Reports of Independent Auditors and
Financial Statements

Young Men’s Christian Association of San Francisco

June 30, 2025
(with Comparative Totals for Year Ended June 30, 2024)

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Report of Independent Auditors

The Board of Directors
Young Men's Christian Association of San Francisco

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Young Men's Christian Association of San Francisco, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Young Men's Christian Association of San Francisco as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Young Men's Christian Association of San Francisco's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Young Men's Christian Association of San Francisco'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.

Other Matter

Report on Summarized Comparative Information

We have previously audited Young Men's Christian Association of San Francisco's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 23, 2024. In our opinion, the summarized comparative information presented herein, as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Baker Tilly US, LLP

San Francisco, California
October 24, 2025

Financial Statements

Young Men's Christian Association of San Francisco
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 12,380,135	$ 8,096,075
Accounts receivable		
Government grants	12,157,173	12,703,183
Unconditional promises to give (less allowance for uncollectable pledges receivable of $369,522 in 2025 and $400,998 in 2024)	4,841,333	5,472,192
Others (less allowance for expected credit losses of $418,542 in 2025 and $418,962 in 2024)	2,428,939	1,923,484
Investments, at fair value	28,464,734	30,292,235
Inventories and supplies	12,202	12,202
Prepaid expenses, deposits, and other assets	1,062,491	393,566
Assets held by others	263,810	257,417
Assets held in trusts	255,420	717,174
Operating lease assets	4,037,202	4,208,586
Land, buildings, and equipment, net	64,516,729	58,303,906
Total assets	$ 130,420,168	$ 122,380,020
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 13,980,153	$ 13,796,114
Line of credit	5,626,962	3,289,695
Operating lease liabilities	3,084,479	2,856,543
Deferred revenue	2,424,503	2,877,290
Contract liabilities	1,464,291	1,150,099
Finance lease obligations	1,115,514	327,523
Liability to trust beneficiaries	116,431	187,643
Notes payable, net	16,245,118	16,721,371
Total liabilities	44,057,451	41,206,278
NET ASSETS		
Without donor restrictions	60,344,917	59,909,351
With donor restrictions	26,017,800	21,264,391
Total net assets	86,362,717	81,173,742
Total liabilities and net assets	$ 130,420,168	$ 122,380,020

See accompanying notes.

Young Men's Christian Association of San Francisco
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2025 (with Comparative Totals for Year Ended June 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING REVENUE AND PUBLIC SUPPORT				
Membership dues, net	$ 22,489,121	$ -	$ 22,489,121	$ 19,888,610
Government fees and grants	51,161,947	-	51,161,947	55,667,609
Child and youth development, net	18,706,577	-	18,706,577	17,182,845
Camping fees, net	7,040,021	-	7,040,021	6,254,347
Contributions and community support	5,939,722	7,561,131	13,500,853	15,297,629
Other program fees, net	3,731,299	-	3,731,299	2,544,739
Residence room rentals	97,458	-	97,458	99,233
Interest and dividend income, net of expenses	1,078,529	19,171	1,097,700	989,023
Rental of facilities	1,888,024	-	1,888,024	1,947,901
Sales to the public	149,192	-	149,192	124,300
Other income	401,629	-	401,629	291,433
Changes in value of assets held in charitable trusts	(265)	($11,933)	(12,198)	36,048
Net assets released from restrictions	2,837,996	(2,837,996)	-	-
Total operating revenue and public support	115,521,250	4,730,373	120,251,623	120,323,717
OPERATING EXPENSES				
Program services				
Child and youth development	15,524,087	-	15,524,087	13,229,671
Health and fitness services	34,853,669	-	34,853,669	28,518,376
Day camping, resident camp, and outdoor education	5,619,128	-	5,619,128	5,380,400
Residence and related services	25,657	-	25,657	26,650
Grants and other human services	48,225,787	-	48,225,787	52,737,177
Total program services	104,248,328	-	104,248,328	99,892,274
Management and general	10,694,046	-	10,694,046	9,977,362
Public and private fundraising	2,931,883	-	2,931,883	3,019,104
Total operating expenses	117,874,257	-	117,874,257	112,888,740
Changes in net assets from operations and public support	(2,353,007)	4,730,373	2,377,366	7,434,977
NONOPERATING ACTIVITIES				
Realized gain (loss) on investments, net	2,078,277	31,302	2,109,579	(92,060)
Unrealized gain (loss) on investments, net	710,296	(8,266)	702,030	2,762,122
Changes in net assets from nonoperating activities	2,788,573	23,036	2,811,609	2,670,062
CHANGES IN NET ASSETS	435,566	4,753,409	5,188,975	10,105,039
NET ASSETS, beginning of year	59,909,351	21,264,391	81,173,742	71,068,703
NET ASSETS, end of year	$ 60,344,917	$ 26,017,800	$ 86,362,717	$ 81,173,742

See accompanying notes.

Young Men's Christian Association of San Francisco
Statement of Functional Expenses
Year Ended June 30, 2025 (with Comparative Totals for Year Ended June 30, 2024)

	Child and Youth Development	Health and Fitness Services	Day Camping Resident Camp, Education	Residence and Related Services	Grants and Other Human Services	Shared Services	Subtotal	Management and General	Public and Private Fundraising	Total 2025	2024
Personnel expenses	$ 9,928,266	$ 15,650,197	$ 2,361,340	$ -	$ 32,857,883	$ 9,976,758	$ 70,774,444	$ 7,596,716	$ 1,992,585	$ 80,363,745	$ 75,991,662
Contractual services	557,685	2,957,397	78,846	-	537,983	784,341	4,916,252	2,465,266	147,594	7,529,112	6,879,197
Program supplies and materials	625,416	1,433,467	961,345	-	4,027,665	678,095	7,725,988	19,974	76,150	7,822,112	9,148,951
Telephone and postage	170,032	89,467	5,636	-	291,341	679,667	1,236,143	122,797	10,039	1,368,979	1,450,057
Insurance	13,817	-	3,740	-	179,746	537,706	735,009	17,410	-	752,419	549,912
Occupancy	459,818	5,517,698	14,517	8,648	512,943	1,023,398	7,537,022	85,534	5,917	7,628,473	6,293,686
Equipment	38,561	310,508	12,882	1,265	248,282	234,145	845,643	36,532	3,247	885,422	1,444,916
National YMCA dues	618	3,454	-	-	3,974	578,840	586,886	42,339	65	629,290	687,256
Interest	-	43,538	680,200	-	-	-	723,738	-	-	723,738	715,243
Bank charges	563	-	185,632	-	-	1,071,167	1,257,362	-	-	1,257,362	1,165,468
Public relations, meetings, and training	102,739	216,805	167,107	-	2,674,054	356,678	3,517,383	278,040	696,286	4,491,709	4,503,721
Subtotal	11,897,515	26,222,531	4,471,245	9,913	41,333,871	15,920,795	99,855,870	10,664,608	2,931,883	113,452,361	108,830,069
Depreciation and amortization	-	4,392,458	-	-	-	-	4,392,458	29,438	-	4,421,896	4,058,671
Allocation of shared services	3,626,572	4,238,680	1,147,883	15,744	6,891,916	(15,920,795)	-	-	-	-	-
Total	$ 15,524,087	$ 34,853,669	$ 5,619,128	$ 25,657	$ 48,225,787	$ -	$ 104,248,328	$ 10,694,046	$ 2,931,883	$ 117,874,257	$ 112,888,740

See accompanying notes.

Young Men's Christian Association of San Francisco
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITES		
Changes in net assets	$ 5,188,975	$ 10,105,039
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,421,896	4,058,671
Amortization of debt issuance costs	10,920	27,635
Change in allowance for expected credit losses on other receivables	(420)	(362,052)
Change in allowance for uncollectable pledges receivables	(31,476)	222,549
Amortization of operating lease assets and operating lease liabilities	1,183,194	1,110,901
Unrealized gain on investments, net	(702,029)	(2,762,122)
Changes in value of assets held in charitable trusts	12,198	(36,048)
Realized (gain) loss on investments, net	(2,109,579)	92,060
Changes in operating assets and liabilities		
Government grants receivables	546,010	(717,229)
Pledges receivable	662,335	(3,865,780)
Other receivables	(505,035)	(142,995)
Prepaid expenses, deposits, and other assets	(668,925)	424,148
Assets held by others	(6,393)	-
Assets held in trusts	378,344	100,791
Accounts payable and accrued expenses	184,039	793,519
Deferred revenue	(452,787)	309,458
Contract liabilities	314,192	71,007
Operating lease liabilities, net	(783,874)	(836,451)
Net cash provided by operating activities	7,641,585	8,593,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(9,527,288)	(6,305,204)
Proceeds from sale of investments	14,166,397	8,883,490
Purchase of property and equipment	(9,690,684)	(9,416,205)
Net cash used in investing activities	(5,051,575)	(6,837,919)

See accompanying notes.

Young Men's Christian Association of San Francisco
Statements of Cash Flows (Continued)
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	$ 68,476,105	$ 53,873,023
Repayments of line of credit	(66,138,838)	(53,356,703)
Principal payments on notes payable	(487,173)	(508,207)
Principal payments on finance lease obligations	(156,044)	(37,054)
Net cash provided by (used in) financing activities	1,694,050	(28,941)
NET CHANGES IN CASH AND CASH EQUIVALENTS	4,284,060	1,726,241
CASH AND CASH EQUIVALENTS, beginning of year	8,096,075	6,369,834
CASH AND CASH EQUIVALENTS, end of year	$ 12,380,135	$ 8,096,075
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Cash paid during the year for interest	$ 712,818	$ 686,077
Additions to equipment under finance lease	$ 944,035	$ 344,502
Operating lease assets, obtained in exchange for new operating lease liabilities	$ 902,437	$ 1,010,482

See accompanying notes.

Note 1 – Description of the Association

For more than 165 years, the Young Men’s Christian Association of San Francisco (“YMCA” or “Association”), through its 14 locations from the North Bay to the Santa Cruz Mountains, has made accessible the support and opportunities that empower people and communities to learn, grow, and become healthy. With a focus on youth development, healthy living, and social responsibility, the YMCA nurtures the potential of every youth and teen, improves the nation’s health and well-being, and provides opportunities to give back and support neighbors.

At the YMCA of San Francisco, strengthening community is the Association’s cause. Every day, the YMCA works side by side with its neighbors to make sure that everyone, regardless of age, income, or background, has the opportunity to improve their lives and their community.

Note 2 – Summary of Significant Accounting Policies

Prior year information – The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Accordingly, such information should be read in conjunction with the Association’s financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Basis of accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP applicable to nonprofit organizations. Assets are generally sequenced according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and the 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 without donor restrictions may be designated for specific purposes by action of the Board of Directors or otherwise limited by contractual arrangements with outside parties. The Board of Directors, through voluntary resolution, has set aside a portion of the net assets without donor restrictions to function as an endowment (see Note 13).

Net assets with donor restrictions – Net assets that are subject to donor-imposed stipulations, which can be fulfilled either by actions of the Association pursuant to those stipulations and/or expire with the passage of time or that they be maintained in perpetuity by the Association. As of June 30, 2025 and 2024, net assets with donor restrictions consist primarily of capital campaign contributions, assets held in trusts, land, and construction projects, and restricted grants (see Note 12).

Measure of operations – In its statement of activities and changes in net assets, the Association includes in its definition of operations all revenues and expenses that are an integral part of its programs. Investment income, including net realized and unrealized gains and losses, are recognized as nonoperating activities.

Cash and cash equivalents – Cash and cash equivalents include all cash balances and highly liquid investments with original maturities of three months or less at the date acquired. Substantially all cash and cash equivalents are held at financial institutions. Balances generally exceed the $250,000 Federal Deposit Insurance Corporation ("FDIC") coverage. Balances are also held by brokerage firms that maintain no deposit insurance coverage.

Government grants and pledges receivable – Government grants and pledges receivable are reviewed for collectability and reserves for uncollectable amounts are established when needed. Allowance for uncollectable pledges was $369,522 and $400,998 for the years ended June 30, 2025 and 2024, respectively. Collection on government grants and pledges receivable are expected to be received within one to five years. Pledges receivable that are expected to be collected in future years are recorded at present value of the amounts expected to be collected. The discount on those amounts is computed using an imputed interest rate applicable to the year in which the grant was made. A discount is recorded when such discount is material to the financial statements. As of June 30, 2025 and 2024, discounts on pledges receivable were determined to be immaterial and therefore, no discount has been recorded.

Other accounts receivable – Accounts receivable are recorded at amounts that reflect the consideration to which the Association expects to be entitled in exchange for providing access to its facilities and services through membership and program fees. The Association provides for losses on accounts receivable using the current expected credit loss method. The allowance is based on historical collection information, current economic conditions, reasonable and supportable forecasts, and any other relevant factors. Allowance for expected credit loss was $418,542 and $418,962 for the years ended June 30, 2025 and 2024, respectively. Collection on other receivables are expected to be received within one year.

Investments – The Association's investment committee's goal is to adhere to high standards of quality in the selection of all types of investments, with reasonable diversification to be maintained at all times. Marketable securities are managed by independent investment managers and are held by an independent custodian bank.

Investments are carried at fair value. Fair value is determined in accordance with the provisions of Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, as further described in Note 4. The fair values of investments in securities traded on national securities exchanges are valued at the closing price on the last business day of the fiscal year; securities traded on the over-the-counter market are valued at the last reported bid price.

Securities transactions are recorded on a trade-date basis. Dividend income is recorded as of the ex-dividend date, and interest income is recorded as earned using the accrual basis. Unrealized gains or losses (net) are the difference between the cost and fair value of investments and are included as nonoperating activities in the statement of activities and changes in net assets. Realized gains and losses on dispositions are determined on the basis of specific identification and are included in nonoperating activities.

Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities and the level of the uncertainty related to the changes in the value of investment securities, it is possible that changes in risks in the near term could materially affect the Association's investment and total net asset balance. The maximum loss on the investment portfolio would be the carrying amount in the financial statements less amounts insured by the Securities Investor Protection Corporation ("SIPC"). As of June 30, 2025 and 2024, the Association held investments in excess of the SIPC insurance limits.

Assets held in trusts – Charitable remainder trusts and gift annuities represent gifts for which the Association is the remainderman and the trustee; donors retain a lifetime interest in a portion of trust income. Trust investments are carried at fair value based upon quoted market prices. The classification of the change in value of investments held in trusts is recorded in the statements of activities and changes in net assets based on donor restrictions. Liabilities to trust beneficiaries are estimated based on the present value of the future payments to the beneficiary and a long-term, risk-free discount rate ranging from 4.59% to 8.40%.

Land, buildings, and equipment, net – Land, buildings, and equipment are recorded at acquisition cost, or fair value at the date of the gift in the case of donated property, less accumulated depreciation and amortization. Equipment expenditures of less than $5,000 are not capitalized. Depreciation is provided on the straight-line basis over the estimated useful lives as follows:

Buildings	30–60 years
Building improvements	5–20 years
Computer equipment, computer software, autos, and vans	3–5 years
Leasehold improvements	5–15 years
Land improvements	5–10 years
Office furniture, fixtures, and equipment	7 years

Equipment under finance lease obligations and leasehold improvements are amortized on the straight-line basis over the shorter of their useful lives or terms of the related leases.

Gains and losses are recognized in the statement of activities and changes in net assets upon disposal of land, buildings, and equipment.

Impairment of long-lived assets – The Association reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. For the years ended June 30, 2025 and 2024, no impairment of long-lived assets was recorded.

Leases – Transactions give rise to leases when the Association receives substantially all of the economic benefits from, and has the ability to direct, the use of the specified property and equipment. The Association has lessee activities that are classified as operating leases and finance leases.

Operating lease assets represent the right to use an underlying asset for the lease term and operating lease liabilities represent obligations to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When discount rates implicit in leases cannot be readily determined, the Association uses the incremental borrowing rate at lease commencement to perform lease classification tests and to measure operating lease liabilities and operating lease assets. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Certain options renewal periods were not included in the determination of the operating lease liabilities and operating lease assets if management determined it was not reasonably certain that the lease would be extended.

The Association has agreements with lease and nonlease components, such as common area maintenance, and has elected to account for the lease and nonlease components as separate components. The Association has elected not to recognize operating lease assets and operating lease liabilities for leases of terms less than 12 months.

Finance leases are recorded as an asset and an obligation at the fair value of the leased property and equipment as of the inception of the leases.

Deferred revenue – Deferred revenue of $2,424,503 and $2,877,290 as of June 30, 2025 and 2024, respectively, represents rental income and other income, received in advance and is deferred and subsequently recognized as revenue in the period in which it is earned.

Contract liabilities – Contract liabilities of $1,464,291 and $1,150,099 as of June 30, 2025 and 2024, respectively, represent performance obligations associated with payments received for program and membership fees related to the fiscal years ending June 30, 2025 and 2024. Membership dues and program fees, which are paid in advance, are recognized as revenue in the period in which they are earned. The Association's programs have starting and ending dates that differ from its fiscal year end. Therefore, at the end of each fiscal year, a portion of revenue from these programs is not yet earned.

The Association's other accounts receivable and contract liabilities in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, at June 30, 2025, 2024, and 2023, are as follows:

	June 30,		
	2025	2024	2023
Other accounts receivable	$ 2,428,939	$ 1,923,484	$ 1,418,437
Contract liabilities	$ 1,464,291	$ 1,150,099	$ 1,079,091

Revenues – Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Investment income and gains or losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Membership dues – Membership dues are recognized monthly as the services are provided. Members are provided a diverse range of benefits such as access to YMCA locations across the nation, wellness support, group exercise, and family offerings. The majority of members join on a monthly basis and can pay up to a maximum of 12 months in advance. Unearned membership revenue is reflected as contract liabilities on the statements of financial position until the time expires.

Program fees – Program service fees are reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing services to their program participants. Program fees include fitness classes, child development, day camps, overnight camps, swim lessons, and various other programs operating at YMCA locations, program sites, camps, or schools. Performance obligations are determined based on the nature of the services provided by the Association. Performance obligations are generally providing a service at a point in time. Revenue is recognized at the time the program is held. Unearned program fees are reflected as contract liabilities on the statements of financial position.

The Association maintains a refund policy that provides for all or a portion of membership or program fees to be refunded if a member withdraws during stated refund periods. If a member or program participant withdraws at a time when only a portion, or none, of the fee is refundable, then in accordance with its revenue recognition policy, the Association continues to recognize the membership and program fees that were not refunded pro rata over the applicable period. The Association does not recognize revenue on amounts that may be refunded.

Government fees and grants – Individual grant arrangements have been evaluated and determined to be nonreciprocal, meaning the granting entity has not received a direct benefit in exchange for the resources provided. Instead, revenue is recognized—like a conditional contribution—when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other conditions of the grant are met. These transactions are then recognized as unconditional and classified as increases to net assets without donor restrictions.

Contributions – Gifts, including unconditional promises to give, are recognized as revenue in the period received and are reported as increases in the appropriate category of net assets. Gifts where donor restrictions are met within the same fiscal year as the contribution is received are included in net assets without donor restrictions. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Contributions to be received in future periods are discounted at an appropriate discount rate.

Sales to the public – Sale to the public include one-time sales of various items at Association locations. Revenue is recognized at the point in time of the sale as no subsequent performance obligations exist.

Investment income, net and net realized and unrealized gains on investment – Investment income and gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Gains and losses on endowment investments and other endowment assets are reported as increases or decreases in net assets with donor restrictions until appropriated by the Board of Directors. Gains and losses on other investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted either by donor stipulation or by law. Expirations of restrictions are reported as reclassifications between the applicable classes of net assets and are reported as net assets released from restrictions in the statement of activities and changes in net assets.

Gifts of land, buildings, and equipment – The Association reports contributions of land, buildings, and equipment at their fair value at the date of contribution and as support without donor restrictions unless the donor states restrictions on their use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions until the assets are acquired and placed in service. Absent explicit donor stipulations about how long those long-lived assets must be maintained; expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. There were no gifts of land, buildings, and equipment for the years ended June 30, 2025 and 2024.

Donated services – Contributed services are recognized by the Association if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have donated significant amounts of time and services to the Association's program operations and its fundraising campaigns. However, such contributed services do not meet the criteria promulgated by U.S. GAAP and, accordingly, are not reflected in the accompanying financial statements.

Functional allocation of expenses – Expenses that relate to two or more programs or support activities are allocated based upon the programs' or support activities' direct, or proportionate percentage of, total expenses for each of the programs on the statement of functional expenses. Allocated costs include ongoing repair and maintenance expenses and administrative costs directly related to the programs or support activities.

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

Reclassifications – Certain reclassifications of prior year's balances have been made to conform with the current year presentations. Such reclassifications did not affect the changes in net assets or total assets or liabilities.

Income tax status – The Association operates as a nonprofit organization and has been notified by the taxing authorities that it is exempt from federal income and state franchise taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code of the State of California, respectively. Accordingly, no provision for income taxes is included in the financial statements. The Association had no unrecognized tax benefits at June 30, 2025 and 2024. The Association files exempt organization returns and, if applicable, unrelated business income tax returns in the U.S. federal and California jurisdictions. There is no unrelated business income tax for the years ended June 30, 2025 and 2024; as such, no provision for income taxes has been reflected in the accompanying financial statements.

Note 3 – Investments

As of June 30, investments consisted of the following:

	2025	2024
Mutual funds	$ 8,278,611	$ 8,560,062
Public equity securities	16,488,984	17,121,906
Corporate bonds	1,593,555	2,665,025
Asset-backed securities	2,103,584	1,945,242
Total investments	$ 28,464,734	$ 30,292,235

Investment management – As of June 30, 2025 and 2024, the Association's money market funds and cash balances were on deposit with financial institutions in the amount of $613,567 and $292,654, respectively, which is included in cash and cash equivalents.

Investments of net assets with donor restrictions and net assets designated by the Board of Directors are pooled together and treated as an endowment. Components of this pooled fund, including cash equivalents, are categorized as follows:

	2025	2024
Investments, at fair value	$ 28,464,734	$ 30,292,235
Money market funds and cash balances	613,567	292,654
Less: investments without donor restrictions	(5,069,884)	(8,450,525)
	24,008,417	22,134,364
Less: investments with donor restrictions	(563,553)	(563,553)
Without donor restrictions - designated by Board of Directors	$ 23,444,864	$ 21,570,811

The Association used $7,662,568 from the investment portfolio, $6,769,568 for approved construction projects and $893,000 for operating activities, during the year ended June 30, 2025.

The Association used $2,927,000 from the investment portfolio, $2,300,000 was used for approved construction projects and $627,000 for operating activities, during the year ended June 30, 2024.

Note 4 – Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A framework for measuring fair value prioritizes the use of observable market-based inputs over the use of unobservable inputs when measuring fair value. An investment's categorization is based on the lowest level of input that is significant to the fair value measurement.

Three levels of inputs are used to measure fair value:

Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 – Inputs, other than quoted prices that are observable for the asset or liability either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Unobservable inputs in which there is little, if any, market activity, which requires the Association to develop its own assumptions.

Investments and assets held in trusts are measured using the market approach. The fair value of investments traded on national securities exchanges are valued at the closing price on the last business day of the fiscal year; securities traded on the over-the-counter market are valued at the last reported bid price. For assets that are not publicly traded, the fair value is determined through the national exchange price for securities with a readily determinable value or valuations and estimates typically determined by the underlying asset's manager.

The following table summarizes the valuation of the Association's investments and assets held in trust by fair value hierarchy levels as of June 30, 2025:

	Total	Level 1	Level 2	Level 3
Investments				
Mutual funds	$ 8,278,611	$ 8,278,611	$ -	$ -
Public equity securities	16,488,984	16,488,984	-	-
Corporate bonds	1,593,555	-	1,593,555	-
Asset-backed securities	2,103,584	-	2,103,584	-
Total investments	$ 28,464,734	$ 24,767,595	$ 3,697,139	$ -
Assets held in trust				
Mutual funds	$ 65,611	$ 15,336	$ 50,275	$ -
Public equity securities	82,230	82,230	-	-
U.S. government securities	48,106	48,106	-	-
Corporate bonds	47,175	-	47,175	-
Asset-backed securities	12,298	-	12,298	-
Total assets held in trust	$ 255,420	$ 145,672	$ 109,748	$ -

The following table summarizes the valuation of the Association's investments and assets held in trust by fair value hierarchy levels as of June 30, 2024:

	Total	Level 1	Level 2	Level 3
Investments				
Mutual funds	$ 8,560,062	$ 8,560,062	$ -	$ -
Public equity securities	17,121,906	17,121,906	-	-
Corporate bonds	2,665,025	-	2,665,025	-
Asset-backed securities	1,945,242	-	1,945,242	-
Total investments	$ 30,292,235	$ 25,681,968	$ 4,610,267	$ -
Assets held in trust				
Mutual funds	$ 600,812	$ 600,812	$ -	$ -
U.S. government securities	91,598	91,598	-	-
Corporate bonds	24,764	-	24,764	-
Total assets held in trust	$ 717,174	$ 692,410	$ 24,764	$ -

Note 5 – Land, Buildings, and Equipment, Net

As of June 30, land, buildings, and equipment, net consisted of the following:

	2025	2024
Buildings and improvements	$ 101,139,648	$ 100,176,264
Leasehold and land improvements	21,998,868	10,863,888
Office furniture, fixtures, and equipment	7,775,697	7,229,647
Equipment under finance lease	1,733,444	789,409
Vehicles	317,430	317,430
	132,965,087	119,376,638
Less: accumulated depreciation and amortization	(77,120,060)	(72,698,164)
	55,845,027	46,678,474
Land	1,231,031	1,231,031
Construction-in-progress	7,440,671	10,394,401
	$ 64,516,729	$ 58,303,906

Depreciation and amortization expense for the fiscal years ended June 30, 2025 and 2024, were $4,421,896 and $4,058,671, respectively.

During the fiscal year ended June 30, 2025, the Association entered into a pre-development contract for the review and planning and initial work on the renovation of its family camp site. The full cost of the project has not yet been determined, however, expenditures related to this project to date amounted to $300,000. In addition, the initial phase of a donor-funded renovation at a branch location has begun with expenditures amounted to $1,000,000.

During the fiscal year ended June 30, 2024, the Association entered into a Guaranteed Maximum Price contract in the amount of $5,343,809 for the construction of a new branch location in San Francisco. Construction was completed in May 2025.

Note 6 – Pension Plans

The Association participates in the YMCA Retirement Fund Retirement Plan, which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, and the YMCA Retirement Fund Tax-Deferred Savings Plan (collectively, the "Plans"), which is a retirement income account plan as defined in section 403(b)(9) of the code. The Plans are sponsored by the Young Men's Christian Association Retirement Fund (the "Fund"). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York, organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The Plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees who have completed 1,000 hours of service during each of any two 12-month periods, beginning with their date of hire, and are at least 21 years of age. As defined contribution plans, the Plans have no unfunded benefit obligations.

In accordance with the agreement, contributions for the YMCA Retirement Fund Retirement Plan are a percentage of the participating employees' salaries. For fiscal year 2025 and 2024, the percentage was 12%. The maximum contribution limits are $42,000 and $41,400 for fiscal years 2025 and 2024, respectively. These amounts are paid by the Association. Total contributions charged to retirement costs in fiscal years 2025 and 2024 were $4,695,551 and $4,417,258, respectively.

The Association made no contributions to industry-wide union pension funds for the fiscal years ended June 30, 2025 and 2024.

The Association sponsors a 457(b) Executive Retirement Plan (the "Salary Deferral Plan"), effective October 1, 2015, primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees to accumulate retirement assets. The Salary Deferral Plan enables participants to defer income on a pre-tax basis. The Association will contribute a fixed contribution equal to the lesser of 12% of the amount of the participant's pay that exceeds the Internal Revenue Service maximum for pay of $350,000 in calendar year 2025 prescribed for qualified plans, or the basic contribution limit of $23,500 for calendar year 2025 in effect for the plan year of reference. The Association's contributions under the deferred compensation plan in fiscal years 2025 and 2024 totaled $10,512 and $12,696, respectively. The deferred compensation liability is included in accounts payable and accrued expenses and totaled $91,472 and $79,383 at June 30, 2025 and 2024, respectively.

Note 7 – Financial Assistance Provided

The Association provides financial assistance, through contributions and other fundraising, to help defray the costs of membership and program and other fees for individuals with need. Membership dues and program fees are recorded net of such assistance in the accompanying statement of activities and changes in net assets as financial assistance and is considered implicit and explicit price concessions in accordance with ASC 606, *Revenue from Contracts with Customers*. Such amounts are detailed as follows for the years ended June 30:

	2025	2024
Membership dues	$ 26,395,456	$ 23,687,946
Less: financial assistance provided	(3,906,335)	(3,799,336)
Net membership dues	$ 22,489,121	$ 19,888,610
Program fees, including camping, child and youth development, and other program fees	$ 30,736,745	$ 27,206,730
Less: financial assistance provided	(1,258,848)	(1,224,799)
Net program fees	$ 29,477,897	$ 25,981,931

Note 8 – Commitments and Contingencies

Government contracts – The Association receives fees and grants from various federal, state, and city government agencies for services performed under contracts. Such contracts are subject to government compliance audits and may, from time to time, result in adjustments to fees and grants received. In the opinion of the Association, the disposition of all such matters should not have a material adverse effect on the Association's financial position or change in net assets.

Concession contract – The Association has an agreement ("Agreement") with the Presidio Trust, formerly the National Park Service of the United States Department of the Interior. The Presidio Trust has assigned the management of certain recreational facilities related to the Presidio to the Association. On July 23, 2018, the Association signed a new 10-year lease agreement with the Presidio Trust through September 30, 2028, and the Association agreed to pay a percentage rent of 7% beginning October 1, 2018. The Association is also required, under the agreements, to pay 1.5% of its gross revenues into a capital reserve account controlled by the Association, which is used for capital improvements. The Association maintains a capital reserve of $8.4 million for the entire organization. Capital improvements for the Presidio are included in this reserve. In fiscal years ending June 30, 2025 and 2024, the Association spent over the required percentage of revenue for capital improvements.

Legal contingencies – The Association is also contingently liable in connection with claims, matters subject to arbitration, and contracts arising in the normal course of its activities. In addition, the Association receives funds from various federal and state government-funded programs, including loan funds, which are subject to audit by cognizant governmental agencies. The Association is also subject to audit by other government agencies. Management is of the opinion that the ultimate outcome of such matters will not have a significant effect on the financial position of the Association. In the ordinary course of business, the Association is a party to claims and legal actions. After consulting with legal counsel, the Association's management is of the opinion that any liability that may ultimately be incurred as a result of claims or legal actions will not have a material effect on the financial statements of the Association.

Note 9 – Bank Line of Credit

On September 19, 2019, the Association entered into a new revolving line of credit where it can borrow up to $8,000,000 for operating purposes. On September 18, 2023, the interest was modified to an interest rate of Secured Overnight Financing Rate ("SOFR") plus 1.30%. The line of credit matures on September 15, 2025, and it is collateralized by the Association's operating revenues. The interest rate for the outstanding balance on the line of credit is 5.72% and 6.74% as of June 30, 2025 and 2024, respectively.

As of June 30, 2025 and 2024, the Association had an outstanding balance of $5,626,962 and $3,289,695, respectively, on the line of credit.

The Association has, within its financial covenants, a requirement to maintain a zero balance on the line of credit for 15 consecutive days. The Association has met this requirement and is in compliance with this financial covenant.

On September 15, 2025, the existing line of credit was extended to December 15, 2025.

Note 10 – Lease Obligations

Operating leases – The Association is obligated under operating leases for certain facilities and equipment over varying periods. The maturities of lease liabilities, including extension periods, in excess of one year are as follows:

Years Ending June 30,	
2026	$ 619,721
2027	536,928
2028	532,660
2029	251,024
2030	159,249
Thereafter	1,722,867
Total lease payments	3,822,449
Less: imputed interest	(737,970)
Operating lease liability as of June 30, 2025	$ 3,084,479

Weighted average remaining lease term and weighted average discount rate at June 30:

	2025	2024
Weighted average remaining lease term	12.87 years	13.05 years
Weighted average discount rate	3.20%	3.20%

Finance leases – The Association has several finance lease arrangements for various equipment. The cost of the assets under the finance leases as of June 30, 2025 and 2024 was $1,733,444 and $789,409, respectively, and related accumulated amortization recorded as of June 30, 2025 and 2024 was $546,441 and $444,906, respectively. The leases require equal monthly payments of principal and interest, with the leases expiring at various dates. As of June 30, 2025, the remaining commitments under these finance leases were as follows:

Years Ending June 30,	
2026	$ 398,208
2027	358,356
2028	252,502
2029	123,882
2030	29,356
Total commitment	1,162,304
Less: amounts representing interest	(46,790)
Present value of minimum lease payments	$ 1,115,514

Note 11 – Notes Payable and Debt Covenants

Fixed Rate Nontaxable Loan ("2018 Tax-Exempt Loan") – On February 15, 2018, the Association restructured and refinanced its debt to a 2018 Tax-Exempt Loan through the California Infrastructure and Economic Development Bank in the face amount of $19,765,000. The interest rate on the loan is a fixed rate of 3.20% per annum, and the loan matures in 2048. The remaining balance on the 2018 Tax-Exempt Loan as of June 30, 2025 and 2024, was $16,475,455 and $16,962,628, respectively.

Terms of loan agreement – Under the 2018 Tax-Exempt Loan, the Association has pledged as collateral its Embarcadero and Marin facilities and cannot sell, lease, assign, transfer, or otherwise dispose of any of its properties or assets that are currently owned or acquired, except as specifically permitted in the agreement. The 2018 Tax-Exempt Loan has certain restrictive covenants, which, among other things, requires certain minimum fixed charge coverage ratio and minimum liquid assets to debt ratio.

Amortization expense, relating to bond issuance costs, was $10,920 and $27,635 for the years ended June 30, 2025 and June 30, 2024, respectively.

Future maturities of long-term debt outstanding at June 30, 2025, are as follows:

Years Ending June 30,	
2026	$ 503,217
2027	519,788
2028	535,545
2029	554,542
2030	572,803
Thereafter	13,789,560
	16,475,455
Less: net unamortized cost of debt issuance	(230,337)
Present value of minimum lease payments	$ 16,245,118

Debt issuance costs – Debt issuance costs are amortized using a method approximating the effective interest method over the life of the debt. The amortization of debt issuance costs is included in interest expense. The total accumulated amortization for the fiscal years ended June 30, 2025 and 2024, was $97,249 and $86,329, respectively.

Note 12 – Net Assets

Net assets with donor restrictions were restricted as follows at June 30:

	2025	2024
Subject to restricted purpose:		
Capital campaign	$ 10,485,597	$ 5,832,831
Assets held in trust	149,070	549,120
Restricted grants	8,452,345	7,344,598
Total net assets with purpose restriction	19,087,012	13,726,549
Subject to be held in perpetuity:		
Land and construction projects	6,036,503	5,917,207
Restricted for endowment	563,553	563,553
Other	330,732	1,057,082
Total net assets to be held in perpetuity	6,930,788	7,537,842
Total net assets with restriction	$ 26,017,800	$ 21,264,391

Net assets with donor restrictions are released from restrictions upon the actions taken by the Association to fulfill the stipulations specified by the donors and are expected to be released through fiscal year ended June 30, 2026.

Note 13 – Endowment

The Association's endowment consists of approximately 30 individual funds established for a variety of purposes. The net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment also consists of net assets without donor restrictions that have been designated as endowment by the Board of Directors.

The Association has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, (c) the fair value of the Association's interest in split-interest agreements at the time of termination of the trust as stipulated by the trust agreement to be perpetual endowment, and (d) 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 as the corpus of funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Association in a manner consistent with the standards of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as funds of perpetual duration. There were no such deficiencies as of June 30, 2025 and 2024.

The Association has adopted investment and spending policies for endowment assets that attempt to provide sufficient income to sustain funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period, as well as funds functioning as endowment. Under this policy, the return objective for the endowment assets, measured over a full market cycle, shall be to maximize the return against a blended index, based on the endowment fund's target allocation applied to the appropriate individual benchmarks. The Association expects its endowment funds over time to provide an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

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

The Association has a spending policy of distributing a percentage of 20 quarters trailing average of the fair value of the endowment portfolio calculated and distributed on a quarterly basis. The spending rate was 4.5% for both of the years ended June 30, 2025 and 2024. The spending rate is reviewed annually to ensure it is consistent with the long-term investment objectives to maintain the purchasing power of the endowment and provide a satisfactory level of income to sustain programming dependent on endowment income. Accordingly, over the long term, the Association expects its endowment to grow at an average of 8% annually, consistent with its intention to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through new gifts.

The changes in endowment net assets for the years ended June 30, 2025 and 2024, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2023	$ 19,635,923	$ 563,553	$ 20,199,476
Investment return			
Interest and dividend income, net	549,457	21,234	570,691
Realized and unrealized gains, net	1,764,932	68,241	1,833,173
Total investment return	2,314,389	89,475	2,403,864
Contributions	550,778	-	550,778
Appropriation of endowment assets for expenditures	(930,279)	(89,475)	(1,019,754)
Endowment net assets, June 30, 2024	21,570,811	563,553	22,134,364
Investment return			
Interest and dividend income, net	610,337	19,171	629,508
Realized and unrealized gains, net	1,972,366	23,036	1,995,402
Total investment return	2,582,703	42,207	2,624,910
Contributions	297,311	-	297,311
Appropriation of endowment assets for expenditures	(1,005,961)	(42,207)	(1,048,168)
Endowment net assets, June 30, 2025	$ 23,444,864	$ 563,553	$ 24,008,417

Endowment net asset composition by type of fund as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	$ -	$ 563,553	$ 563,553
Board-designated endowments	23,444,864	-	23,444,864
	$ 23,444,864	$ 563,553	$ 24,008,417

Endowment net asset composition by type of fund as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	$ -	$ 563,553	$ 563,553
Board-designated endowments	21,570,811	-	21,570,811
	$ 21,570,811	$ 563,553	$ 22,134,364

Note 14 – Liquidity and Funds Available

The following table reflects the Association’s financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets available to meet cash needs for general expenditures within one year as of June 30:

	2025	2024
Financial assets		
Cash and cash equivalents	$ 12,380,135	$ 8,096,075
Accounts receivable	19,427,445	20,098,859
Investments	28,464,734	30,292,235
Assets held by others	263,810	257,417
Assets held in trusts	255,420	717,174
Financial assets, June 30	60,791,544	59,461,760
Less those unavailable for general expenditure within one year, due to		
Investments not convertible to cash within next 12 months	(563,553)	(563,553)
Financial assets available to meet cash needs for general expenditures within one year	$ 60,227,991	$ 58,898,207

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he Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, as of June 30, 2025, the Association has a line of credit of $8,000,000 for operating purposes (see Note 9).

Note 15 – Contract Liabilities

The YMCA’s contract liabilities consist of the following as of June 30:

	2025	2024
Contract liabilities		
Program and membership fees	$ 1,464,291	$ 1,150,099
Total contract liabilities	$ 1,464,291	$ 1,150,099

Contract liabilities represent payments received prior to the start of the requisite service being paid for. The following tables depict activities for contract liabilities related to memberships and program fees:

Balance, June 30, 2024	Refunds Issued	Revenue Recognized in Year Ended June 30, 2025	Cash Received in Advance of Performance	Balance, June 30, 2025
$ 1,150,099	$ -	$ (1,150,099)	$ 1,464,291	$ 1,464,291

Balance, June 30, 2023	Refunds Issued	Revenue Recognized in Year Ended June 30, 2024	Cash Received in Advance of Performance	Balance, June 30, 2024
$ 1,079,091	$ -	$ (1,079,091)	$ 1,150,099	$ 1,150,099

The balance of contract liabilities at June 30, 2025, less any refunds, will be recognized as revenue over the period services are rendered. The Association applies the practical expedient in accordance with ASC 606-10-50-14, *Revenue from Contracts with Customers—Overall—Disclosure*, and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Note 16 – Related Party Transactions

For the years ended June 30, 2025 and 2024, the Association received contributions amounted to $851,659 and $762,864, respectively, from its Board Members. There were no receivables due from Board Members as of June 30, 2025 and 2024.

Note 17 – Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. The Association recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Association's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the financial statements are available to be issued.

The Association has performed an evaluation of subsequent events through October 24, 2025, which is the date the financial statements are available to be issued.