Young Men’s Christian Association of Greater New York

Financial Statements
December 31, 2023 and 2022

Young Men’s Christian Association of Greater New York
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December 31, 2023 and 2022

Report of Independent Auditors

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

Opinion

We have audited the accompanying financial statements of Young Men's Christian Association of Greater New York (the "Association"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and of functional expenses for the year ended December 31, 2023 and of cash flows for the years ended December 31, 2023 and 2022, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2023 and 2022, the changes in its net assets for the year ended December 31, 2023, and its cash flows for the years ended December 31, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

We previously audited the statement of financial position as of December 31, 2022, 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 22, 2023, we expressed an unmodified opinion on those financial statements. In our opinion, the information set forth in the accompanying summarized financial information for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

PricewaterhouseCoopers LLP

New York, New York
June 3, 2024

Young Men's Christian Association of Greater New York
Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 56,314,698	$ 51,154,719
Contributions receivable, net	3,180,437	2,713,611
Government receivables, net	13,271,652	12,561,818
Other receivables, net	5,861,235	4,456,497
Investments	91,336,667	82,060,913
Cash and cash equivalents internally designated for capital acquisitions	9,054,246	9,054,246
Cash and cash equivalents restricted for use	131,805	2,608,028
Property and equipment, net	300,134,010	307,119,707
Operating lease right of use assets, net	692,972	699,807
Deferred charges and other assets	10,634,218	8,579,290
Beneficial interest in perpetual trust	10,868,261	9,667,610
Total assets	$ 501,480,201	$ 490,676,246
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 24,852,866	$ 22,957,276
Accrued salaries and related expenses	13,467,070	11,358,736
Accrued liability for self-insured losses	13,215,346	9,779,646
Refundable advances from government contracts	5,077,967	7,930,052
Deferred revenue	6,926,462	3,286,874
Obligations under operating leases	692,972	699,807
Obligations under finance leases	5,309,355	3,258,917
Debt obligations	136,670,229	138,587,505
Total liabilities	206,212,267	197,858,813
Net assets		
Without donor restrictions		
Board designated for endowment	49,029,171	45,658,967
Board designated for charitable gift annuities	97,272	89,065
Undesignated	171,729,387	176,017,387
Total without donor restrictions	220,855,830	221,765,419
With donor restrictions	74,412,104	71,052,014
Total net assets	295,267,934	292,817,433
Total liabilities and net assets	$ 501,480,201	$ 490,676,246

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, 2023 with Summarized Financial Information for the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Operating revenues, support and gains				
Contributions of cash and other financial assets	$ 4,990,751	$ 4,238,255	$ 9,229,006	$ 9,753,228
Contributions of nonfinancial assets	-	-	-	12,900,000
Special events gross income	1,726,770	-	1,726,770	1,166,627
Less: Direct cost of special events	(1,726,770)	-	(1,726,770)	(1,166,627)
	-	-	-	-
Membership dues and program fees	76,457,558	-	76,457,558	58,710,277
Residence program and related services	44,634,024	-	44,634,024	40,361,100
Government contract revenues	59,231,741	-	59,231,741	50,880,681
Endowment distribution	4,667,426	-	4,667,426	4,473,264
Other revenues	776,939	-	776,939	817,537
Total operating revenues, support and gains	190,758,439	4,238,255	194,996,694	177,896,087
Net assets released from restrictions	4,305,245	(4,305,245)	-	-
Total operating revenues, support, gains and net assets released from restriction	195,063,684	(66,990)	194,996,694	177,896,087
Operating expenses				
Salaries and related expenses	104,114,452	-	104,114,452	86,891,046
Staff training and conferences	2,525,374	-	2,525,374	1,052,355
Contract services	30,347,463	-	30,347,463	25,977,134
Facility occupancy	9,218,152	-	9,218,152	8,007,733
Supplies and other	16,183,834	-	16,183,834	13,554,075
Repairs and maintenance	6,260,499	-	6,260,499	6,279,858
Insurance	6,304,814	-	6,304,814	4,428,429
Promotion and advertising	2,809,198	-	2,809,198	2,498,532
Interest	5,275,380	-	5,275,380	4,535,021
Depreciation and amortization	18,421,841	-	18,421,841	16,730,007
Total operating expenses	201,461,007	-	201,461,007	169,954,190
Loss on impairment and disposal of assets	330,000	-	330,000	4,568,059
Total operating expenses and losses	201,791,007	-	201,791,007	174,522,249
(Deficit) excess of operating revenue, support, gains and net assets released from restriction over operating expenses and losses	(6,727,323)	(66,990)	(6,794,313)	3,373,838
Non-operating changes				
Investment return	8,597,346	3,573,110	12,170,456	(18,464,803)
Change in value of split-interest agreements and beneficial interest in perpetual trust	544,610	1,197,174	1,741,784	(2,043,577)
Appropriation of endowment distribution	(3,324,222)	(1,343,204)	(4,667,426)	(4,473,264)
Gain on forgiveness of debt	-	-	-	10,082,211
Changes in net assets	(909,589)	3,360,090	2,450,501	(11,525,595)
Net assets				
Beginning of year	221,765,419	71,052,014	292,817,433	304,343,028
End of year	$ 220,855,830	$ 74,412,104	$ 295,267,934	$ 292,817,433

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, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Changes in net assets	$ 2,450,501	$ (11,525,595)
Adjustments to reconcile changes in net assets to cash provided by (used in) operating activities		
Realized and unrealized loss/(gain) on investments	(7,974,349)	20,686,422
Provision for bad debts	250,215	211,046
Loss on impairment and disposal of assets	330,000	4,568,059
Depreciation and amortization	18,421,841	16,730,007
Amortization of bond premium and bond issue costs	157,724	157,724
Contributions of cash and financial assets restricted for long-term investment	(2,096,607)	(3,440,649)
Donated securities	(706,590)	(190,086)
Proceeds from sales of donated securities	661,147	139,064
Contributions of nonfinancial assets	-	(12,900,000)
Change in value of split-interest agreements and beneficial interest in perpetual trust	(1,741,784)	2,043,577
Operating lease right of use assets, net	6,835	17,769
Gain on forgiveness of debt	-	(10,082,211)
Change in		
Contributions receivable, net	291,694	1,043,191
Government receivables, net	(2,917,243)	(4,468,444)
Other receivables, net	(1,386,578)	4,622,132
Deferred charges and other assets	(2,384,928)	(913,328)
Beneficial interest in perpetual trust	544,610	535,015
Accounts payable and accrued expenses	3,084,104	3,092,358
Accrued salaries and related expenses	2,108,334	961,104
Accrued liability for self-insured losses	3,435,700	725,940
Refundable advances from government contracts	(2,852,085)	2,934,930
Deferred revenue	3,639,588	651,448
Obligations under operating leases	(6,835)	(17,769)
Net cash provided by operating activities	13,315,294	15,581,704
Cash flows from investing activities		
Purchase of property and equipment	(8,570,704)	(8,750,825)
Proceeds from the sale of investments	13,641,998	17,806,892
Purchase of investments	(15,178,578)	(21,977,550)
Net cash used in investing activities	(10,107,284)	(12,921,483)
Cash flows from financing activities		
Receipts from contributions of cash and financial assets restricted for long-term investment	3,277,121	2,225,394
Proceeds from sales of donated securities restricted for long-term investment	45,443	51,022
Repayment of finance lease obligations	(2,006,993)	(1,786,795)
Repayment of debt obligations	(2,075,000)	-
Net cash (used in)/provided by financing activities	(759,429)	489,621
Net change in cash and cash equivalents, designated cash and cash equivalents	2,448,581	3,149,842
Cash, cash equivalents, and restricted cash		
Beginning of year	63,712,950	60,563,108
End of year	$ 66,161,531	$ 63,712,950
Supplemental information		
Interest paid during the year	$ 5,126,260	$ 4,406,975
Change in accrual for acquisition of property and equipment	(1,191,991)	(201,001)
Donated securities	706,590	190,086
Property and equipment acquired through finance lease	4,057,431	2,025,531
Donated nonfinancial assets	-	12,900,000
Forgiveness of debt	-	10,082,211

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, 2023 With Summarized Financial Information for the Year Ended December 31, 2022

	Program				Supporting Services			
	Youth Development	Healthy Living	Social Responsibility	Subtotal	Management and General	Fundraising	2023 Total	2022 Total
Salaries and related expenses	$ 42,213,194	$ 29,979,666	$ 12,533,784	$ 84,726,644	$ 17,544,411	$ 1,843,397	$ 104,114,452	$ 86,891,046
Staff training and conferences	577,629	353,604	138,181	1,069,414	1,398,182	57,778	2,525,374	1,052,355
Contract services	11,661,079	3,444,669	12,384,537	27,490,285	2,456,331	400,847	30,347,463	25,977,134
Facility occupancy	2,599,723	3,734,821	2,501,161	8,835,705	365,050	17,397	9,218,152	8,007,733
Supplies and other	9,657,213	2,371,594	3,651,418	15,680,225	347,721	155,888	16,183,834	13,554,075
Repairs and maintenance	1,908,483	2,703,960	1,524,849	6,137,292	117,051	6,156	6,260,499	6,279,858
Insurance	2,956,986	1,746,145	1,239,881	5,943,012	361,802	-	6,304,814	4,428,429
Promotions and advertising	655,465	1,752,836	195,764	2,604,065	95,474	109,659	2,809,198	2,498,532
Interest	2,624,801	1,549,985	1,100,594	5,275,380	-	-	5,275,380	4,535,021
Depreciation and amortization	6,076,308	8,794,058	3,344,189	18,214,555	186,557	20,729	18,421,841	16,730,007
Total expenses included in the expense section of the statement of activities	80,930,881	56,431,338	38,614,358	175,976,577	22,872,579	2,611,851	201,461,007	169,954,190
Expenses included with revenues and public support								
Direct cost of special events	-	-	-	-	-	1,726,770	1,726,770	1,166,627
Total	$ 80,930,881	$ 56,431,338	$ 38,614,358	$ 175,976,577	$ 22,872,579	$ 4,338,621	$ 203,187,777	$ 171,120,817

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 members and program participants in the years ended December 31, 2023 and 2022, at branch locations across New York City and public schools, parks and community centers throughout the five boroughs. All Association programs teach the core values of caring, honesty, respect and responsibility and continue our 171-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 a member organization of the National Council of Young Men's Christian Association of the United States of America (Y-USA) which enables the Association to operate as a YMCA within the five boroughs of New York City. The Association is an autonomous legal entity and as such, its financial statements are issued separately and are not consolidated with Y-USA.

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 the accounting principles generally accepted in the United States of America ("GAAP"). Such statements of financial position are presented in order of liquidity.

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

Net Asset Accounting

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

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

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

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

Fair Value Accounting

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

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

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

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

Level 3 Unobservable inputs 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 2023 and 2022.

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 unconditional contributions that are subject to purpose restrictions. Under this option, net assets without donor restrictions include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized. Revenues from nonexchange transactions that are considered unconditional generally are recognized as revenues with donor restrictions when the grant funds are awarded and are released into net assets without donor restrictions when the purpose has been met.

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

Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

Donations of Nonfinancial Assets and Services
Contributed nonfinancial assets, which include the donated use of buildings over their estimated useful life in below market leases, are recorded at the respective fair values of the goods or services received at the date of donation. Contributed nonfinancial assets are 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. See Note 10 for the disclosure related to the contribution of a nonfinancial asset in 2022. No contributions of nonfinancial assets were received in 2023.

In addition to contributed nonfinancial assets, 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.

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, transitional housing, immigration, and health and welfare related programs.

These contracts from government agencies are primarily considered conditional nonexchange transactions and are recorded as government contract revenues as the associated barriers are overcome, which is generally as allowable expenses are incurred. Advances are recorded as refundable advances 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 may pay a one- time

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

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

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

Residence Program Fees and Related Services

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

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

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

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

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

Other Receivables

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

Property and equipment are recorded at cost, including interest on funds borrowed to finance the acquisition or construction of major capital additions. No interest was capitalized during the year ended December 31, 2023. Capitalized interest was $667,705 during the year ended December 31, 2022. Depreciation and amortization are provided for using the straight-line method over the estimated 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.

Operating leases (with the exception of leases with a term of twelve months or less) are recorded in operating lease right of use assets and obligations under operating leases liabilities in the statements of financial position. Finance leases are recorded in property and equipment, net and obligations under finance leases in the statements of financial position. Leases with a term of twelve months or less are considered short term leases and are accounted for as supplies expense in the statement of activities as rental payments are incurred. The Association does not separate lease components from nonlease components.

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

The Association received concessions to defer payments for six months on certain equipment operating and finance leases in 2020 as a result of the COVID-19 pandemic and operational closures. The Association has elected to account for these concessions by increasing accounts payable and accrued liabilities in the Statement of Financial Position as these payments accrued and expensing them as was originally scheduled during the deferral period. As of December 31, 2023 and 2022, $151,876 and $567,664, respectively, were included in accounts payable and accrued liabilities in the Statement of Financial Position as a result of this election.

Accounting for the Impairment of Long-Lived Assets
The Association reviews property and equipment for impairment whenever events or changes in circumstances indicate that the related carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the asset.

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 2.4% for the year ended December 31, 2023 and ranging from 1.2% to 3.2% for the year ended December 31, 2022, in accounts payable and accrued expenses 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 statement 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 statement 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 statement of activities as change in value of split-interest agreements.

Beneficial Interest in Perpetual Trust

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

Measure of Operations

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

Functional Expenses

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

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments (Topic 326)* which replaces the current GAAP incurred loss impairment methodology with one that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This guidance is effective for the Association in fiscal year 2023 and was applied using the prospective approach. There was no impact to the financial statements from the adoption of this standard.

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, 2022, from which the summarized information was derived.

3. Cash, Cash Equivalents, and Restricted Cash

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

	2023	2022
Cash and cash equivalents	$ 56,314,698	$ 51,154,719
Cash included in investments	660,782	895,957
Cash and cash equivalents internally designated for capital acquisitions	9,054,246	9,054,246
Cash and cash equivalents restricted for use	131,805	2,608,028
Total	$ 66,161,531	$ 63,712,950

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

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

	2023	2022
Future bond interest payments	$ 2,335	$ 2,479,801
Other	129,470	128,227
Total	$ 131,805	$ 2,608,028

In 2021, with the issuance of the Series 2021 Taxable Bonds, a debt service relief window was created, whereby cash was deposited into the bond interest accounts for the Series 2021 Taxable Bonds, Series 2020 Taxable Bonds and Series 2018 Taxable Bonds sufficient to make all interest payments from August 2021 through February 1, 2023. In addition, interest and dividends are earned on certain bond interest accounts, which are applied to future interest payment requirements.

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 Statements of Financial Position for general expenditures are as follows for the years ended December 31:

	2023	**2022**
Total assets at year end	$ 501,480,201	$ 490,676,246
Less:		
Cash and cash equivalents from donors for specific activities	(5,878,145)	(4,512,832)
Contributions receivable due in more than one year or restricted by donors for specific activities	(3,006,462)	(2,621,806)
Cash and cash equivalents internally designated for capital acquisitions	(9,054,246)	(9,054,246)
Cash and cash equivalents restricted for use	(131,805)	(2,608,028)
Donor restricted endowment funds	(28,887,951)	(26,670,451)
Board designated endowment funds	(49,029,171)	(45,658,967)
Charitable gift annuity funds	(307,957)	(301,377)
Property and equipment, net	(300,134,010)	(307,119,707)
Operating lease right of use assets, net	(692,972)	(699,807)
Deferred charges and other assets	(10,634,218)	(8,579,290)
Beneficial interest in perpetual trust	(10,868,261)	(9,667,610)
Financial assets available at year end for general expenditures	$ 82,855,003	$ 73,182,125

The Association has a line of credit with JP Morgan Chase Bank, as discussed in more detail in Note 12. As of December 31, 2023 and 2022, $10,000,000 remained available on the line of credit. This line of credit expires on June 30, 2024.

The Association's governing board has approved an endowment spending distribution of $5,080,330 and $5,073,640 for the years ending December 31, 2024 and 2023, respectively. In addition, the trustees of the beneficial interest in perpetual trust have approved a distribution of $542,402 and $544,610 for the years ending December 31, 2024 and 2023, respectively. Both distributions will provide additional resources available for general expenditures.

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:

	2023	2022
Amounts due in		
Less than one year	$ 2,323,975	$ 2,192,037
One to five years	1,250,000	700,000
	3,573,975	2,892,037
Less:		
Allowance for uncollectible accounts	(183,769)	(140,394)
Unamortized discount	(209,769)	(38,032)
Contributions receivable, net	$ 3,180,437	$ 2,713,611

Included in contributions receivable above were approximately $1,450,000 and $840,000 in various capital campaign pledges as of December 31, 2023 and 2022, respectively.

Conditional pledges which depend on the occurrence of specified and uncertain events, that have not met the requirements for recognition, were comprised of the following at December 31, 2023:

	2023
Construction of new branch facility	$ 5,000,000
New Americans Initiatives programming	105,000
Aquatics programming	21,003
Conditional contributions receivables	$ 5,126,003

There were no conditional pledges as of December 31, 2022.

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, 2023 and 2022:

	2023	2022
Amounts due in less than one year	$ 13,971,652	$ 13,061,818
Less:		
Allowance for uncollectible accounts	(700,000)	(500,000)
Government receivable, net	$ 13,271,652	$ 12,561,818

Conditional pledges from the government, which depend on the occurrence of specified and uncertain events, that have not met the requirements for recognition, were comprised of the following at December 31, 2023 and 2022:

	2023	2022
Construction of and rennovations to property and equipment	$ 150,000	$ 576,896
Childcare programming	9,613,516	13,136,328
Youth programming	16,087	972,495
Transitional housing programming	899,320	904,107
Substance abuse prevention counseling	103,038	157,639
Adult literacy programming	161,858	156,533
Conditional government receivables	$ 10,943,819	$ 15,903,998

7. Other Receivables

Other receivables are comprised of the following at December 31:

	2023	2022
Other receivables		
Contract assets	$ 2,812,173	$ 2,609,371
Accounts receivable	3,321,220	2,182,714
	6,133,393	4,792,085
Less: Allowance for uncollectible accounts	(272,158)	(335,588)
Other receivables, net	$ 5,861,235	$ 4,456,497

8. Fair Value Measurements

The following table presents information as of December 31, 2023 about the Association's financial assets that are measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Cash equivalents restricted for use				
Money market mutual funds	$ 2,335	$ -	$ -	$ 2,335
Investments				
Investments - endowment other than charitable gift annuity related				
Equity securities				
Common stocks	19,286,595	-	-	19,286,595
Mutual funds	32,252,685	-	-	32,252,685
	51,539,280	-	-	51,539,280
Debt securities				
Bonds and notes	-	8,958,447	-	8,958,447
Mutual funds	9,711,011	-	-	9,711,011
	9,711,011	8,958,447	-	18,669,458
Cash and money market funds	5,509,896	-	-	5,509,896
	66,760,187	8,958,447	-	75,718,634
Charitable gift annuity related investments				
Mutual funds	294,274	-	-	294,274
Cash and money market funds	13,683	-	-	13,683
	307,957	-	-	307,957
Other investments				
Bonds and notes	-	15,309,170	-	15,309,170
Cash and money market funds	906	-	-	906
	906	15,309,170	-	15,310,076
	67,069,050	24,267,617	-	91,336,667
Beneficial interest in perpetual trust	-	-	10,868,261	10,868,261
	$ 67,071,385	$ 24,267,617	$ 10,868,261	$ 102,207,263

The following table presents information as of December 31, 2022 about the Association's financial assets that are measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Cash equivalents restricted for use				
Money market mutual funds	$ 2,040,443	$ -	$ -	$ 2,040,443
Investments				
Investments - endowment other than charitable gift annuity related				
Equity securities				
Common stocks	18,556,980	-	-	18,556,980
Mutual funds	28,912,924	-	-	28,912,924
	47,469,904	-	-	47,469,904
Debt securities				
Bonds and notes	-	8,099,837	-	8,099,837
Mutual funds	7,798,324	-	-	7,798,324
	7,798,324	8,099,837	-	15,898,161
Cash and money market funds	7,599,221	-	-	7,599,221
	62,867,449	8,099,837	-	70,967,286
Charitable gift annuity related investments				
Mutual funds	287,160	-	-	287,160
Cash and money market funds	14,217	-	-	14,217
	301,377	-	-	301,377
Other investments				
Bonds and notes	-	10,715,170	-	10,715,170
Cash and money market funds	77,080	-	-	77,080
	77,080	10,715,170	-	10,792,250
	63,245,906	18,815,007	-	82,060,913
Beneficial interest in perpetual trust	-	-	9,667,610	9,667,610
	$ 65,286,349	$ 18,815,007	$ 9,667,610	$ 93,768,966

The following table provides a roll forward of the fair value of Level 3 investments for the years ended December 31, 2023 and 2022:

	Level 3 Beneficial Interest in Perpetual Trust	
	2023	**2022**
Beginning balances	$ 9,667,610	$ 12,230,637
Change in value of beneficial interest in perpetual trust	1,745,261	(2,028,012)
Distributions from trust	(544,610)	(535,015)
Ending balances	$ 10,868,261	$ 9,667,610

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, 2023 and 2022.

9. Investment Return

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

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Investment income	$ 3,468,743	$ 727,364	$ 4,196,107	$ 2,221,619
Realized appreciation, net	804,669	474,212	1,278,881	1,090,804
Unrealized appreciation, net	4,323,934	2,371,534	6,695,468	(21,777,226)
Total return on investments	8,597,346	3,573,110	12,170,456	(18,464,803)
Return allocated for current activities	(2,779,612)	(1,343,204)	(4,122,816)	(3,938,249)
Investment return in excess of return allocated for operating activities	$ 5,817,734	$ 2,229,906	$ 8,047,640	$ (22,403,052)

The distributions from the beneficial interest in trust allocated to current activities and included in endowment distribution in the statements of activities was $544,610 and $535,015 for the years ended December 31, 2023 and 2022, respectively.

The Association was required under New York and New Jersey state laws to invest minimum pre-determined amounts of up to $242,900 and $249,957 for December 31, 2023 and 2022, 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:

	2023	2022
Land	$ 13,423,812	$ 13,423,812
Buildings and improvements	499,107,124	495,094,928
Equipment (includes finance leased assets of $7,849,746 in 2023 and $8,013,263 in 2022)	69,295,074	63,133,398
Furniture and fixtures	21,748,125	20,485,853
Leasehold improvements	345,137	345,137
Construction in progress	1,662,973	1,662,973
	605,582,245	594,146,101
Less: Accumulated depreciation and amortization	(305,448,235)	(287,026,394)
Property and equipment, net	$ 300,134,010	$ 307,119,707

During the year ended December 31, 2022, the Association discontinued a software implementation project and an impairment loss of $4,568,059 was recorded and included as loss on impairment and disposal of assets in the statement of activities for the year ended December 31, 2022. The impairment loss includes $4,067,608 of the full cost of assets capitalized for this project that were included in property and equipment construction in progress, and $500,451 of capitalized software costs that were included in deferred charges and other assets in the statement of financial position, excluding $330,000 held for a future credit by the vendor. During the year ended December 31, 2023, the $330,000 was deemed impaired and was written off resulting in an impairment loss of $330,000. As the project was discontinued, no capitalized software costs were included in property and equipment as of December 31, 2023 or 2022. There was no balance in deferred charges and other assets of capitalized software costs as of December 31, 2023. There was $330,000 as of December 31, 2022. During the year ended December 31, 2023, there were no events or changes in circumstances indicating that the carrying amount of the property and equipment may not be recoverable.

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 commenced upon substantial completion of construction of the facility in September 2022. The Association's lease payments for 41 years ($18,500,000) were placed into a restricted cash account with the developer's banker were fully drawn down by said banker during development of the facility. The facility is reflected in the statement of financial position as building and improvements which is being amortized over the 40-year life of the asset. A contribution of a nonfinancial asset, the use of the building for its economic life, from the developer of $12,900,000 was recognized in 2022 of which $12,795,122 was recorded with donor restrictions and $104,878 was recorded without donor restrictions as it represented the amount released from restriction in the year of donation. The donation recorded with donor restrictions is being released from restriction ratably over the lease term. This nonfinancial asset contribution for the use of the building over its economic life has been capitalized in buildings and improvements. The fair value of the nonfinancial asset contribution was obtained from an appraisal of the property and was based on the cost approach of a special purpose property. 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. The La Central branch building is used for all functional expense areas.

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.

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, 2023 and 2022, the accrued liability for self-insured losses and the insurance recoverable (included in deferred charges and other assets) under such policies were as follows:

	2023	2022
Accrued liability for self insurance	$ 13,215,346	$ 9,779,646
Less: Insurance recoverable under policy	(7,100,159)	(5,901,339)
Net	$ 6,115,187	$ 3,878,307

12. Revolving Bank Line of Credit

The Association has a $10,000,000 committed unsecured revolving bank line of credit with JP Morgan Chase Bank, which matured June 30, 2023 and was renewed through June 30, 2024 with similar terms. The line of credit bears interest at the Chase Bank Prime rate or SOFR plus 1.85%. As of December 31, 2023 and 2022, $10,000,000 remained available on the line of credit. The interest rate on the line of credit was 7.2% at December 31, 2023.

The revolving bank line of credit contains various covenants including the maintenance of minimum Unrestricted Cash and Investments of $35,000,000, net of line draws, as defined by the agreement. The Association was in compliance with the financial covenant ratios for the years ended December 31, 2023 and 2022.

13. Leases

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

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

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

	Statement of Activities Classification	2023	2022
Operating lease costs	Facility occupancy	$ 29,826	$ 29,826
Operating lease costs	Supplies	-	11,252
Total operating lease costs		29,826	41,078
Amortization of lease assets	Depreciation and amortization	1,716,461	1,477,250
Interest on lease liabilities	Interest	181,511	86,652
Total Finance lease costs		1,897,972	1,563,902
Variable and short term lease costs	Supplies	1,707,587	2,098,879
Total lease costs		$ 3,635,385	$ 3,703,859

As of December 31, 2023, the maturities of the Association's lease liabilities were as follows:

	Operating Leases	Finance Leases	Total
2024	$ 29,826	$ 2,451,682	$ 2,481,508
2025	29,826	1,992,226	2,022,052
2026	29,826	853,968	883,794
2027	29,826	222,669	252,495
2028	29,826	162,569	192,395
Thereafter	1,168,185	-	1,168,185
Total minimum payments	1,317,315	5,683,114	7,000,429
Less: imputed interest	(624,343)	(373,759)	(998,102)
Total lease liabilities	$ 692,972	$ 5,309,355	$ 6,002,327

Total rent expense was $1,737,413 and $2,139,957 in the years ended December 31, 2023 and 2022, respectively.

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

	2023	2022
Weighted average remaining lease term		
Operating leases	44.2 years	45.2 years
Finance leases	2.1 years	1.7 years
Weighted average discount rate		
Operating leases	3.3%	3.3%
Finance leases	4.7%	3.7%

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

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 6,835	$ 17,769
Operating cash flows from finance leases	181,511	86,652
Financing cash flows from finance leases	2,006,993	1,786,795
Property and equipment acquired through finance leases	4,057,431	2,025,531
Total	$ 6,252,770	$ 3,916,747

14. Debt Obligations

Debt obligations consisted of the following at December 31:

	Interest %	Maturity	2023	2022
Association issued Bonds				
Series 2018 Taxable Bonds	4.270%-5.151%	2024-2048	$ 51,920,000	$ 53,020,000
Series 2020 Taxable Bonds	2.600%-3.730%	2024-2042	25,195,000	26,170,000
Series 2021 Taxable Bonds	2.303%	2026	60,625,000	60,625,000
			137,740,000	139,815,000
Less: Debt issuance costs, net of accumulated amortization of $549,044 and $391,320, as of December 31, 2023 and 2022, respectively			(1,069,771)	(1,227,495)
Total debt obligations			$ 136,670,229	$ 138,587,505

As of December 31, 2023, the aggregate maturities of debt obligations are as follows:

	Series 2018 Taxable Bonds	Series 2020 Taxable Bonds	Series 2021 Taxable Bonds	Total
2024	$ 1,145,000	$ 995,000	$ -	$ 2,140,000
2025	1,190,000	1,020,000	-	2,210,000
2026	1,245,000	1,045,000	60,625,000	62,915,000
2027	1,300,000	1,080,000	-	2,380,000
2028	1,360,000	1,110,000	-	2,470,000
Thereafter	45,680,000	19,945,000	-	65,625,000
	$ 51,920,000	$ 25,195,000	$ 60,625,000	$ 137,740,000

On April 13, 2021 the Association received a Small Business Administration Payroll Protection Program ("PPP") loan for $10,000,000 through JPMorgan Chase Bank, N.A. The PPP loan was received to retain workers and support business expenses during the COVID-19 Pandemic. The PPP loan, which was forgiven in full, bore interest at 0.98% and had a scheduled maturity date of April 13, 2026. On February 10, 2022, the PPP loan was forgiven in full by the Small Business Administration and JPMorgan Chase Bank, N.A. A gain on forgiveness of debt was recorded in the statement of activities for the year ended December 31, 2022 for $10,082,211.

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

15. Employee Benefit Plans

Employee Retirement Benefits

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

In accordance with the agreement with the Fund, contributions are a percentage of the participating employees' salaries and are paid by the Association. Total contributions charged to retirement costs were $4,188,182 and $3,349,710 in 2023 and 2022, respectively.

Other Employee Benefits

The Association participates in the YMCA Employee Benefits Plan, which is an employee welfare plan, subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), that has been established, maintained and sponsored by Y-USA to provide comprehensive health and welfare benefits to eligible employees and their dependents of YMCA throughout the United States. These benefits include health (medical, dental and prescription drug), long-term disability, dental and vision options.

Contributions to the Plan are a shared responsibility of the Association and the employees. Total contributions charged to employee benefits expense were $5,717,358 and $4,679,132 in 2023 and 2022, respectively.

16. Net Assets

Net assets are available for the following purposes as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated for endowment	$ 49,029,171	$ -	$ 49,029,171
Board designated for charitable gift annuities	97,272	-	97,272
Undesignated	171,729,387	-	171,729,387
Donor restricted for program services	-	33,481,780	33,481,780
Donor restricted for construction or acquisition of property and equipment	-	1,100,000	1,100,000
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity	-	11,885,030	11,885,030
Accumulated investment gains	-	17,002,921	17,002,921
Beneficial interest in perpetual trust	-	10,868,261	10,868,261
Charitable gift annuities	-	74,112	74,112
Total	$ 220,855,830	$ 74,412,104	$ 295,267,934

Net assets are available for the following purposes as of December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated for endowment	$ 45,658,967	$ -	$ 45,658,967
Board designated for charitable gift annuities	89,065	-	89,065
Undesignated	176,017,387	-	176,017,387
Donor restricted for program services	-	34,545,960	34,545,960
Donor restricted for construction or acquisition of property and equipment	-	100,000	100,000
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity	-	11,879,030	11,879,030
Accumulated investment gains	-	14,791,421	14,791,421
Beneficial interest in perpetual trust	-	9,667,610	9,667,610
Charitable gift annuities	-	67,993	67,993
Total	$ 221,765,419	$ 71,052,014	$ 292,817,433

Net assets with donor restrictions were released from restrictions for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Construction or acquisition of property and equipment	$ -	$ 978,070
Program services	4,305,245	3,819,680
Released from donor restricted net assets	$ 4,305,245	$ 4,797,750

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 $136,573 and $144,319 at December 31, 2023 and 2022, 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, 2023 or 2022.

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 general policy for donor restricted and board designated funds of appropriating for distribution for operations each year 5 percent of its endowment investment fund's average fair value over the prior 20 quarters through June 30th preceding the fiscal year in which the distribution is planned, regardless of whether the fair value exceeds the historical cost of the fund. In establishing this policy, the Association considered the long-term expected return on its endowment. The Association's objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. Certain board designated endowments, established in 2021, have a special fixed distribution rate from 2022 through 2026, to meet operational goals of the funds.

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

At December 31, 2023, the endowment net asset composition by type of fund consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 28,887,951	$ 28,887,951
Board-designated endowment funds	49,029,171	-	49,029,171
Beneficial interest in trust	-	10,868,261	10,868,261
Charitable gift annuities	97,272	74,112	171,384
Total funds	$ 49,126,443	$ 39,830,324	$ 88,956,767

Changes in endowment net assets for the year ended December 31, 2023, consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Changes in endowment net assets for year ended December 31, 2023			
Endowment net assets, beginning of year	$ 45,748,032	$ 36,406,054	$ 82,154,086
Investment return			
Investment income	1,206,578	727,364	1,933,942
Unrealized and realized appreciation, net	4,772,635	2,845,746	7,618,381
Total investment return	5,979,213	3,573,110	9,552,323
Contributions	170,000	6,000	176,000
Change in value of split-interest agreements and beneficial interest in perpetual trust	544,610	1,197,174	1,741,784
Appropriation of endowment assets for expenditure			
For operations	(2,779,612)	(1,343,204)	(4,122,816)
Distributions from beneficial interest in trust	(544,610)	-	(544,610)
Total appropriation for expenditure	(3,324,222)	(1,343,204)	(4,667,426)
Other	8,810	(8,810)	-
Endowment net assets, end of year	$ 49,126,443	$ 39,830,324	$ 88,956,767

At December 31, 2022, the endowment net asset composition by type of fund consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 26,670,451	$ 26,670,451
Board-designated endowment funds	45,658,967	-	45,658,967
Beneficial interest in trust	-	9,667,610	9,667,610
Charitable gift annuities	89,065	67,993	157,058
Total funds	$ 45,748,032	$ 36,406,054	$ 82,154,086

Changes in endowment net assets for the year ended December 31, 2022, consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Changes in endowment net assets for year ended December 31, 2022			
Endowment net assets, beginning of year	$ 59,613,253	$ 46,942,472	$ 106,555,725
Investment return			
Investment income	1,267,681	759,436	2,027,117
Unrealized and realized appreciation, net	(12,594,457)	(7,465,833)	(20,060,290)
Total investment return	(11,326,776)	(6,706,397)	(18,033,173)
Contributions	141,689	7,000	148,689
Change in value of split-interest agreements and beneficial interest in perpetual trust	535,015	(2,578,592)	(2,043,577)
Appropriation of endowment assets for expenditure			
For operations	(2,679,820)	(1,258,429)	(3,938,249)
Distributions from beneficial interest in trust	(535,015)	-	(535,015)
Total appropriation for expenditure	(3,214,835)	(1,258,429)	(4,473,264)
Other	(314)	-	(314)
Endowment net assets, end of year	$ 45,748,032	$ 36,406,054	$ 82,154,086

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, Flatbush, Long Island City, North Brooklyn, and Prospect Park branches. The City has encumbered these branches with performance mortgages and restricted covenants at December 31, 2023 as follows:

Branch Name	Type	Term In Years	Expiration Date
Bedford	Restrictive Covenant	30	07/30/37
Flatbush	Performance Mortgage	20	10/26/25
Long Island City	Performance Mortgage	20	02/05/24
North Brooklyn	Performance Mortgage	20	03/09/29
Prospect Park	Restrictive Covenant	30	06/26/44

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

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

19. Subsequent Events

In preparing these financial statements, management has evaluated and disclosed all material subsequent events up through June 3, 2024, which is the date that the financial statements were issued.