YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL KENTUCKY

FINANCIAL STATEMENTS

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

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL KENTUCKY
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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors
Young Men's Christian Association of Central Kentucky
Lexington, Kentucky

Opinion

We have audited the accompanying financial statements of Young Men's Christian Association of Central Kentucky, Inc. (the "Association"), which comprise the statements of financial position as of December 31, 2025 and 2024, and 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 financial statements referred to above present fairly, in all material respects, the financial position of the Association 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. 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 Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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 Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Association's internal control. Accordingly, no such opinion is expressed.

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

Cherry Bekaert LLP

Lexington, Kentucky
May 27, 2026

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL KENTUCKY
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 1,845,293	$ 1,340,600
Restricted cash and cash equivalents	2,034,448	2,254,155
Accounts receivable, net	317,312	237,243
Pledges receivable, net	78,345	101,807
Prepaid expenses	134,273	87,926
Investments	10,607,706	9,225,218
Other assets	5,000	5,000
Property and equipment, net	34,000,553	35,438,928
Total Assets	$ 49,022,930	$ 48,690,877
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 432,748	$ 453,401
Accrued expenses	719,814	775,607
Deferred income	710,959	759,018
Finance lease liabilities	175,121	314,003
Notes payable, net	12,190,419	13,221,016
Total Liabilities	14,229,061	15,523,045
Net Assets:		
Without Donor Restrictions:		
Undesignated	21,717,585	21,184,689
Designated by the Board of Directors for:		
Debt service	1,358,462	1,033,893
Capital maintenance	1,925,655	1,707,343
Endowment	4,749,103	4,208,025
	29,750,805	28,133,950
With Donor Restrictions:		
Restricted by purpose or time	2,248,167	2,463,680
Restricted in perpetuity	2,794,897	2,570,202
	5,043,064	5,033,882
Total Net Assets	34,793,869	33,167,832
Total Liabilities and Net Assets	$ 49,022,930	$ 48,690,877

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL KENTUCKY
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Public support contributions	$ 325,772	$ 1,065,053	$ 1,390,825
United Way allocations	15,250	-	15,250
Foundation grants	-	287,174	287,174
Government grants	767,886	-	767,886
Membership dues	10,509,771	-	10,509,771
Program fees	8,183,481	-	8,183,481
Sale of supplies and services	15,349	-	15,349
Miscellaneous income	126,667	-	126,667
Gain on sale of property and equipment	563,028	-	563,028
	20,507,204	1,352,227	21,859,431
Net assets released from restrictions	1,771,690	(1,771,690)	-
Total Revenue and Other Support	22,278,894	(419,463)	21,859,431
Expenses:			
Program and Membership Services:			
Youth development	12,726,040	-	12,726,040
Healthy living	4,707,978	-	4,707,978
Social responsibility	1,016,926	-	1,016,926
Total Program and Membership Services	18,450,944	-	18,450,944
Supporting Services:			
Management and general	2,407,109	-	2,407,109
Fundraising	382,682	-	382,682
Total Supporting Services	2,789,791	-	2,789,791
Total Expenses	21,240,735	-	21,240,735
Nonoperating Income:			
Investment income, net	578,696	114,295	692,991
Change in value of perpetual trusts	-	314,350	314,350
Total Nonoperating Income	578,696	428,645	1,007,341
Change in net assets	1,616,855	9,182	1,626,037
Net assets, beginning of year	28,133,950	5,033,882	33,167,832
Net assets, end of year	$ 29,750,805	$ 5,043,064	$ 34,793,869

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL KENTUCKY
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Public support contributions	$ 330,906	$ 991,228	$ 1,322,134
United Way allocations	30,000	-	30,000
Foundation grants	-	241,333	241,333
Government grants	821,000	31,122	852,122
Membership dues	9,773,366	-	9,773,366
Program fees	7,811,719	-	7,811,719
Sale of supplies and services	15,024	-	15,024
Miscellaneous income	16,810	-	16,810
	18,798,825	1,263,683	20,062,508
Net assets released from restrictions	1,928,483	(1,928,483)	-
Total Revenue and Other Support	20,727,308	(664,800)	20,062,508
Expenses:			
Program and Membership Services:			
Youth development	12,251,074	-	12,251,074
Healthy living	4,801,750	-	4,801,750
Social responsibility	739,328	-	739,328
Total Program and Membership Services	17,792,152	-	17,792,152
Supporting Services:			
Management and general	2,074,564	-	2,074,564
Fundraising	408,554	-	408,554
Total Supporting Services	2,483,118	-	2,483,118
Total Expenses	20,275,270	-	20,275,270
Nonoperating Income:			
Investment income, net	772,579	32,859	805,438
Change in value of perpetual trusts	-	245,072	245,072
Total Nonoperating Income	772,579	277,931	1,050,510
Change in net assets	1,224,617	(386,869)	837,748
Net assets, beginning of year	26,909,333	5,420,751	32,330,084
Net assets, end of year	$ 28,133,950	$ 5,033,882	$ 33,167,832

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL KENTUCKY
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Program and Membership Services					
	Youth Development	Healthy Living	Social Responsibility	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 5,213,813	$ 2,527,184	$ 414,484	$ 1,055,067	$ 229,249	$ 9,439,797
Building occupancy	2,859,316	683,435	143,139	56,614	1,500	3,744,004
Depreciation and amortization	1,301,569	481,513	104,007	-	-	1,887,089
Employee benefits	660,939	197,779	58,605	225,083	36,783	1,179,189
Supplies/other program costs	614,242	41,924	124,634	8,100	25,876	814,776
Payroll taxes	426,781	209,465	34,222	82,023	18,716	771,207
Contracted labor and professional fees	178,062	75,380	8,640	292,550	43,483	598,115
Equipment expenses	179,066	72,736	36,007	393,320	858	681,987
Association dues and memberships	230,497	46,123	12,759	16,322	2,620	308,321
Advertising and publicity	221,389	78,065	18,225	5,169	621	323,469
Miscellaneous expense	21,444	59,271	875	14,598	342	96,530
Insurance expense	242,711	57,685	12,460	167,068	-	479,924
Credit card fees	180,677	53,045	11,460	5,399	334	250,915
Employee expenses	50,799	10,642	3,169	37,269	2,820	104,699
Conferences, conventions, and meetings	34,989	4,511	7,777	28,626	16,313	92,216
Telephone and communication	22,671	3,001	1,755	6,387	890	34,704
Postage and shipping	1,824	691	414	1,005	2,277	6,211
Interest expense	284,551	105,269	22,738	3,092	-	415,650
Charitable contributions	700	259	1,556	9,417	-	11,932
Total Expenses	$ 12,726,040	$ 4,707,978	$ 1,016,926	$ 2,407,109	$ 382,682	$ 21,240,735

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL KENTUCKY
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program and Membership Services					
	Youth Development	Healthy Living	Social Responsibility	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 5,159,989	$ 2,504,992	$ 327,403	$ 976,213	$ 264,082	$ 9,232,679
Building occupancy	2,527,491	637,102	96,290	57,134	1,000	3,319,017
Depreciation and amortization	1,198,076	469,580	72,301	69,876	-	1,809,833
Employee benefits	691,103	209,641	38,484	212,680	47,521	1,199,429
Supplies/other program costs	601,475	102,180	92,606	11,759	28,514	836,534
Payroll taxes	458,506	225,000	29,027	74,262	22,981	809,776
Contracted labor and professional fees	176,312	60,973	7,698	218,928	10,944	474,855
Equipment expenses	137,118	136,662	10,079	325,363	2,553	611,775
Interest expense	301,465	118,158	18,193	3,532	-	441,348
Association dues and memberships	240,779	53,173	7,719	19,315	315	321,301
Advertising and publicity	182,383	77,416	12,493	8,183	10,797	291,272
Miscellaneous expense	27,132	56,581	472	8,906	4,596	97,687
Insurance expense	204,671	48,488	7,466	7,915	-	268,540
Credit card fees	167,409	48,314	7,364	6,371	2,111	231,569
Employee expenses	46,969	11,385	1,213	35,395	4,787	99,749
Conferences, conventions, and meetings	25,930	6,522	3,005	27,574	6,094	69,125
Telephone and communication	22,919	3,676	2,606	5,798	708	35,707
Postage and shipping	2,247	904	135	860	1,551	5,697
Loss on sale of property and equipment	79,100	31,003	4,774	-	-	114,877
Charitable contributions	-	-	-	4,500	-	4,500
Total Expenses	$ 12,251,074	$ 4,801,750	$ 739,328	$ 2,074,564	$ 408,554	$ 20,275,270

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL KENTUCKY
STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 1,626,037	$ 837,748
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	1,887,089	1,798,507
Amortization of debt issuance costs	10,456	11,326
Investment income, net	(692,991)	(805,438)
Change in value of perpetual trusts	(314,350)	(245,072)
(Gain) loss on disposal of property and equipment	(563,028)	114,877
Credit losses and bad debt	70,925	67,423
Increase (decrease) in cash due to changes in:		
Accounts receivable	(150,994)	(94,002)
Pledges receivable	23,462	70,605
Prepaid expenses	(46,347)	51,428
Accounts payable	(20,653)	(227,658)
Accrued expenses	(55,793)	(60,158)
Deferred income	(48,059)	158,011
Net cash flows from operating activities	1,725,754	1,677,597
Cash flows from investing activities:		
Purchases of investments	(769,705)	(141,183)
Proceeds from sales of investments	394,558	1,197,934
Purchases of property and equipment	(918,085)	(1,048,206)
Proceeds from sale of property and equipment	1,032,399	249,644
Net cash flows from investing activities	(260,833)	258,189
Cash flows from financing activities:		
Principal payments on long-term debt	(1,041,053)	(1,012,577)
Principal payments on finance leases	(138,882)	(195,659)
Net cash flows from financing activities	(1,179,935)	(1,208,236)
Net change in cash and cash equivalents	284,986	727,550
Cash and cash equivalents, beginning of year	3,594,755	2,867,205
Cash and cash equivalents, end of year	$ 3,879,741	$ 3,594,755
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	$ 405,195	$ 441,348

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

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	2025	2024
Cash and cash equivalents	$ 1,845,293	$ 1,340,600
Restricted cash and cash equivalents	2,034,448	2,254,155
	$ 3,879,741	$ 3,594,755

Amounts included in restricted cash and cash equivalents represent cash received with donor-imposed restrictions that limit the use of these funds by either purpose or time.

Note 1—Description of the Association

The Young Men's Christian Association of Central Kentucky, Inc. (the "Association" or "YMCA") is organized as a nonprofit corporation under the laws of the Commonwealth of Kentucky.

YMCA is an organization whose goals are to put Christian principles into action through programs and membership services that build a healthy spirit, mind, and body for all people in the community. Financial assistance is available for those in need for both memberships and programs. Programs which assist in meeting the Association's goals include:

Youth Development

Before and After School Child Care – This program offers before/after school childcare at public school sites within the community as well as at each branch location. This program fosters growth and development of children with their parents and family. Instruction and activities within this program help kids develop moral and ethical behavior, self-esteem, and leadership, while providing a safe and supportive environment for working parents.

Childcare Centers – The YMCA operates a large full-service childcare center in Lexington, Kentucky, for children from 6 weeks of age through Pre-Kindergarten. The center provides a high-quality enriching environment that supports the child's physical, cognitive, language and social emotional development through hands on activities, nurturing and responsive caregiving.

Additionally, the YMCA operated The Crayon Club, a full-service childcare center in Frankfort, Kentucky, until its closure in August 2024. During the year ended December 31, 2025, the Association sold the Crayon Club. The property had a net carrying value of $469,000 at the time of the sale and was sold for proceeds of $1,030,000, resulting in a gain of $563,000 which is included in operating income. Subsequent to the sale, the Board of Directors designated the net proceeds for future capital expenditures. Board-designated amounts are included in net assets without donor restrictions.

Youth-Camps – Various programs are offered to participants including all-day camps for youth during the school year, all-day and summer camps, and sports camps. The Association also offers summer day camp activities in natural surroundings at its Bar-Y camp in Versailles, Kentucky.

Youth/Teen Programs – Programs include youth instructional sports designed to enhance the skills of the respective sport and to promote the development of health and fitness, cooperation, safety, and respect for others. Such programs include basketball, flag football, soccer, volleyball, and YMCA youth sports leagues that emphasize equal participation for all versus winning and losing. Teen focused programs include leadership coaching through the Black Achievers program.

The YMCA is also a partner with Fayette County Public Schools and the Building Educated Leaders for Life to provide the Power Scholars Academy program designed to help advance student's academic achievement through a full day summer experience that combines small group, rigorous literacy, and math instruction, with hands on enrichment activities, field trips and service projects.

Aquatics – Swim lessons are offered to all ages and include progressive learn-to-swim programs, water fitness activities, swim teams, and specialized aquatic activities such as scuba diving, CPR, and life guarding certification.

Note 1—Description of the Association (continued)

Aquatics (continued) – Since 2014, the YMCA has collaborated closely with Fayette County Public Schools to deliver vital water safety instruction to students through its Central Kentucky Swims program. This ongoing partnership underscores the YMCA's commitment to ensuring equitable access to water safety education, particularly in underserved communities. Central Kentucky Swims seeks to equip children with essential skills and instill a lifelong understanding of the importance of water safety.

Healthy Living

Membership Services – The Association is primarily a membership organization offering memberships to youths, teens, adults, households, and seniors within its community. Memberships offer the opportunity to pursue health and well-being as individuals, or as a part of an organized group in areas of cardiovascular, muscle strengthening, aquatics, and socialization with others. Many activities are included with membership, while many other fee-based programs are offered at a discount to members.

Health and Fitness Programs – The YMCA offers more than 300 classes across its locations each week as part of a general YMCA membership. These classes and programs enable members and non-members alike to improve physical fitness through a variety of interests including personal fitness programs, weight management programs, group participation yoga, cycling, and water aerobics, along with various other programs. Additionally, the YMCA offers an array of fee-based offerings including Pilates Reformer, personal training, and martial arts.

In 2025, the Association made an investment in electronic fitness equipment and related programming designed to support strength training, rehabilitation, and general wellness to demonstrate member physical activity outcomes.

Social Responsibility

Community Services – The Association is committed to working with local and regional nonprofit agencies in support of stronger communities. Program and events such as arts and humanities, neighborhood events, back to school rallies, nonprofit use of YMCA facilities, city-wide events, and more emphasize the commitment to community partners.

The previously mentioned Black Achievers program provides students in the 7th through 12th grades exposure to present educational and future career opportunities. These students are connected with adult mentors who encourage students throughout their high school years and guide them on career development. Assistance is provided for students in applying for college and the Association works with colleges and universities to secure scholarships for graduating seniors.

In addition, the YMCA offers diabetes prevention program to help people reduce their risk of developing type 2 diabetes. This small-group activity helps people with prediabetes eat healthier, increase their physical activity, and lose weight, which can delay or even prevent the onset of type 2 diabetes.

The YMCA has partnered with LIVESTRONG ® to provide a safe, supportive environment for cancer survivors to continue their healing and achieve their whole-person health goals. The LIVESTRONG ® program expanded in 2025 and is now offered at three Lexington Branches.

The YMCA works with the Toyota Bluegrass Miracle League to provide opportunities for children and adults with disabilities to play baseball, regardless of their abilities.

Note 2—Summary of significant accounting policies

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Association in the preparation of its financial statements:

Basis of Accounting – The Association records and reports its assets, liabilities, net assets, revenues, gains and losses, and other support based on the existence or absence of donor-imposed restrictions. The Association reports information regarding its financial position and activities according to the following net asset classifications:

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the board of directors. From time to time the Board designates a portion of these net assets for specific purposes which make them unavailable for use at management's discretion.
>
> *Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds must be maintained in perpetuity. Generally, the donors of these assets permit the Association to use all or part of the income earned on related investments for general or specific purposes.

Cash and Cash Equivalents – The Association considers all cash and certificates of deposit with terms of less than 90 days to be cash equivalent due to their short-term nature.

Restricted Cash and Cash Equivalents – Cash and cash equivalents that are externally restricted are classified as restricted assets. These assets are used to make debt service payments, maintain sinking or reserve funds, purchase or construct capital or noncurrent assets, or for other restricted purposes.

Concentrations of Credit Risk - The Association maintains its cash balances with financial institutions. At various times throughout the year, the Association has deposits in excess of Federal Deposit Insurance Corporation limit. At December 31, 2025 and 2024, the Association's cash accounts exceeded federally insured limits by approximately $4,100,000 and $2,400,000, respectively.

Accounts Receivable, Net – Accounts receivable consists mainly of third party billings related to memberships, childcare, and grants.

Allowance for Credit Losses – The allowance for credit losses is an amount that management believes will be adequate to absorb possible losses based on prior year experience and knowledge of the donor or member's financial condition, and projections of credit losses based on current economic conditions and any reasonable and supportable forecasts. Amounts are charged against the allowance when management determines that collection is doubtful. The allowance for credit losses as of December 31, 2025 and 2024, was approximately $32,000.

Pledges Receivable, Net – Pledges receivable due in subsequent years are recorded at the present value of net realizable value, using an applicable interest rate to discount the amount.

The Association provides an estimate for uncollectible pledges based upon the anticipated collectability of each specific pledge. In evaluating the collectability of pledges receivable, the Association considers a number of factors, the age of the pledges, changes in collection patterns, and general economic conditions.

Note 2—Summary of significant accounting policies (continued)

Investments – Investments are reported at fair value. Unrealized gains and losses are calculated as the difference between fair value and cost. Realized and unrealized gains and losses are reported in the statements of activities. Investments are exposed to various risks such as interest rate, market risk and credit risk. Due to the level of uncertainty related to changes in these factors, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments.

Property and Equipment – The Association reports gifts of land, buildings, and equipment as unrestricted support unless the donor specifies how the donated assets must be used. Gifts of long-lived assets with stipulations on use are reported as restricted support.

Property and equipment is stated at cost or fair-market value at date of receipt, if donated. The Association capitalizes all property and equipment with a useful life of more than one year and a cost greater than $3,000. Maintenance and repairs are expensed when occurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	40 years
Building and land improvements	15 years
Furniture and equipment	7 years
Vehicles	10 years

Leases – Lease assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent the Association's obligation to make lease payments arising from the lease, measured on a discounted basis. The Association determines if an arrangement is, or contains, a lease at inception of the agreement, 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 Association 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 Association also considers whether its service arrangements include the right to control the use of an asset.

Finance leases are included in property and equipment, and finance lease liabilities in the statement of financial position. Finance lease cost is recognized as a combination of the amortization expense for the right-of-use ("ROU") assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term.

Finance lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of future lease payments over the lease term. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date of the lease and are reduced by any lease incentives.

Contributions – Contributions, including unconditional promises to give, are recognized as revenues in the period the commitments are made. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Note 2—Summary of significant accounting policies (continued)

Contributions of Non-Financial Assets – Contributions of materials and property and equipment which are received by the YMCA are valued at their estimated fair value at the date of the gift. Where the value of donated materials cannot be adequately substantiated, no donation is recorded. Nonfinancial asset contributions were not material for the years ended December 31, 2025 and 2024.

Contributed Services – The amounts recorded as the value of donated services represents the compensation that would be paid if non-volunteers were to occupy these positions. Contributions are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills and are provided by individuals possessing these skills. The services of those not meeting these criteria are not recognized in the financial statements. Contributed services were not material during the years ended December 31, 2025 and 2024.

Membership Dues, Program Fees and Other Revenue – The majority of the Association's revenues are derived from membership dues, rental revenues, and program fees. The performance obligation for providing these services is satisfied over time because the customers are receiving and consuming the services as they are provided by the Association. Membership dues are recognized net of discounts. Progress is measured using the practical expedient under the output method resulting in the recognition of revenue in the amount for which the Association has a right to invoice. The Association also has sales of supplies and services. The performance obligations for providing these services are satisfied at a point in time because the customer receives benefit upon a certain event occurring. Interest income is recorded in the year in which it is earned.

Revenue from contracts with customers, disaggregated by type, during the years ended December 31, 2025 and 2024 is depicted on the face of the statements of activities. The Association's contract liabilities are comprised of membership dues and program fees received in advance of the performance of services.

Accounts receivable, net and deferred income related to these contracts as of January 1, 2024, were $210,665 and $426,557, respectively.

Functional Allocation of Expenses – Expenses are reported by functional area in the accompanying statements of functional expenses. Expenses which directly and solely benefit a program are charged entirely to that program, while expenses benefiting multiple programs are allocated between program services and support services. Administrative costs like Association and branch management, advertising, insurance, and dues are allocated to each functional area based on the proportion of each program area's direct pre-allocated expenses to total direct program expenses. In a similar manner, facility expenses like depreciation and other building occupancy costs are also allocated to each functional area based on the percentage of each program area's direct pre-allocated expenses to total direct program expenses.

Advertising – Advertising costs are expensed as incurred. Advertising expense amounts to $323,469 and $291,272 for the years ended December 31, 2025 and 2024, respectively.

Income Taxes – The Association is exempt from income taxes under 501(c)(3) of the Internal Revenue Code and similar Kentucky provisions and is classified by the Internal Revenue Service as an organization that is not a private foundation. It has been classified as a publicly supported charitable organization under Section 509(a)(1) of the IRC and qualifies for the maximum charitable contribution deduction by donors. The Association recognizes uncertain income tax positions using the more-likely-than-not approach as defined in the ASC. No liability for uncertain tax positions have been recorded in the accompanying financial statements.

Subsequent Events – Management has evaluated subsequent events for accounting and disclosure requirements through May 27, 2026, the date the financial statements were available to be issued (see Note 15).

Note 3—Liquidity and availability

The Association's endowment funds consist of donor-restricted endowments that are not available for general expenditure. The Association also has board designated net assets without donor restrictions that, while the Association does not intend to spend for purposes other than those identified, the amounts could be made available for current operations, if necessary.

The Association's assets available within one year of the statements of financial position date for general expenditures as of December 31 are as follows:

	2025	2024
Cash and cash equivalents	$ 1,845,293	$ 1,340,600
Restricted cash and cash equivalents	2,034,448	2,254,155
Accounts receivable, net	317,312	237,243
Pledges receivable, net	78,345	101,807
Prepaid expenses	134,273	87,926
Investments	10,607,706	9,225,218
Total financial assets	15,017,377	13,246,949
Less amounts not available to be used within one year due to:		
Board designated funds for debt service	1,358,462	1,033,893
Board designated funds for capital maintenance	1,925,655	1,707,343
Board designated funds for endowment	4,749,103	4,208,025
Restricted by donors for use in future periods	776,434	1,110,932
Restricted by donors for use in perpetuity	2,794,897	2,570,202
Total financial assets not available to be used within one year	11,604,551	10,630,395
Total financial assets available to meet general expenditures within one year	$ 3,412,826	$ 2,616,554

As part of the Association's liquidity management plan, the Association typically invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and money market accounts. As more fully described in Note 8, the Association has a $250,000 line of credit also available to meet liquidity needs.

Note 4—Pledges receivable

Pledges receivable, net, consisted of the following as of December 31:

	2025	2024
Receivable in less than one year	$ 78,345	$ 121,891
Total pledges receivable	78,345	121,891
Less allowance for doubtful accounts	-	(5,618)
Less discounts to net present value	-	(14,466)
Pledges receivable, net	$ 78,345	$ 101,807

The discount rate used on promises to give is 5%.

Note 5—Investments

Investments as of December 31, 2025 are as follows:

	Cost	Market
Cash and cash equivalents	$ 88,139	$ 88,139
Certificates of deposit	943,611	943,611
Equity securities	2,955,361	4,613,863
Fixed income	2,684,787	2,676,912
Alternative strategies	232,783	304,491
Perpetual trusts held by third parties	1,499,745	1,980,690
Total investments	$ 8,404,426	$ 10,607,706

Investments as of December 31, 2024 are as follows:

	Cost	Market
Cash and cash equivalents	$ 167,744	$ 167,744
Certificates of deposit	568,462	568,462
Equity securities	2,753,115	3,980,229
Fixed income	2,403,393	2,328,107
Alternative strategies	248,535	326,199
Perpetual trusts held by third parties	1,505,770	1,854,477
Total investments	$ 7,647,019	$ 9,225,218

Note 5—Investments (continued)

Total investment return, including change in value of perpetual trust and investment income, net, for the years ended December 31 is comprised of the following:

	2025	2024
Interest and dividends	$ 303,992	$ 315,531
Contributions	-	141,183
Realized gains on investments	238,940	301,752
Unrealized gains on investments	627,583	504,796
Distributions	(89,656)	(74,118)
Investment fees	(73,518)	(138,634)
	$ 1,007,341	$ 1,050,510

Note 6—Fair value measurements

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities valued using level 3 inputs are based on management's assumptions about the assumptions market participants would utilize in pricing the asset or liability.

Fair value measurements at December 31, 2025 are summarized as follows:

	Level 1	Level 2	Level 3	Total
Investments measured at fair value in hierarchy:				
Cash equivalents	$ 88,139	$ -	$ -	$ 88,139
Certificates of deposit	943,611			943,611
Equity securities	4,613,863	-	-	4,613,863
Fixed income	-	2,676,912	-	2,676,912
Alternative strategies	-	304,491	-	304,491
Total investments at fair value	$ 5,645,613	$ 2,981,403	$ -	8,627,016
Investments measured at net asset value (NAV):				
Perpetual trusts held by third parties				1,980,690
Total investments				$ 10,607,706

Note 6—Fair value measurements (continued)

Fair value measurements at December 31, 2024 are summarized as follows:

	Level 1	Level 2	Level 3	Total
Investments measured at fair value in hierarchy:				
Cash equivalents	$ 167,744	$ -	$ -	$ 167,744
Certificates of deposit	568,462	-	-	568,462
Equity securities	3,980,229	-	-	3,980,229
Fixed income	-	2,328,107	-	2,328,107
Alternative strategies	-	326,199	-	326,199
Total investments at fair value	$ 4,716,435	$ 2,654,306	$ -	7,370,741
Investments measured at net asset value (NAV):				
Perpetual trusts held by third parties				1,854,477
Total investments				$ 9,225,218

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There were no changes in the methodologies used to measure fair value during the year ended December 31, 2025 and 2024.

Cash Equivalents – Consists of cash and money market accounts which are valued at amortized cost, which approximates fair value.

Certificates of Deposit – Consists of five certificates of deposit: with maturities that range from January 2026 to March 2026 and rates that range from 3.39% to 3.55%. Certificates of deposit are valued at amortized cost, which approximates fair value.

Equity Securities – Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed Income – Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Alternative Strategies – Valued using pricing models maximizing the use of observable inputs for similar securities, primarily consisting of real estate investment trusts.

Perpetual Trusts Held by Third Parties – Four donors have established trusts under which the Association receives benefits that are shared with other beneficiaries. Under the terms of these trusts, the Association has the irrevocable right to receive their share of the income earned on the trust assets in perpetuity, but they never receive the assets held in trust. These are valued at the YMCA's share of the net asset value ("NAV"). NAV of these trusts has been determined by taking the Association's share of the income received annually and multiplying that percentage by the market value of the trust assets. A brief description of the perpetual trusts held by third parties is as follows:

Note 6—Fair value measurements (continued)

- *Stoll Trust* – The Association receives 1/3 of the income earned. The income can be used for general operations.
- *Mitchell Trust* – The *Association* receives 1/12 of the income earned. The income can be used for general operations.
- *Coolidge Trust* – Historically, the Association received 100% of the income earned from the Coolidge Trust, with the income restricted for use in support of the Jessamine County Caroline Memorial House Community Center. In December 2024, the Coolidge Foundation was dissolved. Upon dissolution, the assets of the Trust were transferred to the YMCA. The funds are classified as donor-restricted and must be used solely for the benefit of the Caroline Center or related programmatic activities within Jessamine County. In addition to the transfer of trust assets, the Coolidge Foundation has initiated the transfer of legal title to the related building to the YMCA. The market value of the building is approximately $300,000. In 2025, the Association unrestricted a portion of the funds for program activities and expense related to the Caroline Memorial House Community Center.
- *Cooper Trust* – The Association receives 50% of the income earned. The income can be used for general operations.

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

Note 7—Property and equipment

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

	2025	2024
Land and land improvements	$ 9,663,647	$ 9,630,326
Buildings and building improvements	43,470,418	43,530,086
Furniture and equipment	5,955,663	5,568,075
Vehicles	4,000	4,000
Construction in progress	161,055	177,071
Equipment under finance leases	522,330	522,330
	59,777,113	59,431,888
Less accumulated depreciation/amortization	(25,776,560)	(23,992,960)
Property and equipment, net	$ 34,000,553	$ 35,438,928

Depreciation/amortization expense was $1,887,089 and $1,809,833 for the years ended December 31, 2025 and 2024, respectively.

Note 8—Line of credit

The Association has a $250,000 line of credit with a local bank. The line of credit bears interest at the bank's prime rate (6.75% at December 31, 2025) and matures on July 31, 2026. As of December 31, 2025, and 2024, there were no outstanding borrowings on the account.

Note 9—Notes payable, net

Notes payable, net are comprised of the following as of December 31:

	2025	2024
Series 2015A bonds	$ 10,510,583	$ 11,248,023
Series 2015B bonds	1,685,079	1,831,835
Note payable to a bank entered into during December 2022 for equipment. The note is due in monthly principal payments of $11,924, maturing in December 2025. The note bears annual interest of 1.40% and is secured by a certificate of deposit.	-	141,949
Note payable entered into during October 2021, payable to The Club at Beaumont Centre, LLC, due in monthly installments of $1,500, maturing in October 2031.	94,956	109,864
	12,290,618	13,331,671
Less debt issuance costs, net of accumulated amortization of $91,466 and $81,010 for 2025 and 2024, respectively	(100,199)	(110,655)
Notes payable, net	$ 12,190,419	$ 13,221,016

Future maturities of long-term debt, discussed above, are as follows:

Years Ending December 31,	
2026	$ 925,441
2027	954,296
2028	983,051
2029	1,012,899
2030	1,042,946
Thereafter	7,371,985
	$ 12,290,618

On August 31, 2015, Scott County, Kentucky (the Issuer) issued Cultural and Recreational Revenue and Revenue Refunding Bonds, Series 2015, in two series. The Series 2015B bonds were issued in the aggregate principal amount of $3,000,000. The bonds were issued pursuant to a promissory note between the Association, the Issuer, and Whitaker Bank (the Holder) of the bonds. The proceeds were used to repay the Variable Rate Demand Industrial Development Revenue Bonds Series 1999 bonds. Interest on the bonds is payable quarterly, commencing on November 30, 2015, as follows: interest at the fixed rate of 2.95% until August 31, 2030 then at either a floating interest rate equal to the prime rate minus 0.50% per annum subject to a floor of 2.95% and a ceiling of 7.5% or a new fixed interest rate offered by the Holder in writing to the Association not less than 30 days prior to August 31, 2030 until maturity on August 31, 2035. These bonds are secured by an open-end mortgage of real property, security agreement, and assignment of leases and rents. The outstanding balance at December 31, 2025 and 2024 was $1,685,079 and $1,831,835, respectively.

Note 9—Notes payable, net (continued)

In addition to the 2015B series, a Series 2015A was also issued on August 31, 2015 in the aggregate principal amount of $16,000,000 to finance the costs of (i) the construction and equipping of a new facility to be located at 2681 Old Rosebud Road in Lexington, also known as the Whitaker Family YMCA and (ii) the expansion and renovation of the existing facility located at 381 West Loudon Avenue in Lexington known as YMCA North. The bonds were also issued pursuant to a promissory note between the Association, the Issuer, and Whitaker Bank (the Holder) of the bonds. Interest on the bonds is payable quarterly, commencing on November 30, 2015, as follows: interest at the rate of 2.95% until August 31, 2030 and at either the floating interest rate equal to the prime rate minus 0.50% per annum subject to a floor of 2.95% and a ceiling of 7.5% or a new fixed interest rate offered by the Holder in writing to the Association not less than 30 days prior to August 31, 2030 until maturity on August 31, 2037. These bonds are secured by an open-end mortgage of real property, security agreement, and assignment of leases and rents. The outstanding balance as of December 31, 2025 and 2024 was $10,510,583 and $11,248,023, respectively. This bond began amortization on November 30, 2017.

Note 10—Leases

The Association leases office and cardiovascular fitness equipment included in property and equipment on the statements of financial position from nonrelated parties under finance lease agreements with interest rates ranging from 4.29% to 7.45%. Amortization of right-of-use assets under finance leases is included in depreciation and amortization expense in the accompanying financial statements. The weighted-average discount rate is 7.0% and the weighted-average remaining lease term is 10.51 months for the year ended December 31, 2025. The weighted-average discount rate is 6.9% and the weighted-average remaining lease term is 24 months years for the year ended December 31, 2024.

The components of lease expense for the finance leases for the year ended December 31 were as follows:

	2025	2024
Amortization of ROU Asset	$ 32,155	$ 32,155
Interest on lease liabilities	1,550	2,861
Total lease cost	$ 33,705	$ 35,016

Maturities of finance lease liabilities as of December 31, 2025 were as follows:

Years Ending December 31,	
2026	$ 177,199
Total lease payments	177,199
Less imputed interest	2,078
	$ 175,121

Note 11—Endowments

The Association's endowment consists of a fund established to support operations. Its endowment includes donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 11—Endowments (continued)

The Association's Board of Directors serve as stewards of the endowment funds in accordance with their interpretation of the Uniform Prudent Management of Institutional Funds Act and applicable laws, and within the provisions of the Association's constitution and by-laws. The Association's Board of Directors has interpreted the Commonwealth of Kentucky's relevant trust laws 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, the Association classifies as permanently restricted net assets (a) the original value of donor-restricted gifts to the permanent endowment, (b) the original value of subsequent donor-restricted gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Association has adopted investment and spending policies for endowment assets that attempt to optimize total return while retaining sufficient liquidity to meet projected cash requirements to allow for growth of capital and income, and to preserve the principal of the fund.

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 and current yield. The Association maintains an Investment Policy designed to safeguard its assets while maximizing total returns. The Association's Board, through its Finance Committee, selects and monitors an Investment Advisor who determines the appropriate asset allocation and selects investments within the guidelines of the Investment Policy.

The Association's practice is to appropriate a portion of the fund's income for distribution during the year to be made available for expenditure. The Board establishes the annual distribution amount to be consistent with the Association's objective to preserve the principal of endowment assets held in perpetuity.

Endowment net asset composition by type of fund as of December 31, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted in perpetuity	$ -	$ 2,794,896	$ 2,794,896
Board designated	4,749,103	-	4,749,103
Total funds	$ 4,749,103	$ 2,794,896	$ 7,543,999

Changes in endowment net assets as of December 31, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 4,208,025	$ 2,570,202	$ 6,778,227
Investment income, net	116,772	56,103	172,875
Net appreciation (realized and unrealized)	424,306	258,247	682,553
Amounts appropriated for expenditure	-	(89,656)	(89,656)
Endowment net assets, end of year	$ 4,749,103	$ 2,794,896	$ 7,543,999

Note 11—Endowments (continued)

Endowment net asset composition by type of fund as of December 31, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted in perpetuity	$ -	$ 2,570,202	$ 2,570,202
Board designated	4,208,025	-	4,208,025
Total funds	$ 4,208,025	$ 2,570,202	$ 6,778,227

Change in endowment net assets as of December 31, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 3,695,858	$ 3,131,377	$ 6,827,235
Investment income, net	112,887	7,880	120,767
Net appreciation (realized and unrealized)	399,280	236,950	636,230
Contributions	-	242	242
Releases from the trust	-	(750,000)	(750,000)
Amounts appropriated for expenditure	-	(56,247)	(56,247)
Endowment net assets, end of year	$ 4,208,025	$ 2,570,202	$ 6,778,227

Note 12—Net assets with donor restrictions

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

	2025	2024
Subject to expenditure for specified purpose:		
Grants	$ 1,471,991	$ 1,800,006
Capital campaign	416,236	311,928
Annual Giving campaign	9,148	250
Sponsorships and events	181,788	175,735
Scholarship programs	132,359	139,116
Scott and Jessamine Counties	36,645	36,645
Total subject to expenditure for specified purpose	2,248,167	2,463,680
Endowments:		
Subject to endowment spending policy	2,794,897	2,570,202
Total net assets with donor restriction	$ 5,043,064	$ 5,033,882

Note 12—Net assets with donor restrictions (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donor as follows for the years ended December 31:

	2025	2024
Grants	$ 714,830	$ 932,018
Annual Giving campaign	686,919	736,358
Sponsorships and events	353,384	260,107
Scholarship programs	16,557	-
Total subject to expenditure for specified purpose	$ 1,771,690	$ 1,928,483

Note 13—Defined contribution plans

The Association participates in two retirement plans to help employees build their retirement savings. First is the YMCA Retirement Plan (the "Retirement Plan"), which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification of Section 401(a) of the Internal Revenue Code of 1986, as amended. The second is the YMCA Retirement Fund Tax Deferred Savings Plan, (the "Savings Plan"), which is a retirement income account plan as defined in section 403(b) of the Code.

The Retirement Plan is based on age and eligibility, and contributions are determined by the Association. The Savings Plan allows employees the opportunity to start saving on day one of employment and to increase or change employee contributions at any time. Contributions are invested by Young Men's Christian Association Retirement Fund (the "Fund"). The Association contributed $576,281 and $565,790 to the Retirement Plan for the years ended December 31, 2025 and 2024, respectively, of which none was unpaid as of year-end.

Both plans are sponsored by the Fund. The Fund is a Not-for-Profit, tax-exempt pension fund incorporated in the state of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCA throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As defined contribution plans, the Retirement Plan and the Savings plan have no unfunded benefit obligations.

Retirement Plan – The Retirement Plan is a multiple employer, defined contribution, money purchase pension plan and is also a church plan. Employee eligibility in the Retirement Plan is based on certain age and service requirements. An employee must complete 1,000 hours of service during each of any two 12-month periods, beginning with the hire or anniversary date and must be at least 21 years of age as of the month following the employee's anniversary date. Once an employee meets the eligibility, the employee is enrolled in the Retirement plan and is vested immediately. During the period January 23, 2023, to July 14, 2024 the rate was 10%. On July 14, 2024, the rate increased to 12%.

Savings Plan – The Savings Plan is available to all employees, regardless of age or hours worked. Even if an employee is not yet eligible to be enrolled in the Fund's Retirement Plan, the employee is eligible to participate in the Savings plan. While working at the YMCA, an employee can contribute to the Savings Plan in the Tax-Deferred Account, the Roth Account, or both. Contributions to the Savings Plan are withheld from employee's salaries and remitted directly to the Savings Plan. There is no matching contribution in this plan.

Note 14—Related party transactions

For the years ended December 31, 2025 and 2024, $308,322 and $283,450, respectively, was paid to the YMCA of the U.S.A. for support services.

The Kentucky West Virginia Alliance of YMCAs (the “Alliance”), a 501(c)(4) organization, was created in November 2018 to support the growth and development of YMCAs in Kentucky and West Virginia. The purpose of the Alliance is to provide the following functions to the Alliance members: 1) Build organization capacity of Alliance Member YMCAs, 2) Build strong networks to provide opportunities for peer-to-peer learning and support, 3) Develop Alliance infrastructure, 4) Form collaborations to advance the strategic goals of the Alliance and 5) Advocate and advance the state alliance legislative priorities. The Alliance will provide services in the areas of board development, strategic planning, relationship building, facilitating management agreements, shared services and mergers and advocacy.

The YMCA of Central Kentucky provides accounting, payroll and office support for the Alliance and received $6,600 and $7,778 as an administrative fee for the director's office space, as well as administrative services during the years ended December 31, 2025 and 2024, respectively.

Note 15—Subsequent events

High Street Sale – The Association has evaluated events occurring subsequent to December 31, 2025, through the date of the auditor’s report. In the fall of 2025, the Association entered into a binding purchase and sale agreement for real property located in Lexington, Kentucky (the High Street location), subject to customary contingencies and potential purchase price adjustments. Subsequent to year end, in February 2026, the agreement was amended to extend the due diligence period and modify certain escrow deposit provisions. The extended due diligence period expired on April 6, 2026, at which time the conditions for the initial nonrefundable escrow deposit were satisfied. As of the date of the auditor’s report, the transaction had not closed.