
**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.**



**Financial Statements
(Together with Independent Auditors' Report)**

Years Ended December 31, 2019 and 2018

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.**

**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEARS ENDED DECEMBER 31, 2019 AND 2018

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities.....	3
Statements of Functional Expenses.....	4-5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7-18

INDEPENDENT AUDITORS' REPORT

The Board of Governors of
Young Men's Christian Association of Central and Northern Westchester, N.Y., Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Young Men's Christian Association of Central and Northern Westchester, N.Y., Inc. ("the YMCA"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and change in net assets (deficit), functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 these 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 entity'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 the YMCA as of December 31, 2019 and 2018, and the changes in its net (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Marks Paneth CP

Purchase, New York
June 18, 2020

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents (Notes 2F and 4)	\$ 230,166	\$ 160,368
Accounts receivable (Note 2E)	518,663	213,221
Interest rate swap (Notes 2I and 12A)	-	134,902
Investments (Notes 2G and 5)	328,854	368,374
Prepaid expenses	22,753	11,364
Property and equipment, Net (Notes 2H and 7)	1,537,454	1,563,923
Property held for sale, Net (Notes 2H and 8)	2,597,461	2,597,461
TOTAL ASSETS	\$ 5,235,351	\$ 5,049,613
LIABILITIES AND NET DEFICIT		
Accounts payable	\$ 901,049	\$ 776,562
Accrued expenses (Note 9)	139,530	154,108
Deferred revenue (Note 2D)	202,482	215,590
Interest rate swap (Notes 2I and 12A)	67,537	-
Note payable (Note 10)	32,767	40,686
Line of credit (Note 11)	100,000	100,000
Mortgages payable (Notes 2L and 12)	4,117,577	4,242,496
Unfunded postretirement benefit obligation (Notes 2J and 13)	65,798	546,031
TOTAL LIABILITIES	5,626,740	6,075,473
COMMITMENTS AND CONTINGENCIES (Note 16)		
Net (Deficit)/Assets:		
Without donor restrictions (Note 2B)	(407,751)	(1,060,761)
With donor restrictions (Notes 2B and 14)	16,362	34,901
TOTAL NET DEFICIT	(391,389)	(1,025,860)
TOTAL LIABILITIES AND NET DEFICIT	\$ 5,235,351	\$ 5,049,613

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Year Ended December 31, 2019			Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total 2019	Without Donor Restrictions	With Donor Restrictions	Total 2018
OPERATING REVENUE AND SUPPORT (NOTE 20):						
Revenue						
Membership dues	\$ 138,519	\$ -	\$ 138,519	\$ 395,830	\$ -	\$ 395,830
Residence rentals	486,209	-	486,209	1,304,559	-	1,304,559
Program fees	10,664	-	10,664	43,901	-	43,901
Daycare	2,419,671	-	2,419,671	2,216,603	-	2,216,603
Camp revenue	1,054,111	-	1,054,111	1,431,123	-	1,431,123
Facility rental	44,155	-	44,155	115,738	-	115,738
Reimbursed expenses	1,467,874	-	1,467,874	-	-	-
Loss on disposal of property and equipment	-	-	-	(75,504)	-	(75,504)
Other	29,328	-	29,328	51,537	-	51,537
Total Revenue	5,650,531	-	5,650,531	5,483,787	-	5,483,787
Support						
Contributions	88,928	14,174	103,102	150,176	89,339	239,515
Grants	202,722	33,000	235,722	178,449	-	178,449
Special events - net of cost of direct benefit to donors (\$26,635 and \$23,692 for 2019 and 2018, respectively).	29,377	-	29,377	23,304	-	23,304
Net assets released from program restrictions (Note 14)	65,713	(65,713)	-	92,904	(92,904)	-
Total Support	386,740	(18,539)	368,201	444,833	(3,565)	441,268
TOTAL OPERATING REVENUE AND SUPPORT	6,037,271	(18,539)	6,018,732	5,928,620	(3,565)	5,925,055
FUNCTIONAL EXPENSES						
Program services	5,047,213	-	5,047,213	5,759,923	-	5,759,923
Management and general	544,357	-	544,357	669,107	-	669,107
Fundraising	123,722	-	123,722	146,604	-	146,604
TOTAL FUNCTIONAL EXPENSES	5,715,292	-	5,715,292	6,575,634	-	6,575,634
EXCESS DEFICIT OF OPERATING REVENUE AND SUPPORT OVER FUNCTIONAL EXPENSES	321,979	(18,539)	303,440	(647,014)	(3,565)	(650,579)
NON-OPERATING INCOME/(EXPENSES) NOTE 20						
Investment activity (Note 5)	67,604	-	67,604	(8,717)	-	(8,717)
Change in value of interest rate swap (Note 12A)	(202,439)	-	(202,439)	56,825	-	56,825
Postretirement benefit liability adjustment	465,866	-	465,866	39,394	-	39,394
TOTAL NON-OPERATING INCOME ,NET	331,031	-	331,031	87,502	-	87,502
CHANGE IN TOTAL NET ASSETS	653,010	(18,539)	634,471	(559,512)	(3,565)	(563,077)
Net (deficit)/assets - beginning of year	(1,060,761)	34,901	(1,025,860)	(501,249)	38,466	(462,783)
NET (DEFICIT)/ASSETS END OF YEAR	\$ (407,751)	\$ 16,362	\$ (391,389)	\$ (1,060,761)	\$ 34,901	\$ (1,025,860)

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(with Comparative Totals for December 31, 2018)

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total 2019	Total 2018
	Youth Development	Residence Services	Health Enhancement	Camp Activities		Management and General	Fundraising			
Expenses										
Salaries	\$ 1,600,571	\$ 149,206	\$ 214,314	\$ 417,776	\$ 2,381,867	\$ 263,145	\$ 67,821	\$ 330,966	\$ 2,712,833	\$ 2,979,166
Employment benefits (Note 13)	254,284	23,704	34,048	66,372	378,408	41,806	10,775	52,581	430,989	556,447
Payroll taxes	118,145	11,013	15,819	30,838	175,815	19,424	5,006	24,430	200,245	220,594
Total salaries and related costs	1,973,000	183,923	264,181	514,986	2,936,090	324,375	83,602	407,977	3,344,067	3,756,207
Occupancy	261,798	24,405	35,054	68,334	389,591	43,041	11,093	54,134	443,725	504,753
Building and grounds	151,032	24,319	30,974	49,661	255,986	-	-	-	255,986	485,259
Facilities rental and meals	-	-	-	-	-	-	26,635	26,635	26,635	23,692
Professional fees	293,900	27,397	39,353	76,713	437,363	48,319	12,453	60,772	498,135	472,940
Supplies	110,320	10,284	14,772	28,795	164,171	18,137	4,675	22,812	186,983	232,080
Insurance	128,428	10,826	15,708	30,568	185,530	26,747	-	26,747	212,277	216,423
Equipment expenses	112,920	10,526	15,120	29,474	168,040	18,565	4,785	23,350	191,390	166,779
Travel and related costs	76,382	7,120	10,227	19,937	113,666	12,558	3,237	15,795	129,461	140,895
National dues	61,645	5,747	8,254	16,090	91,736	10,135	2,612	12,747	104,483	127,720
Telephone	16,567	1,544	2,218	4,324	24,653	2,724	702	3,426	28,079	29,823
Conference and training	6,925	646	927	1,808	10,306	1,139	293	1,432	11,738	19,522
Printing and advertising	4,878	455	653	1,273	7,259	802	207	1,009	8,268	13,352
Postage	1,490	139	200	389	2,218	245	63	308	2,526	2,549
Total expenses before depreciation and interest	3,199,285	307,331	437,641	842,352	4,786,609	506,787	150,357	657,144	5,443,753	6,191,994
Depreciation	80,087	6,751	9,796	19,062	115,696	16,679	-	16,679	132,375	241,138
Interest	100,308	8,456	12,269	23,875	144,908	20,891	-	20,891	165,799	166,194
Total depreciation and interest	180,395	15,207	22,065	42,937	260,604	37,570	-	37,570	298,174	407,332
Sub-total	3,379,680	322,538	459,706	885,289	5,047,213	544,357	150,357	694,714	5,741,927	6,599,326
Less: Special event direct expenses	-	-	-	-	-	-	(26,635)	(26,635)	(26,635)	(23,692)
TOTAL EXPENSES	\$ 3,379,680	\$ 322,538	\$ 459,706	\$ 885,289	\$ 5,047,213	\$ 544,357	\$ 123,722	\$ 668,079	\$ 5,715,292	\$ 6,575,634

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services				Supporting Services			Total 2018	
	Youth Development	Residence Services	Health Enhancement	Camp Activities	Total Program Services	Management and General	Fundraising		Total Supporting Services
Expenses									
Salaries	\$ 1,489,583	\$ 163,854	\$ 408,146	\$ 533,271	\$ 2,594,854	\$ 303,875	\$ 80,437	\$ 384,312	\$ 2,979,166
Employment benefits (Note 13)	259,833	28,582	71,194	93,020	452,629	89,787	14,031	103,818	556,447
Payroll taxes	110,297	12,133	30,221	39,486	192,137	22,501	5,956	28,457	220,594
Total salaries and related costs	1,859,713	204,569	509,561	665,777	3,239,620	416,163	100,424	516,587	3,756,207
Occupancy	252,377	27,761	69,151	90,351	439,640	51,485	13,628	65,113	504,753
Building and grounds	242,629	45,616	89,287	107,727	485,259	-	-	-	485,259
Facilities rental and meals	-	-	-	-	-	-	23,692	23,692	23,692
Professional fees	236,470	26,012	64,793	84,656	411,931	48,240	12,769	61,009	472,940
Supplies	116,041	12,764	31,795	41,542	202,142	23,672	6,266	29,938	232,080
Insurance	111,378	10,972	30,579	36,263	189,192	27,231	-	27,231	216,423
Equipment expenses	83,390	9,173	22,849	29,853	145,265	17,011	4,503	21,514	166,779
Travel and related costs	70,448	7,749	19,303	25,220	122,720	14,371	3,804	18,175	140,895
National dues	63,860	7,025	17,498	22,862	111,245	13,027	3,448	16,475	127,720
Telephone	14,912	1,640	4,086	5,338	25,976	3,042	805	3,847	29,823
Conference and training	9,761	1,074	2,675	3,494	17,004	1,991	527	2,518	19,522
Printing and advertising	6,676	734	1,829	2,390	11,629	1,362	361	1,723	13,352
Postage	1,275	140	349	456	2,220	260	69	329	2,549
Total expenses before depreciation and interest	3,068,930	355,229	863,755	1,115,929	5,403,843	617,855	170,296	788,151	6,191,994
Depreciation	124,097	12,225	34,071	40,404	210,797	30,341	-	30,341	241,138
Interest	85,529	8,425	23,482	27,847	145,283	20,911	-	20,911	166,194
Total depreciation and interest	209,626	20,650	57,553	68,251	356,080	51,252	-	51,252	407,332
Sub-total	3,278,556	375,879	921,308	1,184,180	5,759,923	669,107	170,296	839,403	6,599,326
Less: Special event direct expenses	-	-	-	-	-	-	(23,692)	(23,692)	(23,692)
TOTAL EXPENSES	\$ 3,278,556	\$ 375,879	\$ 921,308	\$ 1,184,180	\$ 5,759,923	\$ 669,107	\$ 146,604	\$ 815,711	\$ 6,575,634

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

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net total net assets (deficit)	\$ 634,471	\$ (563,077)
Adjustments to reconcile change in net assets/(deficit) to net cash provided by (used in) operating activities:		
Depreciation	132,375	241,138
Amortization of debt issuance costs	8,665	8,665
Unrealized (gain) loss on investments	(48,073)	63,879
Realized gain on sale of investments	(10,524)	(45,102)
Change in value of interest rate swap obligations	202,439	(56,825)
Loss on disposal of property and equipment	-	75,504
Subtotal	919,353	(275,818)
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Accounts receivable	(305,442)	(69,535)
Prepaid expenses	(11,389)	42,751
Increase (decrease) in liabilities:		
Accounts payable	124,487	119,495
Accrued expenses	(14,578)	(29)
Deferred revenue	(13,108)	(77,648)
Unfunded postretirement benefit obligation	(480,233)	(39,694)
Net Cash Provided by (Used In) Operating Activities	219,090	(300,478)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(105,906)	(88,125)
Proceeds from sale of property and equipment	-	2,000
Purchase of investments	(109,061)	(215,063)
Proceeds from sale of investments	207,178	304,970
Net Cash (Used in) Provided by Investing Activities	(7,789)	3,782
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	-	100,000
Principal payments on notes	(7,919)	(7,918)
Principal payments on mortgages	(133,584)	(129,005)
Net Cash Used in Financing Activities	(141,503)	(36,923)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	69,798	(333,619)
Cash and cash equivalents - beginning of year	\$ 160,368	\$ 493,987
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 230,166	\$ 160,368
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 157,134	\$ 157,531

During the year ended December 31, 2018, land and building with costs totaling \$11,151,742 were transferred to assets held for sale.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Young Men's Christian Association of Central and Northern Westchester, N.Y., Inc. ("the YMCA") is a 501(c)(3) not-for-profit organization which provides health enhancement and child development programs along with dormitory residence services within Westchester and Putnam Counties, New York. The YMCA's programs include physical education and recreation, child development, social welfare and summer camp. The YMCA also provides affordable housing to low-income people. The YMCA's programs are supported primarily by daycare and camp fees, rental income and individual and corporate support. Approximately 40% of YMCA's total operating revenues and support is derived from daycare fees; 24% is from reimbursed expenses; 17% is from camp revenues; 8% is from residence rental; 7% is from individual and corporate direct support of specific program-related expenses and other program-related dues, and the other 4% is from membership fees and other program-related dues and fees.

The Internal Revenue Service has ruled that the YMCA is a tax-exempt organization under the provision of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the financial statements.

On August 20, 2018, the YMCA executed an agreement for the sale of the main building at 250 Mamaroneck Ave, White Plains, NY. The sale is expected to be finalized on or about summer of 2020.

The YMCA ended its membership and resident rental programs on June 30, 2019 and August 31, 2019, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting*** - The financial statements of the YMCA have been prepared on the accrual basis of accounting. The YMCA adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").
- B. ***Basis of Presentation*** - The YMCA's net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the YMCA and changes therein are classified and reported as follows:
- Without donor restrictions – Net assets that can be spent at the discretion of the organization that have no donor-imposed stipulations associated with them.
 - With donor restrictions – Net assets subject to donor-imposed stipulations consisting of contributions that are restricted by the donor for a specific time period or purpose. The YMCA did not have any net assets with donor-imposed stipulations to be held in perpetuity as of December 31, 2019 and 2018.
- C. ***Revenue Recognition*** - Revenues and gains and losses on investments and other assets are reported as changes in net assets without donor restrictions unless limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished or the stipulated time period has elapsed, are reported as net assets released from restrictions.
- D. ***Contributions*** - Contributions, including unconditional promises to give (pledges), are accounted under ASU 2018-08 and are reported as revenues in the period received or pledged. Contributions with purpose or time restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions, otherwise they are reported as increases in net assets with donor restrictions. Conditional contributions are recognized as revenues when the conditions on which they depend have been substantially met.

Contributed property, plant and equipment is recorded at fair value at the date of donation. If donors stipulate how the assets must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded net assets without donor restrictions.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions of donated services that create or enhance non-financial assets or that require specialized skills and that are provided by individuals possessing those skills which would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. The YMCA did not receive any in-kind contributions for the years ended December 31, 2019 and 2018.

Membership Dues, Camp Revenue and Daycare Fees - Membership dues are recognized as income ratably over the membership term. Camp revenue and daycare fees are recorded as revenues in the period for which the fees relate. Dues and fees received by the YMCA pertaining to programs and services of the following fiscal year are recorded as deferred revenues.

Grants from Governmental Agencies - Government grants nonexchange transactions are accounted for under ASU 2018-08. Governmental grants are recognized as revenue when barriers within the contract are overcome, and there is no right of return.

- E. **Allowance for Doubtful Accounts** - Management determines whether an allowance for doubtful accounts should be provided for accounts receivable. Such estimate is generally based on management's assessment of the aged basis of the funding source receivables, creditworthiness of its donors, current economic conditions, subsequent cash collections and historical information. As of December 31, 2019 and 2018, the YMCA determined that no allowance was necessary for accounts receivable. All receivables are expected to be collected within one year.
- F. **Cash and Cash Equivalents** - The YMCA considers all cash accounts, which are not subject to significant withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.
- G. **Investments and Fair Value Measurements** - Investments are stated at fair market value. Realized gains and losses are recorded at the time a security is sold. Unrealized holding gains and losses represent changes in the fair market value of the investments and are reported in the statements of activities. The estimated fair values of the YMCA short-term financial instruments, including cash equivalents, receivables, and payables arising in the ordinary course of business, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization. The carrying amount of long-term debt approximates fair value because the interest rates fluctuate with market interest rates or the fixed rates are based on current rates offered to the YMCA for debt with similar terms and maturities. The fair value of the YMCA's investments in available-for-sale securities represents the estimated amount the YMCA would receive if it were to sell the investments. See Note 6 for additional disclosure on fair value of investments.
- H. **Property and Equipment** - Property and equipment are recorded at cost, or, if donated, the fair market value at the date of the gift. The YMCA follows the practice of capitalizing expenditures for buildings and building improvements, furniture and equipment having a cost of \$1,000 (depending upon the nature of the asset) or more and a useful life of greater than one year. Depreciation is computed principally by the straight-line method over the estimated useful lives of the assets ranging from 3 to 45 years. Depreciation expense for assets acquired under capital leases is included with depreciation expense on owned assets.
- I. **Derivative Financial Instruments** - The YMCA makes limited use of derivative instruments for the purpose of managing interest rate risks. Interest rate swap agreements are used to convert the YMCA's floating rate long-term debt to a fixed rate (Note 12). The differentials paid or received on interest rate swap agreements are accrued and recognized as adjustments to interest expense; gains and losses realized upon settlement of these agreements are deferred until the underlying hedged instrument is settled.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- J. ***Unfunded Post Retirement Benefit Obligation*** - The YMCA: (a) recognizes in its statement of financial position an asset for a plan's overfunded status or a liability for a plan's underfunded status; (b) measures a plan's assets and its obligations that determine its funded status as of the end of the fiscal year; and (c) recognizes changes in the funded status in the year in which the changes occur.
- K. ***Use of Estimates*** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.
- L. ***Debt Issuance Costs*** - Debt issuance costs are presented as a direct deduction to the related mortgages payable and are being amortized using the straight-line method over 25 years, the amortization period of the related mortgage. Included in interest expense in the statements of functional expenses is amortization of debt issuance costs in the amount of \$8,665 for each of the years ended December 31, 2019 and 2018.
- M. ***Functional Allocation of Expenses*** - The cost of providing the various programs and the supporting services has been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and the supporting services in reasonable ratios determined by management.

The expenses that are allocated include salaries, payroll taxes, employee benefits and processing services, which are based on the estimates of time spent and effort on direct administration or supervision of program and supporting services. Legal fees included in professional fees are allocated by estimates of time and costs of services received, as necessary. Occupancy, building and grounds, and professional fees are allocated based on salaries expense. Other allocated expenses include equipment expense, postage, supplies, national dues, and depreciation.

- N. ***Advertising*** - Advertising expenses are expensed as incurred and totaled \$6,975 and \$10,179 for the years ended December 31, 2019 and 2018, respectively.
- O. ***Operating and Non-Operating Activities*** - The YMCA includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Investment returns, valuation changes to the interest rate swap agreement and other non-operating gains or losses are recognized as non-operating activities.
- P. ***Income Taxes*** - The YMCA believes it has no uncertain tax positions as of December 31, 2019 and 2018 in accordance with Accounting Standards Codification ("ASC") Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- Q. ***Service Fees, Reimbursed Expenses and Membership Dues*** - The YMCA receives revenue from contracted reimbursed net operating losses, membership dues and rent from its gym facility which are accounted for under ASU 2014-09. Revenue is reported at the amount that reflects the consideration to which the YMCA expects to be entitled in exchange for providing the contracted services. For reimbursed net operating loss and gym facility rental, the YMCA bills after the losses have been incurred (based on the contract for sale of the building), services or performed or has completed its portion of the contract. The YMCA bills for membership in advance. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the YMCA in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. All performance obligations relate to contracts with a duration of less than one year.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, the YMCA cancelled its membership and gym rentals effective June 30, 2019 and August 31, 2019, respectively. Therefore, there are no performance obligations or contract balances that are unsatisfied as of December 31, 2019

Program service fees consist of revenues for the following for the year ended December 31, 2019:

Reimbursed expenses	\$	1,467,874
Membership dues		138,519
Gym and other facility rental		<u>44,155</u>
	\$	<u>1,650,548</u>

R. **Recently Enacted Accounting Standards** - Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958) was adopted for the year ended December 31, 2019. The core guidance is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution or government grant is conditional as further described in Note 2D.

FASB ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) was also adopted for the year ended December 31, 2019. The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services as further described in Note 2Q.

Effective for the year ended December 31, 2018, YMCA adopted the guidance issued by FASB ASU 2016-14, *Not-for-Profit Entities*. ASU 2016-14 provides for a number of changes, including the presentation of two classes of net assets and enhanced disclosure on liquid resources and expense allocation methodologies.

S. **Reclassifications** - Certain items in the December 31, 2018 financial statements have been reclassified to conform with the December 31, 2019 presentation. These reclassifications had no impact on the change in net assets for the year ended December 31, 2018.

NOTE 3 – AVAILABLE RESOURCES AND LIQUIDITY

Management monitors levels of available financial assets to anticipate cash requirements for general expenditures as obligations become due. As part of the YMCA's liquidity management plan, cash in excess of daily requirements is invested in short-term investments, money market funds, corporate bonds, and common stock.

Financial assets as of December 31, 2019 available for general expenditure within one year of the statement of financial position date, without donor or other restrictions limiting their use, were as follows:

		<u>2019</u>
Cash and cash equivalents	\$	230,166
Investments		328,854
Accounts receivable		<u>518,663</u>
		1,077,683
Less purpose restricted amount		<u>(16,362)</u>
	\$	<u>1,061,321</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Cash at bank	\$ 226,471	\$ 144,484
Money market funds	<u>3,695</u>	<u>15,884</u>
	<u>\$ 230,166</u>	<u>\$ 160,368</u>

NOTE 5 – INVESTMENTS

Financial assets carried at fair value at December 31, 2019, are classified in the fair value hierarchy as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
ASSETS CARRIED AT FAIR VALUE			
Money market (Non-sweep)	\$ -	\$ 2,000	\$ 2,000
Equities	240,030	-	240,030
Corporate bonds	<u>-</u>	<u>86,824</u>	<u>86,824</u>
Total assets at fair value	<u>\$ 240,030</u>	<u>\$ 88,824</u>	<u>\$ 328,854</u>

Financial assets carried at fair value at **December 31, 2018**, are classified in the fair value hierarchy as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
ASSETS CARRIED AT FAIR VALUE			
Money market (Non-sweep)	\$ -	\$ 76,000	\$ 76,000
Equities	202,108	-	202,108
Corporate bonds	<u>-</u>	<u>90,266</u>	<u>90,266</u>
Total assets at fair value	<u>\$ 202,108</u>	<u>\$ 166,266</u>	<u>\$ 368,374</u>

Investments are subject to market volatility that could substantially change carrying value in the near term.

Investment activity consists of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Dividends and interest	\$ 11,964	\$ 14,273
Realized gain	10,524	45,102
Unrealized loss	<u>48,073</u>	<u>(63,879)</u>
	70,561	(4,504)
Investment advisory fees	<u>(2,957)</u>	<u>(4,213)</u>
Total	<u>\$ 67,604</u>	<u>\$ (8,717)</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 – FAIR VALUE MEASUREMENTS

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value.

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The hierarchy gives lowest priority to Level 3 inputs.

In determining fair value, the YMCA utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs, to the extent possible in its assessment of fair value. Investments in equities are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes in active exchange markets involving identical assets. Investments in money market (non-sweep) and corporate bonds are valued using quoted prices in inactive markets (Level 2).

Level 2 instrument valuations are obtained from similar assets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data. There were no level 3 investments as of December 31, 2019 and 2018.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31:

	2019	2018
Land	\$ 415,983	\$ 415,983
Buildings and improvements	1,839,514	1,822,014
Furniture and fixtures	1,568,468	1,562,449
Computer system	141,788	141,788
Vehicles	193,721	193,721
Construction in progress	82,387	-
	4,241,861	4,135,955
Less: Accumulated depreciation	(2,704,407)	(2,572,032)
	\$ 1,537,454	\$ 1,563,923

Depreciation expense amounted to \$132,375 and \$241,138 for the years ended December 31, 2019 and 2018, respectively.

Construction in progress relates to the build-out of new office and child-care space located at 148 Hamilton, White Plains, NY.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 8 – PROPERTY HELD FOR SALE

Property and equipment consists of the following as of December 31:

	2019	2018
Land - White Plains, New York	\$ 244,996	\$ 244,996
Buildings - White Plains, New York	10,906,746	10,906,746
	11,151,742	11,151,742
Less: Accumulated depreciation	(8,554,281)	(8,554,281)
	\$ 2,597,461	\$ 2,597,461

As a result of the YMCA's decision in 2018 to reduce its liabilities and current mortgage obligations and to ensure the continued existence of the YMCA, management has entered into an agreement to sell the building located at 250 Mamaroneck Ave, White Plains, New York. See also Note 19 to the financial statements.

NOTE 9 – ACCRUED EXPENSES

Accrued expenses consist of the following as of December 31:

	2019	2018
Accrued payroll	\$ 91,810	\$ 110,517
Accrued expenses - other	47,720	43,591
	\$ 139,530	\$ 154,108

NOTE 10 – NOTE PAYABLE

During 2013, the YMCA obtained a ten-year unsecured business loan in the amount of \$75,000. The loan is interest free and is payable in monthly installments of \$660. Principal balance outstanding is \$32,767 and \$40,686, at December 31, 2019 and 2018, respectively. The imputed interest calculated on the loan is immaterial to the financial statements and was not recorded.

Future annual principal payments are as follows for the years ending after December 31, 2019:

2020		\$ 7,919
2021		7,919
2022		7,919
2023		7,919
2024		1,091
Note payable		\$ 32,767

NOTE 11 – LINE OF CREDIT

The YMCA has a non-renewable line of credit with TD Bank, N.A. in the amount of \$100,000. The line of credit bears interest at The Wall Street Journal Prime Rate (current indicative rate of 4.5%) and is collateralized by (1) second priority mortgage on the property located at 250 Mamaroneck Ave, White Plains, NY, (2) second UCC-1 filing on business assets. The YMCA was obligated for \$100,000 at both December 31, 2019 and 2018.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 12 – MORTGAGES PAYABLE

Mortgages payable consists of the following as of December 31:

	2019	2018
Mortgages payable		
TD Bank, N.A.	\$ 4,036,248	\$ 4,163,219 (A)
TD Bank, N.A.	229,900	236,514 (B)
	4,266,148	4,399,733
Unamortized debt issuance costs	(148,571)	(157,237)
	\$ 4,117,577	\$ 4,242,496

- A. In January 2016, the YMCA entered into a commercial mortgage agreement with TD Bank, N.A. for the principal sum of \$4,500,000. The loan bears interest at a variable rate of London Interbank Offered Rate "LIBOR" plus 1.50% per annum. Repayment of the loan is scheduled for 120 payments. The note matures on January 1, 2026 with a balloon payment of the outstanding principal due. The mortgage is collateralized by (1) first and second priority mortgage on the property located at 250 Mamaroneck Ave, White Plains, NY, (2) first priority UCC-1 filing on the furniture and fixtures of the commercial property.

In relation to the mortgage, the YMCA entered into an agreement with TD Bank, N.A. where the YMCA would swap the LIBOR, plus 1.5% variable interest rate liability. The agreement has a term of ten years. The notional amount under the swap decreases as principal payments are made on the note so the notional amount equals the principal outstanding balance.

The interest rate swap is designed to hedge the risk of changes in interest payments on the commercial mortgage, and thereby, affect cash flow. The purpose of the swap agreements is to establish a synthetic fixed rate. The synthetic fixed rate on the mortgages is 3.43% with fair values totaling \$(67,537) and \$134,902 as of December 31, 2019 and 2018, respectively. (Losses)/gains totaling \$(202,439) and \$56,825 for the years ended December 31, 2019 and 2018, respectively, are recorded in the statements of activities.

The fair value of the interest rate swap agreement is based on inputs from current valuation information priced with observable market assumptions and appropriate valuation adjustments for credit risk. The valuation is based on Level 2 inputs at the close of business on the reporting date. See the fair value hierarchy in Note 6.

- B. In October 2016, the YMCA entered into a commercial mortgage with TD Bank, N.A. for the principal sum of \$250,000. The loan bears interest at a fixed rate of 3.78% per annum. Repayment of the loan is scheduled for 120 payments. The note matures on October 1, 2026 with a balloon payment of the outstanding principal due. The loan is collateralized by the property at 684 Peekskill Hollow Road, Putnam Valley, NY.

The YMCA is required to maintain a debt service coverage ratio of not less than 1.25:1, tested annually. The YMCA is in compliance with the required covenant as of December 31, 2019.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 12 – MORTGAGES PAYABLE (Continued)

Future annual principal payments on all mortgages of the YMCA are as follows for the five years ending after December 31, 2019 and thereafter:

2020	\$	133,468
2021		138,353
2022		143,417
2023		148,665
2024		154,107
Thereafter		<u>3,548,138</u>
Principal amount		4,266,148
Less: unamortized debt issuance costs		<u>(148,571)</u>
Mortgages payable less unamortized debt issuance costs	\$	<u>4,117,577</u>

Interest expense incurred with regard to mortgages payable and notes payable amounted to \$157,134 and \$157,529 for the years ended December 31, 2019 and 2018, respectively.

NOTE 13 – POSTRETIREMENT BENEFIT OBLIGATIONS

The YMCA provides medical and health benefits to eligible terminated and retired employees and their dependents on an employer subsidized basis. In July 2010, the YMCA's Board of Directors amended the postretirement benefit plan (the "Plan") limiting employee eligibility to the four retirees who are currently receiving benefits. This plan is unfunded.

The funded status of the plan as of December 31 are as follows:

	<u>2019</u>	<u>2018</u>
Projected benefit obligation	\$ 65,798	\$ 546,031
Fair value of plan assets	<u>-</u>	<u>-</u>
Unfunded status	<u>\$ (65,798)</u>	<u>\$ (546,031)</u>
Accrued costs recognized in statements of financial position	\$ (65,798)	\$ (546,031)
Net postretirement benefit costs recognized in the statements of activities	\$ (440,749)	\$ 36,781
Amortization of amounts not previously recognized as a component of net periodic costs	\$ (463,488)	\$ 16,194

Employer contributions expected to be paid during 2020 approximate \$15,000.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 13 – POSTRETIREMENT BENEFIT OBLIGATIONS (Continued)

The table below reflects the amounts recognized within net assets without donor restrictions arising from the Plan at December 31 that have not yet been recognized in the net periodic benefit costs.

	2019	2018
Actuarial loss	\$ <u>106,170</u>	\$ <u>131,287</u>

The weighted assumptions used to determine benefit obligations and net period cost as of and for the years ended December 31 are as follows:

	2019	2018
Benefit obligation:		
Discount rate	4.22%	4.14%
Rate of health care costs increase	10.00%	10.00%
Periodic benefit cost:		
Discount rate	3.22%	4.22%
Rate of health care costs increase	10.00%	10.00%

The following table shows estimated future benefit payments expected to be paid from the Plan for each of the following years ending after December 31, 2019:

Year Ending June 30,		
2020	\$	15,000
2021		17,000
2022		19,000
2023		1,000
2024		1,000
2025 - 2029		5,000

The following represents health care cost trend rate assumptions as of December 31:

	2019	2018
Health care costs trend rate assumed for the following year	10.00%	10.00%
Rate at which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2026	2025

Assumed health-care cost trend rates have a significant effect on the amounts reported for the Plan. A 1%-point change in assumed health-care trend rates would have the following effects in 2019:

	<u>1% Point Increase</u>	<u>1% Point Decrease</u>
Total of service and interest costs components increase/(decrease)	\$ <u>2,297</u>	\$ <u>2,270</u>
Postretirement benefit obligation increase/(decrease)	\$ <u>54,418</u>	\$ <u>63,062</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of the following as of December 31:

	2019	2018
Program and purpose restricted	\$ <u>16,362</u>	\$ <u>34,901</u>

Net assets were released from restrictions totaling \$65,713 and \$92,904 during the years ended December 31, 2019 and 2018, respectively, by incurring expenses in satisfaction of donor restrictions.

NOTE 15 – RETIREMENT PLAN

The YMCA National maintains a defined benefit contribution retirement plan (the "Retirement Plan") that is administered by the Young Men's Christian Association Retirement Fund, a separate entity. The Retirement Plan is available to all eligible employees of the YMCA who qualify under the Retirement Plan's participation requirements. YMCA contributions recorded in the statements of activities were \$112,424 and \$96,369 for the years ended December 31, 2019 and 2018, respectively.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

A. The YMCA leases equipment and space under operating lease agreements. Future commitments under these operating leases are due as follows:

		Equipment
2020	\$	47,000
2021		50,000
2022		45,000
2023		1,000
	\$	143,000

For the leases mentioned above, the total rental expense for the years ended December 31, 2019 and 2018 was approximately \$190,000 and \$151,000, respectively.

B. The YMCA is a defendant in three legal actions that have occurred throughout the normal course of business as follows:

- A plaintiff is claiming injuries from an elevator in the YMCA's building. The final outcome of this action cannot be determined at this time, and management is of the opinion that the ultimate liability, if any, from the final outcome of this matter will not have a material effect on the YMCA's financial statements. Furthermore, the YMCA maintains adequate insurance coverage to ensure any resulting outcome would be fully covered.
- A plaintiff is claiming misconduct by an ex-employee during 2015. The YMCA's insurance carrier has entered into a preliminary settlement agreement with the plaintiff's counsel to resolve this case in its entirety with a confidentiality order. Management is of the opinion that the ultimate liability, if any, from the final outcome of this matter will not have a material effect on the YMCA's financial statements. Furthermore, the YMCA maintains adequate insurance coverage to ensure that any resulting outcome would be fully covered.
- A plaintiff, an ex-employee that was terminated as part of a personnel reorganization is claiming unfair dismissal by the YMCA. The final outcome of this action cannot be determined at this time. As such, no provision has been made in the accompanying financials statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF CENTRAL AND NORTHERN WESTCHESTER, N.Y., INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 17 – RELATED PARTY TRANSACTION

The YMCA is affiliated with the National Organization, the YMCA of the USA, but is governed by its own Board of Governors. The YMCA pays monthly fees to the National YMCA based on a percentage of its revenue. For the years ended December 31, 2019 and 2018, these fees totaled \$104,483 and \$127,720, respectively.

NOTE 18 – CONCENTRATION OF CREDIT RISKS

Cash and cash equivalents that potentially subject the YMCA to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits of \$250,000 per institution. For the years ended December 31, 2019 and 2018, the YMCA had cash with a financial institution that exceeded the FDIC insurance limits by approximately \$41,000 and \$-0-, respectively.

NOTE 19 – FINANCIAL CONDITION

The YMCA has experienced significant decreases in net assets for the last five years, and has a deficit at December 31, 2019. The Board and management continue to review all programs for financial viability and mission congruence. Management has evaluated its current operational functions and has implemented a break-even cash basis budget for the upcoming fiscal year. In addition, the Board and management have decided to sell the property located at 250 Mamaroneck Ave, White Plains, NY, to reduce liabilities and current mortgage obligations and, to ensure the continued existence of the YMCA. See Note 1.

As of December 31, 2019 and in relation to the sale of this property, the purchaser has advanced a non-refundable amount of \$1,467,874 to the YMCA to cover operating losses.

NOTE 20 – SUBSEQUENT EVENTS

Subsequent events and transactions were evaluated for potential recognition and disclosure through June 18, 2020, the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic, which continues to spread throughout the United States. The YMCA could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the YMCA's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, the YMCA cannot predict the extent to which its financial condition and results of operations will be affected.

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act ("CARES Act"). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program ("PPP"). Participating in the PPP enables the business to obtain a loan from the Small Business Administration sector of the government. The maximum loan amount is equal to the lesser of (a) 2.5 times the entity's average monthly payroll costs, as defined and incurred during the one-year period before the date on which the loan is made; or (b) \$10 million. The term of the loan is two years and bears interest at a fixed rate of 1% per annum. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven, based on how much is spent in the eight week period immediately following funding of the loan times a forgiveness factor that is based on employee headcount and amounts paid to the organization's employees. On April 20, 2020, the YMCA applied for and obtained a loan in the amount of \$624,663 through an SBA authorized lender.

On April 9, 2020, the YMCA executed a contract for the build-out of the new YMCA childcare facility and office space in White Plains, New York in the amount of \$1,293,265.