Young Men's Christian Association of Greater New York

Financial Statements
December 31, 2021 and 2020

Young Men's Christian Association of Greater New York
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December 31, 2021 and 2020

Report of Independent Auditors

To the Board of Directors of
Young Men's Christian Association of Greater New York

Opinion

We have audited the accompanying financial statements of Young Men's Christian Association of Greater New York (the "Company"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and of functional expenses for the year ended December 31, 2021 and of cash flows for the years ended December 31, 2021 and 2020, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the changes in its net assets for the year ended December 31, 2021 and its cash flows for the years ended December 31, 2021 and 2020 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 (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

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 US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, 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 Company audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 evaluating the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Other Matter

We previously audited the statement of financial position as of December 31, 2020, and the related statements of activities, of functional expenses, and of cash flows for the year then ended (the statements of activities and of functional expenses are not presented herein), and in our report dated May 24, 2021, we expressed an unmodified opinion on those financial statements. In our opinion, the information set forth in the accompanying summarized financial information for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PricewaterhouseCoopers LLP

New York, New York
June 3, 2022

Young Men's Christian Association of Greater New York
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 40,656,572	$ 27,207,056
Contributions receivable, net	4,535,773	2,007,712
Government receivables, net	6,614,821	5,658,185
Other receivables, net	8,774,002	5,903,603
Investments	101,206,089	72,850,717
Debt service reserve	-	3,455,716
Cash and cash equivalents internally designated for capital acquisitions	8,844,404	20,309,627
Cash and cash equivalents restricted for use	7,536,763	1,201,462
Property and equipment, net	304,782,691	308,102,923
Operating lease right of use assets, net	717,576	1,488,767
Deferred charges and other assets	7,825,689	7,970,030
Beneficial interest in perpetual trust	12,230,637	10,865,599
Total assets	$ 503,725,017	$ 467,021,397
Liabilities and Net Assets		
Liabilities		
Revolving bank line of credit	$ -	$ 10,000,000
Accounts payable and accrued expenses	20,132,565	31,194,346
Accrued salaries and related expenses	10,397,632	12,227,723
Accrued liability for self-insured losses	9,053,706	9,929,784
Refundable advances from government contracts	4,995,122	3,855,932
Deferred revenue	2,635,426	1,472,479
Obligations under operating leases	717,576	1,624,109
Obligations under finance leases	3,020,181	4,877,089
Debt obligations	148,429,781	126,145,102
Total liabilities	199,381,989	201,326,564
Net assets		
Without donor restrictions		
Board designated for endowment	59,508,610	41,056,801
Board designated for charitable gift annuities	104,643	98,902
Undesignated	172,604,039	134,222,772
Total without donor restrictions	232,217,292	175,378,475
With donor restrictions	72,125,736	90,316,358
Total net assets	304,343,028	265,694,833
Total liabilities and net assets	$ 503,725,017	$ 467,021,397

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

Young Men's Christian Association of Greater New York
Statement of Activities
Year Ended December 31, 2021 with Summarized Financial Information for the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Operating revenues, support and gains				
Contributions	$ 34,630,495	$ 6,120,569	$ 40,751,064	$ 30,285,720
Special events gross income	74,997	-	74,997	45,908
Less: Direct cost of special events	(74,997)	-	(74,997)	(5,739)
	-	-	-	40,169
Membership dues and program fees	40,436,945	-	40,436,945	34,471,855
Residence program and related services	32,243,851	-	32,243,851	23,644,984
Government contract revenues	49,868,226	-	49,868,226	30,071,096
Endowment distribution	2,875,967	-	2,875,967	2,910,953
Other revenues	605,894	-	605,894	762,813
Gain on sale of property and equipment	537,202	-	537,202	-
Total operating revenues, support and gains	161,198,580	6,120,569	167,319,149	122,187,590
Net assets released from restrictions	28,247,275	(28,247,275)	-	-
Total operating revenues, support, gains and net assets released from restriction	189,445,855	(22,126,706)	167,319,149	122,187,590
Operating expenses				
Salaries and related expenses	61,554,360	-	61,554,360	69,209,493
Staff training and conferences	684,990	-	684,990	517,332
Contract services	22,286,162	-	22,286,162	18,725,717
Facility occupancy	6,552,800	-	6,552,800	6,049,497
Supplies and other	9,103,118	-	9,103,118	5,732,944
Repairs and maintenance	3,375,398	-	3,375,398	1,773,549
Insurance	3,660,089	-	3,660,089	3,722,611
Promotion and advertising	1,503,072	-	1,503,072	1,935,965
Interest	4,225,824	-	4,225,824	4,900,362
Depreciation and amortization	17,660,006	-	17,660,006	17,519,218
Total operating expenses	130,605,819	-	130,605,819	130,086,688
Excess (deficit) of operating revenue, support, gains and net assets released from restriction over operating expenses	58,840,036	(22,126,706)	36,713,330	(7,899,098)
Non-operating changes				
Investment return	5,067,429	3,499,507	8,566,936	12,756,003
Change in value of split-interest agreements and beneficial interest in perpetual trust	484,189	1,359,149	1,843,338	1,188,099
Appropriation of endowment distribution	(1,953,395)	(922,572)	(2,875,967)	(2,910,953)
Loss on defeasance of debt	(5,599,442)	-	(5,599,442)	(1,955,944)
Changes in net assets	56,838,817	(18,190,622)	38,648,195	1,178,107
Net assets				
Beginning of year	175,378,475	90,316,358	265,694,833	264,516,726
End of year	$ 232,217,292	$ 72,125,736	$ 304,343,028	$ 265,694,833

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

Young Men's Christian Association of Greater New York
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Changes in net assets	38,648,195	$ 1,178,107
Adjustments to reconcile changes in net assets to cash provided by (used in) operating activities		
Realized and unrealized gain on investments	(4,870,255)	(10,609,000)
Provision for bad debts	362,669	159,140
Gain on sale of property and equipment	(537,202)	-
Depreciation and amortization	17,660,006	17,519,218
Amortization of bond premium and bond issue costs	(27,195)	(190,403)
Contributions restricted for long-term investment	(13,590,071)	(22,081,368)
Donated securities	(157,755)	(262,321)
Proceeds from sales of donated securities	83,800	123,907
Change in value of split-interest agreements and beneficial interest in perpetual trust	(1,843,338)	(1,188,099)
Operating lease right of use assets, net	771,191	813,183
Loss on defeasance of debt	5,599,442	1,955,944
Change in		
Contributions receivable, net	(2,536,543)	1,310,266
Government receivables, net	(956,913)	749,072
Other receivables, net	(3,138,418)	(2,129,237)
Deferred charges and other assets	436,790	1,229,667
Beneficial interest in perpetual trust	484,189	439,272
Accounts payable and accrued expenses	(1,592,539)	4,852,348
Accrued salaries and related expenses	(1,830,091)	3,226,108
Accrued liability for self-insured losses	(876,078)	(125,453)
Refundable advances from government contracts	1,139,190	1,930,166
Deferred revenue	1,162,947	(3,218,276)
Obligations under operating leases	(906,533)	(862,398)
Net cash provided by (used in) operating activities	33,485,488	(5,180,157)
Cash flows from investing activities		
Proceeds from sale of property and equipment	6,534,856	-
Purchase of property and equipment	(29,032,282)	(34,940,964)
Proceeds from the sale of investments	14,158,817	26,766,096
Purchase of investments	(36,700,400)	(25,948,717)
Net cash used in investing activities	(45,039,009)	(34,123,585)
Cash flows from financing activities		
Receipts from contributions restricted for long-term investment	13,504,180	22,920,265
Proceeds from sales of donated securities restricted for long-term investment	73,955	138,414
Repayment of finance lease obligations	(2,874,421)	(3,475,742)
(Repayments) advances on revolving line of credit, net	(10,000,000)	10,000,000
Proceeds from issuance of debt obligations	70,625,000	32,685,000
Repayment of debt obligations	(49,899,941)	(35,230,761)
Payment of debt issuance costs	(612,124)	(445,239)
Net cash provided by financing activities	20,816,649	26,591,937
Net change in cash and cash equivalents, designated cash and cash	9,263,128	(12,711,805)
Cash, cash equivalents, and restricted cash		
Beginning of year	51,299,980	64,011,785
End of year	60,563,108	$ 51,299,980
Supplemental information		
Interest paid during the year	5,739,401	$ 4,590,425
Property and equipment acquired through finance leases	1,017,513	2,338,088
Change in accrual for acquisition of property and equipment	(9,419,918)	3,737,697
Donated securities	157,755	262,321

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

Young Men's Christian Association of Greater New York
Statement of Functional Expenses
Year Ended December 31, 2021 with Summarized Financial Information for the Year Ended December 31, 2020

	Program				Supporting Services			
	Youth Development	Healthy Living	Social Responsibility	Subtotal	Management and General	Fundraising	2021 Total	2020 Total
Salaries and related expenses	$ 29,585,604	$ 13,376,080	$ 6,639,479	$ 49,601,163	$ 10,793,644	$ 1,159,553	$ 61,554,360	$ 69,209,493
Staff training and conferences	194,388	53,497	124,411	372,296	298,926	13,768	684,990	517,332
Contract services	10,719,888	3,464,250	6,082,404	20,266,542	1,863,812	155,808	22,286,162	18,725,717
Facility occupancy	1,403,068	3,310,387	1,656,045	6,369,500	171,613	11,687	6,552,800	6,049,497
Supplies and other	5,568,333	974,464	2,127,107	8,669,904	328,378	104,836	9,103,118	5,732,944
Repairs and maintenance	1,255,517	1,422,531	673,253	3,351,301	20,630	3,467	3,375,398	1,773,549
Insurance	1,900,412	787,513	589,051	3,276,976	383,113	-	3,660,089	3,722,611
Promotions and advertising	225,017	1,003,981	116,241	1,345,239	57,280	100,553	1,503,072	1,935,965
Interest	2,450,676	1,015,538	759,610	4,225,824	-	-	4,225,824	4,900,362
Depreciation and amortization	6,081,606	7,947,641	3,433,227	17,462,474	177,779	19,753	17,660,006	17,519,218
Total expenses included in the expense section of the statement of activities	59,384,509	33,355,882	22,200,828	114,941,219	14,095,175	1,569,425	130,605,819	130,086,688
Expenses included with revenues and public support								
Direct cost of special events	-	-	-	-	-	74,997	74,997	5,739
Total	$ 59,384,509	$ 33,355,882	$ 22,200,828	$ 114,941,219	$ 14,095,175	$ 1,644,422	$ 130,680,816	$ 130,092,427

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

1. Organization

Background

The financial statements of the Young Men's Christian Association (YMCA) of Greater New York (the "Association") include the accounts of the Association Office and all its branches.

The Association is a community service organization founded in 1852 for all New Yorkers to empower youth, improve health and strengthen community. The Association served approximately 250,000 members and program participants in the years ended December 31, 2021 and 2020, at 23 branch locations across New York City and more than 50 public schools, parks and community centers throughout the five boroughs. Groundbreaking occurred in 2018 for one additional branch in the Bronx borough that is expected to open in 2022. All Association programs teach the core values of caring, honesty, respect and responsibility and continue our 169-year tradition of emphasis upon youth, healthy lifestyles, adult education, community collaboration and problem solving. The Association is an open and inclusive organization and welcomes all people without discrimination on the basis of race, ethnicity, color, national origin, citizenship, creed, religion, age, abilities, sexual orientation or income.

The Association is supported primarily by membership dues and program fees, residence and related services, government contract revenues, and contributions.

Tax Exempt Status

The Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a)(1) of the Code.

2. Accounting Policies

Basis of Accounting and Presentation

The financial statements of the Association are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Such statements of financial position are presented in order of liquidity.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates relate to the collectability and carrying value of receivables, and self-insurance loss accruals.

Net Asset Accounting

The Association classifies operating revenues and public support, operating expenses and nonoperating changes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein, are classified and reported as follows:

Net assets without donor restrictions includes net assets available for use in general operations and are not subject to donor (or certain grantor) restrictions, such as public support and revenues that are not subject to donor-imposed stipulations. All expenses are reported as decreases in net assets without donor restrictions with the exception of investment expenses. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowments and charitable gift annuities. Both income and principal of the board-designated funds, may be used by the Association with the Board of Director's approval.

Net assets with donor restrictions are the part of net assets that are subject to donor-imposed restrictions. A donor-imposed restriction is a donor stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the following: the nature of the not-for-profit entity, the environment in which it operates, or the purposes specified in its articles of incorporation, bylaws or comparable document. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events such as acquisition or construction of property and equipment specified by the donor. Some donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. Net assets maintained in perpetuity include endowment contributions and a beneficial interest in perpetual trust. Generally, the donors of these assets permit the Association to use all or part of the income earned on the related investments for general or specific purposes.

Appreciation and income earned on donor-restricted endowment funds are classified as net assets with donor restrictions until appropriated for spending. Changes in value of the beneficial interest in perpetual trust and certain charitable gift annuities are classified as net assets with donor restrictions depending on the terms of the underlying agreements. Donor-restricted resources intended for capital projects are initially recorded as net assets with donor restrictions and released and reclassified as net assets without donor restrictions when the asset is placed in service. When a time restriction ends, or a 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. Donor restricted contributions whose restrictions are met in the year of contribution are reported as without donor restrictions. Investment income earned on donor restricted contributions whose restrictions are met within the same year as received is reported as investment income in net assets without donor restrictions.

Fair Value Accounting

The Association measures the fair value of its financial assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal market for the asset or liability. In the absence of a principal market, the Association would use the most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date.

The Association categorizes the financial assets and liabilities, based on the priority of inputs to the valuation technique, into a three-tiered hierarchy which maximizes the use of observable inputs, and minimizes the use of unobservable inputs as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities. Included in Level 1 are equity securities, money market funds and mutual funds.

Level 2 Observable inputs other than those included in Level 1, such as quoted prices for similar assets and liabilities, quoted prices in markets that are not active. Included in Level 2 are debt securities. Inputs are obtained from various sources including market participants, dealers and brokers.

Level 3 Unobservable inputs developed using estimates and assumptions developed by the Association, which reflect those a market participant would use. Included in Level 3 is the beneficial interest in perpetual trust. The fair values of the underlying securities in the trust are obtained from various sources including market participants, dealers and brokers.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

Market Approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Cost Approach – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and

Income Approach – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The Association utilized the market approach to determine the fair value of its financial instruments in fiscal years 2021 and 2020.

Cash and Cash Equivalents
Cash and cash equivalents are short-term highly liquid investments with original maturities of three months or less at the time of purchase, except the Association elected to treat highly liquid short-term investments included in the Association's investment portfolio as investments. Included in cash and cash equivalents are amounts in excess of FDIC limits. Management believes the credit risk related to these amounts is minimal.

Revenues from Nonexchange Transactions
Revenues from nonexchange transactions which include contributions, special events and government contract revenues, are recorded as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of donor restrictions. Revenues from nonexchange transactions may also be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional nonexchange transactions are recognized when the barrier is satisfied, which is generally as costs are incurred. In addition, the Association has elected the simultaneous release option for conditional contributions that are subject to purpose restrictions. Under this option, net assets without donor restrictions include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized. Revenues from nonexchange transactions that are considered unconditional generally are recognized as revenues with donor restrictions when the grant funds are awarded and are released into net assets without donor restrictions when the purpose has been met.

The Association records contributions receivable, net of allowances for estimated uncollectable amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. The Association discounts multi-year pledges that are expected to be collected after one year using a risk adjusted discount rate. Multi-year pledges are recorded at fair value at the date of the pledge. Government contributions receivable are recorded in government receivables. All other contributions are recorded in contributions receivable. The allowance for doubtful accounts is determined by the age of the balance, historical collection rates, and specific identification of uncollectible accounts. Uncollectible contributions receivable are charged to the allowance. An expense is recorded at the time the allowance is adjusted. Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

Government Contract Revenues

The Association has contracts with city, state and federal agencies to provide a variety of program services to the public based on contract requirements, including eligibility, procurement, reimbursement, curriculum, staffing and other requirements. These program services range from childcare and after school programs, day camp, family programs, programs for seniors, and immigration and health and welfare related programs.

These contracts from government agencies are primarily considered conditional nonexchange transactions and are recorded as government contract revenue as the associated barriers are overcome, which is generally as allowable expenses are incurred. Advances are recorded as deferred revenue from government contracts upon receipt.

Revenues from Exchange Transactions

The Association has multiple revenue streams that are accounted for as exchange transactions including membership and program fees, and residence program and related services.

Because the Association's performance obligations relate to contracts with a duration of less than one year, the Association has elected to apply the optional exemption provided in FASB ASC 606 10-50-14(a), *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Membership Dues and Program Fees

Membership dues and program fees consist of amounts that families and individuals pay to participate in health, fitness, education and recreation activities and programs. Members join for varying lengths of time and may cancel with fifteen days' notice. Members generally pay a one-time joining fee plus monthly dues in advance. Memberships provide use of the recreation facilities, access to free classes, programs and activities, and discounts to fee-based programs. The Association offers a variety of programs including family, childcare, day camp, teen, scholastic, fitness, aquatics, health, immigration and international services. Fee-based programs are available to the general public. Program fees for short duration programs of two months or less, such as aquatics classes, are typically paid in advance at the time of registration. Program fees for longer duration programs, such as fee-based childcare, are usually paid monthly in advance. Cancellation provisions vary by program, but most transactions are cancellable with fifteen to thirty days' notice. Refunds may be available for services not provided. Financial assistance is available to members and program participants.

Membership dues and program fees are recognized ratably over the period the membership or program service is provided on a straight-line basis. Membership joining fees are ratably recognized over a one-year period from the membership start date.

Membership dues and program fees paid to the Association in advance are recorded as other deferred revenue. Amounts billed but unpaid are recorded as other receivables.

Residence Program Fees and Related Services

The residence program includes transitional housing, guest rooms and community room rentals.

Transitional housing is focused on transitioning vulnerable New Yorkers to independence through temporary housing and supportive services and is primarily paid through partnerships with other not for profit organizations and government agencies using memorandums of understanding or contracts. Transitional housing program fees are paid based on the terms of the contracts, which are generally after the service is performed. Advances may be received from government agencies. Transitional housing program fees paid by government agencies are included in government contract revenues in the statements of activities.

Guest rooms are affordable hostel style rooms rented to New York City visitors for brief periods and represent one of the oldest programs of the Association dating back to its origins in 1852. Guest rooms are either paid in advance of the stay or are billed in arrears depending on arrangements. Deposits or full advance payments may be received for guest rooms at the time the reservation is made and are generally cancellable with 48 hours' notice. Individual guest room reservations are paid upon check-in or in advance of the stay, unless arrangements are made through a booking agent. Arrangements for guest rooms through booking agents are billed and paid after the stay. Group guest room reservations generally include a deposit at time of reservation, are billed and paid in arrears after the service is performed and are cancellable with thirty days' notice prior to arrival. Refunds may be available for services not provided.

Community rooms and spaces are rented out to not for profit organizations, community groups, residents, members and others and are generally paid in advance. Deposits are generally received at the time the reservation is made.

Residence program and related fees revenues are recognized ratably over the period the service is provided on a straight-line basis. Deposits, advances, and upfront payments are recorded as other deferred revenue upon receipt. Included in other receivables are contract assets for unbilled services and receivables for billed unpaid services.

Other Receivables

The Association extends credit to third party payers of child development, residence and other programs in the normal course of operations which are due within 90 days of the date of service. The Association also extends credit to its members enrolling in certain programs, such as summer and day camp, which are due in full prior to the start of the program. Receivables are recorded at estimated fair value at the time of origination and are reflected in the statements of financial position net of allowance for doubtful accounts. The allowance for doubtful accounts is determined by a monthly review of account balances, including the age of the balance and historical collection experience. Uncollectible receivables are charged to the allowance. An expense is recorded at the time the allowance is adjusted.

Investments
The fair value of investments in securities traded on national securities exchanges are valued at the closing price on the last business day of the year; securities traded on the over-the-counter market are valued at the last reported bid price. Investment transactions are accounted for on the dates the purchases or sales are executed (trade date). Realized gains and losses are computed on the average-cost basis for investments sold. Unrealized gains and losses are recorded on an annual basis. Dividend income is recorded on the ex-dividend date; interest income is recorded as earned.

Property and Equipment
The Association capitalizes the cost of improvements and new acquisitions of property and equipment, and depreciates and amortizes these costs using the straight-line method over the estimated remaining useful lives of the related assets as follows:

	Range of Estimated Useful Lives
Buildings and leasehold improvements	15-40
Furniture and fixtures	7-10
Equipment	3-7

Donated assets are recorded at their estimated fair value on the date of donation. Property and equipment under finance lease obligations and leasehold improvements are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the asset. Gains and losses are recognized in the statements of activities upon disposal of property and equipment.

Leases
The Association has entered into various noncancelable operating leases for program facilities. In addition, the Association has entered into operating and finance leases for equipment. The Association determines if an arrangement is a lease at inception.

Effective with the implementation of ASU 2016-02, *Leases (Topic 842)* and subsequent amendments to the initial guidance (collectively, Topic 842) on January 1, 2020, operating leases (with the exception of leases with a term of twelve months or less) are recorded in operating lease right of use assets and obligations under operating leases liabilities in the statements of financial position. Finance leases are recorded in property and equipment, net and obligations under finance leases in the statements of financial position. Leases with a term of twelve months or less are considered short term leases and are accounted for as supplies expense in the statement of activities as rental payments are incurred. The Association elected the practical expedient permitted under the transition guidance within the standard, which among other things, allowed the Association to carry forward the historical lease classification. The Association also elected the practical expedient to not separate lease components from nonlease components.

Operating and finance lease assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating and finance lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When the lease does not provide an implicit rate, the Association uses a secured borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Association uses the implicit rate when readily determinable. The Association's lease terms may include options to extend. Operating lease expense for lease payments are recognized on a straight-line basis over the lease term. Finance lease expense includes two components: straight line amortization expense over the life of the underlying equipment and interest expense on the outstanding liability.

The Association received concessions to defer payments for six months on certain equipment operating and finance leases in 2020 as a result of the COVID-19 pandemic and operational closures. The Association has elected to account for these concessions by increasing accounts payable and accrued liabilities in the Statement of Financial Position as these payments accrued and expensing them as was originally scheduled during the deferral period. As of December 31, 2021 and 2020, $972,296 and $1,865,668 respectively were included in accounts payable and accrued liabilities in the Statement of Financial Position as a result of this election.

Accounting for the Impairment of Long-Lived Assets
The Association reviews property and equipment for impairment whenever events or changes in circumstances indicate that the related carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the asset. During the years ended December 31, 2021 and 2020, there were no events or changes in circumstances indicating that the carrying amount of the property and equipment may not be recoverable.

Split-Interest Agreements
The Association receives contributions in the form of charitable gift annuities, under which the Association agrees to pay the donor or the donor's designee a fixed amount for a period of time. Upon the death of the beneficiaries, the remaining assets will be distributed by the Association to itself. The fair value of the assets has been included in the Association's statements of financial position, and a corresponding liability has been recorded to reflect the present value of the required lifetime payments to the named beneficiaries using discount rates ranging from 1.2% to 3.2% for each of the years ended December 31, 2021 and 2020, in accounts payable and accrued liabilities in the statements of financial position. The difference between the fair value of the assets received and the present value of the obligation to named beneficiaries under the agreements is reported as contribution revenue in net assets with or without donor restrictions in the accompanying statements of activities. Realized and unrealized gains and losses, and interest and dividend revenue from the investments are also recorded as nonoperating changes in the accompanying statements of activities. Payments of the obligations are reflected as adjustment to the liability. Amortization of discounts and changes in actuarial assumptions are reflected in the statements of activities as change in value of split-interest agreements.

Beneficial Interest in Perpetual Trust

The Association has a beneficial interest in a perpetual trust whereby the assets are held in perpetuity by a third-party trustee. The asset is recorded in the accompanying statements of financial position at the fair value of the underlying trust assets as the Association is the sole beneficiary of the trust. Net appreciation (depreciation) of the beneficial interest in perpetual trust is recorded as a change in value of beneficial interest in perpetual trust in net assets with donor restrictions in accordance with the trust agreement. The distribution from the perpetual trust to the Association is included in the endowment distribution, is determined annually by the trustees, and is 5 percent of the average fair value of the trust for the prior three years ended December 31.

Measure of Operations

The Association includes in its definition of measure of operations, excess (deficit) of operating revenues and public support over operating expenses, all support and revenues that are an integral part of its programs and supporting activities. Included in operating revenues and public support, is an amount earned on the Association's investment portfolio developed from the endowment spending formula for operations and interest income. Excluded from operating revenues and public support and expenses are investment returns in excess of or less than the endowment spending formula amount for operations, distributions received on the beneficial interest in perpetual trust, changes in value of split-interest agreements and beneficial interest in perpetual trust, and loss on defeasance of debt. The endowment spending rate formula amount included in current operations is 5 percent of the trailing average fair value of the endowment investment portfolio for the 20 quarters ended the prior June 30th. Distributions received on the beneficial interest in perpetual trust are based on 5 percent of the average fair value of the trust for the prior three years ended December 31st.

Donated Services

A substantial number of corporations and volunteers have donated significant amounts of time and services in the Association's program operations and in its fund-raising campaigns. However, such contributed services do not meet the criteria for recognition of contributed services contained in accounting principles generally accepted in the United States of America and, accordingly, are not reflected in the accompanying financial statements. Other donated services are recorded in the financial statements if they enhance nonfinancial assets, are provided by a person possessing a specific skill and the Association would need to purchase these services if not donated.

Functional Expenses

The Association records expenses on a functional basis among its various program activities and supporting services. Program activities represent the costs associated with the delivery of programs relating to youth development, healthy living and social responsibility. Expenses that can be identified with a specific program or supporting service are charged directly. Other expenses that are common to several functions are allocated by various statistical bases. Salaries and related expenses are allocated based on time and effort. Staff training and conferences, contract services, supplies and other, insurance, promotion and advertising and interest are allocated based on total directly identified expenses. Facility occupancy, repairs and maintenance, depreciation and amortization are allocated based on square footage.

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40) Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which will assist entities in evaluating the accounting for fees paid by a customer in a cloud computing arrangement when the arrangement includes a software license. Under this guidance, if the cloud computing arrangement does not include a software license, the entity should account for the arrangement as a service contract. This generally means that the fees associated with the service are expensed as incurred. Under this guidance, the entity must also determine which implementation costs should be capitalized and which should be expensed based on the project stage an implementation activity relates to. The capitalized implementation costs must then be expensed over the term of the service agreement. The expense related to capitalized implementation costs is to be presented in the same line in the statement of activities as the costs associated with the software use fees and classify the payments in the statement of cash flows in the same manner as payments made for use of the software. The entity must also present the capitalized implementation costs in the statement of financial position in the same line item that a prepayment of the fees would be presented. This guidance was effective for the Association in fiscal year 2020, with early application permitted. The Association adopted this standard using the prospective approach. There was no impact to the financial statements from the adoption of this standard.

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The new guidance increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. Nonfinancial assets include land, buildings, and equipment as well as the use of land, buildings, equipment, utilities, materials, supplies, intangible assets, and services. The guidance requires that contributed nonfinancial assets be reported in the statement of activities apart from contributions of cash and other financial assets. Disclosures are required for the disaggregation of the amount of contributed nonfinancial assets recognized in the statement of activities by category and type, qualitative information about whether the contributed nonfinancial assets were monetized or utilized, a description of the program(s) if utilized, polices surrounding monetization and utilization, donor imposed restrictions, valuation techniques and inputs to arrive at fair value, and information about the principal market used to determine fair value. This guidance, which must be applied retrospectively, is effective for the Association in fiscal year 2022, with early application permitted. The Association is evaluating the impact this standard will have on the financial statements.

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class and functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to amounts previously reported in the financial statements to conform to the current year's presentation. Such reclassifications had no effect on changes in net assets.

Impact of COVID-19 Pandemic

In connection with any potential outbreak of COVID-19, the Company is continuing to monitor developments and the directives of federal, state and local officials to determine what precautions and procedures need to be implemented by the Company in the event of the increased spread of COVID-19. The spread of COVID-19 or any other similar outbreaks in the future and the continued impact on social interaction, travel, economies and financial markets may materially impact the Company's finances and operations. The full impact of COVID-19 and the scope of any adverse impact on the Company's finances and operations cannot be fully determined at this time. Other adverse consequences of COVID-19 may include, but are not limited to, a decline in revenues, an increase in operating costs, declines in the fair value of investments and/or potential future liquidity concerns.

3. Cash, Cash Equivalents, and Restricted Cash

A reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts in the statements of cash flows is as follows as of December 31:

	2021	2020
Cash and cash equivalents	$ 40,656,572	$ 27,207,056
Cash included in investments	3,525,369	2,581,835
Cash and cash equivalents internally designated for capital acquisitions	8,844,404	20,309,627
Cash and cash equivalents restricted for use	7,536,763	1,201,462
Total	$ 60,563,108	$ 51,299,980

The Board has internally designated the net proceeds of the Series 2018 Bonds, less the capitalized interest maintained by the trustee, to be set aside for construction and acquisition of property and equipment. Funding received from government capital grants, for which disbursements were previously drawn down from the designated funds, was added to designated funds upon receipt.

The Association classifies cash and cash equivalents as restricted when the cash equivalents are unavailable for general withdrawal or usage. Cash and cash equivalents restricted for use are comprised of the following purpose restrictions as of December 31:

	2021	2020
Capital acquisitions	$ -	$ 1,201,462
Future bond interest payments	7,401,122	-
Other	135,641	-
Total	$ 7,536,763	$ 1,201,462

In 2017, a portion of the proceeds from a term loan refinanced in 2018 with the Series 2018 Taxable Bonds (Note 13) was placed in a restricted cash account to be used by a developer for the construction of the La Central facility (Note 10). These funds were fully utilized by December 31, 2021.

In 2021, with the issuance of the Series 2021 Taxable Bonds, a debt service relief window was created, whereby cash was deposited into the bond interest accounts for the Series 2021 Taxable Bonds, Series 2020 Taxable Bonds and Series 2018 Taxable Bonds sufficient to make all interest payments from August 2021 through February 1, 2023 (Note 13).

4. Liquidity and Availability

The Association regularly monitors liquidity to meet operating needs and general expenditures within one year. The Association has various sources of liquid resources at its disposal, which includes cash and cash equivalents and an operating line of credit.

The Association's financial assets available within one year of the date of the Statement of Financial Position for general expenditures are as follows for the years ended December 31:

	2021	2020
Total assets at year end	$ 503,725,017	$ 467,021,397
Less:		
Cash and cash equivalents from donors for specific activities	(5,618,430)	(3,540,198)
Contributions receivable due in more than one year or restricted by donors for specific activities	(4,491,713)	(1,858,294)
Cash and cash equivalents internally designated for capital acquisitions	(8,844,404)	(20,309,627)
Cash and cash equivalents restricted for use	(7,536,763)	(1,201,462)
Donor restricted endowment funds	(34,589,442)	(32,015,322)
Board designated endowment funds	(59,508,610)	(41,056,801)
Charitable gift annuity funds	(367,652)	(358,926)
Debt service reserve	-	(3,455,716)
Property and equipment, net	(304,782,691)	(308,102,923)
Operating lease right of use assets, net	(717,576)	(1,488,767)
Deferred charges and other assets	(7,825,689)	(7,970,030)
Beneficial interest in perpetual trust	(12,230,637)	(10,865,599)
Plus:		
Endowment spending distribution appropriation for upcoming year	5,432,420	3,123,224
Financial assets available at year end for general expenditures	$ 62,643,830	$ 37,920,956

The Association has a line of credit with JP Morgan Chase Bank, as discussed in more detail in Note 12. As of December 31, 2021, $10,000,000 remained available on the line of credit. As of December 31, 2020, the line was fully drawn. This line of credit expires on June 30, 2022.

The Association's governing board has designated a portion of its net assets without donor restrictions for endowment and a portion of its cash and cash equivalents for construction and acquisition of property and equipment. The board designated endowment funds, invested for long-term appreciation, and the board designated cash and cash equivalents for construction and acquisition of property and equipment are not included in the financial assets available at year end for general expenditures. These assets, which are more fully described in Notes 3, 16 and 17, are not available for general expenditure within the next year; however, the board-designated amounts could be made available, if necessary.

5. Contributions Receivable

Contributions receivable comprised the following at December 31:

	2021	2020
Amounts due in		
Less than one year	$ 2,609,060	$ 493,519
One to five years	2,251,254	1,631,663
	4,860,314	2,125,182
Less:		
Allowance for uncollectible accounts	140,394	53,325
Unamortized discount	184,147	64,145
Contributions receivable, net	$ 4,535,773	$ 2,007,712

Included in contributions receivable above were approximately $1.4 million and $1.5 million in various capital campaign pledges as of December 31, 2021 and 2020, respectively.

6. Government Receivables

The Association receives grants from various government entities for human services and capital improvements. Government receivables comprised the following at December 31, 2021:

	2021	2020
Amounts due in less than one year	$ 7,114,821	$ 6,158,185
Less:		
Allowance for uncollectible accounts	500,000	500,000
Government receivable, net	$ 6,614,821	$ 5,658,185

Conditional capital improvement pledges from the government, which depend on the occurrence of specified and uncertain events, were $2,491,842 and $14,746,408 as of December 31, 2021 and 2020, respectively. These conditions are anticipated to be met in the year ended December 31, 2022.

7. Other Receivables

Other receivables are comprised of the following at December 31:

	2021	2020
Other receivables		
Contract assets	$ 2,908,152	$ 2,062,769
Accounts receivable	6,524,833	4,177,088
	9,432,985	6,239,857
Less: Allowance for uncollectible accounts	658,983	336,254
Other receivables, net	$ 8,774,002	$ 5,903,603

8. Fair Value Measurements

The following table presents information as of December 31, 2021 about the Association's financial assets that are measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Cash equivalents restricted for use				
Money market mutual funds	$ 6,091,187	$ -	$ -	$ 6,091,187
Investments				
Investments - endowment other than charitable gift annuity related				
Equity securities				
Common stocks	25,455,895	-	-	25,455,895
Mutual funds	41,210,892	-	-	41,210,892
	66,666,787	-	-	66,666,787
Debt securities				
Bonds and notes	-	11,747,472	-	11,747,472
Mutual funds	9,559,418	-	-	9,559,418
	9,559,418	11,747,472	-	21,306,890
Cash and money market funds	3,524,547	-	-	3,524,547
	79,750,752	11,747,472	-	91,498,224
Charitable gift annuity related investments				
Mutual funds	355,932	-	-	355,932
Cash and money market funds	11,720	-	-	11,720
	367,652	-	-	367,652
Other investments				
Bonds and notes				
US government treasury notes	-	9,340,213	-	9,340,213
	-	9,340,213	-	9,340,213
	80,118,404	21,087,685	-	101,206,089
Beneficial interest in perpetual trust	-	-	12,230,637	12,230,637
	$ 86,209,591	$ 21,087,685	$ 12,230,637	$ 119,527,913

The following table presents information as of December 31, 2020 about the Association's financial assets that are measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Cash equivalents restricted for use				
Money market mutual funds	$ 17	$ -	$ -	$ 17
Debt service reserve				
Money market mutual funds	3,455,716	-	-	3,455,716
Investments				
Investments - other than charitable gift annuity related				
Equity securities				
Common stocks	19,582,230	-	-	19,582,230
Mutual funds	32,149,215	-	-	32,149,215
	51,731,445	-	-	51,731,445
Debt securities				
Bonds and notes	-	4,053,223	-	4,053,223
Mutual funds	14,131,528	-	-	14,131,528
	14,131,528	4,053,223	-	18,184,751
Cash and money market funds	2,575,595	-	-	2,575,595
	68,438,568	4,053,223	-	72,491,791
Charitable gift annuity related investments				
Mutual funds	342,173	-	-	342,173
Cash and money market funds	16,753	-	-	16,753
	358,926	-	-	358,926
	68,797,494	4,053,223	-	72,850,717
Beneficial interest in perpetual trust	-	-	10,865,599	10,865,599
	$ 72,253,227	$ 4,053,223	$ 10,865,599	$ 87,172,049

The following table provides a roll forward of the fair value of Level 3 investments for the years ended December 31, 2021 and 2020:

	Level 3 Beneficial Interest in Perpetual Trust	
	2021	**2020**
Beginning balances	$ 10,865,599	$ 10,155,683
Change in value of split-interest agreements	1,849,227	1,149,188
Distributions from trust	(484,189)	(439,272)
Ending balances	$ 12,230,637	$ 10,865,599

The Association's policy is to recognize transfers in and out of Level 3 as of the end of the year or change in circumstances that caused the transfer. There were no transfers between levels for the years ended December 31, 2021 and 2020.

9. Investment Return

Components of investment return included in operating revenues, support, and gains and nonoperating changes were as follows:

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Investment income	$ 2,398,942	$ 1,297,739	$ 3,696,681	$ 2,147,003
Realized appreciation, net	904,935	632,272	1,537,207	4,676,284
Unrealized appreciation, net	1,763,552	1,569,496	3,333,048	5,932,716
Total return on investments	5,067,429	3,499,507	8,566,936	12,756,003
Return allocated for current activities	(1,469,206)	(922,572)	(2,391,778)	(2,471,681)
Investment return in excess of return allocated for operating activities	$ 3,598,223	$ 2,576,935	$ 6,175,158	$ 10,284,322

The Association was required under New York and New Jersey state laws to invest minimum pre-determined amounts of up to $254,611 and $259,207 for December 31, 2021 and 2020, respectively, for charitable gift annuities in segregated accounts, and was in compliance with the state requirements.

10. Property and Equipment

Property and equipment consist of the following at December 31:

	2021	2020
Land	$ 13,423,812	$ 14,170,874
Buildings and improvements	455,519,727	406,143,338
Equipment (includes finance leased assets of $7,650,677 in 2021 and $10,952,028 in 2020)	62,130,057	61,381,016
Furniture and fixtures	17,651,100	17,921,642
Leasehold improvements	345,137	294,357
Construction in progress	28,170,997	72,392,751
	577,240,830	572,303,978
Less: Accumulated depreciation and amortization	(272,458,139)	(264,201,055)
Property and equipment, net	$ 304,782,691	$ 308,102,923

Included in property and equipment is $4,915,825 of capitalized software costs as of December 31, 2021 and 2020. Included in other assets is $842,278 and $461,902 of capitalized software costs as of December 31, 2021 and 2020, respectively.

In June 2011, the Association entered into a below-market lease agreement for 40 years with the owner of a Coney Island property and the developer of that property to lease a branch facility that would be built-to-suit for the Association on that site. The lease term commenced upon substantial completion of construction of the facility in March 2014. The Association's lease payments for 40 years ($2,200,000) were paid in advance in June 2011. The facility is reflected in the financial statements as Building and Improvements which is being amortized over the 40-year term of the lease. Because the Association's obligations under the lease were prepaid and the remainder of the value is being contributed by the developer, no lease obligation is reflected. A contribution with donor restrictions from the developer of $19,157,456 was recognized in 2014 that is being released from restriction ratably over the lease term. The lease contains an option for the Association to buy the branch facility at the end of the lease term for fair market value.

In December 2017, the Association entered into a below-market lease agreement for 41 years with the owner of a Bronx property and the developer of that property to lease the La Central branch facility that would be built for the Association on that site. The lease term is scheduled to commence upon substantial completion of construction of the facility, which is estimated to occur in 2022. The Association's lease payments for 41 years ($18,500,000) were placed into a restricted cash account with the developer's banker were drawn down by said banker during development of the facility. As of December 31, 2021 and 2020, $18,500,000 and $17,824,500, respectively, had been drawn down by the banker. Because the Association's obligations under the lease were effectively prepaid, no lease obligation is reflected. The lease contains an option for the Association to buy the branch facility at the end of the lease term for fair market value.

11. Insurance Program

The Association maintains comprehensive general liability insurance coverage to limit the Association's exposure to claims above specified per occurrence amounts. Under current accounting guidance it is the Association's policy to accrue an estimate of the ultimate cost of claims under its insurance policy whether the policy is fully insured or a self-insurance policy. The accrued liability is based on the estimated cost of settlement, including an amount determined from reports of individual cases and an additional amount for losses incurred but not yet reported, based on estimates by management using an independent actuarial report. In addition, any insurance recoverable under such policy is recorded as a receivable in deferred charges and other assets. As of December 31, 2021 and 2020, the accrued liability for self-insured losses and the insurance recoverable (included in deferred charges and other assets) under such policies were as follows:

	2021	2020
Accrued liability for self insurance	$ 9,053,706	$ 9,929,784
Less: Insurance recoverable under policy	(6,092,760)	(6,439,227)
Net	$ 2,960,946	$ 3,490,557

12. Revolving Bank Line of Credit

The Association signed a $5,000,000 uncollateralized working capital line of credit with JP Morgan Chase Bank, initially maturing June 30, 2013, which was renewed for additional years through June 30, 2020. In March 2020, the line of credit was increased to $20,000,000. The line of credit was extended until October 31, 2020. On November 2, 2020, the line of credit was replaced with a committed revolving bank line of credit of $10,000,000 which matured April 30, 2021 and was renewed for similar terms through October 29, 2021. The line was renewed again through June 30, 2022 for similar terms except the London Interbank Offered Rate ("LIBOR") index was replaced with Secured Overnight Financing Rate ("SOFR"). The line of credit bears interest at the Chase Bank Prime rate or SOFR plus 1.85%. Fees for undrawn line balances are 0.35%. As of December 31, 2021, $10,000,000 remained available on the line of credit. As of December 31, 2020, the line was fully drawn. The interest rate on the line of credit was 1.90% at December 31, 2021.

The revolving bank line of credit contains various covenants including the maintenance of minimum Unrestricted Cash and Investments of $35,000,000, net of line draws, as defined by the agreement. The Association was in compliance with the financial covenant ratios for the years ended December 31, 2021 and 2020.

13. Debt Obligations

Debt obligations consisted of the following at December 31:

	Interest %	Maturity	2021	2020
Build NYC Resource Corporation issued Bonds				
Series 2015 Bonds	3.25%-5%	2022-2040	$ -	$ 42,320,000
Association issued Bonds				
Series 2018 Taxable Bonds	3.985%-5.151%	2022-2048	53,020,000	54,075,000
Series 2020 Taxable Bonds	2.26%-3.73%	2020-2042	26,170,000	29,785,000
Series 2021 Taxable Bonds	2.303%	2026	60,625,000	-
Small Business Administration Payroll Protection Program ("PPP") Loan	0.98%	2027	10,000,000	-
			149,815,000	126,180,000
Less: Debt issuance costs, net of accumulated amortization of $233,596 and $302,252, as of December 31, 2021 and 2020, respectively			(1,385,219)	(1,687,016)
Plus: Unamortized premium on bonds			-	1,652,118
Total debt obligations			$ 148,429,781	$ 126,145,102

As of December 31, 2021, the aggregate maturities of debt obligations are as follows:

	Series 2018 Taxable Bonds	Series 2020 Taxable Bonds	Series 2021 Taxable Bonds	PPP Loan	Total
2022	$ -	$ -	$ -	$ 1,205,630	$ 1,205,630
2023	1,100,000	975,000	-	1,971,810	4,046,810
2024	1,145,000	995,000	-	1,991,314	4,131,314
2025	1,190,000	1,020,000	-	2,011,368	4,221,368
2026	1,245,000	1,045,000	60,625,000	2,031,444	64,946,444
Thereafter	48,340,000	22,135,000	-	788,434	71,263,434
	$ 53,020,000	$ 26,170,000	$ 60,625,000	$ 10,000,000	$ 149,815,000

On July 20, 2021, the Association issued $60,625,000 in Taxable Bonds, Series 2021 (the "Series 2021 Taxable Bonds"), the proceeds of which were used to advance refund and defease the Series 2015 Bonds; advance refund and defease specific Series 2018 Taxable Bonds and Series 2020 Taxable Bonds with maturities in 2021 and 2022; prepay interest on Series 2021 Taxable Bonds, Series 2020 Taxable Bonds and Series 2018 Taxable Bonds for the period from the date of issuance of the Series 2021 Taxable Bonds through February 1, 2023; and pay debt issuance costs. Proceeds from the Series 2021 Taxable Bonds were distributed as follows: $46,010,040 was deposited into an escrow account for the advance refunding of the Series 2015 Bonds, $3,679,315 was deposited into an escrow account for the partial prepayment of the Series 2020 Taxable Bonds, $1,118,063 was deposited into an escrow account for the partial prepayment of the Series 2018 Taxable Bonds, $9,150,089 was deposited into the Interest Accounts for the Series 2021 Taxable Bonds, 2020 Taxable Bonds, and 2018 Taxable Bonds, and $358,730 was transferred to the Association to pay debt issuance costs. In addition, the $3,455,874 in Series 2015 Bond Debt Service Reserve and other Bond Funds were deposited to the escrow account. The defeasance of the Series 2015 Bonds and partial defeasance of the Series 2020 Taxable Bonds and Series 2018 Taxable Bonds was accounted for as an extinguishment and resulted in a loss of $5,599,442 which has been reflected in the 2021 statement of activities as non-operating changes.

On April 13, 2021 the Association received a Small Business Administration Payroll Protection Program ("PPP") loan for $10,000,000 through JPMorgan Chase Bank, N.A. The PPP loan was received to retain workers and support business expenses during the COVID-19 Pandemic. The PPP loan, which may be forgiven in full or in part, bore interest at 0.98% and matured April 13, 2027. On February 10, 2022, the PPP loan was forgiven in full by the Small Business Administration and JPMorgan Chase Bank, N.A. A gain on forgiveness was recorded in February 2022 for $10,082,211.

On January 30, 2020, the Association issued $32,685,000 in Taxable Bonds, Series 2020 (the "Series 2020 Taxable Bonds"), the proceeds of which were used to advance refund and defease the Series 2012 Bonds and pay debt issuance costs. The defeasance of the Series 2012 Bonds was accounted for as an extinguishment and resulted in a loss of $1,955,944 which has been reflected in the 2020 statement of activities and changes in net assets as nonoperating changes.

Amortization of bond issuance costs is calculated on a straight-line basis over the life of the bonds.

The loan agreements for the Series 2015 Bonds contained various covenants including the maintenance of a certain debt service coverage ratio. The agreement further stated that the lack of compliance with these financial ratios did not create an event of default as long in the first year of noncompliance, a plan was filed with the Trustee detailing the changes in operations which the Association reasonably expected would correct such failure and the plan was implemented. The Association did not meet the financial covenant ratio for the year ended December 31, 2020 but met these steps and therefore was not in default. As the Series 2015 Bonds were defeased during 2021, the financial covenant ratio was not applicable for the year ended December 31, 2021.

14. Pension Plans

Defined Contribution Plan

The Association participates in The YMCA Retirement Fund Retirement Plan which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, and The YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in section 403(b)(9) of the code. Both Retirement Fund Plans are sponsored by the Young Men's Christian Association Retirement Fund ("Fund"). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of the YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees.

In accordance with the agreement with the Fund, contributions are a percentage of the participating employees' salaries and are paid by the Association. Total contributions charged to retirement costs were $1,083,978 and $1,895,011 in 2021 and 2020, respectively.

15. Leases

The Association has entered into various noncancelable operating leases for program facilities. In addition, the Association has entered into operating and finance leases for equipment.

In February 2018, The Association entered into a predevelopment agreement with the New York City Economic Development Corporation ("NYCEDC") to undertake development of a 50,000 square foot facility in the northeast Bronx on land owned by the City of New York. The initial phase of construction began in August 2018 and the facility was completed in 2021. The underlying land was leased under an operating lease to the Association executed March 1, 2019, for 49 years with two 25-year renewal options, for an initial base rent of $29,826 per annum. Annual rental increases based on the consumer price index begin on the 5th year of the lease.

The components of lease costs were as follows for the years ended December 31:

	Statement of Activities Classification	2021	2020
Operating lease costs	Facility occupancy	$ 121,683	$ 280,885
Operating lease costs	Supplies	245,088	604,724
Total operating lease costs		366,771	885,609
Amortization of lease assets	Depreciation and amortization	1,826,993	3,294,371
Interest on lease liabilities	Interest	113,144	200,485
Total Finance lease costs		1,940,137	3,494,856
Variable and short term lease costs	Supplies	718,935	705,428
Total lease costs		$ 3,025,843	$ 5,085,893

As of December 31, 2021, the maturities of the Association's lease liabilities were as follows:

	Operating Leases	Finance Leases	Total
2022	$ 41,078	$ 1,693,695	$ 1,734,773
2023	29,826	834,761	864,587
2024	29,826	417,664	447,490
2025	29,826	106,527	136,353
2026	29,826	82,158	111,984
Thereafter	1,227,837	-	1,227,837
Total minimum payments	1,388,219	3,134,805	4,523,024
Less: imputed interest	(670,643)	(114,624)	(785,267)
Total lease liabilities	$ 717,576	$ 3,020,181	$ 3,737,757

Total rent expense was $1,085,706 and $1,591,037 in the years ended December 31, 2021 and 2020, respectively.

The weighted average remaining lease term and weighted average discount rate were as follows as of December 31:

	2021	2020
Weighted average remaining lease term		
Operating leases	24.4 years	1.9 years
Finance leases	1.4 years	1.3 years
Weighted average discount rate		
Operating leases	3.3%	3.7%
Finance leases	3.0%	3.1%

Supplemental cash flow information related to leases was as follows for the years ended December 31:

	2021	2020
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 906,533	$ 862,398
Operating cash flows from finance leases	113,144	200,485
Financing cash flows from finance leases	2,874,421	3,475,742
Property and equipment acquired through finance leases	1,017,513	2,338,088
Total	$ 4,911,611	$ 6,876,713

16. Net Assets

Net assets are available for the following purposes as of December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated for endowment	$ 59,508,610	$ -	$ 59,508,610
Board designated for charitable gift annuities	104,643	-	104,643
Undesignated	172,604,039	-	172,604,039
Donor restricted for program services	-	24,144,281	24,144,281
Donor restricted for construction or acquisition of property and equipment	-	1,038,983	1,038,983
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity	-	11,872,030	11,872,030
Accumulated investment gains	-	22,717,412	22,717,412
Beneficial interest in perpetual trust	-	12,230,637	12,230,637
Charitable gift annuities	-	122,393	122,393
Total	$ 232,217,292	$ 72,125,736	$ 304,343,028

Net assets are available for the following purposes as of December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated for endowment	$ 41,056,801	$ -	$ 41,056,801
Board designated for charitable gift annuities	98,902	-	98,902
Undesignated	134,222,772	-	134,222,772
Donor restricted for program services	-	19,081,175	19,081,175
Donor restricted for construction or acquisition of property and equipment	-	28,240,828	28,240,828
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity	-	11,859,997	11,859,997
Accumulated investment gains	-	20,155,325	20,155,325
Beneficial interest in perpetual trust	-	10,865,599	10,865,599
Charitable gift annuities	-	113,434	113,434
	$ 175,378,475	$ 90,316,358	$ 265,694,833

Net assets with donor restrictions were released from restrictions for the year ended December 31, 2021 and 2020 are as follows:

	2021	2020
Construction or acquisition of property and equipment	$ 26,424,190	$ 21,000
Program services	1,823,085	1,873,871
Released from donor restricted net assets	$ 28,247,275	$ 1,894,871

17. Endowments

Endowments and Interpretation of Law
On September 17, 2010, New York State adopted a state version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("NYPMIFA") and the disclosure requirements under GAAP became applicable. This law governs management and spending of donor-restricted endowment funds and gifts with perpetual donor restrictions.

The Association's endowment consists of approximately 80 individual funds established to support the Association's programs. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by 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. Also included in the endowment are the beneficial interest in perpetual trust and charitable gift annuities.

Charitable gift annuity endowment net assets are reported net of annuity obligations to beneficiaries included in accounts payable and accrued expenses in the accompanying statements of position of $140,616 and $146,590 at December 31, 2021 and 2020, respectively.

The Board of Directors of the Association has interpreted NYPMIFA 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 Association retains in perpetuity (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with NYPMIFA, 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 donor-restricted endowment fund, (2) the asset's special relationship of value, if any, to the charitable purpose of the Association, (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) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the donor-restricted endowment fund, giving due consideration to the effect that such alternatives may have on the Association and (8) the investment policies of the Association.

In accordance with current New York State law, the remaining portion of the donor restricted endowment that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor contribution amounts (deficit). When donor-restricted endowment fund deficits exist, they are classified as a reduction of net assets with donor restrictions. The Association has interpreted NYPMIFA to permit spending from endowments with a deficit in accordance with prudent measures required under law. No deficits existed as of December 31, 2021 or 2020.

Return Objectives and Risk Parameters
The Association 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 organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the agreed upon benchmarks while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives
To satisfy its long-term rate-of-return objectives the Association relies on a total investment return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Association has a policy for donor restricted and board designated funds of appropriating for distribution for operations each year 5 percent of its endowment investment fund's average fair value over the prior 20 quarters through June 30th preceding the fiscal year in which the distribution is planned, regardless of whether the fair value exceeds the historical cost of the fund. In establishing this policy, the Association considered the long-term expected return on its endowment. The Association's objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The distribution from the beneficial interest in perpetual trust to the Association is included in the endowment distribution, is determined annually by the trustees, and is 5 percent of the average fair value of the trust for the prior three years ended December 31.

In the year ended December 31, 2021, the Association agreed to make a one-time appropriation from board designated endowment funds of $5,391,172 to support debt service in addition to the annual appropriation for operations.

At December 31, 2021, the endowment net asset composition by type of fund consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 34,589,442	$ 34,589,442
Board-designated endowment funds	59,508,610	-	59,508,610
Beneficial interest in trust	-	12,230,637	12,230,637
Charitable gift annuities	104,643	122,393	227,036
Total funds	$ 59,613,253	$ 46,942,472	$ 106,555,725

Changes in endowment net assets for the year ended December 31, 2021, consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Changes in endowment net assets for year ended December 31, 2021			
Endowment net assets, beginning of year	$ 41,155,703	$ 42,994,355	$ 84,150,058
Investment return			
Investment income	2,374,253	1,297,739	3,671,992
Unrealized and realized appreciation, net	2,719,341	2,201,768	4,921,109
Total investment return	5,093,594	3,499,507	8,593,101
Contributions	18,200,000	12,033	18,212,033
Change in value of split-interest agreements and beneficial interest in perpetual trust	484,189	1,359,149	1,843,338
Appropriation of endowment assets for expenditure			
For operations	(1,469,206)	(922,572)	(2,391,778)
Distributions from beneficial interest in trust	(484,189)	-	(484,189)
Total appropriation for expenditure	(1,953,395)	(922,572)	(2,875,967)
Appropriation of endowment assets For debt service	(5,391,172)	-	(5,391,172)
Other	2,024,334	-	2,024,334
Endowment net assets, end of year	$ 59,613,253	$ 46,942,472	$ 106,555,725

At December 31, 2020, the endowment net asset composition by type of fund consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 32,015,322	$ 32,015,322
Board-designated endowment funds	41,056,801	-	41,056,801
Beneficial interest in trust	-	10,865,599	10,865,599
Charitable gift annuities	98,902	113,434	212,336
Total funds	$ 41,155,703	$ 42,994,355	$ 84,150,058

Changes in endowment net assets for the year ended December 31, 2020, consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Changes in endowment net assets for year ended December 31, 2020			
Endowment net assets, beginning of year	$ 35,016,612	$ 37,823,069	$ 72,839,681
Investment return			
Investment income	1,155,046	913,826	2,068,872
Unrealized and realized appreciation, net	5,965,163	4,643,837	10,609,000
Total investment return	7,120,209	5,557,663	12,677,872
Contributions	348,263	20,000	368,263
Change in value of split-interest agreements and beneficial interest in perpetual trust	449,895	738,204	1,188,099
Appropriation of endowment assets for expenditure			
For operations	(1,402,633)	(1,069,048)	(2,471,681)
Distributions from beneficial interest in trust	(439,272)	-	(439,272)
Total appropriation for expenditure	(1,841,905)	(1,069,048)	(2,910,953)
Other	62,629	(75,533)	(12,904)
Endowment net assets, end of year	$ 41,155,703	$ 42,994,355	$ 84,150,058

18. Contingencies and Commitments

The Association receives fees and grants from various federal, state and city government agencies for services performed under contracts. Such contracts are subject to governmental compliance audits and may, from time to time, result in adjustments to fees and grants received. In the opinion of the Association the disposition of all such matters would not have a material adverse effect on the Association's financial position or changes in its net assets.

The Association had received grant funding from the New York City Economic Development Corporation (the "City") which supported building improvements at the Bedford, Bronx, Flatbush, Harlem, Long Island City, North Brooklyn and Prospect Park branches. The City has encumbered these branches with performance mortgages for 20 years (Long Island City, Harlem, North Brooklyn, and Flatbush) or restrictive covenants for 30 years (Bedford, Bronx and Prospect Park).

The primary difference between a performance mortgage and a restrictive covenant concerns the remedy available to the City to ensure that the property is used in conformance with the purpose for which City funds were provided, or an alternative use acceptable to the City. A performance mortgage is remedy-specific, meaning that the City has the right to "foreclose" on the property to enforce the use of the property; the City or its designee can provide the required services. A restrictive covenant enables the City to compel the Association to provide the required services.

The Association is involved in various litigations arising in the ordinary course of business. In the opinion of management, the disposition of all such matters should not have a material adverse effect on the Association's financial position or changes in its net assets.

19. Subsequent Events

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up through June 3, 2022, which is the date that the financial statements were issued.