YMCA OF GREATER ROCHESTER

Financial Statements as of
March 31, 2023
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

July 31, 2023

To the Board of Directors of
YMCA of Greater Rochester:

Opinion

We have audited the accompanying financial statements of YMCA of Greater Rochester (a New York not-for-profit corporation) (the Association) which comprise the balance sheet as of March 31, 2023, and the related statements of activities and change in net assets, functional operating expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's 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.

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 within one year after the date that the financial statements are available to be issued.

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INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Report on Summarized Comparative Information
We have previously audited the Association's March 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bonadio & Co., LLP

YMCA OF GREATER ROCHESTER

BALANCE SHEET
MARCH 31, 2023
(With Comparative Totals for 2022)

	2023	2022
ASSETS		
Cash and equivalents	$ 7,717,067	$ 9,038,582
Accounts receivable, net	3,198,671	3,095,960
Pledges receivable, net	4,146,148	2,876,786
Due from Greater Canandaigua Family YMCA, Inc.	-	2,200,000
Prepaid expenses and other assets	738,326	797,916
Operating lease right-of-use assets	1,495,051	698,122
Investments	27,324,679	27,482,974
Land, buildings, and equipment, net	85,586,193	75,180,075
Total assets	$ 130,206,135	$ 121,370,415
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Lines of credit	$ 5,000	$ 250,000
Accounts payable	4,505,075	3,084,916
Accrued expenses	2,712,879	1,987,705
Deferred revenue	4,560,176	5,098,763
Operating lease liabilities	1,507,414	721,964
Financing lease liabilities	807,266	841,877
Paycheck Protection Program	-	175,800
Long-term debt, net	31,290,400	35,861,530
Total liabilities	45,388,210	48,022,555
NET ASSETS:		
Without donor restrictions:		
Board designated as endowment	17,421,698	16,386,612
Undesignated	54,191,552	45,346,346
Total net assets without donor restrictions	71,613,250	61,732,958
With donor restrictions	13,204,675	11,614,902
Total net assets	84,817,925	73,347,860
	$ 130,206,135	$ 121,370,415

The accompanying notes are an integral part of these statements.

YMCA OF GREATER ROCHESTER

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2023
(With Comparative Totals for 2022)

	2023			
	Without Donor Restrictions	With Donor Restrictions	Total	2022 Total
OPERATING ACTIVITIES:				
Operating revenues and support -				
Membership dues and joining fees, net	$ 22,071,458	$ -	$ 22,071,458	$ 15,856,762
Program fees, net	16,685,275	-	16,685,275	12,699,929
Paycheck Protection Program	-	-	-	5,791,810
Governmental sources	2,362,376	-	2,362,376	1,618,471
Employee Retention Credit	27,170	-	27,170	3,711,984
Other fees and grants	3,085,589	-	3,085,589	1,940,360
Gifts and donations	2,717,465	-	2,717,465	2,312,043
Investment income allocated for operations	1,040,000	-	1,040,000	945,000
United Way of Greater Rochester	904,154	-	904,154	898,365
Member supplies and services	173,817	-	173,817	100,892
Other revenues, net	825,591	-	825,591	667,259
Total operating revenues and support	49,892,895	-	49,892,895	46,542,875
OPERATING EXPENSES:				
Program -				
Youth development	19,357,281	-	19,357,281	14,590,582
Healthy living	13,422,567	-	13,422,567	10,574,379
Social responsibility	11,957,947	-	11,957,947	9,036,477
Total program	44,737,795	-	44,737,795	34,201,438
Supporting services -				
Administrative	5,111,016	-	5,111,016	4,178,041
Fundraising	1,058,531	-	1,058,531	777,524
Total supporting services	6,169,547	-	6,169,547	4,955,565
Total operating expenses	50,907,342	-	50,907,342	39,157,003
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(1,014,447)	-	(1,014,447)	7,385,872
NON-OPERATING ACTIVITIES:				
Investment (loss) income, net	(1,095,092)	(153,850)	(1,248,942)	855,023
Investment income allocated for operations	(905,177)	(134,823)	(1,040,000)	(945,000)
Gifts and donations	418,154	13,270,666	13,688,820	930,858
Contributed land	-	1,030,000	1,030,000	-
Net assets released from restriction - capital	12,422,220	(12,422,220)	-	-
Effect of acquisition with Greater Canandaigua Family YMCA, Inc.	(344,612)	-	(344,612)	-
Acquisition of Watson Homestead	-	-	-	2,064,212
Gain on disposal of land, buildings, and equipment	399,246	-	399,246	60,001
CHANGE IN NET ASSETS FROM NON-OPERATING ACTIVITIES	10,894,739	1,589,773	12,484,512	2,965,094
CHANGE IN NET ASSETS	9,880,292	1,589,773	11,470,065	10,350,966
NET ASSETS - beginning of year	61,732,958	11,614,902	73,347,860	62,996,894
NET ASSETS - end of year	$ 71,613,250	$ 13,204,675	$ 84,817,925	$ 73,347,860

The accompanying notes are an integral part of these statements.

YMCA OF GREATER ROCHESTER

STATEMENT OF FUNCTIONAL OPERATING EXPENSES
FOR THE YEAR ENDED MARCH 31, 2023
(With Comparative Totals for 2022)

	2023							
	Program				Supporting Services			
	Youth Development	Healthy Living	Social Responsibility	Total	Administrative	Fundraising	Total	2022 Total
Salaries	$ 10,164,693	$ 5,577,229	$ 5,770,856	$ 21,512,778	$ 2,363,826	$ 487,943	$ 24,364,547	$ 17,538,627
Employee benefits and taxes	2,002,428	1,211,153	1,253,204	4,466,785	710,369	150,728	5,327,882	4,053,199
Facility occupancy	1,636,543	1,430,541	1,501,081	4,568,165	36,183	1,802	4,606,150	3,195,822
Professional fees	561,001	351,378	343,146	1,255,525	667,407	136,554	2,059,486	1,446,735
Supplies	1,126,615	351,602	294,870	1,773,087	126,949	13,776	1,913,812	1,347,319
Interest	505,928	505,928	505,941	1,517,797	10,126	-	1,527,923	1,128,326
Merchant fees	269,875	269,875	269,875	809,625	215,900	60,699	1,086,224	889,801
Equipment	245,550	360,578	293,380	899,508	135,199	4,328	1,039,035	809,002
Insurance	239,601	214,891	237,526	692,018	231,608	55,838	979,464	360,283
Program expense	477,541	31,106	131,079	639,726	5,075	247	645,048	360,059
Membership dues	91,255	89,835	96,927	278,017	99,260	25,579	402,856	339,128
Printing and publications	71,576	67,355	67,355	206,286	119,527	335	326,148	249,094
Telephone	91,526	59,277	63,198	214,001	75,586	13,165	302,752	208,741
Training and meetings	66,223	60,003	58,923	185,149	99,201	18,329	302,679	135,404
Transportation	119,306	26,487	39,961	185,754	44,102	4,999	234,855	97,577
Annual campaign	15,580	15,580	16,019	47,179	13,547	78,968	139,694	44,410
Bank service fees	6,570	6,570	6,570	19,710	26,290	-	46,000	19,917
Postage	3,292	6,254	3,432	12,978	8,398	2,934	24,310	16,968
Other	(5,818)	6,932	3,806	4,920	11,263	2,307	18,490	88,272
Total expenses before depreciation	17,689,285	10,642,574	10,957,149	39,289,008	4,999,816	1,058,531	45,347,355	32,328,684
Depreciation	1,667,996	2,779,993	1,000,798	5,448,787	111,200	-	5,559,987	6,828,319
Total expenses	$ 19,357,281	$ 13,422,567	$ 11,957,947	$ 44,737,795	$ 5,111,016	$ 1,058,531	$ 50,907,342	$ 39,157,003

The accompanying notes are an integral part of these statements.

YMCA OF GREATER ROCHESTER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023
(With Comparative Totals for 2022)

	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 11,470,065	$ 10,350,966
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Contributions donor restricted for capital expenditures and endowment	(13,270,666)	(785,933)
Depreciation	5,559,987	6,828,319
Paycheck Protection Program	-	(5,791,810)
Acquisition of Watson Homestead	-	(2,064,212)
Effect of acquisition with Greater Canandaigua Family YMCA, Inc.	344,612	-
Change in allowance for doubtful accounts receivable	-	(9,221)
Gain on sale of building and equipment	(399,246)	(60,001)
Contributed land	(1,030,000)	-
Change in discount for pledges receivable	152,248	(132,727)
Realized and unrealized (gains) losses on investments, net	1,238,567	(551,610)
Amortization of bond issuance costs	236,438	69,134
Changes in:		
Accounts receivable, net	77,556	(371,853)
Due from Greater Canandaigua Family YMCA, Inc.	-	(2,200,000)
Prepaid expenses and other assets	62,023	55,109
Operating leases	(11,479)	(19,904)
Accounts payable	89,523	(37,003)
Accrued expenses	725,174	228,418
Deferred revenue	(724,840)	2,989,328
Net cash flow from operating activities	4,519,962	8,497,000
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(2,682,297)	(4,591,258)
Proceeds from the sale of investments	1,602,025	4,110,573
Cash acquired with Greater Canandaigua Family YMCA, Inc. acquisition	(75,492)	-
Cash acquired in acquisition of Watson Homestead	-	64,212
Proceeds from sale of building and equipment	553,049	77,113
Purchases of buildings and equipment	(11,087,445)	(1,513,279)
Net cash flow from investing activities	(11,690,160)	(1,852,639)
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayments on lines of credit, net	(245,000)	(1,750,000)
Repayment of Paycheck Protection Program	(175,800)	-
Principal repayments of financing lease obligations, net	(772,005)	(1,334,537)
Principal repayments on long-term debt, net	(4,807,568)	(5,513,166)
Contributions and pledge payments received for capital expenditures	11,849,056	3,692,987
Net cash flow from financing activities	5,848,683	(4,904,716)
CHANGE IN CASH AND EQUIVALENTS	(1,321,515)	1,739,645
CASH AND EQUIVALENTS - beginning of year	9,038,582	7,298,937
CASH AND EQUIVALENTS - end of year	$ 7,717,067	$ 9,038,582
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING DISCLOSURES:		
Land, buildings, and equipment purchases in accounts payable	$ 1,492,037	$ 442,968

The accompanying notes are an integral part of these statements.

1. THE ORGANIZATION

YMCA of Greater Rochester (the Association) is a not-for-profit corporation founded in 1854 as a charitable association of members and included 17 operating units at March 31, 2023. The Association provides quality programs focusing on youth development, healthy living and social responsibility. The Association's program areas include Health Enhancement, Childcare, Youth and Teen Development, Overnight Camping, and Membership Services. These programs emphasize caring, respect, honesty, responsibility, character building, fun, and friendship. The Association is a charitable organization that creates a sense of community in the Greater Rochester area by involving individuals and families of all ages, genders, abilities, incomes, and races. Programs are funded primarily through membership dues and program fees. Financial assistance is provided, within available resources, for individuals who do not have the ability to pay. Such assistance is funded primarily through donations to the Association's Annual Invest in Youth Campaign.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of the Association have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Comparative Information
The financial statements include certain prior year summarized comparative information in total, but not by net asset class or functional operating expense classification. Such information does not include sufficient detail to constitute a presentation in accordance with GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended March 31, 2022, from which the summarized information was derived.

Recently Adopted Accounting Guidance
<u>ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*</u>
The Association adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, for the year ended March 31, 2023. ASU 2020-07 changed the presentation of and disclosures regarding contributed nonfinancial assets. The Association adopted the guidance retrospectively to each period presented. The adoption had no effect on total net assets or change in net assets.

Financial Reporting
The Association reports its net assets and changes therein in the following classifications:

- Net assets without donor restrictions are net assets that are not subject to donor imposed stipulations. The Board of Directors, through voluntary resolutions, has set aside portions of the Association's net assets without donor restrictions to be used exclusively to function as endowment to support future operating initiatives.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Reporting (Continued)

- Net assets with donor restrictions are net assets whose use by the Association is limited by donor imposed stipulations. This includes stipulations that can be fulfilled or removed by actions of the Association pursuant to the stipulations, as well as donor-imposed stipulations that do not expire. In cases where the donor-imposed stipulation does not expire, generally the donor of these net assets permits the Association to use all or part of the investment return on the related assets to support program activities.

Operations

The statements of activities and change in net assets present the changes in net assets of the Association from operating activities and from non-operating activities. Operating revenues and expenses relate primarily to membership dues and program fees related to providing services to members focused on youth development, healthy living, and social responsibility. Additional operating revenue is received from donor contributions and government sources in support of services provided by the Association. Appropriation of investment income under the Association's endowment spending policy is considered operating revenue.

Gifts and donations raised in connection with the Association's capital campaign and permanent endowment gifts, as well as investment income, including gains and losses on investments held for long-term purposes or capital expenditures, except for the amount allocated to operations, are considered non-operating activities. In addition, gains and losses on disposal of land, buildings, and equipment as well as increases in net assets related to acquisition of operating units and acquisitions without payment of consideration are included in non-operating activities.

Cash and Equivalents

Cash and equivalents consist of cash on hand, bank demand deposit, and money market accounts which, at times, may exceed federally insured limits. The Association has not experienced any losses in these accounts and believes that it is not exposed to any significant credit risk with respect to cash and equivalents.

Pledges Receivable

The Association records pledges receivable when an unconditional donor commitment is received. Pledges receivable due in future years are reflected at the present value of estimated future cash flows using a risk adjusted discount rate commensurate with the term of the pledge, which ranged from 0.29% to 4.85% for pledges outstanding at March 31, 2023.

In addition, the Association records an allowance for doubtful pledges receivable based on experience and a review of specific accounts. Accounts are written-off when reasonable collection efforts have been exhausted.

Investments

The Association invests in various types of investment securities, which are stated at fair value. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investments, it is possible that changes in their values could occur and such changes could materially affect the amounts reported in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

Fair value is defined as 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or, in the absence of a principal market, the most advantageous market for the asset or liability.

The Association uses various techniques in determining fair value. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Association. Unobservable inputs are inputs that reflect the Association's estimate about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy defines three levels based on the reliability of inputs:

- Level 1 Inputs - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Association has the ability to access. Valuation adjustments are not applied to Level 1 instruments.

- Level 2 Inputs - Valuations are based on significant inputs that are observable, directly or indirectly; or based on quoted prices in markets that are not active.

- Level 3 Inputs - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Land, Buildings and Equipment

Land, buildings, and equipment are stated at cost if purchased or fair value at the date of acquisition if acquired in a transaction that did not require the Association to pay any consideration. The Association capitalizes land, building, and equipment acquisitions greater than $5,000 with a useful life greater than two years. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which range from two to forty years. Items acquired under the terms of financing lease arrangements are amortized over their estimated useful lives of three to five years.

Bond Financing Costs

Bond financing costs represent costs incurred to obtain long-term financing. These costs are netted against the related debt for reporting purposes and recognized as interest expense on a straight-line basis over the term of the related debt. These costs are written off if the related debt is retired in full before its scheduled maturity date.

Revenue Recognition

Membership dues and joining fees include performance obligations for providing members various rights and benefits of the Association, depending on the dollar level of their dues commitment, and are met continuously through the Association's fiscal year. As a result, membership dues are recognized as revenue ratably over the membership period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Membership dues and joining fees are billed in advance of the membership period and are expected to be received on a current basis. Membership dues receivable consist primarily of amounts due from members for various rights and benefits of the Association. Membership dues received in advance of the performance obligation are reflected as deferred revenue.

The Association recognizes program fees revenue in the period in which the performance obligations defined by the terms of contracts with individuals are satisfied. The Association's performance obligations fall under its overall mission to provide youth development, healthy living, and social responsibility. The Association's performance obligations include providing services including health enhancement, access to fitness facilities, fitness classes, childcare services, youth and teen development, and day and overnight camps.

Program service revenues are recognized at the amount to which the Association expects to be entitled and this transaction price is allocated to the bundled service, if applicable. Each service provided is billed at a price based on a signed agreement with the individual. The performance obligation is satisfied as the benefit of the services are consumed and program service revenue is recorded.

The Association expects to collect established charges. The Association performs an assessment of an individual's ability to pay for services prior to providing services. Based on this, the Association has determined that there are no implicit price concessions provided to those the Association serves, other than financial assistance provided (see Note 12).

Because performance obligations are met as program services are provided, there are no program fees allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Program service revenue is charged to and collected from members and customers either before or as soon as practicable after the service is provided and the performance obligation is met. Amounts collected in advance of service provision are recorded as deferred revenue until performance obligations are satisfied.

Amounts that remain uncollected at the end of a reporting period are recorded as accounts receivable. The allowance for doubtful accounts receivable is estimated by management based on periodic reviews of the collectability of specific accounts receivable considering historical experience and prevailing economic conditions. Accounts receivable are written off when they are determined to be uncollectible. The Association recorded an allowance for doubtful accounts of approximately $153,000 at March 31, 2023 and 2022, respectively.

Gifts and Donations

Gifts and donations are considered to be available without restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes or in perpetuity are reported as support that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified as net assets without restrictions and reported as net assets released from restrictions in the accompanying statements of activities and change in net assets. Conditional promises to give are not included as support until the conditions are met.

Grants from Governments and Other Agencies

Revenue from grants from governments and other agencies are recognized when conditions from the grantor are met and there are no barriers to be overcome. Amounts received in advance of such conditions being met are reported as deferred revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

A substantial number of volunteers have donated significant amounts of time and services in support of the Association's program operations and fundraising campaigns. However, the value of this time and service is not reflected in the accompanying financial statements as they do not meet the criteria for recognition under GAAP.

Leases

Operating leases are recorded on the Association's balance sheet under operating lease right-of-use assets and operating lease liabilities. Financing leases are recorded on the Association's balance sheet as land, buildings and equipment assets and financing lease liabilities.

The Association determines if an arrangement is a lease at inception. Right of use (ROU) assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at the lease's commencement based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Association is reasonably certain to exercise these options.

For all underlying classes of assets, the Association has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Association is reasonably certain to exercise. The Association recognizes fixed short-term lease cost on a straight-line basis over the lease term in the period in which the obligation is incurred.

The Association elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable and elected for all underlying assets to not separate the lease and non-lease components of a contract and to account for required payments as a single lease component.

Variable lease costs paid to or on behalf of the lessor, consisting primarily of insurance and repairs and maintenance, are excluded from the measurement of the ROU asset and lease liability, and are expensed in the period incurred.

In evaluating contracts to determine if they qualify as a lease, the Association considers factors such as if the Association obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Advertising

Advertising costs are charged to expense as incurred and totaled approximately $144,000 and $78,000 in 2023 and 2022, respectively.

Income Taxes

The Association is a not-for-profit corporation exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. The Association has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates
The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Allocation of Certain Expenses
The statement of functional operating expenses presents expenses by both functional and natural classification. Certain categories of expenses are attributable to one or more program or supporting functions, and these expenses are allocated to the reported functional columns. For both the years ended March 31, 2023 and 2022, the Association utilizes a multi-faceted allocation methodology that considers direct expenses as well as allocations based on personnel time spent and square feet of space utilized in each of the Association's over 50 operating departments. The methodology further considers the overall operational purpose of each department and how that relates to each functional area reported on the statement of functional expenses. Data on the functional allocation of expenses on a departmental basis is accumulated to arrive at the amounts reported in the statement of functional operating expenses. Management considers the Association's allocation methodology to be reasonable

3. LIQUIDITY

The Association is substantially supported by dues and program fees from members. In addition, support is received from donors and governmental sources. Some donor support is restricted by the donor for a specific purpose. Because a donor restriction requires resources to be used in a particular manner or in a future period, the Association must maintain sufficient resources to meet those responsibilities to its donors. In addition, the Association holds financial assets for specific programmatic, capital addition, or endowment purposes. Thus, financial assets reported on the accompanying balance sheets may not be available for general expenditure within one year.

The Association's financial assets available to meet cash needs for general expenditures within one year of the balance sheet dates are as follows at March 31:

	2023	2022
Financial assets at March 31	$ 42,386,565	$ 44,694,302
Less: Financial assets unavailable for general expenditures within one year, due to:		
Subject to Board designation as endowment	(17,421,698)	(16,386,612)
Restricted by donor perpetually	(2,696,452)	(2,696,452)
Subject to satisfaction of donor restrictions	(10,508,223)	(8,918,450)
	$ 11,760,192	$ 16,692,788

The Association's ability to meet its cash needs is supported by consistent member dues and program fee revenue. The Association employs specific tactics to maintain and grow membership at a level to provide cash flow to support operating expenditures. Program fees are established at a level that supports the related programmatic expenditures. In addition, the Association maintains regular contact with its broad base of donors to support both annual operating contributions as well as restricted gifts for capital improvements on an on-going basis.

3. LIQUIDITY (Continued)

From time to time, the Association utilizes its lines of credit for operating and capital project purposes. Additional draws can be made on these lines of credit should the need arise. In addition, the Association's Board could release Board designated endowment funds in the event the Association experienced an unusual cash need in the short term. The Association believes its cash position and expected cash flows are adequate to meet cash needs for general expenditures on an on-going basis.

4. PLEDGES RECEIVABLE

Outstanding pledges related to the following projects as of March 31:

	2023	2022
Schottland Branch	$ 2,328,449	$ 2,926,066
Sands Branch	2,074,706	-
Camp Cory	108,992	150,471
Maplewood	-	14,000
	4,512,147	3,090,537
Less: Allowance for uncollectible pledges	(2,000)	(2,000)
Less: Discount on pledges receivable	(363,999)	(211,751)
	$ 4,146,148	$ 2,876,786

Payments are expected on pledges receivable as follows for the years ending March 31:

2024	$ 1,865,353
2025	648,544
2026	818,378
2027	586,172
2028	300,000
Thereafter	293,700
	$ 4,512,147

5. INVESTMENTS

Composition
Investments consisted of the following at March 31:

	2023	2022
Cash equivalents	$ 591,146	$ 1,080,970
Domestic equity securities	13,527,514	12,181,790
International equity securities	4,015,038	5,080,049
Fixed income securities	5,391,216	5,851,548
Alternative strategies	3,799,765	3,288,617
	$ 27,324,679	$ 27,482,974

5. INVESTMENTS (Continued)

Alternative Strategies
Alternative strategies consist of the Association's investments in three limited liability companies (LLCs). The strategy of these LLCs is to seek attractive long-term capital appreciation by investing in a globally diversified portfolio of real estate and private equity investments.

6. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment consisted of the following at March 31:

	2023	2022
Land	$ 8,773,627	$ 7,778,627
Buildings and improvements	108,793,634	108,849,440
Furnishings and equipment	13,780,163	14,302,910
Land improvements	13,673,509	13,625,694
Construction-in-progress	14,009,159	625,521
	159,030,092	145,182,192
Less: Accumulated depreciation and amortization	(73,443,899)	(70,002,117)
	$ 85,586,193	$ 75,180,075

Assets Acquired Under Financing Leases
Furnishings and equipment include assets acquired under financing lease obligations with a cost of $5,053,783 at March 31, 2023. Accumulated depreciation related to these assets was $4,138,400 at March 31, 2023.

7. ENDOWMENT FUNDS

The Association's endowment funds consisted of the following at March 31:

	2023	2022
Board designated	$ 17,421,698	$ 16,386,612
Unappropriated appreciation of donor restricted gifts	4,580,914	4,869,587
Donor restricted historical gift corpus	2,696,452	2,696,452
	$ 24,699,064	$ 23,952,651

7. ENDOWMENT FUNDS (Continued)

Changes in the Association's endowment consisted of the following during the years ended March 31, 2023 and 2022:

	Board Designated	Unappropriated Appreciation	Donor Corpus	Total
Endowment net assets - April 1, 2021	$ 16,428,551	$ 4,902,372	$ 2,671,401	$ 24,002,324
Investment return	624,566	100,785	-	725,351
Contributions	144,925	-	25,051	169,976
Spending policy distributions	(811,430)	(133,570)	-	(945,000)
Endowment net assets - March 31, 2022	16,386,612	4,869,587	2,696,452	23,952,651
Investment return (loss)	(1,125,257)	(153,850)	-	(1,279,107)
Contributions	565,520	-	-	565,520
Internal transfers to endowment	2,500,000	-	-	2,500,000
Spending policy distributions	(905,177)	(134,823)	-	(1,040,000)
Endowment net assets - March 31, 2023	$ 17,421,698	$ 4,580,914	$ 2,696,452	$ 24,699,064

Interpretation of Relevant Law
The Board of Directors of the Association has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on donor restricted endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income (interest and dividends, realized and unrealized gains, net of related investment management expenses) and income is classified as unappropriated until appropriated by the Board for expenditure.

New York State Law allows the Board of Directors to expend net appreciation of endowment investments, and in certain circumstances, the principal of the gift. The Board of Directors must consider the long and short-term needs of the Association in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions when determining the amount to expend.

Board Designated Endowment Funds
Income (interest and dividends, realized and unrealized gains, net of investment management expenses) on board designated endowment funds is recorded as an addition to the board designated endowment as a component of net assets without donor restrictions. When appropriated for expenditure, amounts are shown as investment income allocated for operations in the statement of activities and change in net assets.

Strategies Employed for Achieving Objectives
The Association's strategy is to invest its endowment assets in a portfolio of selected investment vehicles that cover a broad allocation of common stocks, fixed income securities, mutual funds and alternative strategies. This allows for diversity and risk management.

Return Objectives, Risk Parameters
The Association has adopted investment and spending policies for its 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. The goal is to provide an investment return that exceeds the unmanaged market return while reducing market risk through diversification.

7. ENDOWMENT FUNDS (Continued)

Spending Policy and Related Investment Objectives

The Association has adopted a spending formula for utilizing income from donor restricted net assets and net assets designated by the Board of Directors for long-term investment based on a total return concept. Under this policy, the Association may utilize an amount not to exceed 5.0% of the average quarterly fair value of its pooled investments for the preceding five years to support operations. Such long-term investment income and gains utilized for operations are considered operating income in the accompanying statements of activities and change in net assets. To the extent that the total return requirement for the current year is not fulfilled by interest and dividends, the Association utilizes accumulated appreciation of the funds. To the extent that the total return requirement for the current year is exceeded by interest and dividends, the Association reinvests the excess income. The Association's spending policy permits spending from underwater endowments.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level required by New York Not-for Profit Corporation Law. There were no such deficiencies as of March 31, 2023 and 2022.

8. NATURE, PURPOSE, AND AMOUNT OF RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are restricted for the following purposes at March 31:

	2023	2022
Net assets with donor restrictions that can be satisfied by action of the Association or the passage of time:		
Restricted for capital	$ 5,927,309	$ 4,048,863
Accumulated unappropriated earnings on donor restricted endowment funds	4,580,914	4,869,587
Subtotal expendable funds	10,508,223	8,918,450
Funds to be held in perpetuity with income expendable for:		
Activities of the Association	1,455,869	1,455,869
Camp Gorham	935,607	935,607
Camp Cory	268,422	268,422
Overnight camp scholarships	25,051	25,051
Other	11,503	11,503
Subtotal funds to be held in perpetuity	2,696,452	2,696,452
	$ 13,204,675	$ 11,614,902

Net assets released from restrictions were $12,422,220 and $2,421,295 in 2023 and 2022, respectively, and were related to capital expenditures.

9. LEASE COMMITMENTS

The Association leases certain office and fitness equipment from third parties under the terms of non-cancellable operating and financing lease arrangements that expire at various dates through December 2029. As of March 31, 2023, the leases have remaining terms that vary from one year to approximately six and a half years.

The weighted-average remaining lease term and discount rate on finance and operating leases were as follows as of March 31:

	2023	2022
Weighted-average remaining lease term - financing leases	3 years	1 years
Weighted-average remaining lease term - operating leases	3 years	3 years
Weighted-average discount rate - financing leases	4.0%	3.6%
Weighted-average discount rate - operating leases	4.0%	3.6%

The components of total lease cost were as follows for the years ended March 31:

	2023	2022
Finance lease cost:		
Amortization of right of use assets	$ 750,602	$ 1,361,361
Interest on lease liabilities	13,208	27,406
Operating lease cost	440,153	216,596
Short-term/variable lease cost	115,730	13,864
	$ 1,319,693	$ 1,619,227

Minimum lease payments for the years ending March 31 are as follows:

	Operating Leases	Financing Leases	Total
2024	$ 600,343	$ 327,751	$ 928,094
2025	351,820	256,660	608,480
2026	248,014	193,810	441,824
2027	140,286	21,577	161,863
2028	109,876	7,468	117,344
Thereafter	57,075	-	57,075
	$ 1,507,414	$ 807,266	$ 2,314,680

Supplemental cash flow information is as follows for the years ended March 31:

	2023	2022
Operating cash flows from finance leases	$ 13,208	$ 27,406
Financing cash flows from finance leases	$ 737,394	$ 1,334,537
Operating cash flows from operating leases	$ 440,153	$ 216,596

9. LEASE COMMITMENTS (Continued)

The Association as a Lessor

The Association leases space through operating leases that expire at various times through 2029. Rental income was approximately $790,647 and 663,234 for the years ended December 31, 2023 and 2022 which is included in other operating revenue on the statements of activities and change in net assets. Minimum future annual rents due from non-cancelable operating leases as of December 31, 2023 are as follows:

2023	$ 601,000
2024	577,000
2025	577,000
2026	375,000
2027	375,000
Thereafter	750,000
	$ 3,255,000

10. FINANCING ARRANGEMENTS

Long-term Debt

Long-term debt consisted of the following at March 31:

	2023	2022
Series 2017B fixed rate Tax Exempt Revenue bond maturing in January 2028, requiring a lump sum payment due at maturity, and monthly interest only payments of 1.26% plus 72% of the LIBOR rate.	$ 1,000,000	$ 3,680,082
Series 2017A fixed rate Tax Exempt Revenue bond maturing in January 2043, requiring monthly principal payments starting February 2021 ranging from $48,000 to $120,000 plus interest paid monthly at 3.99%.	19,605,731	20,238,218
Series 2015B fixed rate demand Civic Facility Revenue bonds maturing in September 2025, requiring monthly principal payments starting October 2020 ranging from $115,000 to $135,000, plus interest paid monthly at 2.75%.	3,905,000	5,400,000
Series 2015C fixed rate demand Civic Facility Revenue bonds maturing in September 2031, requiring monthly principal payments starting October 2025 ranging from $95,000 to $115,000, plus interest paid monthly at 3.00%.	7,278,659	7,278,659
	31,789,390	36,596,959
Less: Unamortized portion of bond financing costs	(498,990)	(735,429)
	$ 31,290,400	$ 35,861,530

10. FINANCING ARRANGEMENTS (Continued)

Future Minimum Payments

Future minimum principal payments due on long-term debt are as follows for the years ending March 31:

2024	$ 2,162,487
2025	2,791,446
2026	2,685,607
2027	713,863
2028	743,823
Thereafter	22,692,164
	$ 31,789,390

Bonds Payable – Series 2015

In 2015, Series 2015A, 2015B, and 2015C Civic Facility Revenue bonds were issued by the County of Monroe Industrial Development Association (COMIDA) (the Issuer) and were collateralized under provisions of the indenture and loan agreements among the Association, Premier National Investment Company, Inc. (a wholly-owned subsidiary of M&T Bank) (the Trustee) and the Issuer.

Bonds Payable – Series 2017

In December 2017, Tax Exempt Revenue bonds were issued by COMIDA (the Issuer) up to $33,600,000 in aggregate Tax Exempt Revenue Bonds, consisting of up to $20,950,000 Series 2017A and up to $12,650,000 Series 2017B (collectively, the "2017 Bonds") for the benefit of the Association and for the purpose of assisting in financing the construction of the Schottland Family Branch. The 2017 Bonds were collateralized under provisions of the bond purchase and building loan agreements among the Association, 233 Genesee Street Corporation (a wholly-owned subsidiary of M&T Bank) (the Bank) and the Issuer. The Association has granted to the Issuer a first priority mortgage lien on and security interest in the facility, assignment of leases and rents, and a security agreement, which they in turn have assigned to the Bank.

The Series 2017B Tax Exempt Revenue Bond bears interest at 72% of the one-month LIBOR rate plus 1.26%. The outstanding balance on Series 2017B requires interest only payments through maturity on January 1, 2028.

The Capital Campaign Funds Pledge of Account agreement requires that all amounts pledged by donors for the project be directly deposited into a segregated account at the Bank, to a cumulative total of at least $13,000,000. Funds deposited to this account are applied as payments on the 2017B Bonds on a quarterly basis. Subsequent to year end, the remaining principal balance on the Series 2017B Bond was paid in full.

Bond Financing Costs

In conjunction with the Series 2015 and 2017 bond issuances, bond issuance costs of $1,083,736 were incurred and are being amortized over the term of the related bond obligations. To the extent the bond obligations are repaid in an manner that is accelerated from the scheduled repayment schedule, the related bond financing costs are amortized in a proportionally accelerated manner. Amortization expense of approximately $236,000 and $69,000 was recognized during the years ended March 31, 2023 and 2022, respectively, and was included in interest expense in the accompanying statement of functional operating expenses.

10. FINANCING ARRANGEMENTS (Continued)

Lines of Credit

The Association has a $3,000,000 annually renewable, unsecured operating line of credit agreement with a financial institution. Amounts borrowed bear interest at the financial institution's prime rate (8.00% at March 31, 2023). There was no balance outstanding under the terms of this agreement at March 31, 2023 and 2022.

The Association has a second annually renewable revolving line of credit with a bank allowing maximum borrowings up to $7,000,000. Interest is charged on each advance at daily floating LIBOR rate (4.801% at March 31, 2023) plus 1.00%. The agreement is collateralized by securities and property owned by the Association. At March 31, 2023 and 2022, $5,000 and $250,000, respectively, was outstanding under the terms of this agreement.

Cash Paid for Interest

Interest paid on all financing arrangements totaled approximately $1,291,000 and $892,000 for the years ended March 31, 2023 and 2022, respectively.

Covenant Compliance

The Association's 2015 and 2017 bond agreements call for the Association to meet certain financial covenants requiring days cash on hand of no less than 60 days and a debt service coverage ratio, as defined in the agreement, of at least 1.25 to 1. In addition, the 2017 bond agreement requires the Association to maintain a leverage ratio of no more than 1.5 to 1. The Association was in compliance with these covenants as of March 31, 2023.

The Association's line of credit agreement also requires the Association to meet certain financial covenants consisting of a leverage ratio of no more than 2.5 to 1. The Association was in compliance with this covenant as of March 31, 2023.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Association's investments were measured at fair value on a recurring basis utilizing the following input levels at March 31, 2023:

	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 591,146	$ -	$ -	$ 591,146
Domestic equity securities	13,527,514	-	-	13,527,514
International equity securities	4,015,038	-	-	4,015,038
Fixed income securities	5,391,216	-	-	5,391,216
Investments at fair value	$23,524,914	$ -	$ -	23,524,914
Investments, measured using net asset value as practical expedient				3,799,765
				$ 27,324,679

11. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The Association's investments were measured at fair value on a recurring basis utilizing the following input levels at March 31, 2022:

	Level 1	Level 2	Level 3	Total
Cash and equivalents	$ 1,080,970	$ -	$ -	$ 1,080,970
Domestic equity securities	12,181,790	-	-	12,181,790
International equity securities	5,080,049	-	-	5,080,049
Fixed income securities	5,851,548	-	-	5,851,548
Investments at fair value	$ 24,194,357	$ -	$ -	24,194,357
Investments, measured using net asset value as practical expedient				3,288,617
				$ 27,482,974

Fair value of the Association's domestic equity securities, international equity securities, and fixed income securities are determined based on quoted market prices.

Fair value of the Association's interest in alternative strategies is determined by the LLC's calculation of net assets per investment unit. The net asset value of the LLC's investment units is determined on the close of business on the last business day of each calendar month, each date that a unit is offered or repurchased, as of the date of any distribution, and at such other times the Board of the LLC shall determine a determination date. Net asset value is calculated as the value of the total assets of the LLC, less of all of the respective liabilities, including accrued fees and expenses, each determined as of the relevant determination date.

Alternative investments consisted of the following as of March 31, 2023:

	Net Asset Value	Unfunded Commitments
Blackstone Real Estate Income Trust Class S	$ 864,861	$ -
Blackstone Private Credit Fund Class S	909,337	-
Partners Group Private Equity Master Fund Class A	2,025,567	-
	$ 3,799,765	$ -

Redemptions are allowed on a monthly, quarterly, or annual basis depending on the investment. Required notice of redemption varies from 30 - 180 days.

12. NET MEMBERSHIP DUES, JOINING FEES, AND PROGRAM FEES

The Association provides financial assistance to help defray the costs of membership dues, joining fees, and program fees to individuals who do not have the ability to pay. Membership dues, joining fees, and program fees revenue are recorded net of such assistance in the accompanying statements of activities and change in net assets. Such amounts were as follows for the years ended March 31:

	2023	2022
Membership dues and joining fees	$ 23,106,168	$ 16,823,294
Less: Financial assistance provided	(1,034,710)	(966,532)
Membership dues and joining fees, net	$ 22,071,458	$ 15,856,762
Program fees	$ 17,214,544	$ 13,000,244
Less: Financial assistance provided	(529,269)	(300,315)
Program fees, net	$ 16,685,275	$ 12,699,929

13. RETIREMENT PLAN

The Association participates in a multiple-employer defined contribution, individual account and money purchase retirement plan that is administered by the YMCA Retirement Fund (a separate corporation). This plan is for the benefit of all eligible staff of the Association who qualify under applicable participation requirements.

The YMCA Retirement Fund is operated as a church pension plan and is a tax-exempt New York State not-for-profit corporation. Participation is available to all duly organized and reorganized YMCAs in the United States of America.

In accordance with its agreement with the YMCA Retirement Fund, the Association's contributions are determined based on a percentage of the participating employee's salary, paid by the Association, and are remitted to the YMCA Retirement Fund on a monthly basis.

Total retirement expense for the years ended March 31, 2023 and 2022 was approximately $1,332,000 and $1,324,000, respectively.

14. CONTRIBUTIONS OF NON-FINANCIAL ASSETS

During the year ended March 31, 2023, the Association received a donation of a parcel of land in Canandaigua, New York. This donated land was restricted by the donor for use as the site of a new YMCA branch location, the Sands Branch. The Association was in the process of constructing the Sands Branch location as of March 31, 2023. Because this donor stipulation has not been satisfied, the value of the land is recorded in net assets with donor restrictions as of March 31, 2023. The land was valued at $1,030,000 based on an independent appraisal.

No other material non-financial assets were received by the Association during the year ended March 31, 2023.

15. COVID-19

Paycheck Protection Program

In March 2021, the Association entered into an arrangement with a bank under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) under which the Association received $5,967,610. The PPP loan agreement included provisions whereby the loan balance could be fully or partially forgiven based on the Association's use of the funds, maintenance of its personnel complement, and compliance with certain reporting elements to the bank in accordance with the requirements of the PPP

During the year ended March 31, 2022, $5,791,810 of this loan balance was forgiven. The remaining balance of $175,800 was repaid in full during the year ended March 31, 2023.

Employee Retention Credit

The Association claimed the Employee Retention Credit for a total of $3,711,984 during the years ended March 31, 2022. This credit, which was also established by the CARES Act, allows for a credit based on eligible wages incurred during the period of COVID-19 disruption. At March 31, 2023 and 2022, $2,219,572 of this Employee Retention Credit claim was included in accounts receivable in the accompanying balance sheet. This balance is expected to be received as a refund from the Internal Revenue Service for the Employee Retention Credit related to the period January 1, 2021 through March 31, 2021, which was claimed on an amended Form 941X for that calendar quarter, and is awaiting processing by the Internal Revenue Service. The Association collected its Employee Retention Credits for other time periods on its original Form 941 filings.

16. COMMITMENTS AND CONTINGENCIES

Conditional Asset Retirement Obligations

The Association's conditional asset retirement obligations relate to asbestos contained in some of its facilities. Environmental regulations exist that require the Association to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished. If such work were to be planned, an estimate of the cost of asbestos removal would be recorded as a liability. The Association has not recorded any liability in connection with this obligation as it cannot estimate the fair value of its obligation due to a lack of sufficient information about the timetable over which this obligation may be settled through renovation, demolition, or sale/transfer of any affected facilities.

National Support

In accordance with its affiliation agreement, the Association is required to pay an annual assessment to the YMCA of the USA. This assessment is based on the Association's annual revenue, less certain excludable items. The expense associated with this agreement was approximately $340,000 and $302,000 for the years ended March 31, 2023 and 2022, respectively.

Construction Commitment

The Association has entered into an agreement with a construction contractor to build a new YMCA Branch location in Canandaigua, New York. Total contractual cost for the branch is approximately $22,500,000. As of March 31, 2023, approximately $14,000,000 of costs had been incurred in relation to this construction commitment. The Association expects to complete the construction project and pay the remaining amounts called for under the construction contract during the year ending March 31, 2024.

16. COMMITMENTS AND CONTINGENCIES (Continued)

Child Victims Act

In 2019, the Child Victims Act (CVA) was signed into law in New York State. This legislation impacted the statute of limitations in New York applicable to actions alleging child abuse, and revived most previously time-barred claims.

Through the date the financial statements were available to be issued, the Association has been notified of a number of claims commenced or potentially to be commenced against the Association under the CVA. Aggregate demands for damages from these suits are presently not determinable. During the timeframes cited in the claims and potential claims, the Association had general liability and other insurance coverage from commercial carriers.

At present, the Association is not certain as to the amount of commercial insurance coverage available to it to meet any potential obligations related to the CVA actions commenced or to be commenced against it. No amounts have been recorded for settlement of any CVA claims or potential claims because the potential financial impact on the Association is not presently determinable. However, the ultimate resolution of these claims potentially could have a material adverse impact on the Association's results of operations and financial position.

17. GREATER CANANDAIGUA FAMILY YMCA

Effective May 31, 2022, the Association assumed the assets, liabilities, and operations of the Greater Canandaigua Family YMCA (Canandaigua) under the terms of a acquisition agreement. This acquisition agreement was approved by the affirmative vote of both the Association's Board of Directors and Canandaigua's Board of Directors, and written communication from the State of New York Office of the Attorney General. On May 31, 2022, Canandaigua operated one YMCA branch location in Canandaigua, New York. The Association entered into this acquisition agreement for the primary purpose of expanding the services available to Canandaigua's members, furthering the overall mission of the YMCA, and expanding the Association's market presence in the greater Canandaigua, New York area.

The Association recognized the following assets, liabilities, and net assets, at fair value, in its financial statements on June 1, 2022 related to the Canandaigua acquisition:

Assets:	
Cash and equivalents	$ (75,492)
Accounts receivable	180,267
Prepaid expenses	2,433
Land, buildings, and equipment, net	2,216,000
Total assets	$ 2,323,208
Liabilities:	
Accounts payable and accruals	$ 281,565
Deferred income	186,253
Due to YMCA of Greater Rochester	2,200,000
Total liabilities	2,667,818
Net assets without donor restrictions	(344,610)
Total liabilities and net assets	$ 2,323,208

18. SUBSEQUENT EVENTS

Borrowing Arrangement

In May 2023, the Association entered into a new borrowing arrangement with a bank that included a $5,000,000 term loan and a $5,000,000 "delay draw term loan." Both parts of this new borrowing arrangement are collateralized by the land the Association received as a gift during the year ended March 31, 2023 (Note 14) and on which the Association is constructing its new Sands Branch facility.

The initial term loan of $5,000,000 is payable in monthly installments of interest only through May 2025 then monthly payments of principal and interest of $31,905 through May 2038, including interest at 5.4%.

The delay draw down loan is an available line of credit for an additional $5,000,000 for construction related expenditures. As of the date the financial statements were available to be issued, the Association had not drawn on this additional $5,000,000 borrowing facility. This loan will require interest-only payments for 60 months followed by quarterly installments of principal and interest for the next 20 calendar quarters that are based, in part, on the volume of collections on pledges receivable related to the Sands Branch each quarter. The delay draw down loan will bear interest at the one month SOFR plus 1.95%.

Construction Commitment

At March 31, 2023, the Association's Sands Branch was under construction. The construction contract for the Sands Branch calls for total costs of approximately $22,500,000, of which approximately $7,043,000 has not been incurred as of March 31, 2023 and is expected to be paid during the year ending March 31, 2024.

Evaluation Date

Subsequent events have been evaluated through July 31, 2023, which is the date the financial statements were available to be issued.