THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

REPORT ON AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

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Templeton

Independent Auditor's Report

To the Board of Directors of
The Young Men's Christian Association
of the Palm Beaches, Inc.

Opinion

We have audited the accompanying financial statements of The Young Men's Christian Association of the Palm Beaches, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Young Men's Christian Association of the Palm Beaches, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Young Men's Christian Association of the Palm Beaches, Inc. 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 these 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 Young Men's Christian Association of the Palm Beaches, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Young Men's Christian Association of the Palm Beaches, Inc.'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 Young Men's Christian Association of the Palm Beaches, Inc.'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 Matters

Report on Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2026, on our consideration of The Young Men's Christian Association of the Palm Beaches, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Young Men's Christian Association of the Palm Beaches, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited The Young Men's Christian Association of the Palm Beaches, Inc.'s 2024 financial statements, and our report dated May 30, 2025, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Templeton & Company, LLP

West Palm Beach, Florida
May 26, 2026

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

STATEMENT OF FINANCIAL POSITION
December 31, 2025
(with summarized comparative totals at December 31, 2024)

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,069,193	$ 4,220,832
Investments	6,566,794	8,065,164
Accounts receivable	64,860	54,171
Grants receivable	874,140	-
Unconditional promises to give, net, current portion	3,209,086	2,058,958
Prepaid expenses	1,183	323
Total current assets	14,785,256	14,399,448
Unconditional promises to give, net	2,929,969	1,148,681
Property and equipment, net	4,853,424	1,246,858
Right-of-use assets - operating leases	88,002	22,449
Other assets	15,628	15,628
Total assets	$ 22,672,279	$ 16,833,064
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 60,470	$ 41,188
Construction contracts and retainage payable	879,790	-
Accrued expenses	34,907	30,239
Refundable advance	100,000	610,000
Current portion of lease liability - operating leases	67,536	22,449
Total current liabilities	1,142,703	703,876
Lease liability - operating leases, noncurrent	20,466	-
Total liabilities	1,163,169	703,876
Net assets:		
Without donor restrictions	9,742,942	9,572,750
With donor restrictions	11,766,168	6,556,438
Total net assets	21,509,110	16,129,188
Total liabilities and net assets	$ 22,672,279	$ 16,833,064

See accompanying notes to financial statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025
(with summarized comparative totals for the year ended December 31, 2024)

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Contributions, net	$ 806,448	$ 5,411,730	$ 6,218,178	$ 91,376	$ 1,265,173	$ 1,356,549
Program and other fees	328,317	-	328,317	340,349	-	340,349
Membership dues	247,150	-	247,150	242,548	-	242,548
Special events, net of direct expenses	263,632	-	263,632	191,425	-	191,425
Net investment return	496,388	-	496,388	517,973	-	517,973
In-kind support	79,171	-	79,171	32,654	-	32,654
Net assets released from restrictions	202,000	(202,000)	-	479,242	(479,242)	-
Total revenues and other support	2,423,106	5,209,730	7,632,836	1,895,567	785,931	2,681,498
Expenses:						
Program services:						
Wellness	377,818	-	377,818	272,860	-	272,860
Aquatics	888,236	-	888,236	826,740	-	826,740
Sports and recreation	-	-	-	1,909	-	1,909
Camp	-	-	-	64,081	-	64,081
Total program services	1,266,054	-	1,266,054	1,165,590	-	1,165,590
Supporting services:						
Management and general	401,999	-	401,999	364,563	-	364,563
Fundraising	422,021	-	422,021	486,686	-	486,686
Total expenses	2,090,074	-	2,090,074	2,016,839	-	2,016,839
Change in net assets from operating activities	333,032	5,209,730	5,542,762	(121,272)	785,931	664,659
Nonoperating activities:						
(Loss) gain on disposal of property and equipment	(162,840)	-	(162,840)	35,500	-	35,500
Change in net assets	170,192	5,209,730	5,379,922	(85,772)	785,931	700,159
Net assets - beginning of year	9,572,750	6,556,438	16,129,188	9,658,522	5,770,507	15,429,029
Net assets - end of year	$ 9,742,942	$ 11,766,168	$ 21,509,110	$ 9,572,750	$ 6,556,438	$ 16,129,188

See accompanying notes to financial statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025
(with summarized comparative totals for the year ended December 31, 2024)

	Program Services			Supporting Services			2025	2024
	Wellness	Aquatics	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Personnel costs:								
Salaries and payroll taxes	$ 260,309	$ 606,365	$ 866,674	$ 383,134	$ 219,127	$ 602,261	$ 1,468,935	$ 1,195,300
Benefits	32,000	90,533	122,533	18,649	22,046	40,695	163,228	126,319
Total personnel costs	292,309	696,898	989,207	401,783	241,173	642,956	1,632,163	1,321,619
Advertising and printing	14,166	33,383	47,549	-	17,671	17,671	65,220	50,875
Contract services	-	-	-	-	-	-	-	243
Depreciation	3,101	7,290	10,391	-	-	-	10,391	17,376
Employee development	1,100	6,204	7,304	-	-	-	7,304	6,924
Food and beverage	2,702	6,641	9,343	-	-	-	9,343	18,201
Insurance	8,086	17,090	25,176	-	1,968	1,968	27,144	31,740
Maintenance and repairs	5,525	2,265	7,790	-	-	-	7,790	9,103
National field support	5,741	14,803	20,544	130	-	130	20,674	29,286
Office and other	23,585	55,084	78,669	86	2,657	2,743	81,412	82,682
Professional fees	7,510	17,656	25,166	-	102,180	102,180	127,346	188,293
Program supplies	1,507	5,717	7,224	-	-	-	7,224	10,423
Rental expenses	4,684	11,012	15,696	-	56,300	56,300	71,996	73,004
Taxes and licenses	575	1,351	1,926	-	-	-	1,926	1,062
Telephone	1,680	3,949	5,629	-	-	-	5,629	6,074
Travel and conferences	5,130	7,913	13,043	-	72	72	13,115	8,675
Vehicle expense	417	980	1,397	-	-	-	1,397	2,947
Bad debt	-	-	-	-	-	-	-	158,312
Total expenses	$ 377,818	$ 888,236	$ 1,266,054	$ 401,999	$ 422,021	$ 824,020	$ 2,090,074	$ 2,016,839

See accompanying notes to financial statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025
(with summarized comparative totals for the year ended December 31, 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 5,379,922	$ 700,159
Adjustments to reconcile change in net assets		
to net cash used in operating activities:		
Depreciation	10,391	17,376
Loss (gain) on property and equipment	162,840	(35,500)
Net realized and unrealized gains on investments	(26,279)	(165,040)
Noncash contributions of property and equipment	(79,171)	(32,654)
Contributions received for long-term purposes	(1,605,000)	(1,265,173)
Change in amortized discount on unconditional promises to give	319,932	52,607
Changes in operating assets and liabilities:		
Accounts receivable	(10,689)	437,893
Grants receivable	(874,140)	-
Unconditional promises to give, net	(3,251,348)	(359,046)
Prepaid expenses	(860)	345
Accounts payable	19,282	(25,202)
Accrued expenses	4,668	(154,274)
Refundable advance	(510,000)	610,000
Net cash used in operating activities	(460,452)	(218,509)
Cash flows from investing activities:		
Purchases of investments	(1,785,011)	(818,153)
Proceeds from sales of investments	3,309,660	9,992
Proceeds from sales of property and equipment	-	35,500
Purchases of property and equipment and construction costs paid	(2,820,836)	(898,034)
Net cash used in investing activities	(1,296,187)	(1,670,695)
Cash flows from financing activities:		
Contributions received for long-term purposes	1,605,000	1,265,173
Net cash provided by financing activities	1,605,000	1,265,173
Decrease in cash and cash equivalents	(151,639)	(624,031)
Cash and cash equivalents at beginning of year	4,220,832	4,844,863
Cash and cash equivalents at end of year	$ 4,069,193	$ 4,220,832
Supplemental cash flow disclosure:		
In-kind donation of construction costs	$ 79,171	$ 32,654

See accompanying notes to financial statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Description of Organization

The Young Men's Christian Association of the Palm Beaches, Inc. (the YMCA or Organization) is a Florida not-for-profit entity, founded in Palm Beach County in 1917 and reincorporated in 1946. The YMCA was organized to promote the spiritual, mental, social and physical welfare of all people, especially for residents of Palm Beach County, Florida. The YMCA is a member of the YMCA of the USA, a world-wide not-for-profit organization. Each member organization of the YMCA of the USA is autonomous.

Description of program services

The following are the descriptions of the program services provided by the YMCA:

Wellness – Provides aerobic instruction, rehabilitative programs, and a fitness facility for its members and guests. The fitness facility includes personal training, weight training, aerobic machines, and group exercise classes. Programs such as tae kwon do and yoga are offered, in addition to the traditional group exercise classes.

Aquatics – Provides swim lessons for individuals from infants to senior citizens, water aerobics, aquatic safety training, lap swimming, and an adaptive swim program for people with disabilities.

Sports and recreation – Provides group and youth sports training, emphasizing teamwork and cooperation, developing good values, and allows young players to enjoy sports in a positive and fun environment. Programs provide basic instruction in team sports such as soccer, basketball, and golf instruction. This program was not conducted during 2025.

Camp – Provides day camp and Y Summer Camp recreational activities. Day Camp is provided for preschool and elementary school aged children during the summer and winter and spring holidays. Children are exposed to more creative, entertaining, and recreational activities than generally found during the school year. Y Summer Camp offers a time where children can develop new friendships, explore creativity, and experience new opportunities by engaging in team or individual sports, show their artistic side by participating in arts and crafts, or join in field trips to parks and museums. This program was not conducted during 2025.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions

Net assets not subject to donor-imposed restrictions which may be expended for any purpose in performing the primary objectives of the YMCA. The net assets may be used at the discretion of the YMCA's management and Board of Directors.

Net assets with donor restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time period has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

Note 2 – Summary of Significant Accounting Policies, Continued

Net assets, continued

The Organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by releasing the net assets from net assets with donor restrictions to net assets without donor restrictions.

Net assets restricted for acquisition of property or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified assets are placed in service by the Organization, unless the donor provided more specific directions about the period of its use.

Measure of operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the YMCA's ongoing programs and interest and dividends earned on investments. Non-operating activities are limited to other activities considered to be of a more unusual or infrequent nature.

Support and revenue recognition

The Organization recognizes support and revenue from grants and contracts in accordance with Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which the resource provider is receiving commensurate value in return for the resources transferred, or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies the guidance under ASC 606.

If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Support and revenue from grants and contracts is recognized when earned, that is, generally as the related costs are incurred under the terms of the grant or contract agreements. Amounts expended in advance of reimbursements, if any, are reported as government grants receivable. Grants and contributions that are considered to be conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. Donor restricted conditional grants and contributions that are recognized and used within the same reporting period are reported as without donor restrictions. Amounts received in advance of the conditions being met are recorded as refundable advances in the statement of financial position. The YMCA had a refundable advance from a grant award in the amount of $100,000 and $610,000 at December 31, 2025 and 2024, respectively.

Contributions, including unconditional promises (pledges) to give, are recognized as revenue in the period the contribution or promise is received or made. All contributions are available for unrestricted use unless specifically restricted by the donor.

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are received, or ownership of other assets is transferred to the Organization. Bequests are recorded as support at the time the Organization has an established right to the bequest and proceeds are measurable.

Performance obligations are determined based on the nature of the services provided by the Organization.

Note 2 – Summary of Significant Accounting Policies, Continued

Support and revenue recognition, continued

Revenue for performance obligations satisfied at a point in time is generally recognized when services are provided and the Organization does not believe it is required to provide additional goods or service related to those services.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports donations of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated goods include contributions of noncash items. Donated services are reported as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The estimated amount of donated services rendered to the YMCA for the years ended December 31, 2025 and 2024, was $79,171 and $32,654, respectively, which is reported as in-kind support in the statement of activities. The donated services are reported in property and equipment in the statement of financial position in the amount of $79,171 and $32,654, as of December 31, 2025 and 2024, respectively.

Many individuals volunteer their time and perform a variety of tasks that assist the YMCA with specific assistance programs, campaign solicitations, and various committee assignments, but such services are not recorded, because there is no objective basis available to measure the value of such services.

Cash and cash equivalents

Cash and cash equivalents are defined as short-term, highly-liquid investments that are both readily convertible to cash and having original maturities of three months or less. They include petty cash and checking accounts. The Organization maintains its cash and cash equivalents in bank accounts, which may exceed federally insured limits. The Organization has not experienced any losses on such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2025 and 2024, the Organization had accounts exceeding federally insured limits of approximately $3,778,000 and $3,845,000, respectively.

Investments

Investments include common stocks, money market funds, and fixed income securities. The carrying amount of investments approximates fair value.

Accounts and grants receivable

Accounts and grants receivable are stated at their unpaid balances, less an allowance for credit losses, when considered necessary. Management did not consider an allowance necessary at December 31, 2025 and 2024.

Promises to give

Unconditional promises to give are recognized as support in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Unconditional promises to give that are expected to be collected in one year or less are recorded at net realizable value.

Note 2 – Summary of Significant Accounting Policies, Continued

Promises to give, continued

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, and are discounted using interest rates approximating fair value at the date of the gift. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management estimates an allowance for uncollectible pledges based on current economic conditions, historical trends, and current and past experience with the donor base. As of December 31, 2025 and 2024, the YMCA has an allowance for uncollectible pledges in the amount of $323,500 and $132,500, respectively.

Donated property and equipment

Donations of property and equipment are reported as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

Absent donor stipulations regarding how long those donated assets must be maintained, the YMCA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The YMCA reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment

Property and equipment is stated at cost and is depreciated using the straight-line method over periods of 3 to 40 years. Additions and betterments which have an economic useful life that extends beyond 12 months and a cost of $5,000 or more are capitalized.

Impairment of long-lived assets

The carrying value of the YMCA's long-lived assets is reviewed to determine if facts or circumstances suggest that the assets may be impaired or that the remaining useful, depreciable life may need to be changed. The YMCA considers internal and external factors related to each asset, including future asset utilization and business climate. If these factors and the projected undiscounted cash flows of the asset over the remaining life indicate that the asset will not be recoverable, the carrying value will be adjusted down to the estimated fair value, if less than book value.

Fair value of financial instruments

Cash and cash equivalents, accounts and grants receivable, accounts payable, contracts payable, and accrued expenses are reflected in the financial statements at their carrying value which approximates fair value because of the short-term maturity of these instruments.

Special events, net of direct expenses

The YMCA conducts special events for the purpose of raising money for annual operations. Special events are recorded when the event takes place. The YMCA had revenues of $348,478 less related direct expenses of $84,846 for the year ended December 31, 2025, and special events revenues of $342,061 less related direct expenses of $150,636 for the year ended December 31, 2024.

Note 2 – Summary of Significant Accounting Policies, Continued

Advertising

The YMCA generally uses print and online forms of advertising to promote its programs and community outreach events. Advertising costs are expensed as incurred. Advertising related expenses were $65,220 and $50,875 for the years ended December 31, 2025 and 2024, respectively, and are included in advertising and printing in the accompanying statements of functional expenses.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases

The Organization determines whether an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Organization's leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. For operating leases, lease expense is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization accounts for its lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments are recognized in operating expenses in the period in which the obligation for those payments is incurred.

Income taxes

The YMCA is a tax-exempt, not-for-profit corporation under Internal Revenue Code (IRC) Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The YMCA files tax returns in the U.S. federal jurisdiction and is no longer subject to U.S. federal tax examinations for years before 2022.

Functional allocation of expenses

The costs of providing the services the YMCA offers are summarized on a functional basis in the accompanying statements of activities and functional expenses. Expenses that can be identified with a specific program or supporting service are charged directly to that program or supporting service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied.

- Occupancy costs (depreciation, insurance, maintenance and repairs, and utilities) are allocated on a basis of the total costs for each program or supporting activity occupying each building space.

Note 2 – Summary of Significant Accounting Policies, Continued

Functional allocation of expenses, continued

- Telephone, postage, supplies, equipment rental, and other expenses that cannot be directly identified are allocated on a basis of the total costs for each program or supporting activity.

Annually, or more often when new programs are added, the bases on which costs are allocated are evaluated.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the YMCA.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The YMCA generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Reclassifications

Certain amounts from the 2024 summarized financial statements have been reclassified to conform with the 2025 presentation. Certain 2024 contributions without donor restrictions were reclassified to contributions with donor restrictions, and certain net assets without donor restrictions were reclassified to net assets with donor restrictions as of January 1, 2024. The reclassifications resulted in no impact on the 2024 change in net assets.

Note 3 – Availability and Liquidity

Financial assets available for general expenditures within one year of December 31, 2025 and 2024, are as follows:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 4,069,193	$ 4,220,832
Investments	6,566,794	8,065,164
Accounts and grants receivable	939,000	54,171
Unconditional promises to give – current portion	3,209,086	2,058,958
Total financial assets	14,784,073	14,399,125
Less: amounts not available to be used within one year:		
Net assets with donor restrictions	11,766,168	6,556,438
Amount available for general expenditures within one year	$ 3,017,905	$ 7,842,687

The YMCA's goal is generally to maintain financial assets to meet its annual operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including cash equivalents.

Note 4 – Investments

A summary of investments as of December 31, 2025 and 2024, is presented as follows:

	2025	2024
Common stocks	$ 283,409	$ 301,308
Money market funds	6,283,385	4,443,783
Fixed income	-	3,320,073
Total investments, at fair value	$ 6,566,794	$ 8,065,164

Note 4 – Investments, Continued

The following is a summary of net investment return for the years ended December 31, 2025 and 2024:

	2025	2024
Interest and dividend income	$ 470,109	$ 352,933
Unrealized and realized gains, net	26,279	165,040
Net investment return	$ 496,388	$ 517,973

Investment advisory fees paid by the YMCA were $10,013 and $12,269 for the years ended December 31, 2025 and 2024, respectively, and are netted against net investment return in the accompanying statement of activities.

Note 5 – Fair Value Measurement

Accounting guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The valuation under this approach does not entail a significant degree of judgment.

Level 2 – Pricing inputs are other than quoted prices in active markets which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models and other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments which are generally included in this category include venture capital investments in equity or equity-oriented securities of privately held entities.

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

All of the Organization's investments were within the Level 1 hierarchy as of December 31, 2025 and 2024.

Note 6 – Unconditional Promises to Give

Unconditional promises to give consist of the following at December 31, 2025 and 2024:

	2025	2024
Annual fund	$ 154,427	$ 154,061
Capital campaign pledges	5,490,358	3,048,376
Endowment pledges	1,350,000	350,000
Unconditional promises to give before unamortized discount	6,994,785	3,552,437
Less: unamortized discount	(532,230)	(212,298)
Less: allowance for uncollectible pledges	(323,500)	(132,500)
Net unconditional promises to give	6,139,055	3,207,639
Less: current portion	(3,209,086)	(2,058,958)
Unconditional promises to give, noncurrent	$ 2,929,969	$ 1,148,681

Note 6 – Unconditional Promises to Give, Continued

	2025	2024
Amounts due in:		
Less than one year	$ 3,532,585	$ 2,191,458
One to five years	3,112,200	1,010,979
Greater than five years	350,000	350,000
Total	$ 6,994,785	$ 3,552,437

The YMCA applies discount rates of 2.07% to 4.49% for its pledges with terms in excess of one year.

Note 7 – Property and Equipment

The following is a summary of property and equipment as of December 31, 2025 and 2024:

	2025	2024
Equipment	$ 130,391	$ 130,391
Accumulated depreciation	(129,434)	(119,043)
	957	11,348
Construction in progress	4,852,467	1,235,510
	$ 4,853,424	$ 1,246,858

Construction in progress represents costs incurred to construct new facilities (see Notes 14 and 16). Depreciation expense totaled $10,391 and $17,376, respectively, for the years ended December 31, 2025 and 2024.

Note 8 – Conditional Contribution Agreement

In December 2025, YMCA entered into a $150,000 conditional contribution agreement with Quantum Foundation for the Growing Together, Expanding Possibilities Capital Campaign. Installments under the agreement are payable in the amount of $75,000 upon execution of the agreement and $75,000 payable in December 2026. Contributions under this agreement are recognized as the conditions in the agreement are met. As of December 31, 2025, the remaining conditional contributions totaled $75,000.

Note 9 – Long-term Debt

In July 2025, the YMCA entered into a leasehold mortgage agreement with a third party lender that provides borrowing capacity up to $8,000,000. The leasehold mortgage is secured by the YMCA's leasehold interest under a ground lease with Palm Beach County, as well as improvements, fixtures, equipment, and substantially all related rents and revenues associated with the leased property.

The leasehold mortgage bears interest at the Wall Street Journal Prime rate minus 0.50% (6.25% as of December 31, 2025) as defined in the related promissory note, and permits future advances for a period of up to twenty years, subject to the terms of the agreement. As of December 31, 2025, there were no amounts outstanding under the leasehold mortgage, and the Organization had no related principal or interest obligations recorded on the statement of financial position.

Note 10 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31, 2025 and 2024:

	2025	2024
Specific purpose:		
Capital campaign and improvements	$ 10,689,640	$ 6,340,541
Endowment	1,076,528	215,897
Total	$ 11,766,168	$ 6,556,438

Note 11 – Net Assets Released from Restrictions

Net assets are released from donor restrictions by incurring costs or expenses satisfying the restricted purposes or by the occurrence of events as specified by the donors. Net assets were released from restrictions for the years ended December 31, 2025 and 2024, for the following purpose:

	2025	2024
Satisfaction of purpose restrictions:		
Capital campaign and improvements	$ -	$ 220,000
Programs	202,000	259,242
Total	$ 202,000	$ 479,242

Note 12 – Retirement Plan

Clerical and professional staff members who meet specified requirements participate in a defined contribution retirement plan administered by the YMCA Retirement Fund. Contributions totaling $72,185 and $62,316 for 2025 and 2024, respectively, are included in benefits in the statement of functional expenses. Such contributions were made to the YMCA Retirement Fund based on 12% of the participating employees' salaries.

Note 13 – Related Party Transactions

The YMCA paid $20,674 and $29,286, for the years ended December 31, 2025 and 2024, respectively, to the YMCA of the USA. The amounts are based on a percentage of certain revenue and support.

Note 14 – Leases

On January 12, 2021, the YMCA signed a lease agreement with Palm Beach County, Florida (the County) to lease approximately five (5) acres of undeveloped land within Lake Lytal Park for relocating the YMCA's programs and operations. The initial lease term is for fifty (50) years with one fifty (50) year extension option. The YMCA shall reimburse the County up to 50% of the cost of design and permitting of infrastructure improvements, not to exceed a predetermined amount. The County lease requires an annual base rental payment of $10. The County lease requires the YMCA to commence construction of new facilities in three phases within a ten year period. The County lease also requires the YMCA to raise funding for the new facilities in the amount of $7,500,000 by November 30, 2023, $16,500,000 by November 30, 2026, and $21,500,000 by November 30, 2030. Either party shall have the right to terminate the lease in the event the fundraising amounts are not met.

The Organization also leases certain recreational facilities under a non-cancelable operating lease agreement with a lease term expiring in April 2027.

Operating lease expense is recorded within rental expenses in the accompanying statement of functional expenses. Lease expense related to the Organization's non-cancelable operating leases for the years ended December 31, 2025 and 2024, totaled $67,536. The Organization's operating leases did not contain any variable lease components for the years ended December 31, 2025 and 2024.

Note 14 – Leases, Continued

The following presents supplemental disclosure associated with the Organization's cash flow information related to operating leases for the years ended December 31, 2025 and 2024:

	2025	2024
Operating activities:		
Cash paid for amounts included in the measurement of lease liabilities	$ 67,536	$ 67,536

The following table presents the weighted average lease term (in years) and discount rate of the Organization's operating leases as of December 31, 2025 and 2024:

	2025	2024
Weighted average remaining lease term (in years)	1.33	0.33
Weighted average discount rate	3.70%	2.25%

The following table presents a maturity analysis of the Organization's lease liability as of December 31, 2025:

Year Ending December,	
2026	$ 67,536
2027	22,512
Total minimum lease payments	90,048
Less: imputed interest	(2,046)
Present value of minimum lease payments	$ 88,002

Note 15 – Management Agreement

In August 2023, the Organization executed a management agreement with the District Board of Trustees of Palm Beach State College (the College) to operate and manage the College's Wellness Center. Terms of the management agreement call for the College to engage the YMCA to manage and provide health and wellness services to the College's faculty and staff as well as the YMCA's members and participants. The YMCA is to make all day-to-day management decisions of running the Wellness Center. The YMCA incurs no costs or expenses for occupancy of the College's Wellness Center and receives no fees for providing services to the College's faculty and staff. The management agreement is automatically extended monthly unless either the College or Organization provides written notice not to extend the term.

Note 16 – Commitments

Construction

The YMCA is undergoing construction projects related to relocating the YMCA's programs and operations to the land within Lake Lytal Park (see Note 7). Management estimates the total costs for the first phase project, a community center, to be approximately $19,900,000. The first phase project will be funded by the leasehold mortgage (see Note 9) of up to $8,000,000, governmental grant awards of approximately $2,350,000, and capital campaign contributions. As of December 31, 2025, the YMCA has executed contracts related to construction projects of approximately $18,300,000 with remaining commitments of approximately $14,400,000. The total amount remaining to be expended on the governmental grant award at December 31, 2025, was $226,360. Grants receivable at December 31, 2025 and 2024, totaled $874,140 and $0, respectively.

Note 16 – Commitments, Continued

Grantor agencies

The YMCA receives grants and other forms of reimbursement from various agencies. Those activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management believes that all of the expenditures are properly recorded and that the liability, if any, for any reimbursement which may arise as the result of audits would not be material.

Note 17– Subsequent Events

Management evaluated activity of the YMCA subsequent to December 31, 2025 through May 26, 2026, the date the financial statements were available to be issued, for events that require recognition in the financial statements or disclosure in the notes thereto.

SUPPLEMENTARY INFORMATION

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE PROJECTS
For the Year Ended December 31, 2025

State grantor/program title	Grant Period	State CSFA Number	Passthrough Grantor's Identifying Number	Total Program Expenditures
State of Florida, Department of Commerce:				
Workforce Development Projects - Division of Housing and Community Development	7/1/24-6/30/27	40.037-40.038	HL257	$ 1,460,909
Total State of Florida, Department of Commerce				1,460,909
Total expenditures of state financial assistance				$ 1,460,909

None of the expenditures presented in this schedule were provided to subrecipients, were for loan or loan guarantee programs or non-cash assistance.

See notes to schedule of expenditures of state financial assistance projects.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE PROJECTS

Note 1 – Basis of Presentation

The purpose of the accompanying schedule of expenditures of state financial assistance projects (the Schedule) is to present, in summary form, total state financial assistance projects expenditures of The Young Men's Christian Association of the Palm Beaches, Inc. under programs of the State of Florida for the year ended December 31, 2025. The Schedule is presented in accordance with the requirements of the Florida Single Audit Act and Chapter 10.650, *Rules of the Auditor General for the State of Florida*. Therefore, certain amounts presented in this Schedule may differ from amounts presented in the basic financial statements.

Note 2 – Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized when following the cost principles contained in Chapter 10.650, *Rules of the Florida Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Contingency

The grant revenue amounts received or receivable are subject to audit and adjustment. If any expenditure is disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement by the grantor agency will become a liability to The Young Men's Christian Association of the Palm Beaches, Inc. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements, and applicable state laws and regulations.

Templeton

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

To the Board of Directors The Young Men's Christian Association of the Palm Beaches, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Young Men's Christian Association of the Palm Beaches, Inc. (a nonprofit Organization) (the YMCA), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Templeton & Company, LLP

West Palm Beach, Florida
May 26, 2026

222 Lakeview Avenue
Suite 1200
West Palm Beach
Florida 33401

201 East Las Olas Boulevard
Suite 1650
Fort Lauderdale
Florida 33301

Templeton

Independent Auditor's Report on Compliance Requirements for Each Major State Financial Assistance Project and on Internal Control Over Compliance Required by Chapter 10.650, *Rules of the Florida Auditor General*

To the Board of Directors
The Young Men's Christian Association
of the Palm Beaches, Inc.

Report on Compliance for Each Major State Financial Assistance Project

We have audited The Young Men's Christian Association of the Palm Beaches, Inc. (YMCA) compliance with the types of compliance requirements described in the Florida Department of Financial Services' State Project Compliance Supplement, that could have a direct and material effect on each of the YMCA's major state financial assistance projects for the year ended December 31, 2025. The YMCA's major state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, YMCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state financial assistance projects for the year ended December 31, 2025.

Basis for Opinion on Each Major State Financial Assistance Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.650, *Rules of the Florida Auditor General.* Our responsibilities under those standards and Chapter 10.650, *Rules of the Florida Auditor General,* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the YMCA and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state financial assistance project. Our audit does not provide a legal determination of YMCA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to YMCA's state financial assistance projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the YMCA's compliance based on our audit. 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 in the United States of America, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Florida Auditor General*, will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the YMCA's compliance with the requirements of each major state financial assistance project as a whole.

In performing an audit in accordance with generally accepted auditing standards in the United States of America, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Florida Auditor General,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 YMCA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of YMCA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the YMCA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

Templeton & Company, LLP

West Palm Beach, Florida
May 26, 2026

THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE PALM BEACHES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2025

Part I – Summary of Auditor's Results:

Financial statement section:	
Type of auditors' report issued.	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No
State financial assistance projects section:	
Dollar threshold used to determine Type A Program.	$750,000
Auditee qualified as low-risk auditee?	No
Type of auditor's report on compliance for major programs.	Unmodified
Internal control over compliance for major state financial assistance project:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance with the Chapter 10.650, *Rules of the Florida Auditor General*?	No

Identification of major state financial assistance projects:

CSFA Number	Name of State Project
40.037-40.038	Workforce Development Projects – Division of Housing and Community Development

Part II – Financial Statement Findings

We noted no material weaknesses or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Part III – State Financial Assistance Projects Findings and Questioned Costs

This section identifies reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major state financial assistance projects, as required to be reported by the Florida Department of Financial Services' State Project Compliance Supplement, *Rules of the Florida Auditor General*, as well as the status of prior year findings and questioned costs.

Current Year's Findings and Questioned Costs – State Financial Assistance Projects

No reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, related to the audit of major state projects, as required to be reported by Chapter 10.650, *Rules of the Florida Auditor General*, were reported for the year ended December 31, 2025.

Templeton

Independent Auditor's Management Letter in Accordance with the State of Florida Rules of the Auditor General

To the Board of Directors of
The Young Men's Christian Association
of the Palm Beaches, Inc.

Report on the Financial Statements

We have audited the financial statements of The Young Men's Christian Association of the Palm Beaches, Inc., as of and for the year ended December 31, 2025, and have issued a report thereon dated May 26, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and Chapter 10.650, *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance Requirements for Each Major State Financial Assistance Project and on Internal Control Over Compliance Required by Chapter 10.650, *Rules of the Florida Auditor General*; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated May 26, 2026, should be considered in conjunction with this management letter.

Additional Matters

Section 10.654(1)(e), *Rules of the Florida Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or state project amounts that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, other granting agencies, the Board of Directors, and applicable management, and is not intended to be, and should not be, used by anyone other than those specified parties.

Templeton & Company, LLP

West Palm Beach, Florida
May 26, 2026

FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

May 26, 2026

Templeton & Company, LLP
222 Lakeview Ave, Suite 1200
West Palm Beach, FL 33401

This representation letter is provided in connection with your audit of the financial statements of Young Men's Christian Association of the Palm Beaches, Inc., 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, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 18, 2026, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

9) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

11) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:

    a) Management,

    b) Employees who have significant roles in internal control, or

    c) Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.

16) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the names of all of the Organization's related parties and all the related-party relationships and transactions, including any side agreements.

19) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

21) Young Men's Christian Association of the Palm Beaches, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

22) Unconditional promises to give recorded in the financial statements represent valid legal obligations arising on or before the statement of financial position date and the provision necessary to reduce the pledges to their net realizable value is appropriate.

23) We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain asset composition necessary to satisfy their restrictions.

24) We have analyzed all lease contracts and have considered and recorded materially embedded leases contained within other contracts in accordance with ASU 2016-02.

25) As part of your audit, you assisted with the preparation of the financial statements, related notes. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements, related notes.

26) To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this representation letter, as entered on the first page that would require adjustment to or disclosure in the aforementioned financial statements.

27) We acknowledge our responsibility for presenting the schedule of expenditures of state financial assistance (SESFA) in accordance with U.S. GAAP, and we believe the SESFA, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the SESFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

28) With respect to state financial assistance programs:

    1) We are responsible for understanding and complying with, and have complied with, the requirements of the Florida Single Audit Act and Chapter 10.650, *Rules of the Florida Auditor General,* including requirements relating to preparation of the SESFA.

    2) We have, in accordance with Chapter 10.650, *Rules of the Florida Auditor General*, identified and disclosed to you, in the SESFA, expenditures made during the audit period for all government programs and related activities provided by state agencies in the form of state awards, grants, state cost-reimbursement contracts, loans, loan guarantees, cooperative agreements, direct appropriations, and other state financial assistance.

    3) We acknowledge our responsibility for the preparation of the SESFA and related notes in accordance with the requirements of Chapter 10.650, *Rules of the Florida Auditor General*, and we believe the SESFA, including its form and content, is fairly presented in accordance with Chapter 10.650, *Rules of the Florida Auditor General*. The methods of measurement or presentation of the SESFA have not changed from those used in the prior period, and we have outlined any significant assumptions and interpretations underlying the measurement or presentation of the SESFA.

    4) We will include the auditor's report on the SESFA in any document that contains the SESFA and that indicates you have reported on such information.

5) If the SESFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SESFA no later than the date we issue the SESFA and the auditor's report thereon.

6) We have identified and disclosed to you all of our government programs and related activities subject to the Florida Single Audit Act compliance audit, and have included in the SESFA, expenditures made during the audit period for all awards provided by state agencies in the form of state financial assistance, state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

7) We are responsible for understanding and complying with the requirements of state of Florida statutes, regulations, and the terms and conditions of state financial assistance related to each of our state programs and have identified and disclosed to you the requirements of state statutes, regulations, and the terms and conditions of state financial assistance awards that are considered to have a direct and material effect on each major program.

8) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for state financial projects that provide reasonable assurance that we are managing our state financial assistance in compliance with state of Florida statutes, regulations, and the terms and conditions of state financial assistance that could have a material effect on our state financial projects. We believe the internal control system is adequate and is functioning as intended.

9) We have made available to you all state financial assistance projects (including amendments, if any) and any other correspondence relevant to state financial assistance projects and related activities that have taken place with state agencies or pass-through entities.

10) We have received no requests from a state agency to audit one or more specific programs as a major program.

11) We have complied, in all material respects, with the direct and material compliance requirements (except for noncompliance disclosed to you), including, when applicable, those set forth by Chapter 10.650, *Rules of the Florida Auditor General*, relating to state awards and have identified and confirmed that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of state awards. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.

12) We have disclosed to you any communications from state agencies or departments and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

13) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

14) We have disclosed to you our interpretations of compliance requirements that are subject to varying interpretations, if any.

15) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to state financial assistance program financial reports and claims for advances and reimbursements.

16) We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

17) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

18) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

19) State financial assistance program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared and are prepared on a basis consistent with the SESFA.

20) The copies of state financial assistance program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective state agency or pass-through entity, as applicable.

21) We have charged costs to state financial assistance awards in accordance with applicable cost principles.

22) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

23) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

Signed:

Tim Coffield, President & CEO

Signed:

Matthew Komma, Director of Finance

THE YMCA OF THE PALM BEACHES, INC. IS A 501(c)3 TAX EXEMPT ORGANIZATION. A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION (REGISTRATION NO. CH2056) MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL FREE (800-435-7352) WITHIN THE STATE. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STAT