Young Men's Christian Association of Greater New York

Financial Statements
December 31, 2020 and 2019

Young Men's Christian Association of Greater New York
Index
December 31, 2020 and 2019

Page(s)

Report of Independent Auditors

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

We have audited the accompanying financial statements of Young Men's Christian Association of Greater New York, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and of functional expenses for the year ended December 31, 2020 and of cash flows for the years ended December 31, 2020 and 2019.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Men's Christian Association of Greater New York as of December 31, 2020 and 2019, and the changes in its net assets for the year ended December 31, 2020 and its cash flows for the years ended December 31, 2020 and 2019 in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We previously audited the statement of financial position as of December 31, 2019, 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 June 15, 2020, we expressed an unmodified opinion on those financial statements. In our opinion, the information set forth in the accompanying summarized financial information as of December 31, 2019 and for the year then ended is consistent, in all material respects, with the audited financial statements from which it has been derived.

PricewaterhouseCoopers LLP

New York, New York
May 24, 2021

Young Men's Christian Association of Greater New York
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 27,207,056	$ 33,948,492
Contributions receivable, net	2,007,712	4,182,237
Government receivables, net	5,658,185	6,568,673
Other receivables, net	5,903,603	3,746,728
Investments	72,850,717	60,905,630
Debt service reserve	3,455,716	7,046,647
Cash and cash equivalents internally designated for capital acquisitions	20,309,627	16,329,060
Cash and cash equivalents restricted for use for capital acquisitions	1,201,462	13,305,864
Property and equipment, net	308,102,923	284,831,384
Operating lease right of use assets, net	1,488,767	-
Deferred charges and other assets	7,970,030	8,789,148
Beneficial interest in perpetual trust	10,865,599	10,155,683
Total assets	$ 467,021,397	$ 449,809,546
Liabilities and Net Assets		
Liabilities		
Revolving bank line of credit	$ 10,000,000	$ -
Accounts payable and accrued expenses	31,194,346	22,549,285
Accrued salaries and related expenses	12,227,723	9,001,615
Accrued liability for self-insured losses	9,929,784	10,055,237
Deferred revenue from government contracts	3,855,932	1,925,766
Other deferred revenue	1,472,479	4,690,755
Obligations under operating leases	1,624,109	-
Obligations under finance leases	4,877,089	6,014,743
Debt obligations	126,145,102	131,055,419
Total liabilities	201,326,564	185,292,820
Net assets		
Without donor restrictions		
Board designated for endowment	41,056,801	34,925,004
Board designated for charitable gift annuities	98,902	91,608
Undesignated	134,222,772	165,796,151
Total without donor restrictions	175,378,475	200,812,763
With donor restrictions	90,316,358	63,703,963
Total net assets	265,694,833	264,516,726
Total liabilities and net assets	$ 467,021,397	$ 449,809,546

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, 2020 with Summarized Financial Information for the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Operating revenues, support and gains				
Contributions	$ 6,929,740	$ 23,355,980	$ 30,285,720	$ 13,349,425
Special events gross income	45,908	-	45,908	1,110,289
Less: Direct cost of special events	(5,739)	-	(5,739)	(1,002,926)
	40,169	-	40,169	107,363
Membership dues and program fees	34,471,855	-	34,471,855	114,098,101
Residence program and related services	23,644,984	-	23,644,984	40,070,307
Government contract revenues	30,071,096	-	30,071,096	31,181,465
Investment return allocated for current activities	2,635,810	-	2,635,810	2,997,151
Other revenues	762,813	-	762,813	951,488
Total operating revenues, support and gains	98,556,467	23,355,980	121,912,447	202,755,300
Net assets released from restrictions	3,039,452	(3,039,452)	-	-
Total operating revenues, support, gains and net assets released from restriction	101,595,919	20,316,528	121,912,447	202,755,300
Operating expenses				
Salaries and related expenses	69,209,493	-	69,209,493	113,222,682
Staff training and conferences	517,332	-	517,332	2,500,691
Contract services	18,725,717	-	18,725,717	32,746,517
Facility occupancy	6,049,497	-	6,049,497	8,943,576
Supplies and other	5,732,944	-	5,732,944	14,199,731
Repairs and maintenance	1,773,549	-	1,773,549	3,507,942
Insurance	3,722,611	-	3,722,611	3,688,805
Promotion and advertising	1,935,965	-	1,935,965	3,154,962
Interest	4,900,362	-	4,900,362	5,715,708
Depreciation and amortization	17,519,218	-	17,519,218	16,626,208
Total operating expenses	130,086,688	-	130,086,688	204,306,822
(Deficit) excess of operating revenue, support, gains and net assets released from restriction over operating expenses	(28,490,769)	20,316,528	(8,174,241)	(1,551,522)
Nonoperating changes				
Investment return in excess of return allocated for operating activities	4,562,530	5,557,663	10,120,193	10,127,997
Change in value of split-interest agreements and beneficial interest in perpetual trust	449,895	738,204	1,188,099	1,862,277
Other components of net periodic pension cost	-	-	-	(1,406,232)
Pension-related charges other than net periodic cost	-	-	-	1,409,592
Loss on defeasance of debt	(1,955,944)	-	(1,955,944)	-
Changes in net assets	(25,434,288)	26,612,395	1,178,107	10,442,112
Net assets				
Beginning of year	200,812,763	63,703,963	264,516,726	254,074,614
End of year	$ 175,378,475	$ 90,316,358	$ 265,694,833	$ 264,516,726

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, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Changes in net assets	$ 1,178,107	$ 10,442,112
Adjustments to reconcile changes in net assets to cash (used in) provided by operating activities		
Realized and unrealized (gain) loss on investments	(10,609,000)	(10,652,594)
Provision for bad debts	159,140	471,098
Depreciation and amortization	17,519,218	16,626,208
Amortization of bond premium	(268,883)	(519,894)
Amortization of bond issue costs	78,480	87,886
Contributions restricted for long-term investment	(22,081,368)	(3,806,276)
Donated securities	(262,321)	(257,287)
Proceeds from sales of donated securities	123,907	50,940
Change in value of split-interest agreements and beneficial interest in perpetual trust	(1,188,099)	(1,862,277)
Loss on defeasance of debt	1,955,944	-
Change in		
Contributions receivable, net	1,310,266	520,118
Government receivables, net	749,072	(1,962,284)
Other receivables, net	(2,129,237)	820,775
Operating lease right of use assets, net	813,183	-
Deferred charges and other assets	1,229,667	4,461,820
Beneficial interest in perpetual trust	439,272	329,150
Accounts payable and accrued expenses	4,852,348	(249,006)
Accrued salaries and related expenses	3,226,108	584,383
Accrued liability for self-insured losses	(125,453)	(5,970,599)
Deferred revenue from government contracts	1,930,166	(239,620)
Other deferred revenue	(3,218,276)	153,357
Obligations under operating leases	(862,398)	-
Net cash (used in) provided by operating activities	(5,180,157)	9,028,010
Cash flows from investing activities		
Purchase of property and equipment	(34,940,964)	(26,461,607)
Proceeds from the sale of investments	26,766,096	11,254,703
Purchase of investments	(25,948,717)	(10,406,328)
Net cash used in investing activities	(34,123,585)	(25,613,232)
Cash flows from financing activities		
Receipts from contributions restricted for long-term investment	22,920,265	3,388,555
Proceeds from sales of donated securities restricted for long-term investment	138,414	206,347
Repayment of finance lease obligations	(3,475,742)	(2,430,541)
Advances on revolving line of credit, net	10,000,000	-
Proceeds from issuance of debt obligations	32,685,000	-
Repayment of debt obligations	(35,230,761)	(3,214,100)
Payment of debt issuance costs	(445,239)	-
Net cash provided by (used in) financing activities	26,591,937	(2,049,739)
Net change in cash, cash equivalents, and restricted cash	(12,711,805)	(18,634,961)
Cash, cash equivalents, and restricted cash		
Beginning of year	64,011,785	82,646,746
End of year	$ 51,299,980	$ 64,011,785
Supplemental information		
Interest paid during the year	$ 4,590,425	$ 4,604,620
Property and equipment acquired through finance leases	2,338,088	2,286,712
Change in accrual for acquisition of property and equipment	3,737,697	4,278,319
Donated securities	262,321	257,287

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, 2020 with Summarized Financial Information for the Year Ended December 31, 2019

	Program				Supporting Services			
	Youth Development	Healthy Living	Social Responsibility	Subtotal	Management and General	Fundraising	2020 Total	2019 Total
Salaries and related expenses	$ 28,544,754	$ 18,182,199	$ 10,627,266	$ 57,354,219	$ 10,513,167	$ 1,342,107	$ 69,209,493	$ 113,222,682
Staff training and conferences	119,957	26,693	83,863	230,513	277,054	9,765	517,332	2,500,691
Contract services	7,258,010	2,276,982	7,765,665	17,300,657	1,234,376	190,684	18,725,717	32,746,517
Facility occupancy	1,849,689	2,334,154	1,564,086	5,747,929	301,568	-	6,049,497	8,943,576
Supplies and other	2,521,964	632,778	1,968,660	5,123,402	490,591	118,951	5,732,944	14,199,731
Repairs and maintenance	559,024	684,798	440,776	1,684,598	87,255	1,696	1,773,549	3,507,942
Insurance	1,674,208	953,184	803,339	3,430,731	291,880	-	3,722,611	3,688,805
Promotions and advertising	447,692	1,122,383	165,086	1,735,161	69,327	131,477	1,935,965	3,154,962
Interest	2,391,391	1,361,502	1,147,469	4,900,362	-	-	4,900,362	5,715,708
Depreciation and amortization	6,211,623	7,518,989	3,591,083	17,321,695	177,771	19,752	17,519,218	16,626,208
Total expenses included in the expense section of the statement of activities	51,578,312	35,093,662	28,157,293	114,829,267	13,442,989	1,814,432	130,086,688	204,306,822
Expenses included with revenues and public support								
Direct cost of special events	-	-	-	-	-	5,739	5,739	1,002,926
Expenses included in nonoperating changes								
Other components of net periodic pension cost	-	-	-	-	-	-	-	1,406,232
	$ 51,578,312	$ 35,093,662	$ 28,157,293	$ 114,829,267	$ 13,442,989	$ 1,820,171	$ 130,092,427	$ 206,715,980

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 and 500,000 members and program participants in the years ended December 31, 2020 and 2019, respectively, at 23 branch locations, including 22 branches across New York City and one sleepaway camp branch, and more than 50 public schools, parks and community centers throughout the five boroughs. Groundbreaking occurred in 2018 for two additional branches in the Bronx borough that are expected to open in 2021. All Association programs teach the core values of caring, honesty, respect and responsibility and continue our 168-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, self-insurance loss accruals and the assumptions associated with determining the defined benefit pension plan obligation.

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, a beneficial interest in perpetual trust and charitable gift annuities. 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 2020 and 2019.

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. For the year ended December 31, 2020, contributions from two donors accounted for approximately 90% of total contributions revenue with donor restrictions.

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, resident 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

15 to 30 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 30 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 allowances 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.

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 rated 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.

Prior to January 1, 2020 and the implementation of ASU 2016-02, *Leases (Topic 842)* and subsequent amendments to the initial guidance (collectively, Topic 842), equipment operating leases were accounted for as supplies expense and program facility operating leases were accounted for as facility occupancy expense in the statement of activities when the rental payment expense was incurred. No asset or liability was recorded for operating leases.

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, 2020, $1,865,668 was 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, 2020 and 2019, 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% and 1.2% to 5% for the years ended December 31, 2020 and 2019, respectively, 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.

Defined Benefit Pension Plan

Certain hourly employees of the Association participated in the Retirement Plan for Hourly Group 1 Employees of the Association, a defined benefit pension plan (the "Plan") which provided for benefits based on years of service. The Plan was terminated effective December 31, 2018 and this termination was effectuated in the year ended December 31, 2019, thus there is no obligation in the Statement of Financial Position at December 31, 2020, nor any activity recorded in the Statement of Activities for the year then ended. Prior to the effectuation of the Plan, the Association followed pension accounting which requires plan sponsors of defined benefit pension plans to recognize the overfunded or underfunded status of its plan in the statements of financial position, measure the fair value of plan assets and benefit obligations as of the fiscal year ends, and provide additional disclosures. Changes that occur in the funded status of the plans are recognized by the Association in the year in which the changes occur as a change in net assets without donor restrictions in nonoperating changes presented below excess of operating revenue, support, gains and net assets released from restrictions over operating expenses in the statements of activities. The other components of net periodic pension cost are also reported in nonoperating changes.

Measure of Operations

The Association includes in its definition of measure of operations, excess 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 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, changes in value of split-interest agreements and beneficial interest in perpetual trust, other components of net periodic pension cost, changes in pension other than net periodic pension cost 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.

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. Other components of net periodic pension cost are allocated based on salaries and related expenses.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases (Topic 842)* and subsequent amendments to the initial guidance (collectively, Topic 842). Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of leases with a term of twelve months or less) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. This guidance was effective for the Association in fiscal year 2020, with early application permitted. The Association adopted this standard using the modified retrospective approach. The results for reporting periods after January 1, 2020 are presented under Topic 842, while prior periods have not been adjusted. The Association elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Association to carry forward the historical lease classification. The Association has also elected the practical expedient to not separate lease components from nonlease components. As a result of the adoption of Topic 842, the Association recognized $2,486,507 in obligations under operating leases in the Statement of Financial Position. There was no impact on net assets.

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. The impact of this adoption was not material. There was no impact on net assets.

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, 2019, from which the summarized information was derived.

Impact of COVID-19 Pandemic

In January 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a Public Health Emergency of International Concern. In response to the outbreak of COVID-19 and the resulting federal state, and local government directives, on or about March 16, 2020, the Association closed all of its childcare operations, discontinued fitness and nonresident operations, and closed all of its branches, with the exception of those offering transitional housing, guest room residence and counseling programs. When these restrictions were somewhat relaxed in September 2020, the Association was able to recommence membership operations at mandated limits, including capacity and programmatic limitations, at 10 of its locations. In addition, government funded childcare programs were expanded in September 2020 to provide in person childcare services at 22 locations for days the children were scheduled for remote learning at school. Other fee for service programming was also resumed at levels limited by government mandates. As a result, the YMCA experienced a significant decline in its membership dues and program fees revenues during 2020.

The Association took immediate steps to increase revenues, reduce operating costs, and conserve cash including furloughing of staff. The Association pivoted to revenue streams not susceptible to disruption arising from the pandemic. More specifically, the Association (a) transitioned guest room operations to transitional housing, (b) entered into government contracts to provide virtual (and later when permitted, in person) programming, and (c) provided fee for service childcare and camp services to the children of first responders. The Association emphasized increased private and governmental support to replace revenues lost on account of the reduction of membership and related fees. The Association sought whenever possible to renegotiate service and other contracts. As the extent and duration of the mandated shutdowns became clear, the Association laid off many of its furloughed employees.

The Association expects that these dislocations will continue to affect its operations. Although the Association is guardedly hopeful that the worst effects of the pandemic many now be in the past, it is impossible to predict the full impact of the continued restrictions and limitations triggered by the pandemic. To that end, the Association continues to monitor developments and the directives of federal, state and local officials which may have an impact on operations. The continued spread of COVID-19 or any other similar outbreaks in the future and the continued impact on social interaction, travel, economies and financial markets has materially impacted the YMCA's finances and operations. While the full impact of COVID-19 cannot be fully determined at this time, other adverse consequences of COVID-19 may include, but are not limited to, a further decline in revenues, 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 for the years ended December 31:

	2020	2019
Cash and cash equivalents	$ 27,207,056	$ 33,948,492
Cash included in investments	2,581,835	428,369
Cash and cash equivalents internally designated for capital acquisitions	20,309,627	16,329,060
Cash and cash equivalents restricted for use for capital acquisitions	1,201,462	13,305,864
	$ 51,299,980	$ 64,011,785

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. The Association received cash in conjunction with the issuance of certain debt obligations in 2012 and 2015 which was held in cash or invested in cash equivalents and may only be used to acquire, construct or renovate assets under the terms of those debt agreements. In 2017, a portion of the proceeds from a term loan refinanced in 2018 with the Series 2018 Taxable Bonds (see Note 13) was placed in a restricted cash account to be used by a developer for the La Central facility (see Note 10). In 2018, a portion of the proceeds of the Series 2018 Bonds was established as capitalized interest for repayment of certain interest payments.

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:

	2020	2019
Total assets at year end	$ 467,021,397	$ 449,809,546
Less		
Cash and cash equivalents received from donors for specific activities	(3,540,198)	(2,177,666)
Contributions receivable due in more than one year or restricted by donor for specific activities	(1,858,294)	(3,826,227)
Cash and cash equivalents internally designated for capital acquisitions	(20,309,627)	(16,329,060)
Cash and cash equivalents restricted for use for capital acquisitions	(1,201,462)	(13,305,864)
Donor restricted endowment funds	(32,015,322)	(27,532,368)
Board designated endowment funds	(41,056,801)	(34,925,004)
Charitable gift annuity funds	(358,926)	(436,096)
Debt service reserve	(3,455,716)	(7,046,647)
Property and equipment, net	(308,102,923)	(284,831,384)
Operating lease right of use assets, net	(1,488,767)	-
Deferred charges and other assets	(7,970,030)	(8,789,148)
Beneficial interest in perpetual trust	(10,865,599)	(10,155,683)
Plus		
Endowment spending distribution appropriation for upcoming year	2,639,035	2,540,323
Financial assets available at year end for general expenditures	$ 37,436,767	$ 42,994,722

The Association has a line of credit with JP Morgan Chase Bank, as discussed in more detail in Note 12. As of December 31, 2020, the line was fully drawn. As of December 31, 2019, $5,000,000 remained available on the line of credit. This line of credit renewed in April 2021 and expires on October 29, 2021.

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:

	2020	2019
Amounts due in		
Less than one year	$ 493,519	$ 2,082,441
One to five years	1,631,663	2,400,000
	2,125,182	4,482,441
Less		
Allowance for uncollectible accounts	53,325	106,543
Unamortized discount	64,145	193,661
Contributions receivable, net	$ 2,007,712	$ 4,182,237

Included in contributions receivable above were approximately $1.5 million and $2.5 million in various capital campaign pledges as of December 31, 2020 and 2019, 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, 2020:

	2020	2019
Amounts due in		
Less than one year	$ 6,158,185	$ 7,068,673
Less		
Allowance for uncollectible accounts	500,000	500,000
Government receivable, net	$ 5,658,185	$ 6,568,673

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

7. Other Receivables

Other receivables are comprised of the following at December 31:

	2020	2019
Other receivables		
Contract assets	$ 2,062,769	$ 1,345,117
Accounts receivable	4,177,088	2,922,255
	6,239,857	4,267,372
Less: Allowance for uncollectible accounts	336,254	520,644
Other receivables, net	$ 5,903,603	$ 3,746,728

8. Fair Value Measurements

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 capital acquisitions				
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				
US large	14,755,434	-	-	14,755,434
US mid	1,631,895	-	-	1,631,895
US small	2,382,409	-	-	2,382,409
Non US	812,492	-	-	812,492
Mutual funds	32,149,215	-	-	32,149,215
	51,731,445	-	-	51,731,445
Debt securities				
Bonds and notes				
US Corporate bonds and notes		3,593,026	-	3,593,026
US Asset backed securities	-	324,112	-	324,112
Non US	-	136,085	-	136,085
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				
Equity securities mutual funds	177,171	-	-	177,171
Debt securities mutual funds	147,394	-	-	147,394
Commodity mutual funds	7,057	-	-	7,057
Nontraditional mutual funds	10,551	-	-	10,551
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 presents information as of December 31, 2019 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 capital acquisitions				
Money market mutual funds	$ 1,916,236	$ -	$ -	$ 1,916,236
Debt service reserve				
Money market mutual funds	7,046,647	-	-	7,046,647
Investments				
Investments - other than charitable gift annuity related				
Equity securities				
Common Stocks				
US large	9,434,319	-	-	9,434,319
US mid	3,917,177	-	-	3,917,177
US small	1,944,713	-	-	1,944,713
Non US	1,801,043	-	-	1,801,043
Mutual funds	30,152,651	-	-	30,152,651
	47,249,903	-	-	47,249,903
Debt securities				
Bonds and notes				
US Corporate bonds and notes	-	4,163,253	-	4,163,253
US Asset backed securities	-	379,609	-	379,609
Non US	-	205,170	-	205,170
Mutual funds	7,490,546	-	-	7,490,546
	7,490,546	4,748,032	-	12,238,578
Cash and money market funds	981,053	-	-	981,053
	55,721,502	4,748,032	-	60,469,534
Charitable gift annuity related investments				
Equity securities mutual funds	213,316	-	-	213,316
Debt securities mutual funds	177,727	-	-	177,727
Commodity mutual funds	8,547	-	-	8,547
Nontraditional mutual funds	12,703	-	-	12,703
Cash and money market funds	23,803	-	-	23,803
	436,096	-	-	436,096
	56,157,598	4,748,032	-	60,905,630
Beneficial interest in perpetual trust	-	-	10,155,683	10,155,683
	$ 65,120,481	$ 4,748,032	$ 10,155,683	$ 80,024,196

The following table provides a roll forward of the fair value of Level 3 investments for the years ended December 31, 2020 and 2019:

	Level 3 Beneficial Interest in Perpetual Trust	
	2020	**2019**
Beginning balances	$ 10,155,683	$ 8,602,667
Change in value of split-interest agreements	1,149,188	1,882,166
Distributions from trust	(439,272)	(329,150)
Ending balances	$ 10,865,599	$ 10,155,683

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, 2020 and 2019.

9. Investment Return

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

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Investment income	$ 1,233,177	$ 913,826	$ 2,147,003	$ 2,472,554
Realized appreciation, net	2,622,777	2,053,507	4,676,284	545,595
Unrealized appreciation, net	3,342,386	2,590,330	5,932,716	10,106,999
Total return on investments	7,198,340	5,557,663	12,756,003	13,125,148
Return allocated for current activities	(2,635,810)	-	(2,635,810)	(2,997,151)
Investment return in excess of return allocated for operating activities	$ 4,562,530	$ 5,557,663	$ 10,120,193	$ 10,127,997

The Association was required under New York and New Jersey state laws to invest minimum pre-determined amounts of up to $259,207 and $347,903 for December 31, 2020 and 2019, 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:

	2020	2019
Land	$ 14,170,874	$ 14,170,874
Buildings and improvements	406,143,338	405,568,786
Equipment (includes finance leased assets of $10,952,028 in 2020 and $9,479,146 in 2019)	61,381,016	58,628,219
Furniture and fixtures	17,921,642	15,026,681
Leasehold improvements	294,357	294,357
Construction in progress	72,392,751	37,824,304
	572,303,978	531,513,221
Less: Accumulated depreciation and amortization	(264,201,055)	(246,681,837)
Property and equipment, net	$ 308,102,923	$ 284,831,384

Included in property and equipment is $4,915,825 of capitalized software costs as of December 31, 2020 and 2019.

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 acquired the Rockaway Facility from the developer for approximately $1.9 million, which was significantly below the estimated fair market value of the facility of $29,100,000. The facility had been placed in service in February 2014, and the Association was previously operating under a use agreement with the developer and recording an in-kind contribution for the fair value of the rental value received in excess of a nominal amount of rental use paid. Upon transfer of title and rights to the facility under the purchase agreement, a contribution without donor restriction of approximately $26,500,000 was recognized representing the excess of the fair value of the facility over the purchase price paid at closing and previously capitalized costs (approximately $2.6 million).

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 2021. The Association's lease payments for 41 years ($18,500,000) were placed into a restricted cash account with the developer's banker and will be drawn down by said banker during development of the facility. As of December 31, 2020 and 2019, $17,824,500 and $7,714,535, respectively, had been drawn down by the banker. Although the remaining restricted cash is included in the statement of financial position as of December 31, 2020, the Association has no ability to transact on the account. 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, 2020 and 2019, the accrued liability for self-insured losses and the insurance recoverable (included in deferred charges and other assets) under such policies were as follows:

	2020	2019
Accrued liability for self insurance	$ 9,929,784	$ 10,055,237
Less: Insurance recoverable under policy	(6,439,227)	(6,874,414)
	$ 3,490,557	$ 3,180,823

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 of credit bears interest at the Chase Bank Prime rate or LIBOR plus 1.85%. Fees for undrawn line balances are 0.40%. The outstanding balance on bank lines of credit was $10,000,000 at December 31, 2020. The interest rate on the line of credit was 2.35% at December 31, 2020.

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 as at December 31, 2020.

13. Debt Obligations

Debt obligations consisted of the following at December 31:

	Interest %	Maturity	2020	2019
Build NYC Resource Corporation issued Bonds				
Series 2012 Bonds			$ -	$ 33,365,000
Series 2015 Bonds	3.25%-5%	2022-2040	42,320,000	42,320,000
Association issued Bonds				
Series 2018 Taxable Bonds	3.985%-5.151%	2022-2048	54,075,000	54,075,000
Series 2020 Taxable Bonds	2.21%-3.73%	2020-2042	29,785,000	-
Dormitory Authority of the State of New York issued Bonds				
DASNY Series 2000 Bonds			-	91,000
			126,180,000	129,851,000
Less: Debt issuance costs, net of accumulated amortization of $302,252 and $477,416, as of December 31, 2020 and 2019, respectively			(1,687,016)	(2,007,970)
Plus: Unamortized premium on bonds			1,652,118	3,212,389
Total debt obligations			$ 126,145,102	$ 131,055,419

As of December 31, 2020, the aggregate maturities of debt obligations are as follows:

	Series 2015 Bonds	Series 2018 Taxable Bonds	Series 2020 Taxable Bonds	Total
2021	$ -	$ -	$ 2,665,000	$ 2,665,000
2022	1,525,000	1,055,000	950,000	3,530,000
2023	1,600,000	1,100,000	975,000	3,675,000
2024	1,680,000	1,145,000	995,000	3,820,000
2025	1,770,000	1,190,000	1,020,000	3,980,000
Thereafter	35,745,000	49,585,000	23,180,000	108,510,000
	$ 42,320,000	$ 54,075,000	$ 29,785,000	$ 126,180,000

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. Proceeds from the Series 2020 Taxable Bonds were distributed as follows: $32,224,457 was deposited into an escrow account for the advance refunding of the Series 2012 Bonds and $310,455 was transferred to the Association to pay debt issuance costs. In addition, the $3,700,162 in Series 2012 Bond Debt Service Reserve and other Bond Funds were deposited to the escrow account. The Association also deposited $834,125 for the February 1, 2020 interest payment on the Series 2012 Bonds to the escrow account. 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 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 2012 Bonds contained and the Series 2015 Bonds contain various covenants including the maintenance of a certain debt service coverage ratio. The Association is required to manage the excess of operating revenues and support over operating expenses for the Series 2012 Bonds and the Series 2015 Bonds such that the excess of operating revenues and support over operating expenses from net assets without donor restrictions plus interest expense, and depreciation and amortization expense, less net assets released from net assets with donor restrictions for capital purposes, is greater than 1.15 times annual debt service payments, as defined by the loan agreement. The agreements further state that the lack of compliance with these financial ratios does not create an event of default as long in the first year of noncompliance, a plan is filed with the Trustee detailing the changes in operations which the Association reasonably expects with correct such failure and the plan is implemented. The Association did not meet the financial covenant ratio for the year ended December 31, 2020 but intends to meet these steps and will therefore not be in default. The Association was in compliance with the financial covenant ratios at December 31, 2019.

In the fall of 2000, the State Dormitory Authority sold bonds which named the Association's capital project to purchase property and build a new facility in Staten Island, New York. The final phase of the State's program calls for a loan to be held by the Association on the property. Debt service on this mortgage is paid to the State Dormitory Authority, the entity which sold the tax-exempt bonds. Payment on this mortgage will be made over a period of 20 years by the Staten Island Counseling program's operating budget through annual funding provided by the NYS Office of Alcoholism and Substance Abuse Services, the agency which provides funding to the program's operation. The liability to the Association is connected to the debt service on the loan. Upon conclusion of this Loan Agreement, the land with all improvements remains the unencumbered property of the Association.

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. As defined contribution plans, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

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 $1,895,011 and $5,149,633 in 2020 and 2019, respectively.

Defined Benefit Plan

Certain hourly employees of the Association participated in the Retirement Plan for Hourly Group 1 Employees of the Association, a defined benefit pension plan (the "Plan") which provided for benefits based on years of service. The Plan was terminated effective December 31, 2018 and this termination was effectuated in the year ended December 31, 2019.

The following tables set forth the Plan's funded status and amounts recognized in the Association's financial statements at December 31, 2019:

	2019
Change in benefit obligation	
Benefit obligation at beginning of year	$ 2,621,475
Interest cost	81,095
Actuarial loss	146,320
Settlements paid	(2,349,840)
Benefits paid	(499,050)
Benefit obligation at end of year	-
Change in fair value of plan assets	
Fair value of plan assets at beginning of year	2,618,115
Actual return on plan assets	230,775
Employer contribution	-
Settlements paid	(2,349,840)
Benefits paid	(499,050)
Fair value of plan assets at end of year	-
Funded status	$ -
Amounts recognized in the statements of financial position consist of	
Deferred charges and other assets	$ -
Accrued salaries and related expense	-
Net amounts recognized	$ -
Amounts recognized in net assets without donor restrictions consist of	
Net loss	$ -
Net amounts recognized in net assets without donor restrictions	$ -
Information for pension plans with an accumulated benefit obligation in excess of plan assets	
Projected benefit obligation	$ -
Accumulated benefit obligation	-
Fair value of plan assets	-
Other components of net periodic benefit (credit) cost	
Interest cost	$ 81,095
Expected return on plan assets	(71,736)
Amortization of loss	85,803
Settlement charge	1,311,070
Net other components of periodic benefit cost	1,406,232
Pension-related changes other than net periodic pension cost	
Unrecognized loss	(12,719)
Amortization of loss	(85,803)
Effect of settlement on loss	(1,311,070)
Total pension-related changes other than net periodic pension cost	(1,409,592)
Total recognized in nonoperating changes in net assets without donor restrictions	$ (3,360)

	2019
Weighted average assumptions used to determine benefit obligations at measurement date	
Discount rate	n/a
Weighted average assumptions used to determine net periodic benefit cost	
Discount rate	3.80 %
Expected return on assets	7.00 %
Amounts in net unrestricted assets expected to be recognized in net periodic benefit cost next year	
Amortization of unrecognized net loss	n/a

The expected return assumption is based upon historical returns and expectations for future returns for the asset classes in which the plan is invested and is established at the beginning of each calendar year.

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 is expected to be 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 year ended December 31, 2020:

	Statement of Activities Classification	2020
Operating lease costs	Facility occupancy	$ 280,885
Operating lease costs	Supplies	604,724
Total operating lease costs		885,609
Amortization of lease assets	Depreciation and amortization	3,294,371
Interest on lease liabilities	Interest	200,485
Total Finance lease costs		3,494,856
Variable and short term lease costs	Supplies	705,428
Total lease costs		$ 5,085,893

As of December 31, 2020, the maturities of the Association's lease liabilities were as follows:

	Operating Leases	Finance Leases	Total
2021	$ 451,784	$ 2,936,799	$ 3,388,583
2022	341,352	1,405,232	1,746,584
2023	255,032	544,038	799,070
2024	29,826	158,964	188,790
2025	29,826	7,938	37,764
Thereafter	1,257,663	-	1,257,663
Total minimum payments	2,365,483	5,052,971	7,418,454
Less: Imputed interest	(741,374)	(175,882)	(917,256)
Total lease liabilities	$ 1,624,109	$ 4,877,089	$ 6,501,198

As previously disclosed in the Association's financial statements for the year ended December 31, 2019, maturities of the Association's lease liabilities under the previous lease accounting standard, were as follows for at December 31, 2019:

	Minimum Annual Lease Payments
2020	$ 934,824
2021	451,784
2022	341,352
2023	255,032
2023	29,826
Thereafter	1,287,489
Total	$ 3,300,307

Total rent expense was $1,591,037 and $2,674,977 in the years ended December 31, 2020 and 2019, respectively.

The weighted average remaining lease term and weighted average discount rate were as follows as of December 31, 2020:

	2020
Weighted average remaining lease term	
Operating leases	1.9 years
Finance leases	1.3 years
Weighted average discount rate	
Operating leases	3.7%
Finance leases	3.1%

Supplemental cash flow information related to leases was as follows for the year ended December 31, 2020:

	2020
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 862,398
Operating cash flows from finance leases	200,485
Financing cash flows from finance leases	3,475,742
Property and equipment acquired through finance leases	2,338,088
	$ 6,876,713

16. Net Assets

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 are available for the following purposes as of December 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated for endowment	$ 34,925,004	$ -	$ 34,925,004
Board designated for charitable gift annuities	91,608	-	91,608
Undesignated	165,796,151	-	165,796,151
Donor restricted for program services	-	19,471,461	19,471,461
Donor restricted for construction or acquisition of property and equipment	-	6,409,433	6,409,433
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity	-	11,834,230	11,834,230
Accumulated investment gains	-	15,698,138	15,698,138
Beneficial interest in perpetual trust	-	10,155,683	10,155,683
Charitable gift annuities	-	135,018	135,018
	$ 200,812,763	$ 63,703,963	$ 264,516,726

Net assets with donor restrictions were released from restrictions for the year ended December 31, 2020 and 2019 are as follows:

	2020	2019
Construction or acquisition of property and equipment	$ 21,000	$ 271,118
Program services	1,873,871	1,921,284
Appropriation of endowment assets for expenditure	1,144,581	1,102,687
Released from donor restricted net assets	$ 3,039,452	$ 3,295,089

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 $146,590 and $209,470 at December 31, 2020 and 2019, 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, 2020 or 2019.

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 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.

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
Appropriation of endowment assets for expenditure	(1,402,633)	(1,069,048)	(2,471,681)
Distributions from beneficial interest in trust	(439,272)	-	(439,272)
Change in value of split-interest agreements and beneficial interest in perpetual trust	449,895	738,204	1,188,099
Other	62,629	(75,533)	(12,904)
Endowment net assets, end of year	$ 41,155,703	$ 42,994,355	$ 84,150,058

At December 31, 2019, the endowment net asset composition by type of fund consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 27,532,368	$ 27,532,368
Board-designated endowment funds	34,925,004	-	34,925,004
Beneficial interest in trust	-	10,155,683	10,155,683
Charitable gift annuities	91,608	135,018	226,626
Total funds	$ 35,016,612	$ 37,823,069	$ 72,839,681

Changes in endowment net assets for the year ended December 31, 2019, consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Changes in endowment net assets for year ended December 31, 2019			
Endowment net assets, beginning of year	$ 27,923,053	$ 31,492,149	$ 59,415,202
Investment return			
Investment income	995,138	810,897	1,806,035
Unrealized and realized appreciation, net	5,845,830	4,806,764	10,652,594
Total investment return	6,840,968	5,617,661	12,458,629
Contributions	1,580,982	289,922	1,870,904
Appropriation of endowment assets for expenditure	(1,335,494)	(1,102,687)	(2,438,181)
Distributions from beneficial interest in trust	(329,150)	-	(329,150)
Change in value of split-interest agreements and beneficial interest in perpetual trust	336,253	1,526,024	1,862,277
Endowment net assets, end of year	$ 35,016,612	$ 37,823,069	$ 72,839,681

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 May 24, 2021, which is the date that the financial statements were issued.

The Association participates in a program with New York State whereby it is responsible for reimbursing the State for unemployment claims paid to its current and former employees. Unemployment claims during the COVID-19 pandemic were high. Under the federal Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, the Continued Assistance Act, and related acts, the federal government paid for 50% of the costs of these unemployment claims since March 2020. On January 14, 2021, New York State issued an Executive Order retroactively eliminating the requirement for employers who pay for unemployment under the reimbursement method, to be responsible for reimbursing their remaining 50% portion of unemployment claims for the duration of declared COVID-19 health emergency which began March 7, 2020 and has not yet been declared ended. Since this Executive Order was issued in 2021, approximately $4,800,000 of expense incurred in the year ended December 31, 2020 will be recognized as a reduction of salaries and related expenses in the Statement of Activities in the year ending December 31, 2021 and $4,500,000 of this obligation was recorded in accrued salaries and related expenses in the Statement of Financial Position as of December 31, 2020.

On April 14, 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, bears interest at 0.98% and matures April 13, 2026.