YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

WITH INDEPENDENT AUDITORS' REPORT

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY
AND SUBSIDIARY
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DECEMBER 31, 2018 AND 2017

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the Young Men's Christian Association of Orange County and subsidiary (collectively, the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors' consider internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedules I through IV is presented for purposes of additional analysis, and it 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 consolidating information has been subjected to the auditing procedures applied in the audit 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 auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

White Nelson Diehl Evans LLP

Irvine, California
May 8, 2019

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

ASSETS

	2018	2017
Current Assets:		
Cash and cash equivalents (Note 4)	$ 3,659,771	$ 2,310,922
Restricted cash	90,000	90,000
Investments (Notes 5 and 9)	10,079,397	11,482,364
Receivables:		
Accounts receivable, net (Note 6)	787,925	738,633
Pledges receivable, net	26,641	25,392
Prepaid expenses and other current assets	458,553	497,227
Total Current Assets	15,102,287	15,144,538
Property Held under Capital Leases, Net	91,880	184,980
Property and Equipment, Net (Note 7)	20,739,454	17,501,317
Other Assets:		
Deposits	18,700	60,200
Total Assets	$ 35,952,321	$ 32,891,035

LIABILITIES AND NET ASSETS

	2018	2017
Current Liabilities:		
Accounts payable	$ 1,586,129	$ 584,594
Accrued payroll and employee benefits	2,048,336	1,647,093
Program fees received in advance	728,300	522,028
Accrued expenses	271,498	488,571
Deferred Santa Ana project funding, current portion (Note 7)	250,000	250,000
Current maturities of obligations held under capital leases (Note 14a)	54,894	86,499
Notes payable, current portion (Note 10)	159,575	152,790
Total Current Liabilities	5,098,732	3,731,575
Long-Term Liabilities:		
Deposits payable	16,079	40,160
Deferred Santa Ana project funding, less current portion (Note 7)	250,000	500,000
Long-term portion of obligations held under capital leases (Note 14a)	33,949	76,252
Notes payable, less current portion (Note 10)	4,278,012	4,432,035
Total Long-Term Liabilities	4,578,040	5,048,447
Total Liabilities	9,676,772	8,780,022
Commitments and Contingencies (Note 14)	-	-
Net Assets (Note 13):		
Without donor restrictions	25,764,109	23,050,015
With donor restrictions	511,440	1,060,998
Total Net Assets	26,275,549	24,111,013
Total Liabilities and Net Assets	$ 35,952,321	$ 32,891,035

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	Total	Without Donor Restrictions	With Donor Restrictions
Operations			
Support, Revenue, and Gains:			
Fundraising Support:			
Contributions	$ 2,424,978	$ 2,264,925	$ 160,053
Special events, net of direct costs	163,089	163,089	-
Total Fundraising Support	2,588,067	2,428,014	160,053
Program Revenue:			
Childcare fees	21,085,365	21,085,365	-
Membership fees	8,055,551	8,055,551	-
Health and fitness fees	2,980,806	2,980,806	-
Adventure guides fees	2,059,404	2,059,404	-
Government assistance	2,019,454	2,019,454	-
Donated use of facilities/land	944,898	944,898	-
Camping	1,313,716	1,313,716	-
Community programs fees	1,330,781	1,330,781	-
Facility fees	299,751	299,751	-
Total Program Revenue	40,089,726	40,089,726	-
Contribution from Pomona Valley YMCA	4,265,234	4,265,234	-
Other Income	174,911	174,911	-
Rental Income	192,815	192,815	-
Net Assets Released from Restrictions	-	709,611	(709,611)
Total Support, Revenue, and Gains	47,310,753	47,860,311	(549,558)
Operating Expenses:			
Program Services:			
Childcare	16,864,381	16,864,381	-
Health and fitness	13,467,615	13,467,615	-
Adventure guides activities	2,079,085	2,079,085	-
Camping	732,208	732,208	-
Other community services	3,404,550	3,404,550	-
Total Program Services	36,547,839	36,547,839	-
Supporting Services:			
Administrative and general	6,665,013	6,665,013	-
Fundraising	371,260	371,260	-
Total Supporting Services	7,036,273	7,036,273	-
Tipper, LLC	625,750	625,750	-
Total Operating Expenses	44,209,862	44,209,862	-
Operating Margin	3,100,891	3,650,449	(549,558)
Nonoperating			
Investment Loss, Net (Note 5)	(426,106)	(426,106)	-
Loss on Disposal of Capital Assets	(510,249)	(510,249)	-
Total Nonoperating	(936,355)	(936,355)	-
Increase (Decrease) in Net Assets	2,164,536	2,714,094	(549,558)
Net Assets, Beginning of Year	24,111,013	23,050,015	1,060,998
Net Assets, End of Year	$ 26,275,549	$ 25,764,109	$ 511,440

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

	Total	Without Donor Restrictions	With Donor Restrictions
Operations			
Support, Revenue, and Gains:			
Fundraising Support:			
Contributions	$ 1,141,402	$ 365,307	$ 776,095
Special events, net of direct costs	143,057	143,057	-
Total Fundraising Support	1,284,459	508,364	776,095
Program Revenue:			
Childcare fees	19,643,120	19,643,120	-
Membership fees	7,910,829	7,910,829	-
Health and fitness fees	2,962,377	2,962,377	-
Adventure guides fees	1,817,257	1,817,257	-
Government assistance	2,578,363	2,578,363	-
Donated use of facilities/land	944,898	944,898	-
Camp fees	1,281,156	1,281,156	-
Community programs fees	1,192,246	1,192,246	-
Facility fees	332,666	332,666	-
Total Program Revenue	38,662,912	38,662,912	-
Contribution from San Gabriel Valley YMCA	733,000	733,000	-
Other Income	195,204	195,204	-
Rental Income	49,202	49,202	-
Net Assets Released from Restrictions	-	115,768	(115,768)
Total Support, Revenue, and Gains	40,924,777	40,264,450	660,327
Operating Expenses:			
Program Services:			
Childcare	15,819,132	15,819,132	-
Health and fitness	12,483,175	12,483,175	-
Adventure guides activities	1,963,594	1,963,594	-
Camping	694,866	694,866	-
Other community services	3,077,438	3,077,438	-
Total Program Services	34,038,205	34,038,205	-
Supporting Services:			
Administrative and general	6,485,150	6,485,150	-
Fundraising	403,863	403,863	-
Total Supporting Services	6,889,013	6,889,013	-
Tipper, LLC	123,090	123,090	-
Total Operating Expenses	41,050,308	41,050,308	-
Operating Margin	(125,531)	(785,858)	660,327
Nonoperating			
Investment Income, Net (Note 5)	1,394,630	1,394,630	-
Increase in Fair Value of Interest Rate Swap	803,885	803,885	-
Loss on Disposal of Capital Assets	(79,768)	(79,768)	-
Total Nonoperating	2,118,747	2,118,747	-
Increase in Net Assets	1,993,216	1,332,889	660,327
Net Assets, Beginning of Year	22,117,797	21,717,126	400,671
Net Assets, End of Year	$ 24,111,013	$ 23,050,015	$ 1,060,998

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Services					
	Childcare	Health and Fitness	Adventure Guides Activities	Camping	Other Community Services	Subtotal
Salaries and wages	$ 10,041,420	$ 5,814,227	$ 230,491	$ 305,454	$ 1,935,683	$ 18,327,275
Employee benefits	1,342,542	551,988	43,512	30,458	197,085	2,165,585
Payroll taxes	849,713	507,077	23,478	25,798	169,430	1,575,496
Professional fees	136,236	47,618	7,828	2,254	37,295	231,231
Supplies	115,454	180,986	3,131	9,044	12,531	321,146
Telephone	240,976	86,063	12,137	6,930	44,161	390,267
Postage	5,822	3,331	1,105	509	759	11,526
Occupancy	897,895	3,859,426	53,369	65,231	65,064	4,940,985
Insurance	90,473	51,285	7,074	3,890	15,275	167,997
Depreciation	269,502	1,116,677	356	83,901	10,335	1,480,771
Equipment	314,095	159,827	8,576	2,327	18,310	503,135
Printing and promotion	306,608	134,088	21,239	5,139	38,987	506,061
Fundraising campaign	-	-	-	-	-	-
Employee and travel expense	31,073	27,959	7,577	1,402	12,244	80,255
Meetings, training, and conferences	153,419	90,149	24,375	5,312	104,323	377,578
Program costs	1,283,746	449,240	1,601,469	124,330	603,975	4,062,760
Vehicle expense	211,778	182	13	53,485	69,116	334,574
Credit card and bank fees	315,721	228,210	26,686	1,629	44,138	616,384
Fair share	236,864	132,327	4,522	4,543	23,680	401,936
Recruitment and relocation	25	-	-	40	8	73
Bad debt expense	21,019	18,468	2,147	532	2,151	44,317
Interest	-	8,487	-	-	-	8,487
Income Taxes	-	-	-	-	-	-
Total Functional Expenses	$ 16,864,381	$ 13,467,615	$ 2,079,085	$ 732,208	$ 3,404,550	$ 36,547,839

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

	Supporting Services				
	Administrative and General	Fundraising	Subtotal	Tipper, LLC	Total
Salaries and wages	$ 2,985,801	$ 128,236	$ 3,114,037	$ -	$ 21,441,312
Employee benefits	427,348	25,982	453,330	-	2,618,915
Payroll taxes	199,444	10,812	210,256	-	1,785,752
Professional fees	1,940,013	11,272	1,951,285	23,902	2,206,418
Supplies	41,502	365	41,867	4,987	368,000
Telephone	71,920	2,341	74,261	4,401	468,929
Postage	21,815	3,198	25,013	69	36,608
Occupancy	29,586	245	29,831	260,539	5,231,355
Insurance	856	620	1,476	-	169,473
Depreciation	118,693	2	118,695	205,437	1,804,903
Equipment	217,654	5,127	222,781	-	725,916
Printing and promotion	6,131	29,270	35,401	1,581	543,043
Fundraising campaign	-	134,039	134,039	-	134,039
Employee and travel expense	5,536	764	6,300	-	86,555
Meetings, training, and conferences	238,872	10,487	249,359	-	626,937
Program costs	32,399	189	32,588	-	4,095,348
Vehicle expense	12,569	-	12,569	-	347,143
Credit card and bank fees	64,994	2,583	67,577	45	684,006
Fair share	2,302	9,206	11,508	-	413,444
Recruitment and relocation	170,953	-	170,953	-	171,026
Bad debt expense	-	(3,478)	(3,478)	-	40,839
Interest	76,625	-	76,625	123,189	208,301
Income Taxes	-	-	-	1,600	1,600
Total Functional Expenses	$ 6,665,013	$ 371,260	$ 7,036,273	$ 625,750	$ 44,209,862

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	Program Services					
	Childcare	Health and Fitness	Adventure Guides Activities	Camping	Other Community Services	Subtotal
Salaries and wages	$ 8,971,136	$ 5,584,923	$ 203,087	$ 275,530	$ 1,715,667	$ 16,750,343
Employee benefits	1,101,194	505,394	27,820	23,378	152,462	1,810,248
Payroll taxes	732,456	463,309	16,833	21,907	144,354	1,378,859
Professional fees	106,383	76,923	3,741	19,144	11,402	217,593
Supplies	130,331	159,104	2,753	22,305	10,967	325,460
Telephone	251,053	83,101	10,593	14,416	52,221	411,384
Postage	6,713	3,740	914	686	1,558	13,611
Occupancy	761,215	3,022,589	48,535	70,754	72,047	3,975,140
Insurance	165,053	96,240	15,045	2,982	20,611	299,931
Depreciation	228,073	1,376,035	355	66,750	9,876	1,681,089
Equipment	678,092	133,879	6,112	4,513	16,290	838,886
Printing and promotion	309,152	142,878	5,911	4,416	4,935	467,292
Fundraising campaign	29,659	2,543	408	141	642	33,393
Employee and travel expense	30,722	20,103	3,196	4,153	14,347	72,521
Meetings, training, and conferences	107,796	66,975	22,480	10,303	13,535	221,089
Program costs	1,450,244	354,137	1,537,203	139,833	674,445	4,155,862
Vehicle expense	198,483	121	19	5,059	84,424	288,106
Credit card and bank fees	308,215	205,084	32,257	5,932	48,864	600,352
Fair share	234,329	134,921	5,058	2,139	26,461	402,908
Recruitment and relocation	29	106	-	-	98	233
Bad debt expense	18,804	38,827	21,274	525	2,232	81,662
Interest	-	12,243	-	-	-	12,243
Miscellaneous expense	-	-	-	-	-	-
Total Functional Expenses	$ 15,819,132	$ 12,483,175	$ 1,963,594	$ 694,866	$ 3,077,438	$ 34,038,205

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

	Supporting Services				
	Administrative and General	Fundraising	Subtotal	Tipper, LLC	Total
Salaries and wages	$ 2,732,825	$ 167,056	$ 2,899,881	$ -	$ 19,650,224
Employee benefits	361,476	27,688	389,164	-	2,199,412
Payroll taxes	186,985	13,790	200,775	-	1,579,634
Professional fees	1,763,422	14,058	1,777,480	9,186	2,004,259
Supplies	31,199	676	31,875	104	357,439
Telephone	72,079	3,673	75,752	1,419	488,555
Postage	10,702	4,295	14,997	-	28,608
Occupancy	238,042	178	238,220	47,479	4,260,839
Insurance	155,185	-	155,185	-	455,116
Depreciation	131,922	-	131,922	30,336	1,843,347
Equipment	200,013	236	200,249	-	1,039,135
Printing and promotion	5,234	26,872	32,106	-	499,398
Fundraising campaign	-	73,347	73,347	-	106,740
Employee and travel expense	9,441	1,098	10,539	-	83,060
Meetings, training, and conferences	166,640	25,846	192,486	-	413,575
Program costs	-	29,583	29,583	-	4,185,445
Vehicle expense	17,041	-	17,041	-	305,147
Credit card and bank fees	148,956	1,200	150,156	30	750,538
Fair share	-	10,501	10,501	-	413,409
Recruitment and relocation	191,329	-	191,329	-	191,562
Bad debt expense	-	3,766	3,766	-	85,428
Interest	62,659	-	62,659	30,733	105,635
Miscellaneous expense	-	-	-	3,803	3,803
Total Functional Expenses	$ 6,485,150	$ 403,863	$ 6,889,013	$ 123,090	$ 41,050,308

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash Flows from Operating Activities:		
Increase in Net Assets	$ 2,164,536	$ 1,993,216
Noncash Reconciling Items:		
Depreciation	1,804,903	1,843,347
Amortization of deferred financing costs	1,174	196
Realized and unrealized losses (gain) on investments	713,062	(1,227,643)
Loss on sale of property and equipment	510,249	79,768
Gain on sale of property held for resale	-	(803,885)
Donation of asset from Pomona Valley YMCA	(4,059,000)	-
Deferred Santa Ana project funding	(250,000)	(250,000)
Allowance for doubtful accounts	(9,205)	13,689
Changes in:		
Accounts receivable	(43,164)	108,900
Pledges receivable	1,828	471
Prepaid expenses and other current assets	38,674	200,733
Deposits	41,500	21,259
Accounts payable	1,001,535	(19,557)
Accrued payroll and employee benefits	401,243	292,190
Program fees received in advance	206,272	57,866
Accrued expenses	(217,073)	143,433
Deposits payable	(24,081)	40,160
Net Cash, Cash Equivalents, and Restricted Cash Provided by Operating Activities	2,282,453	2,494,143
Cash Flows from Investing Activities:		
Purchases of property and equipment	(1,407,439)	(2,223,805)
Proceeds from sale of property and equipment	6,250	13,500
Proceeds from sale of land held for resale	-	953,748
Sales of investments	13,221,240	1,760,251
Purchases of investments	(12,531,335)	(2,966,183)
Net Cash, Cash Equivalents, and Restricted Cash Used in Investing Activities	(711,284)	(2,462,489)
Cash Flows from Financing Activities:		
Principal payments on capital leases	(73,908)	(276,645)
Principal payments on notes payable	(148,412)	(1,742,634)
Cash paid for deferred financing costs	-	(11,741)
Net Cash, Cash Equivalents, and Restricted Cash Used in Financing Activities	(222,320)	(2,031,020)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	1,348,849	(1,999,366)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	2,400,922	4,400,288
Cash, Cash Equivalents, and Restricted Cash, End of Year	$ 3,749,771	$ 2,400,922

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Supplemental Disclosure:		
Interest paid	$ 208,301	$ 105,635
Income taxes	$ 1,600	$ -
Noncash Investing and Financing Activities for the Years Ended December 31, 2018 and 2017:		
Equipment acquired through capital lease	$ -	$ 162,114
Property acquired through debt financing	$ -	$ 4,680,000

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

Note 1: Organization and Nature of Services

Organization

At the Young Men's Christian Association of Orange County (the "YMCA" or "Y"), strengthening community is our 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 seven Health & Wellness locations, two program centers, an aquatics and soccer complex, numerous community services and youth programs and over 76 Before & 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 our 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 of Orange County 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." Interorganization transactions and balances have been eliminated in consolidation.

Nature of Services

The Y provides services for the following program areas:

- <u>Childcare:</u> 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. Our 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 on 76 school campus locations throughout Orange County, Riverside County and Pomona Valley. In addition, we provide year round experiences through day camps and clubs. Youth experience curriculum through a variety of content areas, hands-on activities, clubs, service learning projects, and enrichment centers.

Note 1: Organization and Nature of Services (Continued)

Nature of Services (Continued)

- Health and Fitness: The Y provides comprehensive health & wellness programming to youth and adults in the Orange and Los Angeles Counties. Through quality programs and partnerships that span across 7 locations and 7 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.

- 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 3-12. 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.

- Camping: Y camping 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 camping 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, YMCA camping 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 setting, but extends beyond to meet the needs of those in our community who may have special needs. 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 life-long 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: Organization and Nature of Services (Continued)

Nature of Services (Continued)

Inclusion is accepting differences and responding to individual needs with the purpose of ensuring that all individuals are provided a sense of belonging and are valued and respected as a contributing member of the community. Inclusion benefits all children, staff and families by providing them with opportunities to learn and value one another as individuals and members of the same community. Inclusion allows for all individuals within the community to experience life to the fullest, regardless of differences or abilities. The YMCA Inclusion Program assists children with special needs or disabilities in becoming independent, engaged, and successful in their childcare setting. Our positive and supportive approach focuses on behavior management and play, social, and self-care skills development.

The Y is a proud supporter of the After School Education & Safety ("ASES") Program for students. This program supports low-income families by providing a safe and educational after school environment through state grants. The Y currently operates 16 ASES sites, 9 in West Covina Unified School District, 4 in Capistrano Unified School District and 3 in Orange Unified School District. ASES students receive homework assistance, 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.

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.

Note 2: Summary of Significant Accounting Policies

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 ("US 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 US GAAP.

Note 2: Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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

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).

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).

Board-Designated Net Assets - Net assets without donor restrictions subject to self-imposed limits by action of the Organization's Board of Directors. Board-designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses.

Cash, Cash Equivalents and Restricted Cash

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. Restricted cash consists of cash with certain donor imposed restricted that are restricted for long-term purposes.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in investment income (loss) in the Organization's accompanying consolidated statements of activities.

Accounts Receivable

The Organization's accounts receivable are primarily fees for services provided and rent that is due. 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.

Note 2: Summary of Significant Accounting Policies (Continued)

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 3 to 7 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 impairment losses to 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 amount. For the years ended December 31, 2018 and 2017, 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.

Donated use of facilities/land during the years ended December 31, 2018 and 2017, included 3.57 acres of land from the US 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. Donated use of facilities/land is considered an exchange transaction and recorded as revenue and occupancy expense in the accompanying consolidated financial statements at their estimated fair market value. The Organization recognized fair value of $944,898 for donated use of these facilities for the years ended December 31, 2018 and 2017. The methodology to estimate the fair value of the donated use of facilities is the market approach. The market approach uses comparable available buildings and actual completed transactions to determine values. Thus, the market approach provides a good estimate of what the property would sell or lease for if it were vacant and available for a buyer/tenant to occupy.

Note 2: Summary of Significant Accounting Policies (Continued)

Accrued Vacation

As of December 31, 2018 and 2017, the accrued vacation liability was $569,760 and $522,190, respectively, and is included as a component of accrued payroll and employee benefits in the accompanying consolidated statements of financial position.

Revenue Recognition

Amounts received from grants and contracts are not reported as revenue until the resources are expended for the purpose specified or until a stipulated time restriction ends.

In accordance with FASB ASC 958-605, *Revenue Recognition*, contributions received 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 statements of activities as net assets released from restrictions.

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 are allocated in the following ways. Marketing costs, which include salaries and wages of marketing employees and direct costs incurred, such as printing and promotion, are pooled. The pooled costs are then allocated to programs based on a pro rata share of each program's total revenue. Also allocated are salaries and other employee expenses for program leadership, which are allocated on a pro rata share of each program's total direct expenses. Additionally, the costs of the subsidiary, Tipper, have been summarized on a functional basis in the consolidated statements of functional expenses.

Note 2: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The process of preparing consolidated financial statements in accordance with US 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 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, 2018 and 2017. 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, 2018 and 2017. The YMCA's tax years from 2015 to 2018 are open to review for federal tax purposes, and tax years from 2014 to 2018 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.

Recent Accounting Pronouncements - Not Yet Adopted

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606).* The ASU establishes new revenue recognition guidance ("ASC 606"), which replaces the current revenue recognition guidance. ASC 606 is a comprehensive revenue recognition standard for virtually all industries, including those that previously followed industry-specific guidance, such as the real estate, construction, and software industries. The core principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASC 606 is effective for nonpublic companies for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019. Early adoption is permitted. The Organization does not expect the provisions of ASC 606 to have a material impact on the presentation of its consolidated financial statements.

Note 2: Summary of Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, with subsequent improvements and corrections issued in ASU 2018-01, ASU 2018-10, and ASU 2018-20. ASU 2016-02 amends a number of aspects of lease accounting, including requiring lessees to recognize on their balance sheet a right-of-use asset and a lease liability for all operating leases with a term of more than 12 months. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of asset not to recognize the right-of-use asset and lease liability. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019; however, early adoption is permitted. The Organization is currently evaluating the impact of the provisions of ASU 2016-02 on the presentation of its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)*, with subsequent improvements issued in ASU 2018-19. ASU 2016-13 requires that credit losses on most financial assets measured at amortized cost and certain other instruments, including trade receivables, 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, the ASU makes certain targeted amendments to the existing impairment model for available-for-sale debt securities. For nonpublic entities, including not-for-profit entities, the amendments are effective for fiscal years beginning after December 15, 2021. The Organization does not expect the provisions of ASU 2016-13 to have a material impact on the presentation of its consolidated financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities - Revenue Recognition (Topic 958-605).* ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and contributions made. This update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958 or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. ASU 2018-08 is effective for fiscal years beginning after December 15, 2019, and early adoption is permitted. The Organization does not expect provisions of ASU 2018-08 to have a material impact on the presentation of its consolidated financial statements.

Recent Accounting Pronouncements - Adopted

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*, which changes the current guidance for asset classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity, and presentation of operating cash flows. ASU 2016-14 reduces the required number of classes of net assets from three to two: *net assets with donor restrictions* and *net assets without donor restrictions*. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires not-for-profit organizations to report investment return net of external and direct internal investment expenses. The requirement to disclose those netted expenses is eliminated.

Note 2: Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements – Adopted (Continued)

In addition to the current required disclosure of the aggregate amount by which endowment funds are underwater, ASU 2016-14 requires not-for-profit entities to disclose the aggregate fair value of such funds, as well as the aggregate original gift amounts to be maintained. ASU 2016-14 also requires an NFP to disclose its interpretation of the ability to spend from underwater endowment funds, including its policy, and any actions taken during the period, concerning appropriation from underwater endowment funds. All underwater endowment funds will be classified as part of net assets with donor restrictions rather than as a charge to unrestricted net assets as per the current rules. In the absence of explicit donor restrictions, ASU 2016-14 requires not-for-profit entities to use the placed-in-service approach to account for capital gifts. The current option to use the over-time approach has been eliminated. ASU 2016-14 requires expenses to be reported by nature in addition to function and include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among program and support functions will also need to be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and the ability to cover short-term cash needs within one year of the balance sheet date. Finally, current standards allow not-for-profit entities to decide whether to present operating cash flows using either the direct method or the indirect method. ASU 2016-14 eliminates the requirement to present or disclose the indirect method of reconciliation if the entity decides to use the direct method. ASU 2016-14 is effective for annual reporting periods beginning after December 15, 2017. The Organization has adopted the provisions of ASU 2016-14 and has retrospectively applied this standard to the consolidated financial statements as of and for the year ended December 31, 2018.

A summary of the net asset reclassifications driven by the adoption of ASU 2016-14 as of December 31, 2017, is as follows:

As originally stated:

Net assets, beginning of year:	
Unrestricted	$ 21,717,126
Temporarily restricted	310,671
Permanently restricted	90,000
Total Net Assets, Beginning of Year	$ 22,117,797
Net assets, end of year:	
Unrestricted	$ 23,050,015
Temporarily restricted	970,998
Permanently restricted	90,000
Total Net Assets, End of Year	$ 24,111,013

Note 2: Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements – Adopted (Continued)

As restated:

Net assets, beginning of year:	
Without donor restrictions	$ 21,717,126
With donor restrictions	400,671
Total Net Assets, Beginning of Year	$ 22,117,797
Net assets, end of year:	
Without donor restrictions	23,050,015
With donor restrictions	1,060,998
Total Net Assets, End of Year	$ 24,111,013

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 statement of financial position date, are as follows as of December 31, 2018 and 2017:

	2018	2017
Cash and equivalents	$ 3,659,771	$ 2,310,922
Investments	10,079,397	11,482,364
Accounts receivable	787,925	738,633
Pledges receivable	26,641	25,392
Total Financial Assets Available to Meet General Expenditures within One Year	$ 14,553,734	$ 14,557,311

Note 4: Cash and Cash Equivalents

Cash and cash equivalents consist of the following as of December 31, 2018 and 2017:

	2018	2017
Petty cash	$ 2,505	$ 3,000
Demand deposits	3,088,179	1,913,984
Money market accounts	553,514	374,700
Trust account	15,573	19,238
Total Cash and Cash Equivalents	$ 3,659,771	$ 2,310,922

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 has deposits with banks in excess of federally insured limits of $3,066,141 and $1,766,265 at December 31, 2018 and 2017, respectively.

The Organization's money market accounts are considered Level 1 fair value measurements, as more fully described in Note 9.

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

Note 5: Investments

The fair value of investments at December 31, 2018 and 2017, is as follows:

	2018	2017
Equity securities	$ 3,472,172	$ 2,562,371
Municipal bonds	-	101,756
Corporate bonds	2,059,890	153,554
Mutual funds	2,835,145	7,205,849
Exchange traded products	1,040,330	1,458,834
Real estate income trust	671,860	-
Total Investments	$ 10,079,397	$ 11,482,364

Note 5: Investments (Continued)

Investment income (loss), net consists of the following for the years ended December 31, 2018 and 2017:

	2018	2017
Interest and dividend income	$ 336,498	$ 244,746
Net realized (losses) gains	(16,402)	93,933
Net unrealized (losses) gains	(696,660)	1,133,710
Management fees	(49,542)	(77,759)
Investment (Loss) Income, Net	$ (426,106)	$ 1,394,630

Note 6: Accounts Receivable

Accounts receivable are composed of the following at December 31, 2018 and 2017:

	2018	2017
Grants (governmental/foundation)	$ 343,307	$ 338,653
Program	445,749	345,818
Other	2,664	64,085
Less: Allowance for doubtful accounts	(3,795)	(9,923)
Total Accounts Receivable	$ 787,925	$ 738,633

Note 7: Property and Equipment

Property and equipment consist of the following at December 31, 2018 and 2017:

	2018	2017
Land	$ 7,123,743	$ 4,923,743
Buildings and improvements	23,724,908	21,110,763
Furniture and equipment	4,474,489	4,235,168
Vehicles	426,230	421,399
	35,749,370	30,691,073
Less: Accumulated depreciation	(15,009,916)	(13,807,197)
Construction in progress	-	617,441
Property and Equipment, Net	$ 20,739,454	$ 17,501,317

Depreciation expense for the years ended December 31, 2018 and 2017, was $1,715,640 and $1,522,696, respectively.

Note 7: Property and Equipment (Continued)

The Organization completed a project in Santa Ana in November 2010, which was the site of a new YMCA facility. The project included two recreational pools, a soccer arena, sports field, a health and nutrition modular facility, and an office modular, along with an Olympic-size pool with lockers and shower facilities on the Segerstrom High School campus that is adjacent to the YMCA site. The majority of the project was funded by the Children and Families Commission of Orange County (the "Commission"). The grant is considered to be an exchange transaction pursuant to the YMCA contract with the Commission to provide certain community services at the site over a specified 10-year period. Accordingly, the Commission funding is not recognized as revenue upon incurrence of the related construction costs. Funding from the Commission is recorded as deferred revenue to be recognized ratably over the 10-year service period stipulated in the contract with the Commission. Revenue recognition commenced January 2012 and continues through December 2020 at a rate of $250,000 per year. Deferred Santa Ana project funding as of December 31, 2018 and 2017, was $500,000 and $750,000, respectively.

Note 8: Lease Rental Income

Tipper leases office space to various tenants under rental lease agreements expiring in years through 2021. Rental income during the years ended December 31, 2018 and 2017 totaled $192,815 and $49,202 respectively.

Minimum future lease payments to be received as of December 31, 2018, are as follows:

2019	$ 107,022
2020	43,338
2021	14,274
Total	$ 164,634

Note 9: 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).

Note 9: Fair Value Measurements (Continued)

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

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

Municipal 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.

Real Estate Investment Trust: Valued at prices obtained from independent appraisal services, of underlying assets.

Note 9: Fair Value Measurements (Continued)

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

The following table provides fair value measurement information for financial assets measured at fair value on a recurring basis as of December 31, 2018:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities:				
Consumer discretionary	$ 153,974	$ 153,974	$ -	$ -
Consumer goods	573,769	573,769	-	-
Energy	176,614	176,614	-	-
Financials	760,868	760,868	-	-
Health care	428,039	428,039	-	-
Industrials	441,986	441,986	-	-
Information technology	623,608	623,608	-	-
Real estate	89,203	89,203	-	-
Utilities	313,315	313,315	-	-
Corporate Bonds	2,059,890	-	2,059,890	-
Mutual Funds:				
Domestic	2,835,145	2,835,145	-	-
Exchange-Traded Products	1,040,330	1,040,330	-	-
Real Estate Investment Trusts	582,656	-	582,656	-
Total	$ 10,079,397	$ 7,436,851	$ 2,642,546	$ -

Note 9: 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, 2017:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities:				
Consumer discretionary	$ 351,103	$ 351,103	$ -	$ -
Consumer goods	242,290	242,290	-	-
Energy	163,938	163,938	-	-
Financials	403,879	403,879	-	-
Health care	322,974	322,974	-	-
Industrials	238,717	238,717	-	-
Information technology	658,667	658,667	-	-
International stock	60,426	60,426	-	-
Materials	61,741	61,741	-	-
Utilities	58,637	58,637	-	-
Municipal Bonds	101,756	-	101,756	-
Corporate Bonds	153,554	-	153,554	-
Mutual Funds:				
Domestic	5,732,581	5,732,581	-	-
Foreign	1,473,267	1,473,267	-	-
Exchange-Traded Products	1,458,834	1,458,834	-	-
Total	$ 11,482,364	$ 11,227,054	$ 255,310	$ -

Note 10: Notes Payable

YMCA entered into a note payable of $2,300,000 with Bank of America, N.A. The note payable bears a fixed interest rate of 4.43 percent, with monthly payments of $12,856 due through maturity, with an estimated $1,261,914 balloon payment due at maturity on January 1, 2022. This note is secured by the Fullerton Family YMCA facility. The outstanding balance as of December 31, 2018 and 2017, is $1,530,539 and $1,614,021, respectively.

In September 2017, Tipper entered into a note payable of $3,000,000 with HomeStreet Bank. The note payable bears a fixed interest rate of 4.08 percent, with monthly payments of $16,063 due through maturity, with an estimated $2,167,201 balloon payment due at maturity on October 1, 2027. The note is guaranteed by the YMCA and is secured by the Tustin building. The outstanding balance as of December 31, 2018 and 2017, is $2,917,419 and $2,982,349, respectively.

The loan agreements for YMCA and Tipper, noted above, contain certain financial and nonfinancial covenants. At December 31, 2018, the Organization was in compliance with or had obtained a waiver for these financial covenants.

Note 10: Notes Payable (Continued)

The following table represents the maturities of the notes payable for succeeding years ending December 31:

	Principal Payments	Deferred Finance Costs	Total
2019	$ 160,750	$ (1,175)	$ 159,575
2020	167,668	(1,175)	166,493
2021	175,255	(1,175)	174,080
2022	1,339,822	(1,175)	1,338,647
2023	86,657	(1,175)	85,482
Thereafter	2,517,806	(4,496)	2,513,310
Total	$ 4,447,958	$ (10,371)	$ 4,437,587

Note 11: Endowment Funds

The Organization's Endowment Funds include donor-restricted endowment. As required by US 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.

Note 11: Endowment Funds (Continued)

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

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) 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 generating a predictable and growing stream of annual distributions that will support the Organization's needs. The oversight of the investment portfolio is the responsibility of the Investment Committee whose members are comprised of the Organization's Chief Executive Officer, the Chairperson of the Organization's Board of Directors, the Finance Chair and at least two members appointed by the agreement of the Finance and Board Chairs, and which shall administer the investment portfolio in compliance with all written policies approved by the Board of Directors.

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 as of December 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds, perpetual in duration - original gift amount	$ -	$ 90,000	$ 90,000

The following is the endowment net asset composition by type of fund as of December 31, 2017:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds, perpetual in duration - original gift amount	$ -	$ 90,000	$ 90,000

Note 11: Endowment Funds (Continued)

Changes in the endowment fund net assets for the years ended December 31, 2018 and 2017, are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment fund net assets, December 31, 2016	$ -	$ 90,000	$ 90,000
Investment return	-	27	27
Appropriation of endowment assets for expenditure	-	(27)	(27)
Endowment fund net assets, December 31, 2017	-	90,000	90,000
Investment return	-	27	27
Appropriation of endowment assets for expenditure	-	(27)	(27)
Endowment Fund Net Assets, December 31, 2018	$ -	$ 90,000	$ 90,000

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, 2018 and 2017. 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 12: Net Assets Released from Restrictions

Net assets released from restrictions consist of the following at December 31, 2018 and 2017:

	2018	2017
Satisfaction of time restriction	$ 80,094	$ 69,311
Satisfaction of purpose restriction	629,517	46,457
Total Net Assets Released from Restrictions	$ 709,611	$ 115,768

Note 13: Net Assets

Net assets consist of the following at December 31, 2018 and 2017:

	2018	2017
Net Assets without Donor Restrictions:		
Investment in property and equipment, net of related debt	$ 16,304,904	$ 12,938,721
Available for operations	9,459,205	10,111,294
Total net assets without donor restrictions	25,764,109	23,050,015
Net Assets with Donor Restrictions:		
Subject to expenditures for specific purposes:		
Childcare program activities	26,165	-
Health and wellness program activities	11,921	105,922
Camping	-	63,483
Program activities - Pomona service area	12,674	193,018
All program activities	696	83,914
Building and maintenance:		
Camp Elk	229,528	437,000
Capital projects:		
Laguna Niguel	7,567	7,567
Total purpose restrictions	288,551	890,904
Subject to passage of time:		
Charitable Remainder Unitrust	74,976	-
Campaign donations	57,913	80,094
Total time restrictions	132,889	80,904
Endowment:		
Subject to endowment spending policy and appropriation		
Program activities	90,000	90,000
Total net assets with donor restrictions	511,440	1,060,998
Total Net Assets	$ 26,275,549	$ 24,111,013

Note 14: Commitments and Contingencies

a) Obligations Held under Capital Leases

The Organization is the lessee of various equipment under capital leases expiring in years through 2020. The assets and liabilities held under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of the related lease terms or their estimated productive lives. Depreciation of assets under capital leases is included in depreciation expense for the years ended December 31, 2018 and 2017.

The following is a summary of property held under capital leases at December 31, 2018 and 2017:

	2018	2017
Machinery and equipment	$ 946,690	$ 950,527
Less: Accumulated depreciation	(854,810)	(765,547)
Property Held under Capital Leases, Net	$ 91,880	$ 184,980

Depreciation of assets held under capital leases charged to expense for the years ended December 31, 2018 and 2017, totaled $89,263 and $320,651, respectively.

Minimum future lease payments under capital leases as of December 31, 2018, are as follows:

2019	$ 60,803
2020	34,920
Total minimum lease payments	95,723
Less: Amount representing interest	(6,880)
Present value of net minimum lease payments	88,843
Current maturities of obligations held under capital leases	(54,894)
Long-Term Portion of Obligations Held under Capital Leases	$ 33,949

Interest rates on capitalized leases vary from 4.25 percent to 6.68 percent and are based on the lessor's implicit rate of return.

b) Operating Leases

The Organization leases various facilities and equipment pursuant to lease agreements that expire through 2023. 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 14: Commitments and Contingencies (Continued)

b) Operating Leases (Continued)

Future minimum payments under noncancelable operating leases with an initial term of one year or more are as follows for years ending December 31:

	Facility	Equipment	Total
2019	$ 781,627	$ 149,405	$ 931,032
2020	344,999	120,679	465,678
2021	110,567	112,279	222,846
2022	-	73,276	73,276
2023	-	18,831	18,831
Total	$ 1,237,193	$ 474,470	$ 1,711,663

Total rental expense for the operating leases described above was $1,334,508 and $1,497,384 for the years ended December 31, 2018 and 2017, respectively.

On December 31, 2018 the Organization closed its Murrieta location. As the lease for the Murrieta location was not due to expire until January 2022, the Organization bought out the lease. Total buyout costs for the year ended December 31, 2018 was $599,441, and is recorded as health and fitness occupancy expense on the accompanying statement of functional expenses.

c) 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 15: 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 $413,444 and $415,289, respectively, for the years ended December 31, 2018 and 2017.

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.

Note 15: Related-Party Transactions (Continued)

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, 2018 and 2017, aggregated $1,190,444 and $1,035,824, respectively. Unpaid contributions were $164,241 and $137,035, respectively, at December 31, 2018 and 2017, 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 bank account and note payable with HomeStreet Bank at December 31, 2018 and 2017. There is a board member that is an employee of HomeStreet 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 a board member that is a partner at HighTower Advisors, LLC. This board member abstains from decisions made concerning matters that would be a conflict of interest.

In June 2015, the Organization paid $5,500 to become 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. In June 2015, the Organization guaranteed a line of credit for YPG. As of December 31, 2018, the outstanding balance on the line of credit was $346,375 and the total amount of credit available is $500,000.

Note 16: 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 year ended December 31, 2018, were as follows:

	Gross Revenue	Direct Expenses	Net Revenue
Dinners/breakfast	$ 75,947	$ (21,731)	$ 54,216
Golf tournaments	144,915	(53,404)	91,511
5/10k runs	52,871	(42,673)	10,198
Sports tournament	13,432	(6,268)	7,164
Total	$ 287,165	$ (124,076)	$ 163,089

Note 16: Special Events (Continued)

Special events held by the various branches for the year ended December 31, 2017, were as follows:

	Gross Revenue	Direct Expenses	Net Revenue
Dinners/breakfast	$ 72,875	$ (21,733)	$ 51,142
Golf tournaments	125,984	(52,244)	73,740
5/10k runs	57,034	(38,859)	18,175
Total	$ 255,893	$ (112,836)	$ 143,057

Note 17: Concentration of Risk

For the years ended December 31, 2018 and 2017, the Organization received approximately 35 percent and 37 percent, respectively, of its total support and revenues (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 childcare programs. If the Organization's relationship with CUSD were to be terminated, it would likely cause a significant reduction in the Organization's operations.

Note 18: Beneficial Interest in Trust

In 2013, the Organization received documentation of being named in a trust. The trust has two components: one that is revocable and one that is irrevocable. The irrevocable trust component includes the value of an estate, including real and personal property, insurance contracts, retirement investments, and other investments. The revocable trust must first be liquidated prior to the funds being available for the irrevocable trust component. The irrevocable trust requires certain payments to four beneficiaries. The remaining trust assets will then be distributed, of which 15 percent will be distributed to the Organization. At this time, no trust assets have been distributed to the Organization and the beneficiary interest in the trust is not recorded in the accompanying consolidated financial statements because fair value cannot be estimated.

Note 19: Pomona Valley YMCA

On March 9, 2017, the Organization entered into an asset transfer agreement with the Young Men's Christian Association of Pomona Valley ("Pomona Valley YMCA"). Under the terms of the agreement, Pomona Valley YMCA agreed to transfer rights of certain assets, and proceeds from future sales of other assets, to the Organization and granted the Organization rights to operate in Pomona Valley YMCA's service area.

Note 19: Pomona Valley YMCA (Continued)

In 2018, Pomona Valley YMCA transferred ownership of property and equity consisting of land, buildings, and a vehicle as a part of the assets transfer agreement, which amounted to $4,059,000. In addition, cash and investments totaling $206,234 were transferred as a part of the asset transfer agreement.

Note 20: YMCA of Orange

On October 19, 2018 the Organization entered into an asset transfer agreement with Young Men's Christian Association of Orange ("YMCA of Orange"). Under the terms of the agreement, effective December 1, 2018 the Organization was granted rights to operate in YMCA of Orange's service area, which includes the cities of Orange, Anaheim Hills, and Villa Park. Also, effective January 1, 2019, YMCA of Orange agreed to transfer rights of certain assets, and proceeds from future sales of other assets, to the Organization.

Note 21: Subsequent Events

Events occurring after December 31, 2018, have been evaluated for possible adjustment to the consolidated financial statements or disclosure as of May 8, 2019, which is the date the consolidated financial statements were available to be issued.

CONSOLIDATING INFORMATION

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
SCHEDULE I - CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

	YMCA	Tipper, LLC	Eliminations	Total
Current Assets:				
Cash and cash equivalents (Note 4)	$ 3,628,445	$ 31,326	$ -	$ 3,659,771
Restricted cash	90,000	-	-	90,000
Investments (Notes 5 and 9)	10,079,397	-	-	10,079,397
Receivables:				
Accounts receivable, net (Note 6)	787,925	-	-	787,925
Pledges receivable, net	26,641	-	-	26,641
Prepaid expense and other current assets	424,998	33,555	-	458,553
Total Current Assets	15,037,406	64,881	-	15,102,287
Property Held under Capital Leases, Net	91,880	-	-	91,880
Property and Equipment, Net (Note 7)	15,417,227	5,322,227		20,739,454
Other Assets:				
Deposits	18,700	-	-	18,700
Deficit in subsidiary	(158,683)	-	158,683	-
Due to YMCA	2,584,226	(2,584,226)	-	-
Total Other Assets	2,444,243	(2,584,226)	158,683	18,700
Total Assets	$ 32,990,756	$ 2,802,882	$ 158,683	$ 35,952,321

LIABILITIES AND NET ASSETS

	YMCA	Tipper, LLC	Eliminations	Total
Current Liabilities:				
Accounts payable	$ 1,547,691	$ 38,438	$ -	$ 1,586,129
Accrued payroll and employee benefits	2,048,336	-	-	2,048,336
Program fees received in advance	728,300	-	-	728,300
Accrued expenses	271,498	-	-	271,498
Deferred Santa Ana project funding, current portion (Note 7)	250,000	-	-	250,000
Current maturities of obligations held under capital leases (Note 14a)	54,894	-	-	54,894
Notes payable, current portion (Note 10)	87,289	72,286	-	159,575
Total Current Liabilities	4,988,008	110,724	-	5,098,732
Long-Term Liabilities:				
Deposits payable	-	16,079	-	16,079
Deferred Santa Ana project funding, less current portion (Note 7)	250,000	-	-	250,000
Long-term portion of obligations held under capital leases (Note 14a)	33,949	-	-	33,949
Notes payable, less current portion (Note 10)	1,443,250	2,834,762	-	4,278,012
Total Long-Term Liabilities	1,727,199	2,850,841	-	4,578,040
Total Liabilities	6,715,207	2,961,565	-	9,676,772
Commitments and Contingencies (Note 14)	-	-	-	-
Net Assets (Note 13):				
Without donor restrictions	25,764,109	(158,683)	158,683	25,764,109
With donor restrictions	511,440	-	-	511,440
Total Net Assets	26,275,549	(158,683)	158,683	26,275,549
Total Liabilities and Net Assets	$ 32,990,756	$ 2,802,882	$ 158,683	$ 35,952,321

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, 2018

	YMCA	Tipper, LLC	Eliminations	Total
Operations				
Support, Revenue, and Gains:				
Fundraising Support:				
Contributions	$ 2,424,978	$ -	$ -	$ 2,424,978
Special events, net of direct costs	163,089	-	-	163,089
Total Fundraising Support	2,588,067	-	-	2,588,067
Program Revenue:				
Childcare fees	21,085,365	-	-	21,085,365
Membership fees	8,055,551	-	-	8,055,551
Health and fitness fees	2,980,806	-	-	2,980,806
Adventure guides fees	2,059,404	-	-	2,059,404
Government assistance	2,019,454	-	-	2,019,454
Donated use of facilities/land	944,898	-	-	944,898
Camping	1,313,716	-	-	1,313,716
Community programs fees	1,330,781	-	-	1,330,781
Facility fees	299,751	-	-	299,751
Total Program Revenue	40,089,726	-	-	40,089,726
Contribution from Pomona Valley YMCA	4,265,234	-	-	4,265,234
Other Income	184,511	-	(9,600)	174,911
Rental Income	-	468,058	(275,243)	192,815
Total Support, Revenue, and Gains	47,127,538	468,058	(284,843)	47,310,753
Operating Expenses:				
Program Services:				
Childcare	16,864,381	-	-	16,864,381
Health and fitness	13,467,615	-	-	13,467,615
Adventure guides activities	2,079,085	-	-	2,079,085
Camping	732,208	-	-	732,208
Other community services	3,437,310	-	(32,760)	3,404,550
Total Program Services	36,580,599	-	(32,760)	36,547,839
Supporting Services:				
Administrative and general	6,907,496	-	(242,483)	6,665,013
Fundraising	371,260	-	-	371,260
Total Supporting Services	7,278,756	-	(242,483)	7,036,273
Tipper, LLC	-	635,350	(9,600)	625,750
Total Operating Expenses	43,859,355	635,350	(284,843)	44,209,862
Operating Margin	3,268,183	(167,292)	-	3,100,891
Nonoperating				
Investment Loss, Net (Note 5)	(593,398)	-	167,292	(426,106)
Loss on Disposal of Capital Assets	(510,249)	-	-	(510,249)
Total Nonoperating	(1,103,647)	-	167,292	(936,355)
Increase (Decrease) in Net Assets	2,164,536	(167,292)	167,292	2,164,536
Net Assets, Beginning of Year	24,111,013	8,609	(8,609)	24,111,013
Net Assets, End of Year	$ 26,275,549	$ (158,683)	$ 158,683	$ 26,275,549

See accompanying independent auditors' report.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF ORANGE COUNTY AND SUBSIDIARY
SCHEDULE III - CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

	YMCA	Tipper, LLC	Eliminations	Total
Current Assets:				
Cash and cash equivalents (Note 4)	$ 2,238,969	$ 71,953	$ -	$ 2,310,922
Restricted cash	90,000	-	-	90,000
Investments (Notes 5 and 9)	11,482,364	-	-	11,482,364
Receivables:				
Accounts receivable, net (Note 6)	725,613	13,020	-	738,633
Pledges receivable, net	25,392	-	-	25,392
Prepaid expense and other current assets	477,125	20,102	-	497,227
Total Current Assets	15,039,463	105,075	-	15,144,538
Property Held under Capital Leases, Net	184,980	-	-	184,980
Property and Equipment, Net (Note 7)	12,334,803	5,166,514	-	17,501,317
Other Assets:				
Deposits	60,200	-	-	60,200
Investment in subsidiary	8,609	-	(8,609)	-
Due to YMCA	2,247,614	(2,247,614)	-	-
Total Other Assets	2,316,423	(2,247,614)	(8,609)	60,200
Total Assets	$ 29,875,669	$ 3,023,975	$ (8,609)	$ 32,891,035

LIABILITIES AND NET ASSETS

	YMCA	Tipper, LLC	Eliminations	Total
Current Liabilities:				
Accounts payable	$ 580,192	$ 4,402	$ -	$ 584,594
Accrued payroll and employee benefits	1,647,093	-	-	1,647,093
Program fees received in advance	522,028	-	-	522,028
Accrued expenses	488,571	-	-	488,571
Deferred Santa Ana project funding, current portion (Note 7)	250,000	-	-	250,000
Current maturities of obligations held under capital leases (Note 14a)	86,499	-	-	86,499
Notes payable, current portion (Note 10)	83,481	69,309	-	152,790
Total Current Liabilities	3,657,864	73,711	-	3,731,575
Long-Term Liabilities:				
Deposits payable	-	40,160	-	40,160
Deferred Santa Ana project funding, less current portion (Note 7)	500,000	-	-	500,000
Long-term portion of obligations held under capital leases (Note 14a)	76,252	-	-	76,252
Notes payable, less current portion (Note 10)	1,530,540	2,901,495	-	4,432,035
Total Long-Term Liabilities	2,106,792	2,941,655	-	5,048,447
Total Liabilities	5,764,656	3,015,366	-	8,780,022
Commitments and Contingencies (Note 14)	-	-	-	-
Net Assets (Note 13):				
Without donor restrictions	23,050,015	8,609	(8,609)	23,050,015
With donor restrictions	1,060,998	-	-	1,060,998
Total Net Assets	24,111,013	8,609	(8,609)	24,111,013
Total Liabilities and Net Assets	$ 29,875,669	$ 3,023,975	$ (8,609)	$ 32,891,035

See accompanying independent auditors' report.

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, 2017

	YMCA	Tipper, LLC	Eliminations	Total
Operations				
Support, Revenue, and Gains:				
Fundraising Support:				
Contributions	$ 1,141,402	$ -	$ -	$ 1,141,402
Special events, net of direct costs	143,057	-	-	143,057
Total Fundraising Support	1,284,459	-	-	1,284,459
Program Revenue:				
Childcare fees	19,643,120	-	-	19,643,120
Membership fees	7,910,829	-	-	7,910,829
Health and fitness fees	2,962,377	-	-	2,962,377
Adventure guides fees	1,817,257	-	-	1,817,257
Government assistance	2,578,363	-	-	2,578,363
Donated use of facilities/land	944,898	-	-	944,898
Camp fees	1,281,156	-	-	1,281,156
Community programs fees	1,192,246	-	-	1,192,246
Facility fees	332,666	-	-	332,666
Total Program Revenue	38,662,912	-	-	38,662,912
Contribution from Pomona Valley YMCA	733,000	-	-	733,000
Other Income	197,666	-	(2,462)	195,204
Rental Income	-	124,161	(74,959)	49,202
Total Support, Revenue, and Gains	40,878,037	124,161	(77,421)	40,924,777
Operating Expenses:				
Program Services:				
Childcare	15,819,132	-	-	15,819,132
Health and fitness	12,483,175	-	-	12,483,175
Adventure guides activities	1,963,594	-	-	1,963,594
Camping	694,866	-	-	694,866
Other community services	3,077,438	-	-	3,077,438
Total Program Services	34,038,205	-	-	34,038,205
Supporting Services:				
Administrative and general	6,560,109	-	(74,959)	6,485,150
Fundraising	403,863	-	-	403,863
Total Supporting Services	6,963,972	-	(74,959)	6,889,013
Tipper, LLC	-	125,552	(2,462)	123,090
Total Operating Expenses	41,002,177	125,552	(77,421)	41,050,308
Operating Margin	(124,140)	(1,391)	-	(125,531)
Nonoperating				
Investment Income, Net (Note 5)	1,393,239	-	1,391	1,394,630
Gain on Sale of Property Held for Resale	803,885	-	-	803,885
Loss on Disposal of Capital Assets	(79,768)	-	-	(79,768)
Total Nonoperating	2,117,356	-	1,391	2,118,747
Increase (Decrease) in Net Assets	1,993,216	(1,391)	1,391	1,993,216
Net Assets, Beginning of Year	22,117,797	-	-	22,117,797
Member Contributions	-	10,000	(10,000)	-
Net Assets, End of Year	$ 24,111,013	$ 8,609	$ (8,609)	$ 24,111,013

See accompanying independent auditors' report.