YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2022 AND 2021

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Young Men's Christian Association
of Orange County and Subsidiary
Tustin, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Young Men's Christian Association of Orange County and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, on January 1, 2022, the Organization adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

Responsibility for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Board of Directors
Young Men's Christian Association
of Orange County and Subsidiary

Supplementary Information

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
June 27, 2023

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash And Cash Equivalents	$ 5,801,705	$ 9,449,527
Investments	17,701,820	15,861,144
Receivables:		
Accounts Receivable, Net	1,994,226	1,859,088
Contribution Receivable, Current	93,172	93,172
Employee Retention Tax Credit Receivable	4,652,226	1,656,899
Current Pledges Receivable, Net	2,394,379	56,251
Prepaid Expenses and Other Current Assets	288,616	267,800
Total Current Assets	32,926,144	29,243,881
PROPERTY AND EQUIPMENT, NET	11,236,843	11,052,373
OPERATING RIGHT-OF-USE ASSETS	3,734,127	-
OTHER ASSETS		
Deposits	2,200	2,200
Endowment Investments	168,444	168,444
Contribution Receivable, Noncurrent	1,211,231	1,304,403
Pledges Receivable, Noncurrent	12,060,473	-
Total Other Assets	13,442,348	1,475,047
Total Assets	$ 61,339,462	$ 41,771,301

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2022 AND 2021

	2022	2021
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 476,382	$ 608,892
Accrued Payroll and Employee Benefits	3,014,269	1,901,004
Program Fees Received in Advance	1,227,017	1,042,083
Accrued Expenses	39,283	234,537
Lease Liability, Current Portion	934,910	-
Credit Line	-	2,753,974
Paycheck Protection Program Loan	-	4,748,475
Total Current Liabilities	5,691,861	11,288,965
LONG-TERM LIABILITIES		
Deposits Payable	37,798	29,524
Lease Liability, Noncurrent Portion	2,799,217	-
Total Long-Term Liabilities	2,837,015	29,524
Total Liabilities	8,528,876	11,318,489
NET ASSETS		
Without Donor Restrictions	30,509,688	24,701,893
With Donor Restrictions	22,300,898	5,750,919
Total Net Assets	52,810,586	30,452,812
Total Liabilities and Net Assets	$ 61,339,462	$ 41,771,301

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Fundraising Support:			
Contributions	$ 1,148,052	$ 16,856,596	$ 18,004,648
Special Events, Net of Direct Costs of $186,725	133,823	-	133,823
Total Fundraising Support	1,281,875	16,856,596	18,138,471
Program Revenue:			
Childcare Fees	18,751,793	-	18,751,793
Membership Fees	5,034,770	-	5,034,770
Health and Fitness Fees	2,042,958	-	2,042,958
Adventure Guides Fees	2,218,915	-	2,218,915
Government Assistance	3,237,664	-	3,237,664
Camp Fees	1,107,090	-	1,107,090
Community Programs Fees	508,260	-	508,260
Facility Fees	160,801	-	160,801
Total Program Revenue	33,062,251	-	33,062,251
Other Income	1,548,985	-	1,548,985
PPP Loan Forgiveness	4,748,475	-	4,748,475
Employee Retention Tax Credit	2,995,327	-	2,995,327
Rental Income	241,503	-	241,503
Net Assets Released from Restrictions	306,617	(306,617)	-
Total Revenue, Support, and Gains	44,185,033	16,549,979	60,735,012
OPERATING EXPENSES			
Program Services:			
Child and Youth Development	16,114,576	-	16,114,576
Health and Fitness	7,360,388	-	7,360,388
Adventure Guides Activities	2,234,163	-	2,234,163
Camp	855,593	-	855,593
Other Community Services	4,452,657	-	4,452,657
Total Program Services	31,017,377	-	31,017,377
Supporting Services:			
Administrative and General	6,199,702	-	6,199,702
Fundraising	177,571	-	177,571
Total Supporting Services	6,377,273	-	6,377,273
Tipper, LLC Operating Expenses	554,168	-	554,168
Total Operating Expenses	37,948,818	-	37,948,818
OPERATING MARGIN	6,236,215	16,549,979	22,786,194
NONOPERATING EXPENSES			
Investment Loss, Net	(381,276)	-	(381,276)
Loss on Disposal of Property and Equipment	(47,144)	-	(47,144)
Total Nonoperating Expenses	(428,420)	-	(428,420)
CHANGE IN NET ASSETS	5,807,795	16,549,979	22,357,774
Net Assets - Beginning of Year	24,701,893	5,750,919	30,452,812
NET ASSETS - END OF YEAR	$ 30,509,688	$ 22,300,898	$ 52,810,586

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Fundraising Support:			
Contributions	$ 787,977	$ 2,769,248	$ 3,557,225
Special Events, Net of Direct Costs of $118,059	69,101	-	69,101
Total Fundraising Support	857,078	2,769,248	3,626,326
Program Revenue:			
Childcare Fees	14,566,839	-	14,566,839
Membership Fees	4,464,686	-	4,464,686
Health and Fitness Fees	1,671,784	-	1,671,784
Adventure Guides Fees	1,578,913	-	1,578,913
Government Assistance	2,068,511	-	2,068,511
Camp Fees	1,270,071	-	1,270,071
Community Programs Fees	371,298	-	371,298
Facility Fees	103,768	-	103,768
Total Program Revenue	26,095,870	-	26,095,870
Other Income	1,181,671	-	1,181,671
Employee Retention Tax Credit	1,656,899	-	1,656,899
Rental Income	238,995	-	238,995
Net Assets Released from Restrictions	364,896	(364,896)	-
Total Revenue, Support, and Gains	30,395,409	2,404,352	32,799,761
OPERATING EXPENSES			
Program Services:			
Child and Youth Development	13,217,090	-	13,217,090
Health and Fitness	6,620,434	-	6,620,434
Adventure Guides Activities	1,611,410	-	1,611,410
Camp	540,578	-	540,578
Other Community Services	3,071,929	-	3,071,929
Total Program Services	25,061,441	-	25,061,441
Supporting Services:			
Administrative and General	5,271,558	-	5,271,558
Fundraising	162,106	-	162,106
Total Supporting Services	5,433,664	-	5,433,664
Tipper, LLC Operating Expenses	604,366	-	604,366
Total Operating Expenses	31,099,471	-	31,099,471
OPERATING MARGIN	(704,062)	2,404,352	1,700,290
NONOPERATING EXPENSES			
Investment Income, Net	1,898,250	78,999	1,977,249
Loss on Disposal of Property and Equipment	(726,510)	-	(726,510)
Total Nonoperating Expenses	1,171,740	78,999	1,250,739
CHANGE IN NET ASSETS	467,678	2,483,351	2,951,029
Net Assets - Beginning of Year	24,234,215	3,267,568	27,501,783
NET ASSETS - END OF YEAR	$ 24,701,893	$ 5,750,919	$ 30,452,812

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services					
	Child and Youth Development	Health and Fitness	Adventure Guides Activities	Camp	Other Community Services	Subtotal
Salaries and Wages	$ 9,664,237	$ 3,780,043	$ 215,389	$ 306,336	$ 2,748,300	$ 16,714,305
Employee Benefits	1,187,031	345,080	37,993	31,284	327,552	1,928,940
Payroll Taxes	769,667	293,939	16,163	23,077	232,943	1,335,789
Activity Admissions	365,775	-	1,424,902	106,754	85,065	1,982,496
Bad Debt Expense	143,052	36,138	1,337	-	17,978	198,505
Credit Card and Bank Fees	306,173	145,682	45,740	4,233	16,796	518,624
Depreciation	222,817	529,032	576	89,327	27,575	869,327
Employee and Travel Expense	11,331	4,968	2,338	275	10,447	29,359
Fair Share	182,343	62,092	20,521	2,030	24,299	291,285
Fundraising Campaign	-	-	-	-	-	-
Insurance	333,946	131,825	26,173	53,457	75,485	620,886
Interest	-	-	-	-	-	-
Meetings, Training, and Conferences	84,974	55,809	12,360	6,484	31,697	191,324
Occupancy	725,491	1,450,109	7,816	80,637	113,976	2,378,029
Postage	1,602	472	144	204	613	3,035
Printing and Promotion	264,484	95,697	27,723	7,010	58,719	453,633
Professional Fees	178,794	9,870	2,905	1,280	13,681	206,530
Program Materials	738,962	249,263	372,303	80,784	448,153	1,889,465
Recruitment and Relocation	-	-	-	-	-	-
Small Equipment	66,102	40,863	5,186	2,179	21,362	135,692
Supplies	82,074	74,496	447	16,892	11,901	185,810
Telephone	305,912	40,843	8,974	7,560	68,403	431,692
Vehicle Expense	479,809	14,167	5,173	35,790	117,712	652,651
Total Expenses by Function	$ 16,114,576	$ 7,360,388	$ 2,234,163	$ 855,593	$ 4,452,657	$ 31,017,377

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

	Supporting Services				
	Administrative and General	Fundraising	Subtotal	Tipper, LLC	Total
Salaries and Wages	$ 4,062,278	$ 62,824	$ 4,125,102	$ -	$ 20,839,407
Employee Benefits	368,242	9,466	377,708	-	2,306,648
Payroll Taxes	209,109	5,322	214,431	-	1,550,220
Activity Admissions	-	-	-	-	1,982,496
Bad Debt Expense	21	2,468	2,489	-	200,994
Credit Card and Bank Fees	30,654	19,213	49,867	-	568,491
Depreciation	61,464	21	61,485	222,741	1,153,553
Employee and Travel Expense	6,372	855	7,227	-	36,586
Fair Share	5,274	6,895	12,169	-	303,454
Fundraising Campaign	-	64,145	64,145	-	64,145
Insurance	1,162	7	1,169	-	622,055
Interest	2,885	-	2,885	31,018	33,903
Meetings, Training, and Conferences	106,337	1,848	108,185	-	299,509
Occupancy	14,429	-	14,429	283,416	2,675,874
Postage	12,597	49	12,646	218	15,899
Printing and Promotion	4,106	293	4,399	1,798	459,830
Professional Fees	960,211	2,822	963,033	5,278	1,174,841
Program Materials	42,925	6	42,931	20	1,932,416
Recruitment and Relocation	165,515	-	165,515	-	165,515
Small Equipment	16,403	94	16,497	-	152,189
Supplies	14,016	372	14,388	6,358	206,556
Telephone	63,054	761	63,815	3,321	498,828
Vehicle Expense	52,648	110	52,758	-	705,409
Total Expenses by Function	$ 6,199,702	$ 177,571	$ 6,377,273	$ 554,168	$ 37,948,818

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services					
	Child and Youth Development	Health and Fitness	Adventure Guides Activities	Camp	Other Community Services	Subtotal
Salaries and Wages	$ 8,181,157	$ 3,232,562	$ 200,838	$ 161,827	$ 1,898,836	$ 13,675,220
Employee Benefits	845,506	254,653	27,804	22,180	216,779	1,366,922
Payroll Taxes	651,218	252,503	14,662	11,849	153,752	1,083,984
Activity Admissions	211,713	-	964,710	58,795	15,529	1,250,747
Bad Debt Expense	19,716	11,397	6,311	-	623	38,047
Credit Card and Bank Fees	211,772	152,759	31,437	2,680	-	398,648
Depreciation	236,278	636,969	665	91,429	10,220	975,561
Employee and Travel Expense	7,681	2,067	1,089	194	7,141	18,172
Fair Share	207,502	106,779	15,192	4,085	36,790	370,348
Fundraising	-	-	-	-	-	-
Insurance	304,781	150,005	22,253	55,180	76,552	608,771
Interest	-	279	-	-	-	279
Meetings, Training, and Conferences	63,459	42,912	11,191	5,487	18,833	141,882
Occupancy	716,324	1,316,834	8,384	73,392	29,698	2,144,632
Postage	1,238	615	232	52	1,078	3,215
Printing and Promotion	148,043	52,489	16,246	6,680	29,957	253,415
Professional Fees	229,672	23,280	6,297	3,280	21,213	283,742
Program Materials	483,752	180,224	261,749	16,235	405,463	1,347,423
Recruitment and Relocation	-	-	-	-	-	-
Small Equipment	232,901	95,132	11,191	4,314	48,397	391,935
Supplies	65,155	64,213	1,888	3,915	11,106	146,277
Telephone	295,130	44,693	9,186	5,649	59,032	413,690
Vehicle Expense	104,092	69	85	13,355	30,930	148,531
Total Expenses by Function	$ 13,217,090	$ 6,620,434	$ 1,611,410	$ 540,578	$ 3,071,929	$ 25,061,441

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

	Supporting Services				
	Administrative and General	Fundraising	Subtotal	Tipper, LLC	Total
Salaries and Wages	$ 3,086,329	$ 69,623	$ 3,155,952	$ -	$ 16,831,172
Employee Benefits	289,674	4,485	294,159	-	1,661,081
Payroll Taxes	-	6,218	6,218	-	1,090,202
Activity Admissions	-	-	-	-	1,250,747
Bad Debt Expense	-	2,566	2,566	-	40,613
Credit Card and Bank Fees	234,845	13,106	247,951	30,160	676,759
Depreciation	55,217	25	55,242	220,467	1,251,270
Employee and Travel Expense	4,539	327	4,866	-	23,038
Fair Share	4,828	25,046	29,874	-	400,222
Fundraising Campaign	-	28,954	28,954	-	28,954
Insurance	168,485	-	168,485	-	777,256
Interest	88,103	-	88,103	104,960	193,342
Meetings, Training, and Conferences	122,173	2,134	124,307	-	266,189
Occupancy	10,690	61	10,751	230,937	2,386,320
Postage	10,162	6	10,168	755	14,138
Printing and Promotion	3,000	3,106	6,106	1,765	261,286
Professional Fees	834,423	4,339	838,762	4,671	1,127,175
Program Materials	-	-	-	-	1,347,423
Recruitment and Relocation	134,832	-	134,832	-	134,832
Small Equipment	60,093	1,035	61,128	-	453,063
Supplies	89,806	209	90,015	6,448	242,740
Telephone	64,656	866	65,522	4,203	483,415
Vehicle Expense	9,703	-	9,703	-	158,234
Total Expenses by Function	$ 5,271,558	$ 162,106	$ 5,433,664	$ 604,366	$ 31,099,471

See accompanying Notes to Consolidated Financial Statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING AND NONOPERATING ACTIVITIES		
Change in Net Assets	$ 22,357,774	$ 2,951,029
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating and Nonoperating Activities:		
Depreciation	1,153,553	1,251,270
Occupancy Expenses for Donated Property and Building	93,172	93,172
Amortization of Deferred Financing Costs	-	8,023
Realized and Unrealized (Gain) Loss on Investments	964,426	(1,634,556)
Loss on Disposal of Property and Equipment	47,144	726,510
Forgiveness of Paycheck Protection Program Loan	(4,748,475)	-
Increase in Pledges Receivable - Capital Project	(22,476,710)	-
Increase in Discount for Pledges Receivable - Capital Project	5,640,797	-
Allowance for Doubtful Accounts	18,970	(8,030)
Allowance for Uncollectable Pledges	823	6,607
Donated Securities	68,658	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(154,108)	(362,799)
Employee Retention Tax Credit Receivable	(2,995,327)	(1,656,899)
Pledges Receivable	(24,136)	(52,858)
Prepaid Expenses and Other Current Assets	(20,816)	49,314
Accounts Payable	(132,510)	(27,686)
Accrued Payroll and Employee Benefits	1,113,265	(289,522)
Change in Net Assets	184,934	5,469
Accrued Expenses	(195,254)	(76,120)
Deposits Payable	8,274	(5,264)
Net Cash Provided by Operating and Nonoperating Activities	904,454	977,660
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property And Equipment	(1,401,312)	(554,978)
Proceeds from Sale of Property and Equipment	16,145	5,993,890
Sales of Investments	7,655,171	5,958,541
Purchases of Investments	(10,528,931)	(8,826,490)
Net Cash Provided (Used) by Investing Activities	(4,258,927)	2,570,963
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Leases	-	(3,158)
Principal Payments on Notes Payable	-	(4,198,683)
Proceeds from Borrowing on Credit Line	-	2,252,879
Proceeds from Paycheck Protection Program Loan	-	4,748,475
Proceeds from Pledges Receivable - Capital Project	2,460,625	-
Payments made on Credit Line	(2,753,974)	-
Net Cash Provided (Used) by Financing Activities	(293,349)	2,799,513
CHANGE IN CASH AND CASH EQUIVALENTS	(3,647,822)	6,348,136
Cash and Cash Equivalents - Beginning of Year	9,449,527	3,101,391
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 5,801,705	$ 9,449,527
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	$ 47,611	$ 193,342

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

At the Young Men's Christian Association of Orange County (the YMCA or Y), strengthening community is its cause. With a focus on youth development, healthy living, and social responsibility, the Y serves Orange County, Riverside County, Pomona Valley, and East San Gabriel Valley through five Health & Wellness locations, two program centers, a campground, numerous community services and youth programs, and 121 before and after school program centers. YMCA programs celebrate and honor common values of respect, responsibility, honesty, and caring by infusing character development into the foundation and practice of all programs; from youth sports and group exercise classes to parent/child programs and community services - Y programs build healthy spirit, mind, and body for all. The YMCA is a nonprofit, charitable organization that serves the entire community.

Tipper, LLC (Tipper) is a wholly owned subsidiary of the YMCA operated exclusively to further the charitable purposes of the Y. The activities of the limited liability company shall be limited to acquiring and holding title to property, collecting income therefrom, and remitting the entire amount of net income from such property to the member within the meaning of Section 23701b of the California Revenue and Taxation Code and in furtherance of the charitable purposes of the member.

The consolidated financial statements include the accounts of the YMCA and its wholly owned subsidiary, Tipper, which are collectively referred to as "the Organization." Interorganizational transactions and balances have been eliminated in consolidation.

Nature of Services

The Y provides services for the following program areas:

Child and Youth Development

The Y provides a safe and inclusive before and after school care program, which supports the needs and priorities of the child, the family, and the school. YMCA programs facilitate the development of the whole child through meaningful experiences, programs, and collaborations that build relationships and a sense of community. Currently, the Y delivers curriculum-based programming at 59 locations throughout Orange County, Riverside County, and Pomona Valley. In addition, the Y provides year-round experiences through day camps and enrichment clubs. Youth experience curriculum through a variety of content areas, hands-on activities, clubs, service learning projects, and enrichment centers.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Services (Continued)

Health and Fitness

The Y provides comprehensive health and wellness programming to youth and adults. Through quality programs and partnerships that span across five locations and five cities, the community receives opportunities to engage in healthier habits, community involvement, giving back, and being connected. The Y is a place where everyone can work toward their own goals by challenging themselves to learn a new skill or hobby, fostering connections with friends, and bringing loved ones closer together through family-centered healthy activities. At the Y, it’s not the activity as much as it is about the benefits of living healthier together as a community.

Adventure Guides Activities

The Adventure Guides program was developed by the Y to help strengthen family relationships. The program fosters companionship and understanding and sets a foundation for positive, lifelong relationships between parent and child, ages 3 through 12. The program is designed to build a sense of self-esteem and personal worth through experiences in nature, at events, in play, and more. The program provides the framework to meet a mutual need of spending enjoyable, constructive, and quality time together.

Camp

Y camp has been a tradition dating back to as early as 1885. The Y offers a variety of camps created to meet the needs of families. The Y camps include residential, summer day camps, winter day camps, and specialty camps. Each camp is designed with the Y’s core values of caring, honesty, respect, and responsibility at the center of all activities. Y camp programs are educational and experiential; they foster cognitive development, physical well-being, social growth, character development, leadership skills, and a respect for the environment. Through a variety of engaging activities and the use of natural surroundings, Y camp programs encourage participants to explore and develop their interests and abilities in a safe and nurturing environment.

Other Community Services

The Y’s mission does not stop at traditional school or fitness settings but extends beyond to meet the needs of those in the community. Through key programs, the Y offers all community members the ability to participate in programs, make new friends, build memories, and live life to their best.

New Horizons is a program for adults living with developmental disabilities and special needs ages 18 and up. The New Horizons program provides safe and supervised recreational outings in the community that offer social interaction, skill building, and lifelong friendships. While participants are having fun, their full-time caregivers are provided with the “time-off” they need to better care for their loved ones.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Services (Continued)

Other Community Services (Continued)

The Y Inclusion Program assists children with special needs or disabilities in becoming independent, engaged, and successful in their childcare setting. The Y's positive and supportive approach focuses on behavior management and play and social and self-care skills development.

The Y is a proud supporter of the After School Education & Safety (ASES) program and the Expanded Learning Opportunities Program (ELOP) for students. ASES supports low-income families by providing a safe and educational after-school environment through state grants. The Y currently operates 17 ASES sites, nine in Los Angeles County and eight in Orange County. ASES students receive homework assistance and snacks and participate in activities that support Science, Technology, Engineering, Arts, Math (known as S.T.E.A.M.), leadership, sports, and other enrichment opportunities. ELOP supports afterschool and summer school enrichment through learning programs that focus on developing the academic, social, emotional, and physical needs and interests of students. The YMCA currently operates 80 ELOP sites, 12 in Los Angeles County and 68 in Orange County.

The Youth & Government program is a six-month program in which high-school aged delegates (9th-12th grades) learn about California's government and the changes they can make in their communities. Students will role-play various positions of the California State Legislature and the state court systems. Students participate by joining their high school delegation and attending weekly meetings where they discuss issues facing California and the ways the legislative and judicial branches can effect change.

Basis of Presentation

The accompanying consolidated financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). References to the ASC hereafter refer to the *Accounting Standards Codification* established by the Financial Accounting Standards Board (FASB) as the source of authoritative U.S. GAAP.

Accordingly, the accounts of the Organization are reported in the following net asset categories:

Net Assets Without Donor Restrictions – Net assets of the Organization that are not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets With Donor Restrictions – Net assets of the Organization that are subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include petty cash funds, bank checking accounts used for operating purposes, and investments with maturities of three months or less from the original purchase dates.

Investments

Investments consist of debt and equity securities plus certificates of deposits held by the Organization with a maturity over 90 days. Debt securities are carried at fair value with changes in fair value recognized in changes in net assets. Equity securities consisting of common stock, mutual funds, exchange-traded products with readily determinable fair values are measured at fair value, with changes in fair value recognized in earnings. The value of some of the alternative investments is determined using net asset value.

Accounts Receivable

The Organization's accounts receivable are primarily fees for services provided and rent that is due. Accounts receivable are typically due net 30 days. Accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. The allowance for doubtful accounts is determined on the basis of loss experience, economic conditions in the industry, and the financial stability of customers.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation if purchased or at the estimated fair value if donated. Maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 10 to 40 years for buildings and improvements, 3 to 10 years for furniture and equipment, and three to seven years for vehicles.

Long-Lived Assets and Asset Impairment

The Organization accounts for impairment and disposition of long-lived assets in accordance with the FASB ASC 360-10, *Property, Plant, and Equipment*. FASB ASC 360-10 requires that impairment losses be recognized for long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows are not sufficient to recover the assets' carrying amounts. For the years ended December 31, 2022 and 2021, there was no impairment of the value of such assets.

Donated Materials, Services, and Facilities

Donated materials and other noncash contributions are reflected in the accompanying consolidated financial statements at their estimated fair market value at the date of receipt. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteer services that do not meet these criteria are not recognized in the consolidated financial statements, as there is no objective basis of deriving their value.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Materials, Services, and Facilities (Continued)

Donated use of facilities/land during each of the years ended December 31, 2022 and 2021, included 3.57 acres of land from the U.S. Army, a 20,455 square-foot building, and 23,655 square feet of land from the City of Laguna Niguel. In addition, the Organization occupies 4 acres of land, as well as a 27,327 square-foot building donated by the City of Mission Viejo. The donated use of facilities/land for the Laguna Niguel and Fullerton locations is considered an exchange transaction. The Contribution Receivable at December 31, 2022 and 2021 was $1,304,403 and $1,397,575, respectively.

Accrued Vacation

As of December 31, 2022 and 2021, the accrued vacation liability was $687,661 and $569,945, respectively, and is included as a component of accrued payroll and employee benefits in the accompanying consolidated statements of financial position.

Revenue Recognition

Contributions

In accordance with FASB ASC 958-605, *Revenue Recognition*, contributions received, including donated use of facilities and land, are recorded as contributions without donor restrictions or contributions with donor restrictions depending on the existence and/or nature of any donor restrictions. Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions.

A portion of the Organization’s revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. The Organization does not have any cost-reimbursable grants that have been recognized at December 31, 2022 and 2021 because qualifying expenditures have not been incurred.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Exchange Transactions

The Organization recognizes revenue from contracts with customers in accordance with FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic ASC 606). The Organization records exchange transaction revenue in its consolidated statements of activities for the years ended December 31, 2022 and 2021, as stated below.

Childcare – For childcare, the performance obligation is the delivery of childcare services to the customer. Most childcare contracts are month-to-month with revenue recognized over the length of the contract. The transaction price is established by the Organization. Fees include program supplies, meals, staffing, and facility costs. As is customary, these items are not separately priced and are therefore considered to be one performance obligation.

Membership – For membership, the performance obligation is providing access to health and fitness facilities and classes to members. Most memberships are month-to-month with revenue recognized over the monthly membership contract. The transaction price is established by the Organization. Fees include program supplies, staffing, and facility costs. As is customary, these items are not separately priced and are therefore considered to be one performance obligation.

Health and Fitness – For health and fitness, the performance obligation is providing health and fitness services to members. Revenue is recognized over the period of time when the purchased services are provided. The transaction price is established by the Organization based on individual services provided. As each item is individually priced, no allocation of the transaction price is necessary.

Adventure Guides – For Adventure Guides, the performance obligation is the delivery of Adventure Guide programs to the customer. Adventure Guide programs are for one calendar-year period with revenue recognized evenly throughout the period. The transaction price is established by the Organization. Fees include program supplies, meals, staffing, and facility costs. As is customary, these items are not separately priced and are therefore considered to be one performance obligation. In addition, the Adventure Guide program includes events with transaction prices established by the Organization. Adventure Guide event revenue is recognized over the period of time an event occurs. As each event is individually priced, no allocation of the transaction price is necessary.

Camp – For camp, the performance obligation is holding the camp. Revenue is recognized over the period of time a camp is held. The transaction price is established by the Organization. Fees include program supplies, meals, staffing, and facility costs. As is customary, these items are not separately priced and are therefore considered to be one performance obligation.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Exchange Transactions (Continued)

Community-Based Programs – For community-based programs, the performance obligation is the delivery of community programs to program participants. Revenue is recognized over time as programs are held. The transaction price is established by the Organization. Fees include program supplies, meals, staffing, and facility costs. As is customary, these items are not separately priced and are therefore considered to be one performance obligation.

Special Fundraising Event Revenue – The Y conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event (the exchange component) and a portion represents a contribution to the Y. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Y. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Y, are recorded as costs of direct donor benefits in the consolidated statements of activities.

The performance obligation is holding the event, which is usually accompanied by a presentation. The event fees are set by the Y. ASC 606 requires allocation of the transaction price to the performance obligation. Accordingly, the Y separately presents in its notes to consolidated financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Y in advance of the events are initially recognized as liabilities (deferred income) and are recognized as special event revenue after the event. For special event fees received before year-end, for an event to occur after year-end, the Y follows American Institute of Public Accounting (AICPA) guidance (if this is the case) where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

Facility Fees and Rental Income – The Organization generates revenues from facility rental fees and office space rental income in accordance with FASB ASC 840, *Leases*, on a straight-line basis over the period of the rental contract. Rental contract terms can range from daily to multiyear. Because the term of a contract can extend across more than one financial reporting period, the Organization records unearned and unbilled rental revenue at the end of each reporting period to ensure that the rental revenue earned is appropriately stated in the period presented.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statements of functional expenses. Certain categories of expenses that are attributable to more than one program or supporting function require allocation on a reasonable basis that is consistently applied. Expenses to advertise programs, which include salaries and wages of marketing employees and other expenses, such as printing and promotion, are based on actual expenses incurred for each program. Additionally, the costs of the subsidiary, Tipper, have been summarized on a functional basis in the consolidated statements of functional expenses.

Reclassifications

Certain reclassifications have been made to the prior year consolidated financial statements in order to conform with current-year presentation. These reclassifications had no effect on net income.

Use of Estimates

The process of preparing consolidated financial statements in accordance with U.S. GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Income Taxes

The YMCA is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code (IRC) and the corresponding state code as a charitable organization whereby only unrelated business income is subject to income tax. The YMCA had no unrelated business income during the years ended December 31, 2022 and 2021. Accordingly, there is no provision for income taxes in the accompanying consolidated financial statements.

In accordance with FASB ASC 740-10-25, *Income Taxes*, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not that the position will be sustained. The YMCA does not believe that there are any material uncertain tax positions, and accordingly, it has not recognized any liability for unrecognized tax benefits or any related interest or penalties at December 31, 2022 and 2021. The YMCA's tax years from 2019 to 2022 are open to review for federal tax purposes, and tax years from 2018 to 2022 are open to review for state income tax purposes.

Tipper is a limited liability company that was granted tax-exempt status under the Franchise Tax Board Revenue and Taxation Code Section 23701h. Accordingly, there is no provision for income taxes in the accompanying consolidated financial statements. For federal tax purposes, Tipper is considered a disregarded entity and files on a consolidated basis with the YMCA.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements – Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, with subsequently issued improvements, which requires that credit losses on most financial assets measured at amortized cost and certain other instruments be measured using an expected credit loss model. The ASU also replaces the current accounting model for purchased credit-impaired loans and debt securities. Further, ASU 2016-13 makes certain targeted amendments to the existing impairment model for available-for-sale debt securities. For nonpublic entities, the amendments are effective for fiscal years beginning after December 15, 2022. The Organization is currently evaluating the impact of the provisions of this pronouncement on the presentation of its consolidated financial statements.

Recent Accounting Pronouncements – Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842). This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. This adoption allows the Organization to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized, on January 1, 2022, a lease liability and ROU operating asset of $2,549,892, which represents the present value of the remaining operating lease payments of approximately $2,645,000, discounted using risk free rates ranging from .40% to 4.02%.

The standard had a material impact on the consolidated statements of financial position but did not have an impact on the consolidated statements of activities or cash flows. The most significant impact was the recognition of ROU asset and lease liability for operating leases on the consolidated statements of financial position while the Organization’s accounting for its finance leases remained substantially unchanged.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization leases its facilities and equipment under noncancelable lease arrangements. The Organization determines if an arrangement is a lease at inception. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Operating leases are included in operating lease ROU assets and operating lease liabilities on the accompanying consolidated 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 Organization’s obligation to make lease payments arising from the lease.

ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. For leases that do not provide an implicit rate, the Organization has elected to use a risk-free discount rate of a period comparable with that of the lease term for computing the present value of lease liabilities. 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. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the accompanying consolidated statements of financial position.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. Additionally, the individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use the risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of the lease liabilities.

Subsequent Events

The Organization has evaluated subsequent events through June 27, 2023, the date the consolidated financial statements were available to be issued.

NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Organization's revenue based on the timing of satisfaction of performance obligations for the years ended December 31, 2022 and 2021:

	2022	2021
Performance Obligations Satisfied Over Time:		
Childcare Fees	$ 18,751,793	$ 14,566,839
Membership Fees	5,034,770	4,464,686
Health and Fitness Fees	2,042,958	1,671,784
Adventure Guide Fees	2,218,915	1,578,913
Government Assistance	3,237,664	2,068,511
Camp	1,107,090	1,270,071
Community Programs Fees	508,260	371,298
Contracted Services Revenue	576,895	526,740
Total Revenue from Contracts with Customers	$ 33,478,345	$ 26,518,842

NOTE 3 LIQUIDITY

The Organization's financial assets available for general expenditure (that is, without donor or other restrictions limiting their use), within one year of the consolidated statement of financial position date, are as follows as of December 31, 2022 and 2021:

	2022	2021
Cash and Cash Equivalents	$ 5,781,705	$ 9,236,487
Investments	12,470,462	13,090,411
Accounts Receivable	1,994,226	1,859,088
Employee Retention Credit Tax Receivable	4,652,226	1,656,899
Pledges Receivable	2,394,379	56,251
Total Financial Assets Available to Meet General Expenditures within One Year	$ 27,292,998	$ 25,899,136

As part of its liquidity management plan, the Organization invests cash in excess of daily requirements in various investments and money market funds as more fully described in Note 5 for which the Organization would not incur penalties if sold. The Cash and Cash Equivalents and the Investment balances noted above differ from the consolidated statements of financial position totals as a portion of the balances represent assets with donor restrictions and are not available for general expenditures.

NOTE 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following as of December 31, 2022 and 2021:

	2022	2021
Petty Cash	$ 1,914	$ 1,419
Checking Accounts	1,047,841	1,301,149
Money Market Accounts	4,751,950	8,146,959
Total Cash and Cash Equivalents	$ 5,801,705	$ 9,449,527

The Organization maintains cash and cash equivalent balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation for up to $250,000. The Organization regularly has deposits with banks in excess of federally insured limits.

Tipper engaged a property management company to manage rental lease contracts and building maintenance. As part of the agreement, the property management company established a trust account for which Tipper is the beneficiary.

NOTE 5 INVESTMENTS

The fair value of investments and endowment investments at December 31 is as follows:

	2022	2021
Common Stock	$ 7,278,857	$ 6,653,280
Corporate Bonds	535,374	866,764
Treasury Bonds	1,174,321	1,030,722
Mutual Funds	4,817,574	4,075,873
Exchange-Traded Products	1,378,535	904,318
Alternative Investments	2,495,818	2,308,927
Certificates of Deposit	189,785	189,704
Total Investments	$ 17,870,264	$ 16,029,588

Investment income (loss), net consists of the following for the years ended December 31:

	2022	2021
Interest and Dividend Income	$ 627,800	$ 385,639
Net Realized Gains (Losses)	(69,160)	346,528
Net Unrealized Gains (Losses)	(895,266)	1,288,028
Management Fees	(44,650)	(42,946)
Investment Income (Loss), Net	$ (381,276)	$ 1,977,249

NOTE 6 ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following at December 31, 2022 and 2021:

	2022	2021
Grants (Governmental/Foundation)	$ 1,080,796	$ 730,568
Program	946,205	1,079,702
Other	150	62,773
Less: Allowance for Doubtful Accounts	(32,925)	(13,955)
Total Accounts Receivable, Net	$ 1,994,226	$ 1,859,088

The Organization has a contribution receivable balance from the City of Mission Viejo related to the use of donated land and building through April 2037.

Program receivables outstanding as of January 1, 2021, was $1,044,095.

NOTE 7 PLEDGES RECEIVABLE

In March 2022, the Organization received a pledge of $22,500,000 consisting of approximately $2,500,000 annually through the year ending December 31, 2030. The balance of the pledge has been discounted using the weighted average cost of capital model with a rate of 8.00%. The present value of the pledge receivable for the year ended December 31, 2022, is $14,375,288. The purpose of the pledge is to benefit the needs for development and long-term viability of the Newport Facility to be built in addition to other designated uses specified by the donor.

Year Ending December 31,	Future Value	Net Present Value
2023	$ 2,500,000	$ 2,314,815
2024	2,500,000	2,143,347
2025	2,500,000	1,984,581
2026	2,500,000	1,837,575
2027	2,500,000	1,701,458
2028	2,500,000	1,575,424
2029	2,500,000	1,458,726
2030	2,516,085	1,359,362
Total	$ 20,016,085	14,375,288
Other Current Pledges Receivable		79,564
Total Current and Noncurrent Pledges Receivable		$ 14,454,852

NOTE 8 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2022 and 2021:

	2022	2021
Land	$ 2,280,743	$ 2,280,743
Buildings and Improvements	19,880,765	19,630,144
Furniture and Equipment	5,521,396	4,427,102
Vehicles	361,753	361,753
Construction in Process	296,197	53,217
Total	28,340,854	26,752,959
Less: Accumulated Depreciation	(17,104,011)	(15,700,586)
Property and Equipment, Net	$ 11,236,843	$ 11,052,373

Depreciation expense for the years ended December 31, 2022 and 2021, was $1,153,553 and $1,251,270, respectively.

NOTE 9 LEASE RENTAL INCOME

Tipper leases office space to various tenants under rental lease agreements expiring in years through 2025. Rental income during the years ended December 31, 2022 and 2021, totaled $241,503 and $238,995, respectively.

Minimum future lease payments to be received as of December 31, 2022, are as follows:

Year Ending December 31,	Amount
2023	$ 140,185
2024	98,041
2025	64,091
Total	$ 302,317

NOTE 10 LEASES – ASC 842

The Organization leases office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026. In the normal course of operations, it is expected that these leases will be renewed or replaced by similar leases. The agreements generally require the Organization to pay insurance and repairs.

NOTE 10 LEASES– ASC 842 (CONTINUED)

The following table provides quantitative information concerning the Organization's leases:

Lease Costs		
Operating Lease Costs	$	523,811
Short-Term Lease Costs		593,305
Total Lease Costs	$	1,117,116
Other Information		
Operating Cash Flows from Operating Leases	$	523,811
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$	2,549,892
Weighted-Average Remaining Lease Term - Operating Leases		4.9 Years
Weighted-Average Discount Rate - Operating Leases		3.05%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2022, is as follows:

Year Ending December 31,		Leases
2023	$	1,034,540
2024		942,123
2025		709,702
2026		508,462
2027		301,963
Thereafter		550,486
Total		4,047,276
Less Interest		(313,149)
Present Value of Lease Liabilities	$	3,734,127
Short-Term Operating Lease Liabilities	$	934,910
Long-Term Operating Lease Liabilities		2,799,217
Present Value of Operating Lease Liabilities	$	3,734,127

NOTE 11 LEASES – ASC 840

The Organization elected to apply the provisions of FASB ASC 842 to the beginning of the period adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021 are made under prior guidance in FASB ASC 840.

The Organization leases its premises under noncancelable operating lease agreements expiring in various year through 2026. The Organization's facility leases provide for annual escalations, common area maintenance charges, and renewal options. The Organization is liable for insurance for both the facilities and equipment leases.

NOTE 11 LEASES – ASC 840 (CONTINUED)

Future minimum payments under noncancelable operating leases with an initial term of one year or more are as follows:

Year Ending December 31,	Facility	Equipment	Total
2022	$ 611,111	$ 125,755	$ 736,866
2023	48,160	67,755	115,915
2024	38,171	48,924	87,095
2025	39,316	48,924	88,240
2026	26,730	28,539	55,269
Total	$ 763,488	$ 319,897	$ 1,083,385

Total rental expense for the operating leases described above was $923,121 for the year ended December 31, 2021.

NOTE 12 FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides 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 under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; or
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Equity Securities and Exchange-Traded Products – Valued at the closing price reported on the active market on which the individual securities are traded.

Treasury and Corporate Bonds – Valued at prices obtained from independent pricing services, without adjustment.

Mutual Funds – Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by a retirement plan are deemed to be actively traded.

Alternative Investments – For investments that do not have readily determinable fair values the securities will be carried at cost and remeasured at fair value either upon the occurrence of an observable input of an observable price change or upon identification of an impairment. Investments without readily determinable fair values are generally illiquid investments and their current values may be different from the purchase price. Unless otherwise indicated, the values of these investments represent an estimate of the value of the Organization's participation. The alternative investments have redemption restrictions ranging from semi-annually through one year. There are no unfunded commitments associated with the alternative investments. Some of these investments are valued using the NAV as reported by the investment manager.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets valued using the net asset value (NAV) practical expedient are not required to be reported within the hierarchy.

NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides fair value measurement information for financial assets measured at fair value on a recurring basis as of December 31, 2022:

		Investments Valued Using Practical Expedient (2)	Fair Value Measurements		
	Total		Level 1	Level 2	Level 3
Equity Securities:					
Consumer Discretionary	$ 298,691	$ -	$ 298,691	$ -	$ -
Consumer Goods	845,030	-	845,030	-	-
Energy	729,328	-	729,328	-	-
Financials	1,615,794	-	1,615,794	-	-
Health Care	1,289,370	-	1,289,370	-	-
Industrials	864,309	-	864,309	-	-
Information Technology	1,122,307	-	1,122,307	-	-
Utilities	514,109	-	514,109	-	-
Corporate Bonds	535,374	-	-	535,374	-
Treasury Bonds	1,174,321	-	-	1,174,321	-
Mutual Funds	4,817,574	-	4,817,574	-	-
Exchange-Traded Products	1,378,535	-	1,378,535	-	-
Alternative Investments	2,495,818	1,913,349	582,469	-	-
Total	17,680,560	$ 1,913,349	$ 14,057,516	$ 1,709,695	$ -
Certificates of Deposit (1)	189,704				
Total Investments	$ 17,870,264				

NOTE 12 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides fair value measurement information for financial assets measured at fair value on a recurring basis as of December 31, 2021:

	Total	Investments Valued Using Practical Expedient (2)	Fair Value Measurements Level 1	Level 2	Level 3
Equity Securities:					
Consumer Discretionary	$ 785,275	$ -	$ 785,275	$ -	$ -
Consumer Goods	1,063,321	-	1,063,321	-	-
Energy	830,349	-	830,349	-	-
Financials	1,270,095	-	1,270,095	-	-
Health Care	846,540	-	846,540	-	-
Industrials	442,010	-	442,010	-	-
Information Technology	875,965	-	875,965	-	-
Utilities	539,725	-	539,725	-	-
Corporate Bonds	866,764	-	-	866,764	-
Treasury Bonds	1,030,722	-	-	1,030,722	-
Mutual Funds	4,075,873	-	4,075,873	-	-
Exchange-Traded Products	904,318	-	904,318	-	-
Alternative Investments	2,308,927	1,992,742	316,185	-	-
Total	15,839,884	$ 1,992,742	$ 11,949,656	$ 1,897,486	$ -
Certificates of Deposit (1)	189,704				
Total Investments	$ 16,029,588				

(1) Not subject to fair value hierarchy measurements.
(2) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the above tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

NOTE 13 NOTES PAYABLE

YMCA had a note payable of $2,300,000 with Bank of America, N.A. The note payable had a fixed interest rate of 4.43%, with monthly payments of $12,856 due through maturity, and an estimated $1,261,914 balloon payment originally due at maturity on January 1, 2022. This note was secured by the Fullerton Family YMCA facility. The outstanding balance as of December 31, 2020 was $1,382,964. During 2021, the note payable was paid in full.

Tipper had a note payable of $3,000,000 with HomeStreet Bank. The note payable had a fixed interest rate of 4.08%, with monthly payments of $16,063 due through maturity, with an estimated $2,167,201 balloon payment originally due at maturity on October 1, 2027. The note was guaranteed by the assets of the YMCA and secured by the Tustin building. The outstanding balance as of December 31, 2020 was $2,807,696. During 2021, the note payable was paid in full.

NOTE 14 CREDIT LINE

In April 2020, the Organization entered into an agreement providing a credit line on a margin account with a financial institution. The credit line provides for borrowings up to 50% of the Organization's eligible investment balance with the financial institution. Monthly interest payments are made at 0.75% above the federal funds rate. The credit line is collateralized by the Organization's investments with the financial institution and has an open maturity date. At December 31, 2022 and 2021, the balance borrowed against the investment account was $-0- and $2,753,974, respectively.

NOTE 15 PAYCHECK PROTECTION PROGRAM LOAN

On February 27, 2021, the Organization received a loan from Farmers & Merchants Bank of Long Beach in the amount of $4,748,475 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (PPP) loan. The PPP loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The outstanding balance as of December 31, 2021 was $4,748,475.

The Organization is following ASC 470, *Debt*, to account for the initial receipt related to the PPP loan. The Organization had classified the loan in accordance with the terms of the law during 2021. On May 19, 2022, the Organization received notification from the SBA that the Organization has been granted forgiveness of the full amount of the loan and all corresponding interest totaling $4,802,465. The SBA has the right to and may review/audit funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any subsequent review/audit will not have a material adverse impact on the Organization's financial position.

NOTE 16 ENDOWMENT FUNDS

The Organization’s Endowment Funds include a donor-restricted endowment. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization has interpreted the State of California Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the original gift amount of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted endowment funds (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

The Organization’s investments are governed by a written investment policy, the principal objectives of which are to preserve the long-term, real purchasing power of the Organization’s assets and generate a predictable and growing stream of annual distributions that will support the Organization’s needs. Oversight of the investment portfolio is the responsibility of the investment committee whose members are composed of two or more directors of the board of directors and other such persons as the board of directors shall determine. The chairman of the board of directors and the president of the Organization shall be ex officio members of the investment committee. The investment committee shall administer the investment portfolio in compliance with all written policies approved by the board of directors.

NOTE 16 ENDOWMENT FUNDS (CONTINUED)

The investment committee has contracted with an independent trust company for the purpose of managing the investment and reinvestment of fund assets in a manner consistent with the overall investment policy as approved by the board of directors. The following are the investment objectives of the Organization:

- Preserve the investment portfolio's corpus over the long term
- Ensure the investment portfolio's long-term ability to distribute income

The following is the endowment net asset composition by type of fund:

December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds, Perpetual in Duration - Original Gift Amount	$ -	$ 168,444	$ 168,444
December 31, 2021			
Donor-Restricted Endowment Funds, Perpetual in Duration - Original Gift Amount	$ -	$ 168,444	$ 168,444

Changes in the endowment fund net assets for the years ended December 31, 2022 and 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Fund Net Assets - December 31, 2020	$ -	$ 168,444	$ 168,444
Contributions	-	-	-
Investment Return	-	1,918	1,918
Appropriation of Endowment Assets for Expenditure	-	(1,918)	(1,918)
Endowment Fund Net Assets - December 31, 2021	-	168,444	168,444
Contributions	-	-	-
Investment Return	-	34	34
Appropriation of Endowment Assets for Expenditure	-	(34)	(34)
Endowment Fund Net Assets - December 31, 2022	$ -	$ 168,444	$ 168,444

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable state law requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of December 31, 2022 and 2021. The Organization has interpreted the SPMIFA and applicable state trust law to permit spending from underwater endowments in accordance with prudent measures required under law.

NOTE 17 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions for the years ended December 31, 2022 and 2021, consist of the following:

	2022	2021
Satisfaction of Time Restrictions	$ 290,772	$ 121,897
Satisfaction of Purpose Restrictions	15,845	242,999
Total Net Assets Released from Restrictions	$ 306,617	$ 364,896

NOTE 18 NET ASSETS

Net assets consist of the following at December 31, 2022 and 2021:

	2022	2021
Net Assets without Donor Restrictions:		
Investment in Property and Equipment, Net of Related Debt	$ 11,236,843	$ 11,052,373
Available for Operations	19,272,845	13,649,520
Total Net Assets without Donor Restrictions	30,509,688	24,701,893
Net Assets with Donor Restrictions:		
Subject to Expenditures for Specific Purposes:		
Health and Wellness Program Activities	4,440	6,800
Camping	2,492	8,642
Development of Newport Facility	19,438,203	2,602,289
Child and Youth Development	8,346	-
Perinatal Services	5,000	-
Program Activities - Orange Service Area	1,369,570	1,369,570
Total Purpose Restrictions	20,828,051	3,987,301
Subject to Passage of Time:		
Use of Donated Land and Facilities	1,304,403	1,397,575
Campaign Donations	-	197,599
Total Time Restrictions	1,304,403	1,595,174
Endowment:		
Subject to Endowment Spending Policy and Appropriation:		
Program Activities	168,444	168,444
Total Net Assets with Donor Restrictions	22,300,898	5,750,919
Total Net Assets	$ 52,810,586	$ 30,452,812

NOTE 19 DEFERRED INCOME

The activity and balances for deposits and deferred income from contracts with customers are shown in the following table:

	Child Care	Other	Total
Balance at December 31, 2020	$ 174,434	$ 896,968	$ 1,071,402
Revenue Recognized	(1,397,822)	(3,957,004)	(5,354,826)
Payments Received for Future Performance Obligations	2,018,279	3,336,752	5,355,031
Balance at December 31, 2021	794,891	276,716	1,071,607
Revenue Recognized	(2,209,360)	(2,920,087)	(5,129,447)
Payments Received for Future Performance Obligations	1,839,164	3,483,491	5,322,655
Balance at December 31, 2022	$ 424,695	$ 840,120	$ 1,264,815

NOTE 20 COMMITMENTS AND CONTINGENCIES

Employment Agreement

The Organization is engaged in an employment agreement with an individual to provide executive management and leadership services. The agreement provides for a minimum base salary that is subject to merit increase as approved by the compensation committee of the Organization's board of directors. This individual will also receive an annual retention bonus equal to 10% of the executive's minimum base salary. The agreement's initial term expires on December 31, 2022. The initial term shall automatically extend up to three additional years, in one-year increments, at the will of the executive.

Litigation

The Organization experiences litigation in the normal course of its business. Management does not believe that any pending or threatened litigation will have a material adverse effect on its consolidated financial statements.

NOTE 21 RELATED-PARTY TRANSACTIONS

The Organization is a member of the National Council of Young Men's Christian Association of the United States of America (National Council). The Organization must meet annual certification requirements to remain a member. Support related to the National Council totaled $307,555 and $400,222, respectively, for the years ended December 31, 2022 and 2021.

NOTE 21 RELATED-PARTY TRANSACTIONS (CONTINUED)

The Organization participates in a defined contribution, individual account, and money purchase retirement plan, which is administered by the Young Men's Christian Association Retirement Fund (Retirement Fund), a separate corporation. The Retirement Fund is for the benefit of all eligible employees of the Organization who qualify under participation requirements.

In accordance with the Retirement Fund agreement, a percentage of the participating employee's qualified compensation is paid for by the Organization and is to be remitted to the Retirement Fund monthly. Total contributions made by the Organization that are charged to retirement costs for the years ended December 31, 2022 and 2021, aggregated $1,193,843 and $942,197, respectively. Unpaid contributions were $106,398 and $3,866, respectively, at December 31, 2022 and 2021, which represent December contributions.

The Retirement Fund is operated as a church pension plan and is a nonprofit tax-exempt New York State corporation, which was established in 1922. Participation is available to all duly organized and reorganized YMCAs in the United States. As a defined contribution plan, the Retirement Fund has no unfunded benefit obligation.

The Organization has a money market account Farmers & Merchants Bank at December 31, 2022 and 2021. There is an Organization board member who is an employee of Farmers & Merchants Bank. This board member abstains from decisions made concerning matters that would be a conflict of interest.

HighTower Advisors, LLC provides investment advisory services to the Organization for most of the Organization's investments. There is an Organization board member who is a partner at HighTower Advisors, LLC. This board member abstains from decisions made concerning matters that would be a conflict of interest.

The Organization is a member of Y Purchasing Group, LLC (YPG). Membership in YPG requires the Organization to make certain purchases of supplies and equipment through YPG. The Organization's chief executive officer is a board member of YPG. The Organization guarantees a line of credit for YPG. As of December 31, 2022, there is no outstanding balance; the total amount of credit available is $350,000.

NOTE 22 SPECIAL EVENTS

The YMCA has various operating branches, each of which organizes its own special event activities. Special events held by the various branches for the years ended December 31, 2022 and 2021 were as follows:

December 31, 2022	Gross Revenue	Direct Expenses	Net Revenue
Dinners/Breakfast	$ 69,891	$ 44,814	$ 25,077
Golf Tournaments	234,230	119,550	114,680
5/10k Runs	16,427	22,333	(5,906)
Sport Tournament	-	28	(28)
Total	$ 320,548	$ 186,725	$ 133,823

December 31, 2021	Gross Revenue	Direct Expenses	Net Revenue
Dinners/Breakfast	$ -	$ (1,511)	$ (1,511)
Golf Tournaments	187,160	(114,107)	73,053
5/10k Runs	-	(2,441)	(2,441)
Total	$ 187,160	$ (118,059)	$ 69,101

NOTE 23 CONCENTRATION OF RISK AND UNCERTAINTIES

For the years ended December 31, 2022 and 2021, the Organization received approximately 25% and 32%, respectively, of its total fundraising and program revenue support (excluding capital campaign, endowment, and other) from childcare fees associated with childcare services performed on the premises of facilities owned by the Capistrano Unified School District (CUSD). The Organization relies heavily upon these childcare fees to continue the related child and youth development programs. If the Organization’s relationship with CUSD were to be terminated, it would likely cause a significant reduction in the Organization’s operations.

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of the spread of coronavirus (COVID-19). In March 2020, the WHO declared the COVID 19 outbreak a pandemic based on the rapid increase of the virus and its global exposure. In addition, several U.S. states, including California where the Organization is headquartered, have declared a state of emergency. Although the Organization is continuing to monitor and assess the effects of the COVID-19 pandemic on its operations, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

NOTE 24 FEDERAL GRANTS AND CREDITS

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. The Organization complied with the conditions of Employee Retention Credits (ERC) from respective federal agencies and applied for the credit in the amounts of approximately $2,995,000 and $1,657,000, during 2022 and 2021, respectively. At December 31, 2022 and 2021, the outstanding balance recorded as a receivable in the accompanying consolidated statements of financial position was approximately $4,652,000 and $1,656,000, respectively. Grants related to this program are included in the accompanying consolidated statements of activities.

Eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors are subject to review. The amount of liability, if any, from potential noncompliance cannot be determined with certainty: however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

SUPPLEMENTARY INFORMATION

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
SCHEDULE I – CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	YMCA	Tipper, LLC	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash And Cash Equivalents	$ 5,671,040	$ 130,665	$ -	$ 5,801,705
Investments	17,701,820	-	-	17,701,820
Receivables:				
Accounts Receivable, Net	1,994,226	-	-	1,994,226
Contribution Receivable, Current	93,172	-	-	93,172
Employee Retention Tax Credit	4,652,226	-	-	4,652,226
Current Pledges Receivable, Net	2,394,379	-	-	2,394,379
Prepaid Expense and Other Current Assets	264,810	23,806	-	288,616
Total Current Assets	32,771,673	154,471	-	32,926,144
PROPERTY AND EQUIPMENT, NET	6,703,179	4,533,664	-	11,236,843
OPERATING RIGHT-OF-USE ASSETS	3,734,127	-	-	3,734,127
OTHER ASSETS				
Deposits	2,200	-	-	2,200
Deficit in Subsidiary	(525,889)	-	525,889	-
Endowment Investments	168,444	-	-	168,444
Contribution Receivable, Noncurrent	1,211,231	-	-	1,211,231
Due to YMCA	5,153,239	(5,153,239)	-	-
Pledges Receivable, Noncurrent	12,060,473	-	-	12,060,473
Total Other Assets	18,069,698	(5,153,239)	525,889	13,442,348
Total Assets	$ 61,278,677	$ (465,104)	$ 525,889	$ 61,339,462
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	$ 453,395	$ 22,987	$ -	$ 476,382
Accrued Payroll and Employee Benefits	3,014,269	-	-	3,014,269
Program Fees Received in Advance	1,227,017	-	-	1,227,017
Accrued Expenses	39,283	-	-	39,283
Lease Liability, Current Portion	934,910	-	-	934,910
Total Current Liabilities	5,668,874	22,987	-	5,691,861
LONG-TERM LIABILITIES				
Deposits Payable	-	37,798	-	37,798
Lease Liability, Less Current Portion	2,799,217	-	-	2,799,217
Total Long-Term Liabilities	2,799,217	37,798	-	2,837,015
Total Liabilities	8,468,091	60,785	-	8,528,876
NET ASSETS (DEFICIT)				
Without Donor Restrictions	30,509,688	(525,889)	525,889	30,509,688
With Donor Restrictions	22,300,898	-	-	22,300,898
Total Net Assets (Deficit)	52,810,586	(525,889)	525,889	52,810,586
Total Liabilities and Net Assets	$ 61,278,677	$ (465,104)	$ 525,889	$ 61,339,462

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
SCHEDULE II – CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN MEMBER'S EQUITY
YEAR ENDED DECEMBER 31, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	YMCA	Tipper, LLC	Eliminations	Total
REVENUE, SUPPORT, AND GAINS				
Fundraising Support:				
Contributions	$ 18,004,648	$ -	$ -	$ 18,004,648
Special Events, Net of Direct Costs of $186,725	133,823	-	-	133,823
Total Fundraising Support	18,138,471	-	-	18,138,471
Program Revenue:				
Childcare Fees	18,751,793	-	-	18,751,793
Membership Fees	5,034,770	-	-	5,034,770
Health and Fitness Fees	2,042,958	-	-	2,042,958
Adventure Guides Fees	2,218,915	-	-	2,218,915
Government Assistance	3,237,664	-	-	3,237,664
Camp Fees	1,107,090	-	-	1,107,090
Community Programs Fees	508,260	-	-	508,260
Facility Fees	160,801	-	-	160,801
Total Program Revenue	33,062,251	-	-	33,062,251
Other Income	1,560,985	-	(12,000)	1,548,985
PPP Loan Forgiveness	4,748,475	-	-	4,748,475
Employee Retention Tax Credit	2,995,327	-	-	2,995,327
Rental Income	-	519,055	(277,552)	241,503
Total Revenue, Support, and Gains	60,505,509	519,055	(289,552)	60,735,012
Operating Expenses:				
Program Services:				
Child and Youth Development	16,114,576	-	-	16,114,576
Health and Fitness	7,360,388	-	-	7,360,388
Adventure Guides Activities	2,234,163	-	-	2,234,163
Camp	855,593	-	-	855,593
Other Community Services	4,452,657	-	-	4,452,657
Total Program Services	31,017,377	-	-	31,017,377
Supporting Services:				
Administrative and General	6,477,254	-	(277,552)	6,199,702
Fundraising	177,571	-	-	177,571
Total Supporting Services	6,654,825	-	(277,552)	6,377,273
Tipper, LLC Operating Expenses	-	566,168	(12,000)	554,168
Total Operating Expenses	37,672,202	566,168	(289,552)	37,948,818
OPERATING MARGIN	22,833,307	(47,113)	-	22,786,194
Nonoperating Expenses:				
Investment Loss, Net	(431,739)	-	50,463	(381,276)
Loss on Disposal of Property and Equipment	(43,794)	(3,350)	-	(47,144)
Total Nonoperating Expenses	(475,533)	(3,350)	50,463	(428,420)
INCREASE (DECREASE) IN NET ASSETS	22,357,774	(50,463)	50,463	22,357,774
Net Assets (Deficit) - Beginning of Year	30,452,812	(475,426)	475,426	30,452,812
NET ASSETS (DEFICIT) - END OF YEAR	$ 52,810,586	$ (525,889)	$ 525,889	$ 52,810,586

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
SCHEDULE III – CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	YMCA	Tipper, LLC	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 9,370,506	$ 79,021	$ -	$ 9,449,527
Investments	15,861,144	-	-	15,861,144
Receivables:				
Accounts Receivable, Net	1,859,088	-	-	1,859,088
Contribution Receivable, Current	93,172	-	-	93,172
Employee Retention Tax Credit	1,656,899	-	-	1,656,899
Pledges Receivable, Net	56,251	-	-	56,251
Prepaid Expense and Other Current Assets	244,463	23,337	-	267,800
Total Current Assets	29,141,523	102,358	-	29,243,881
PROPERTY AND EQUIPMENT, NET	6,363,296	4,689,077	-	11,052,373
OTHER ASSETS				
Deposits	2,200	-	-	2,200
Deficit In Subsidiary	(475,426)	-	475,426	-
Endowment Investments	168,444	-	-	168,444
Contribution Receivable, Noncurrent	1,304,403	-	-	1,304,403
Due to YMCA	5,214,350	(5,214,350)	-	-
Total Other Assets	6,213,971	(5,214,350)	475,426	1,475,047
Total Assets	$ 41,718,790	$ (422,915)	$ 475,426	$ 41,771,301
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	$ 585,905	$ 22,987	$ -	$ 608,892
Accrued Payroll and Employee Benefits	1,901,004	-	-	1,901,004
Program Fees Received in Advance	1,042,083	-	-	1,042,083
Accrued Expenses	234,537	-	-	234,537
Credit Line	2,753,974	-	-	2,753,974
Paycheck Protection Program Loan	4,748,475	-	-	4,748,475
Total Current Liabilities	11,265,978	22,987	-	11,288,965
Long-Term Liabilities:				
Deposits Payable	-	29,524	-	29,524
Total Long-Term Liabilities	-	29,524	-	29,524
Total Liabilities	11,265,978	52,511	-	11,318,489
Net Assets (Deficit):				
Without Donor Restrictions	24,701,893	(475,426)	475,426	24,701,893
With Donor Restrictions	5,750,919	-	-	5,750,919
Total Net Assets (Deficit)	30,452,812	(475,426)	475,426	30,452,812
Total Liabilities and Net Assets	$ 41,718,790	$ (422,915)	$ 475,426	$ 41,771,301

YOUNG MEN'S CHRISTIAN ASSOCIATION
OF ORANGE COUNTY AND SUBSIDIARY
SCHEDULE IV – CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN MEMBER'S EQUITY
YEAR ENDED DECEMBER 31, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	YMCA	Tipper, LLC	Eliminations	Total
REVENUE, SUPPORT, AND GAINS				
Fundraising Support:				
Contributions	$ 3,557,225	$ -	$ -	$ 3,557,225
Special Events, Net of Direct Costs of $118,059	69,101	-	-	69,101
Total Fundraising Support	3,626,326	-	-	3,626,326
Program Revenue:				
Childcare Fees	14,566,839	-	-	14,566,839
Membership Fees	4,464,686	-	-	4,464,686
Health and Fitness Fees	1,671,784	-	-	1,671,784
Adventure Guides Fees	1,578,913	-	-	1,578,913
Government Assistance	2,068,511	-	-	2,068,511
Camp Fees	1,270,071	-	-	1,270,071
Community Programs Fees	371,298	-	-	371,298
Facility Fees	103,768	-	-	103,768
Total Program Revenue	26,095,870	-	-	26,095,870
Other Income	1,193,671	-	(12,000)	1,181,671
Employee Retention Tax Credit	1,656,899	-	-	1,656,899
Rental Income	-	514,238	(275,243)	238,995
Total Revenue, Support, and Gains	32,572,766	514,238	(287,243)	32,799,761
Operating Expenses				
Program Services:				
Child and Youth Development	13,217,090	-	-	13,217,090
Health and Fitness	6,620,434	-	-	6,620,434
Adventure Guides Activities	1,611,410	-	-	1,611,410
Camp	540,578	-	-	540,578
Other Community Services	3,071,929	-	-	3,071,929
Total Program Services	25,061,441	-	-	25,061,441
Supporting Services:				
Administrative and General	5,546,801	-	(275,243)	5,271,558
Fundraising	162,106	-	-	162,106
Total Supporting Services	5,708,907	-	(275,243)	5,433,664
Tipper, LLC Operating Expenses	-	616,366	(12,000)	604,366
Total Operating Expenses	30,770,348	616,366	(287,243)	31,099,471
OPERATING MARGIN	1,802,418	(102,128)	-	1,700,290
Nonoperating Expenses:				
Investment Income, Net	1,875,121	-	102,128	1,977,249
Loss on Disposal of Property and Equipment	(726,510)	-	-	(726,510)
Total Nonoperating Expenses	1,148,611	-	102,128	1,250,739
INCREASE (DECREASE) IN NET ASSETS	2,951,029	(102,128)	102,128	2,951,029
Net Assets (Deficit) - Beginning of Year	27,501,783	(373,298)	373,298	27,501,783
NET ASSETS (DEFICIT) - END OF YEAR	$ 30,452,812	$ (475,426)	$ 475,426	$ 30,452,812