirement Fund biweekly after each payroll. The YMCA contributes 12% of the participating employee's salary. Participants are not required to make contributions, but may elect to contribute an additional amount. The YMCA pension plan contributions for the years ended December 31, 2025 and 2024, were \$1,216,244 and \$1,103,223, respectively.

YMCA of the Rockies

Notes to Financial Statements

Note 13. Related Parties

The contributions receivable balance includes approximately \$4,771,000 and \$5,532,000 at December 31, 2025 and 2024, respectively, which were pledged by board members and staff. There were two contribution receivable balances held by board members that approximated 13% and 17%, respectively, of the total pledges receivable balance at December 31, 2025. There was one contribution receivable balance held by a board member that approximated 26% of the total pledges receivable balance at December 31, 2024.

Annual support contributions of \$320,988 and \$415,419 for the years ended December 31, 2025 and 2024, respectively, were paid to the YMCA of the USA for annual support.

Note 14. Commitments and Contingencies

Environmental remediation obligation: The YMCA owns and operates certain facilities, built prior to 1980, that were constructed with materials containing asbestos. The YMCA routinely evaluates the matter and performs asbestos remediation, as needed, in any situation where a facility is undergoing a major remodel or improvement. It is the opinion of management that the results of the ongoing evaluations and potential future remediation costs associated with facility remodels will not have a material adverse effect on the financial position, change in net assets and cash flows of the YMCA.

Paycheck Protection Program (PPP) loan: The YMCA received two PPP loans of \$3,544,216 in 2020 and \$2,000,000 in 2021, both of which were accounted for under ASC 958-605, which allows for the recognition of revenue when certain conditions are met. The loans were subsequently forgiven in full by the Small Business Administration (SBA). In December 2021, the YMCA was notified by the SBA Office of Inspector General that the first PPP loan was randomly selected for audit to determine if eligibility requirements for forgiveness were met at the time of the forgiveness application in 2020. On May 2023, the YMCA received notification from the SBA that the PPP loan review was complete with no findings. The YMCA is required to retain all records relating to the PPP loans for six years from the date of loan forgiveness or repayment.