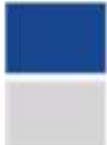




**CHANNEL ISLANDS  
YOUNG MEN'S CHRISTIAN  
ASSOCIATION  
(YMCA)**

**SINGLE AUDIT REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**



**VASIN, HEYN & COMPANY**  
*ABOVE THE BRIGHT LINE*

AN ACCOUNTANCY CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS



**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)  
(A California Non-Profit Corporation)  
TABLE OF CONTENTS**

	<b>Page</b>
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1-1
Financial Statements:	
Statement of Financial Position	1-4
Statement of Activities	1-5
Statement of Functional Expenses	1-6
Statement of Cash Flows	1-7
Notes to Financial Statements	1-8
<b>INFORMATION REQUIRED BY GOVERNMENT AUDITING STANDARDS AND THE UNIFORM GUIDANCE</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-1
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	2-3
Schedule of Expenditures of Federal and State Awards	2-6
Notes to Schedule of Expenditures of Federal and State Awards	2-7
Schedule of Findings and Questioned Costs	2-8
Schedule of Current and Prior Years Findings and Questioned Costs	2-9



## VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Channel Islands Young Men's Christian Association (YMCA)  
(A California Non-Profit Corporation)  
Carpinteria, California

#### **Report on the Audit of the Financial Statements**

##### ***Opinion***

We have audited the accompanying financial statements of Channel Islands Young Men's Christian Association (YMCA) (A California Non-Profit Corporation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

##### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Channel Islands Young Men's Christian Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### ***Responsibilities of Management for the Financial Statements***

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

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

## **INDEPENDENT AUDITORS' REPORT - Continued**

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### ***Report on Summarized Comparative Information***

We previously audited Channel Islands Young Men's Christian Association's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 4, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Channel Islands Young Men's Christian Association.

## **INDEPENDENT AUDITORS' REPORT - Continued**

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, on our consideration of Channel Islands Young Men's Christian Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Channel Islands Young Men's Christian Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Channel Islands Young Men's Christian Association's internal control over financial reporting and compliance.

*Vorwin, Hays + Co.*

Calabasas, California  
December 11, 2025

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 9,790,178	\$ 1,111,769	\$ 10,901,947	\$ 10,084,884
Grants and contracts receivable	942,591	-	942,591	543,236
Accounts receivable, net of allowance	471,436	-	471,436	558,015
Promises to give, net of allowance	-	370,823	370,823	189,187
Prepaid expenses and other assets	<u>364,647</u>	<u>-</u>	<u>364,647</u>	<u>417,244</u>
Total current assets	11,568,852	1,482,592	13,051,444	11,792,566
Pooled endowment assets:				
Cash and cash equivalents	1,824,636	-	1,824,636	1,522,405
Bequests receivable, net of allowance	-	-	-	352,593
Investments	<u>8,817,642</u>	<u>7,100,701</u>	<u>15,918,343</u>	<u>14,238,845</u>
Total pooled endowment assets	10,642,278	7,100,701	17,742,979	16,113,843
Noncurrent assets:				
Right-of-use assets, net of accumulated amortization	481,626	-	481,626	639,506
Property and equipment, net	<u>19,975,862</u>	<u>-</u>	<u>19,975,862</u>	<u>19,406,958</u>
Total assets	<u>\$ 42,668,618</u>	<u>\$ 8,583,293</u>	<u>\$ 51,251,911</u>	<u>\$ 47,952,873</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 1,121,137	\$ -	\$ 1,121,137	\$ 622,197
Accrued expenses	1,582,209	-	1,582,209	1,371,280
Deferred revenue	1,165,720	-	1,165,720	1,033,442
Right-of-use lease liabilities, current	144,479	-	144,479	132,592
Note payable, current	<u>131,084</u>	<u>-</u>	<u>131,084</u>	<u>126,523</u>
Total current liabilities	4,144,629	-	4,144,629	3,286,034
Noncurrent liabilities:				
Right-of-use lease liabilities, net of current portion	553,016	-	553,016	697,496
Note payable, net of current portion	<u>1,385,390</u>	<u>-</u>	<u>1,385,390</u>	<u>1,516,465</u>
Total noncurrent assets	<u>1,938,406</u>	<u>-</u>	<u>1,938,406</u>	<u>2,213,961</u>
Total liabilities	<u>6,083,035</u>	<u>-</u>	<u>6,083,035</u>	<u>5,499,995</u>
<b>COMMITMENTS AND CONTINGENCIES</b>				
<b>NET ASSETS</b>				
Without donor restrictions:				
Board-designated	14,017,534	-	14,017,534	12,843,151
Other net assets without donor restrictions	<u>22,568,049</u>	<u>-</u>	<u>22,568,049</u>	<u>21,730,106</u>
Total without donor restrictions	36,585,583	-	36,585,583	34,573,257
With donor restrictions	<u>-</u>	<u>8,583,293</u>	<u>8,583,293</u>	<u>7,879,621</u>
Total net assets	<u>36,585,583</u>	<u>8,583,293</u>	<u>45,168,876</u>	<u>42,452,878</u>
Total liabilities and net assets	<u>\$ 42,668,618</u>	<u>\$ 8,583,293</u>	<u>\$ 51,251,911</u>	<u>\$ 47,952,873</u>

See accompanying auditors' report and notes to financial statements.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
<b>REVENUE AND SUPPORT</b>				
Public Support:				
Contributions	\$ 1,433,992	\$ 1,743,419	\$ 3,177,411	\$ 2,646,707
In-kind contributions	-	316,800	316,800	5,002,939
Government funds	6,214,712	-	6,214,712	4,597,429
Special events, net of direct costs of \$115,743	<u>107,043</u>	<u>-</u>	<u>107,043</u>	<u>171,082</u>
Total public support	7,755,747	2,060,219	9,815,966	12,418,157
Revenue:				
Membership dues	10,123,404	-	10,123,404	8,533,101
Joining fees	201,569	-	201,569	183,590
Program fees	2,612,579	-	2,612,579	2,217,928
Day camp	1,936,582	-	1,936,582	1,563,932
Sleep away camp	146,051	-	146,051	129,084
Childcare	4,556,802	-	4,556,802	3,468,275
Merchandise sales and rentals	53,560	-	53,560	37,481
Investment income	663,906	-	663,906	429,122
Realized gain on investments	402,510	909,247	1,311,757	433,250
Unrealized gain on investments	39,839	-	39,839	1,159,232
Miscellaneous revenue	<u>36,720</u>	<u>-</u>	<u>36,720</u>	<u>130,278</u>
Total revenue and support	28,529,269	2,969,466	31,498,735	30,703,430
Released from restrictions	<u>2,265,794</u>	<u>(2,265,794)</u>	-	-
Total revenue, support, and restrictions released	30,795,063	703,672	31,498,735	30,703,430
<b>EXPENSES</b>				
Program services:				
Youth development	12,825,396	-	12,825,396	10,412,504
Healthy living	9,145,985	-	9,145,985	8,026,736
Social responsibility	<u>2,727,598</u>	<u>-</u>	<u>2,727,598</u>	<u>1,744,783</u>
Total program services	24,698,979	-	24,698,979	20,184,023
Supporting services:				
Management and general	3,118,270	-	3,118,270	2,759,613
Fundraising	<u>965,488</u>	<u>-</u>	<u>965,488</u>	<u>810,977</u>
Total supporting services	4,083,758	-	4,083,758	3,570,590
Total expenses	<u>28,782,737</u>	<u>-</u>	<u>28,782,737</u>	<u>23,754,613</u>
<b>CHANGE IN NET ASSETS</b>	2,012,326	703,672	2,715,998	6,948,817
<b>NET ASSETS - beginning of year</b>	<u>34,573,257</u>	<u>7,879,621</u>	<u>42,452,878</u>	<u>35,504,061</u>
<b>NET ASSETS - end of year</b>	<u>\$ 36,585,583</u>	<u>\$ 8,583,293</u>	<u>\$ 45,168,876</u>	<u>\$ 42,452,878</u>

See accompanying auditors' report and notes to financial statements.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	<b>Program Services</b>			<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total 2025</b>	<b>Total 2024</b>
	<b>Youth Development</b>	<b>Healthy Living</b>	<b>Social Responsibility</b>					
Salaries	\$ 6,911,855	\$ 3,987,087	\$ 1,163,303	\$ 12,062,245	\$ 1,582,432	\$ 439,711	\$ 14,084,388	\$ 11,322,207
Employee Benefits	922,841	465,267	184,025	1,572,133	390,927	98,009	2,061,069	1,676,298
Payroll Taxes	636,161	366,589	108,508	1,111,258	140,207	41,622	1,293,087	1,056,282
	<u>8,470,857</u>	<u>4,818,943</u>	<u>1,455,836</u>	<u>14,745,636</u>	<u>2,113,566</u>	<u>579,342</u>	<u>17,438,544</u>	<u>14,054,787</u>
Advertising	81,351	96,373	22,312	200,036	-	48,332	248,368	225,126
Awards	2,761	695	178	3,634	20,485	10,234	34,353	20,037
Communications	134,217	45,640	26,873	206,730	28,678	15,809	251,217	170,041
Conference	62,838	50,792	7,177	120,807	59,781	15,975	196,563	151,360
Equipment	335,024	555,820	164,467	1,055,311	148,953	53,367	1,257,631	1,026,799
Fair Share	104,141	138,619	8,042	250,802	1,270	18,048	270,120	269,987
Financing Costs	211,903	162,190	13,947	388,040	58,445	46,071	492,556	430,213
Miscellaneous	41,746	32,941	4,655	79,342	11,265	6,228	96,835	119,639
Occupancy	1,578,637	1,938,666	214,378	3,731,681	203,983	32,919	3,968,583	3,660,955
Other Employee	153,533	51,588	10,693	215,814	19,970	8,253	244,037	221,205
Other Insurance	128,390	234,017	13,757	376,164	13,991	1,014	391,169	303,965
Postage	10,202	9,929	1,852	21,983	6,709	561	29,253	14,638
Professional Fees	177,606	43,692	84,515	305,813	380,184	56,066	742,063	539,863
Program Costs	335,147	45,842	380,502	761,491	-	210	761,701	455,080
Supplies	438,723	82,900	90,869	612,492	7,407	55,750	675,649	579,772
Travel et al	145,480	24,381	40,141	210,002	34,286	4,964	249,252	201,351
Total before depreciation and amortization	<u>12,412,556</u>	<u>8,333,028</u>	<u>2,540,194</u>	<u>23,285,778</u>	<u>3,108,973</u>	<u>953,143</u>	<u>27,347,894</u>	<u>22,444,818</u>
Depreciation and amortization	<u>412,840</u>	<u>812,957</u>	<u>187,404</u>	<u>1,413,201</u>	<u>9,297</u>	<u>12,345</u>	<u>1,434,843</u>	<u>1,309,795</u>
Total expenses	<u>\$ 12,825,396</u>	<u>\$ 9,145,985</u>	<u>\$ 2,727,598</u>	<u>\$ 24,698,979</u>	<u>\$ 3,118,270</u>	<u>\$ 965,488</u>	<u>\$ 28,782,737</u>	<u>\$ 23,754,613</u>

See accompanying auditors' report and notes to financial statements.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR 2024)**

	2025	2024
<b>CASH FLOWS RELATED TO OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 2,715,998	\$ 6,948,817
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,434,843	1,151,915
Restatement adjustment	-	26,977
Realized gain on investments	(1,311,757)	(433,250)
Unrealized gain on investments	(39,839)	(1,159,232)
Reduction in carrying amount of right-of-use assets - operating	157,880	(117,799)
Contributions for endowment	-	(5,000)
(Increase) decrease in:		
Grants and contracts receivable	(399,355)	(193,337)
Accounts receivable, net of allowance	86,579	(279,155)
Promises to give, net of allowance	(181,636)	(76,184)
Bequests receivable, net of allowance	352,593	21,862
Prepaid expenses and other assets	52,597	(9,809)
Increase (decrease) in:		
Accounts payable	498,940	205,143
Accrued expenses	210,929	230,252
Deferred revenue	132,278	133,026
Right-of-use lease liabilities	(132,593)	262,687
Total adjustments	861,459	(241,904)
Net Cash Provided by Operating Activities	3,577,457	6,706,913
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment	(2,003,747)	(3,691,389)
Proceeds from sale of investments	4,773,953	4,354,520
Purchase of investments, net of expenses	(5,101,855)	(3,243,149)
Net Cash Used by Investing Activities	(2,331,649)	(2,580,018)
<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES:</b>		
Payments related to note payable	(126,514)	(121,948)
Contributions for endowment	-	5,000
Net Cash Used by Financing Activities	(126,514)	(116,948)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,119,294	4,009,947
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	11,607,289	7,597,342
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 12,726,583	\$ 11,607,289
<b>SUPPLEMENTAL NON-CASH DISCLOSURE:</b>		
Addition of right-of-use asset—operating	\$ 42,256	\$ 77,543
In-kind contributions	\$ 316,800	\$ 5,002,939
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Cash paid for interest	\$ 57,177	\$ 61,643

See accompanying auditors' report and notes to financial statements.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**1. ORGANIZATION**

Channel Islands Young Men's Christian Association (YMCA) is a charitable organization providing programs based upon Christian principles to people of all ages, races, religious beliefs and economic status to promote Youth Development, Healthy Living and Social Responsibility.

"Santa Barbara Young Men's Christian Association" was established in September 1899. Since its establishment it has started or absorbed operations of several YMCAs in neighboring cities and counties. In January 1981 it adopted the current name. The YMCA maintained its principal place of business at 1180 Eugenia Place, Suite #104, Carpinteria, California as of year-end.

As a voluntary health and welfare organization qualifying under Internal Revenue Code Section 501(c)(3), the YMCA is generally exempt from federal and state income taxes. The YMCA is not considered a private foundation for income tax purposes.

The YMCA is governed by an elected board of directors and officers responsible for the development of policies. Management and staff conduct YMCA activities in accordance with board-established policy.

The YMCA is committed to strengthening communities in San Luis Obispo, Santa Barbara and Ventura counties through programs focused on:

Youth Development - Nurturing the potential of every child and teen.

These programs include youth sports, before and after school care, preschool, summer day camps, leadership development, civic engagement, swimming, recreation and off-premise overnight or week-long camping activities.

Healthy Living - Improving our communities' health and well-being.

These programs promote family time, health, well-being, fitness, sports, recreation, spiritual development and group interests for adults and families.

Social Responsibility - Giving back and providing support to our neighbors.

These programs include a youth shelter and teen centers for at-risk youth.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Classification of Current and Noncurrent Assets and Liabilities*

The YMCA considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. Liabilities that reasonably can be expected, as part of normal organization business operations, to be liquidated within 12 months of the statement of net position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Basis of Presentation*

The YMCA prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America. The accompanying financial statements of the YMCA have been prepared on the accrual basis of accounting. The YMCA is comprised of facility branches located in San Luis Obispo, Santa Barbara, Montecito, Ventura, Camarillo, Lompoc and Santa Ynez. These branches also operate childcare programs and day camps at school sites. In addition to the facility branches, the Youth and Family Services branch operates programs in Santa Barbara and Isla Vista. This branch primarily serves youth and young adults at a youth shelter, a teen center, a navigation center and as part of a supportive transitional housing program. All significant balances and transactions among the branches have been eliminated. The significant accounting and reporting policies used by the YMCA are described below to enhance the usefulness and understandability of the financial statements.

*Net Assets*

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

- *Net assets without donor restrictions.* Net assets without donor restrictions represent net assets that are not subject to donor-imposed time or use restrictions. Net assets without donor restrictions include board designated funds.
- *Net assets with donor restrictions.* Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period or are limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The YMCA's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as donor restricted until the specified asset is placed in service by the YMCA, unless the donor provides more specific directions about the period of its use.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Cash and cash equivalents*

For purposes of the statement of cash flows, the YMCA considers all highly-liquid investments with an initial maturity of twelve months or less to be cash equivalents. The YMCA maintains several cash accounts to separately hold cash which may not be available for operating purposes as required by certain granting agencies and donors.

*Grants, Contracts, Accounts, and Bequests Receivables, Net of Allowance*

Receivables consist of grants, contracts, and other accounts receivables and are stated at the amount management expects to collect from outstanding balances. The YMCA uses the allowance method of accounting for receivables determined to be potentially uncollectable. An allowance for doubtful accounts was established for receivables at June 30, 2025 totaling \$47,625.

*Promises to Give, Net of Allowance*

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. The YMCA does not record conditional promises to give. The YMCA has been named as a charitable beneficiary in the wills of various donors. However, the donors have retained the right to change charitable beneficiaries; therefore, these intentions have not been recorded as an asset of the YMCA. An allowance for doubtful accounts was established for promises to give at June 30, 2025 totaling \$12,370.

*Deposits and Prepaid Expenses*

Prepaid insurance, deposits, and other costs are expensed ratably over their respective terms of agreement.

*Investments*

Investments are recorded at fair market value. Changes in unrealized gains or losses are recorded as a change in the appropriate class of net assets.

*Property and Equipment, Net*

Acquisition of property and equipment in excess of \$5,000 is capitalized at cost or, if donated, at the approximate fair value at the date of donation. Repairs and maintenance are charged to operations as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the respective assets ranging from three to fifty years on the straight-line method. Leasehold improvements are being amortized over the shorter of the lease term or useful life.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Impairment of Long-Lived Assets*

Management reviews each asset or asset group for impairment whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable, but at least annually. No impairment provision was recorded by the YMCA during the year ended June 30, 2025.

*Accrued Vacation*

Accrued vacation benefits are accrued as earned. Regular full-time employees accrue vacation time at the rate of 5 hours per pay period for a maximum of 15 days for your first year of service; an additional day is accrued per year of service and caps at ten years of service for a maximum of 25 days.

Unused accrued vacation is paid at the time of termination. Total accrued vacation at June 30, 2025 was \$397,249.

*Deferred Revenue*

Revenues from membership dues are recognized over the terms of the memberships. Revenues from childcare fees are recognized over periods of childcare service provided. Revenues from program fees are recognized over the terms of the program. Amounts collected but unearned are reflected in the statement of financial position as unearned revenue.

*Right-of-Use Assets and Liabilities*

The YMCA recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The YMCA is a lessee in several noncancellable operating leases, for office space, office equipment, and land. The YMCA determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The YMCA recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. As most of the YMCA's leases do not provide an implicit rate, a risk-free rate is used based on the information available at commencement date in determining the present value of lease payments. The YMCA's risk-free rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Accounting for Contributions*

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with donor restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

*Contributed Goods and Services*

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Contributions of services are recognized if the services received meet any of these criteria: (1) if they create or enhance nonfinancial assets and (2) if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated significant amounts of their time performing services to the YMCA during fiscal year ended June 30, 2025. For the year ended, the YMCA estimates that approximately 13,900 hours were contributed by policy, advisory, fundraising and program volunteers. Valued at the most recent Independent Sector volunteer rate for California, the YMCA received benefits estimated at \$558,388 for 2025. These estimated benefits are not recorded in the financial statements.

*Allocation of Functional Expenses*

Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Certain expenses that are associated with program and supporting services have been allocated between the program and supporting services benefited based on management's estimate of time spent on the program and services.

*Use of Estimates*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Income Tax Status*

The YMCA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

The YMCA has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2025, the YMCA had no material unrecognized tax benefits, tax penalties or interest.

The YMCA's Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended June 30, 2024, 2023, and 2022, are subject to examination by the IRS, generally for 3 years after they were filed.

The YMCA's Forms 199, *California Exempt Organization Return*, for each of the tax years ended June 30, 2024, 2023, 2022, and 2021 are subject to examination by the Franchise Tax Board, generally for 4 years after they were filed.

*Comparative Totals*

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with YMCA's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

*Reclassifications*

Certain amounts in the 2024 comparative totals have been reclassified to conform with the 2025 reporting format.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Fair Value Measurements*

The YMCA reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices for identical assets or liabilities in active markets to which the YMCA has access on the measurement date.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents and receivables approximate fair value because of the terms and relatively short maturity of these financial instruments. The fixed income, exchange traded funds, and mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the YMCA at year end.

The carrying amounts of liabilities approximate fair value because of the relatively short maturity of these financial instruments.

When available, the YMCA measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**3. PROMISES TO GIVE, NET OF ALLOWANCE**

Unconditional promises to give at June 30, 2025, are as follows:

	<u>Amount</u>
Receivable in less than one year	\$ 383,193
Less allowance for uncollectible promises	<u>(12,370)</u>
Total promises to give, net of allowance	<u>\$ 370,823</u>

**4. INVESTMENTS**

The YMCA measures fair value in accordance with FASB ASC 820-10. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires the YMCA to develop its own assumptions. The YMCA uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the YMCA measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All assets reported at fair value at June 30, 2025, are Level 1 inputs.

Investments consist of the following at June 30, 2025:

	<u>Level 1</u>	<u>Fair Value</u>
Fixed income	\$ 912,409	\$ 912,409
Exchange traded funds	14,569,146	14,569,146
Mutual funds	<u>436,788</u>	<u>436,788</u>
Total investments	<u>\$15,918,343</u>	<u>\$15,918,343</u>

The composition of the investment return reported in the statement of activities is follows:

Interest and dividends	\$ 663,906
Realized gain on investments	1,311,757
Unrealized gain investments	<u>39,839</u>
	<u>\$ 2,015,502</u>

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**5. PROPERTY AND EQUIPMENT, NET**

Property and equipment consist of the following at June 30, 2025:

	<u>Amount</u>
Buildings and improvements	\$ 30,916,046
Constructions in progress	807,326
Equipment and fixtures	2,512,461
Land	5,687,608
Land improvements	4,122,864
Vehicles	<u>148,425</u>
	44,194,730
Less accumulated depreciation	<u>(24,218,868)</u>
Property and equipment, net	<u>\$ 19,975,862</u>

Depreciation and amortization expense for the year ended June 30, 2025 was \$1,434,843.

**6. LONG-TERM DEBT**

*Note Payable*

The YMCA has a commercial loan with a fixed interest rate of 3.50%. The loan is secured by real property, and is payable over a 25-year period with a maturity date of December 25, 2045. The balance at June 30, 2025, for the loan, which is secured by the Santa Barbara Branch real property, was \$1,516,474. Aggregate maturities of long-term debt over the next five years and thereafter are as follows:

<u>For the Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 131,084
2027	135,811
2028	140,596
2029	145,783
2030	151,300
Thereafter	<u>811,900</u>
Total	<u>\$ 1,516,474</u>

*Line of Credit*

The YMCA also obtained a \$2,500,000 revolving line of credit with a bank. The line of credit is secured by the Santa Barbara branch real property and expires December 25, 2030. The loan terms require monthly interest payments at a variable annual rate of the Wall Street Journal Prime rate plus .25%. As of June 30, 2025, there was no outstanding balance.

Total interest expense for loans payable for the year ended June 30, 2025, was \$57,177. The YMCA was in compliance with all applicable debt covenants as of June 30, 2025.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**7. RIGHT-OF-USE OPERATING LEASES**

The YMCA leases office space, equipment and land under operating leases with terms expiring at various dates in excess of one year. The YMCA's operating leases generally do not contain any material restrictive covenants or residual value guarantees. The YMCA's operating leases provide for an increase in future minimum annual rental payments.

At June 30, 2025, the weighted-average remaining lease term for operating leases is 2.32 years, and the weighted-average discount rate is 5%.

Amounts disclosed for right-of-use assets obtained in exchange for lease obligations and reductions to right-of-use assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of right-of-use assets resulting from new lease, lease modifications or reassessments.

Maturities of lease liabilities under noncancellable operating leases as of June 30, 2025, are as follows:

<u>For the Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 179,291
2027	188,493
2028	198,168
2029	104,963
2030	<u>119,794</u>
Total undiscounted lease payments	790,709
Less present value discount	<u>(93,214)</u>
Lease liability	<u>\$ 697,495</u>

**8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are part of the net assets of the YMCA resulting from contributions and other inflows of assets whose use by the YMCA is limited by donor imposed stipulations that are either permanent in nature or expire by passage of time or can be fulfilled and removed by actions of the YMCA pursuant to those stipulations. Net assets with donor restrictions at June 30, 2025, consist of amounts restricted by donor-imposed stipulations; the activity for the year ended is as follows:

	<u>Amount</u>
Subsequent years' activities	\$1,482,592
Permanently Restricted Endowment	3,562,857
Unappropriated endowment earnings	<u>3,537,844</u>
Total	<u>\$8,583,293</u>

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**9. BOARD DESIGNATED NET ASSETS**

The YMCA's Board of Directors has designated a portion of net assets without donor restrictions to function as an endowment and to purchase a building. Board designated net assets at June 30, 2025 was \$14,017,534 and consist of \$10,642,281 for an Endowment Fund, and \$3,375,253 for the purchase of a building.

**10. RETIREMENT PLAN**

The YMCA has a 401(a) defined contribution retirement plan provided through the YMCA Retirement Fund. To be eligible, an employee must be age twenty-one or older and work 1,000 hours in each of two years. Once eligible, the employee is immediately vested and remains in the plan. Employees, who transfer from another YMCA, where they participated in the Retirement Fund, will continue to participate without interruption. The YMCA contributed 9% of eligible employee wages to the Retirement Fund. Retirement contribution expense was \$635,538 for the year ended June 30, 2025.

The YMCA also offers a 403(b) retirement savings plan to all employees, regardless of age or hours worked, which allows employees to invest on a pre-tax basis through payroll deductions.

**11. IN-KIND CONTRIBUTION**

*Valuation Techniques & Inputs*

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Natural classifications of in-kind expenses for the year ended June 30, 2025 are as follows:

	<u>Amount</u>
In-kind facilities	<u>\$ 316,800</u>

*Donated Facilities*

The fair value of the donated rent is based on a valuation by an independent appraiser.

*Donor Restrictions*

There were no donor restrictions on any in-kind contributions received during the year ended June 30, 2025.

*Monetization of In-Kind Contributions*

The YMCA does not monetize in-kind contributions and only distributes goods or uses the services for program use.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**12. SPECIAL EVENTS REVENUE, NET**

Income and expenses from special events for the year ended June 30, 2025 are as follows:

Event	Proceeds	Contributions	Expenses	Net Revenue
5K Fun Run	\$ 15,267	\$ -	\$ (5,181)	\$ 10,086
Dancing Through the Decades	56,705	-	(31,964)	24,741
Golf Tournament	24,494	-	(10,203)	14,291
Good Friday Breakfast	31,320	-	(36,996)	(5,676)
Reaching for Stars Dinner	124,845	(38,305)	(28,237)	58,303
Miscellaneous	8,460	-	(3,162)	5,298
Total special events revenue, net	<u>\$ 261,091</u>	<u>\$ (38,305)</u>	<u>\$ (115,743)</u>	<u>\$ 107,043</u>

**13. POOLED ENDOWMENT**

The YMCA's endowment consists of several individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds, and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor- imposed restrictions.

*Interpretation of relevant law*

The YMCA's Board has interpreted the California enacted Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the YMCA classifies as net assets with donor restrictions (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 the accumulation is added to the fund. Donor-restricted endowment funds not retained in perpetuity are subject to appropriation for expenditure by the YMCA in a manner consistent with the standard of prudence prescribed by UPMIFA.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**13. POOLED ENDOWMENT - Continued**

In accordance with UPMIFA, the YMCA 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 YMCA 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 YMCA
- (7) The investment policies of the YMCA

*Return objectives and risk parameters*

The YMCA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the YMCA must hold in perpetuity for donor-specified periods as well as board-designated funds. The endowment assets are invested in a manner that is intended to produce results that provide a reasonable balance between the quest for growth and the need to protect principal. The investment policy calls for a diverse portfolio utilizing various asset classes with a goal of reducing volatility and risk. The YMCA expects its endowment funds, over time, to provide an average rate of return of approximately 7% annually. Actual returns in any given year may vary from this amount.

*Spending policy*

The YMCA has a policy of appropriating for expenditure each year an amount not to exceed 5% of the average past twelve quarterly asset market value balances as of December 31. In establishing this policy, the YMCA considered the long-term expected return on its endowment. Accordingly, over the long-term, the YMCA expects the current spending policy to allow its endowment to grow at an average of 2% annually. This is consistent with the YMCA's objective to maintain the purchasing power of the endowment assets held in perpetuity for a specified term as well as to provide additional real growth through new gifts and investment return. During 2025, \$101,044 of appropriations for expenditures were made.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**13. POOLED ENDOWMENT - Continued**

*Endowment Funds with Deficiencies*

From time to time, the fair value of the assets associated with individual donor-restricted funds may fall below the level that current law requires the YMCA to retain for a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, these deficiencies are reported as a reduction in net assets with donor restrictions. Such deficiencies may result from unfavorable market fluctuations. As of June 30, 2025, the endowment fund had no deficiencies.

*Endowment composition*

Changes in endowment net assets for the year ended June 30, 2025, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 9,522,885	\$6,238,366	\$15,761,251
Contributions	350,000	7,000	357,000
Investment income	816,527	909,248	1,725,775
Appropriation of endowment assets for expenditure or transfer	<u>(47,131)</u>	<u>(53,913)</u>	<u>(101,044)</u>
End of year balance, June 30, 2025	<u>\$10,642,281</u>	<u>\$7,100,701</u>	<u>\$17,742,982</u>

**14. RELATED PARTY TRANSACTIONS**

During 2025, several bank accounts, the commercial loan, and line of credit were held and/or provided by a bank whose president is a board member of the YMCA.

During 2025, the YMCA was charged legal expenses of \$5,472 by a local law firm for various matters. A partner of this local law firm is also a member of the YMCA's board of directors.

**15. CONTINGENCIES**

*Governmental Funding*

The YMCA received a number of grants from various governmental agencies. These grants are subject to audit by the corresponding oversight agency as to allowable costs paid with governmental funds and as to the share of costs contributed by the YMCA. For 2025, the YMCA could be liable for as much as the full amount of federal governmental funds expended up to approximately \$1,005,835 if, under audit, the oversight agency were to determine that all costs charged to the project were disallowed. Management believes it is unlikely that the various agencies would disallow a significant portion of the costs.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**16. LIQUIDITY AND FUNDS AVAILABLE**

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 dated June 30, 2025 comprise the following:

	Amount
Financial assets:	
Cash and cash equivalents	\$10,901,947
Grants and contracts receivable	942,591
Accounts receivable, net of allowance	471,436
Promises to give, net of allowance	370,823
	12,686,797
Less cash unavailable for general expenditures within one year:	
Board-designated for building purchase	(3,375,253)
Investments with donor restrictions	(7,100,701)
	10,475,954
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,210,843

Financial assets available to meet cash needs for general expenditure for the following year are comprised of current assets and investments, adjusted for amounts unavailable due to illiquidity, endowments and other funds spending policy appropriations beyond one year, and current liabilities payable to vendors, financial institutions, and nonprofit organizations.

**17. CONCENTRATION RISK**

*Credit Risk*

The YMCA maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 for each insured financial institution. At June 30, 2025, the YMCA had uninsured cash balances of approximately \$4,144,677.

*Concentrations*

During the year ended June 30, 2025, the YMCA had two major revenue sources that accounted for approximately 52% of the total revenue of the YMCA. Revenue generated from membership income is approximately 32% of its operating revenue and derived largely from the local region, and governmental funding accounted for approximately 20% of the total revenue. A significant reduction or delay in government funding could negatively affect the Organization's finances and operations.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**(CONTINUED)**

**18.SUBSEQUENT EVENTS**

The YMCA has evaluated events subsequent to June 30, 2025, to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 11, 2025, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

**INFORMATION REQUIRED BY *GOVERNMENT AUDITING STANDARDS*  
AND THE UNIFORM GUIDANCE**



**VASIN, HEYN & COMPANY**

ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**INDEPENDENT AUDITORS' REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Channel Islands Young Men's Christian Association (YMCA)  
(A California Non-Profit Corporation)  
Carpinteria, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Channel Islands Young Men's Christian Association (A California Non-Profit Corporation), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2025.

***Report on Internal Control over Financial Reporting***

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

Vosin, Hryn + Co.

Calabasas, California  
December 11, 2025



**VASIN, HEYN & COMPANY**

*ABOVE THE BRIGHT LINE*

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Channel Islands Young Men's Christian Association (YMCA)  
(A California Non-Profit Corporation)  
Carpinteria, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Channel Islands Young Men's Christian Association's (A California Non-Profit Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Channel Islands Young Men's Christian Association's major federal programs for the year ended June 30, 2025. Channel Islands Young Men's Christian Association's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Channel Islands Young Men's Christian Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Channel Islands Young Men's Christian Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Channel Islands Young Men's Christian Association's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Channel Islands Young Men's Christian Association's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Channel Islands Young Men's Christian Association's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Channel Islands Young Men's Christian Association's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Channel Islands Young Men's Christian Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Channel Islands Young Men's Christian Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Channel Islands Young Men's Christian Association's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Vorwin, Hays + Co.*

Calabasas, California  
December 11, 2025

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**FEIN: 95-1643379**

Federal & State Grantor/ Pass Through Grantor/ Program Title	Assistance Listing #	Pass-Through/ Award Number	Expenditures	Payments to Subrecipients
<b>FEDERAL FUNDING:</b>				
<b>U.S. Department of Health and Human Services</b>				
The Family and Youth Services Bureau (FYSB) Runaway and Homeless Youth Program				
DHHS-Basic Center Program				
<b>Basic Center Grant</b>	<b>93.623</b>	90CY7453	\$ 199,800	\$ -
DHHS-Street Outreach Program				
<b>Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth</b>	<b>93.557</b>	90YO2481	<b>121,000</b>	-
DHHS-Transitional Living Program				
<b>Transitional Living for Homeless Youth</b>	<b>93.550</b>	90CX7439	<u>243,343</u>	<u>123,230</u>
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 564,143</b>	<b>\$ 123,230</b>
<b>U.S. Department of Housing and Urban Development</b>				
Youth Homeless Demonstration Program				
HUD- YHDP- Support Services Only	14.276		\$ 189,378	\$ -
Passed Through the County of Santa Barbara				
HUD- YHDP- Permanent Supportive Housing	14.276		<u>230,322</u>	-
<b>Youth Homelessness Demonstration Program</b>	<b>14.276</b>		<b>419,700</b>	-
HUD- CDBG	14.218		17,000	-
Substance Abuse	14.218	CN8053	<u>4,992</u>	-
<b>Community Development Block Grants/Entitlement Grants</b>	<b>14.218</b>		<u>21,992</u>	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>\$ 441,692</b>	<b>\$ -</b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 1,005,835</b>	<b>\$ 123,230</b>
<b>STATE FUNDING:</b>				
Homeless Housing, Assistance and Prevention (HHAP) 1				
			\$ 2,572	\$ -
Homeless Housing, Assistance and Prevention (HHAP) 2				
			43,520	-
Homeless Housing, Assistance and Prevention (HHAP) 3				
			135,517	-
Transitional Housing Placement Program				
			17,182	-
MHSAOC: CYBHI Through Heluna Health				
		1040.0601	<u>239,975</u>	-
<b>TOTAL STATE EXPENDITURES</b>			<b>\$ 438,766</b>	<b>\$ -</b>
<b>TOTAL FEDERAL AND STATE EXPENDITURES</b>			<b>\$ 1,444,601</b>	<b>\$ 123,230</b>

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal and State Awards (the "Schedule") includes the Federal and State grant activity of Channel Islands Young Men's Christian Association under programs of the federal and state government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the Channel Islands Young Men's Christian Association, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Channel Islands Young Men's Christian Association.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**3. DE MINIMIS INDIRECT COST RATE**

Channel Islands Young Men's Christian Association did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2025.

**4. LOAN AND LOAN GUARANTEE**

Channel Islands Young Men's Christian Association did not have any balances of loan and loan guarantee programs outstanding at June 30, 2025 for loans described in 2 CFR section 200.50(b).

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)  
(A California Non-Profit Corporation)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None Reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None Reported

Type of auditors' report issued on compliance for major programs Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? \_\_\_\_\_ Yes   X   No

Identification of major programs:

Assistance Listing Number(s) \_\_\_\_\_  
14.276 Youth Homelessness Demonstration Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   Yes \_\_\_\_\_ No

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported.

**CHANNEL ISLANDS YOUNG MEN'S CHRISTIAN ASSOCIATION (YMCA)**  
**(A California Non-Profit Corporation)**  
**SCHEDULE CURRENT AND PRIOR YEARS FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**CURRENT YEAR FINDINGS:**

**2025 Findings:**

There were no 2025 findings noted.

**2025 Questioned Costs:**

There were no 2025 questioned costs noted.

**PRIOR YEARS FINDINGS:**

**2024 Findings:**

There were no 2024 findings noted.

**2024 Questioned Costs:**

There were no 2024 questioned costs noted.

**2023 Findings:**

There were no 2023 findings noted.

**2023 Questioned Costs:**

There were no 2023 questioned costs noted.