GREATER VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION
(A Not-for-Profit Organization)

Financial Statements
and Independent Auditor's Report

December 31, 2019 and 2018

CAMPBELL, RAPPOLD & YURASITS LLP
Certified Public Accountants
1033 South Cedar Crest Boulevard Allentown, PA 18103

GREATER VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION
(A Not-for-Profit Organization)
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C·R&Y CERTIFIED PUBLIC ACCOUNTANTS
CAMPBELL, RAPPOLD & YURASITS LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greater Valley Young Men's Christian Association
Allentown, PA

We have audited the accompanying financial statements of the Greater Valley Young Men's Christian Association (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2019 and 2018 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Basis for Qualified Opinion

As explained in Note 2 to the financial statements, buildings and equipment that the Greater Valley Young Men's Christian Association purchased or acquired prior to January 1, 2016 are recorded in the financial statements at insured value. Land, buildings and equipment acquired during acquisitions after January 1, 2016 are recorded in the financial statements at cost. Accounting principles generally accepted in the United States of America require buildings and equipment purchased to be recorded at cost and land, buildings and equipment acquired in an acquisition to be recorded at fair market value at the date of acquisition. The effects on the accompanying financial statements of the failure to record the land, buildings and equipment at their appropriate value have not been determined.

As explained in Note 17 to the financial statements, the Greater Valley Young Men's Christian Association has not consolidated the financial statements of Bethlehem YMCA Affordable Housing LP. Accounting principles generally accepted in the United States of America require certain not-for-profit entities to consolidate for-profit entities in which they are general partners. The effects on the accompanying financial statements of the failure to consolidate Bethlehem YMCA Affordable Housing LP have not been determined.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Valley Young Men's Christian Association as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Campbell, Rappold & Yurasits LLP

July 16, 2020

GREATER VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION
(A Not-for-Profit Organization)
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2019 and 2018

	2019	2018
Assets		
Assets		
Current Assets		
Cash and Cash Equivalents	$ 1,598,382	$ 923,857
Grants and Accounts Receivable (Note 3)	101,597	139,851
Pledges Receivable (Note 4)	149,898	11,555
Prepaid Expenses	144,972	124,781
Security Deposits	9,104	8,416
Inventory	703	828
Total Current Assets	2,004,656	1,209,288
Pledges Receivable (Note 4)	360,664	-
Investments (Note 5)	2,160,555	1,773,250
Beneficial Interest in Perpetual Trusts (Note 6)	124,909	111,297
Land, Buildings and Equipment, Net (Note 7)	30,726,228	30,133,948
Total Assets	$ 35,377,012	$ 33,227,783
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts Payable	$ 364,668	$ 354,013
Accrued Expenses	379,989	301,720
Deferred Revenue	180,118	129,441
Line of Credit (Note 8)	114,461	134,977
Current Portion of Notes Payable (Note 9)	125,837	127,291
Current Portion of Capital Lease Obligation (Note 11)	23,616	22,399
Total Current Liabilities	1,188,689	1,069,841
Notes Payable, less Current Portion (Note 9)	3,541,648	3,725,886
Capital Lease Obligation, less Current Portion (Note 11)	86,021	88,780
Total Liabilities	4,816,358	4,884,507
Net Assets		
Without Donor Restrictions (Note 12)	26,752,655	25,928,181
With Donor Restrictions (Note 12)	3,807,999	2,415,095
Total Net Assets	30,560,654	28,343,276
Total Liabilities and Net Assets	$ 35,377,012	$ 33,227,783

See Independent Auditor's Report and Notes to Financial Statements.

GREATER VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION
(A Not-for-Profit Organization)
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2019
Operating Revenues, Gains and Other Support			
Contributions	$ 357,168	$ 319,114	$ 676,282
United Way Allocations	16,531	-	16,531
Corporate/Foundations	166,446	1,018,204	1,184,650
Government Grants and Contracts	3,753,313	-	3,753,313
Membership Fees, Net	3,148,566	-	3,148,566
Program Fees, Net	613,996	-	613,996
Childcare Fees, Net	3,482,909	-	3,482,909
	11,538,929	1,337,318	12,876,247
Special Events	170,025	-	170,025
Sales of Merchandise (Net of Direct Expenses)	17,887	-	17,887
Facility Rental Revenue	50,884	-	50,884
Miscellaneous	186,570	-	186,570
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	304,417	(304,417)	-
Total Revenues, Gains, and Other Support	12,268,712	1,032,901	13,301,613
Operating Expenses			
Program Services:			
Youth Development	6,448,453	-	6,448,453
Healthy Living	3,122,995	-	3,122,995
Social Responsibility	398,810	-	398,810
Management and General	914,467	-	914,467
Fundraising	578,791	-	578,791
Total Expenses	11,463,516	-	11,463,516
Increase (Decrease) in Net Assets from Operating Activities	805,196	1,032,901	1,838,097
Other Changes			
Interest and Dividends (Net of Fees of $15,329)	17,402	33,854	51,256
Changes in Beneficial Interest in Perpetual Trusts	-	13,612	13,612
Net Realized/Unrealized Gain/(Loss) on Investments	1,876	312,537	314,413
Net Realized/Unrealized Gain/(Loss) on Sale of Capital Assets	-	-	-
Total Other Changes	19,278	360,003	379,281
Increase (Decrease) in Net Assets	824,474	1,392,904	2,217,378
Net Assets at Beginning of Year	25,928,181	2,415,095	28,343,276
Net Assets at End of Year	$ 26,752,655	$ 3,807,999	$ 30,560,654

See Independent Auditor's Report and Notes to Financial Statements.

GREATER VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION
(A Not-for-Profit Organization)
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2018
Operating Revenues, Gains and Other Support			
Contributions	$ 266,166	$ 112,200	$ 378,366
United Way Allocations	23,763	5,000	28,763
Corporate/Foundations	396,658	260,703	657,361
Government Grants and Contracts	2,920,410	-	2,920,410
Membership Fees, Net	3,051,455	-	3,051,455
Program Fees, Net	621,924	-	621,924
Childcare Fees, Net	3,411,798	-	3,411,798
	10,692,174	377,903	11,070,077
Special Events	178,293	-	178,293
Sales of Merchandise (Net of Direct Expenses)	23,987	-	23,987
Facility Rental Revenue	37,365	-	37,365
Miscellaneous	13,776	-	13,776
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	408,658	(408,658)	-
Total Revenues, Gains, and Other Support	11,354,253	(30,755)	11,323,498
Operating Expenses			
Program Services:			
Youth Development	6,094,051	-	6,094,051
Healthy Living	2,806,505	-	2,806,505
Social Responsibility	370,856	-	370,856
Management and General	818,421	-	818,421
Fundraising	578,353	-	578,353
Total Expenses	10,668,186	-	10,668,186
Increase (Decrease) in Net Assets from Operating Activities	686,067	(30,755)	655,312
Other Changes			
Interest and Dividends (Net of Fees of $14,681)	15,796	28,653	44,449
Changes in Beneficial Interest in Perpetual Trusts	-	(15,654)	(15,654)
Net Realized/Unrealized Gain/(Loss) on Investments	(985)	(126,910)	(127,895)
Net Realized/Unrealized Gain/(Loss) on Sale of Capital Assets	696	-	696
Total Other Changes	15,507	(113,911)	(98,404)
Increase (Decrease) in Net Assets	701,574	(144,666)	556,908
Net Assets at Beginning of Year	25,226,607	2,559,761	27,786,368
Net Assets at End of Year	$ 25,928,181	$ 2,415,095	$ 28,343,276

See Independent Auditor's Report and Notes to Financial Statements.

GREATER VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION
(A Not-for-Profit Organization)
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Year Ended December 31, 2019							
	Program Services				Supporting Services			
	Youth Development	Healthy Living	Social Responsibility	Total	Management and General	Fund-raising	Total	2019
Wages	$ 3,030,715	$ 2,029,656	$ 210,849	$ 5,271,220	$ 483,192	$ 394,191	$ 877,383	$ 6,148,603
Employee Health, Retirement and Other Benefits	425,069	199,884	26,040	650,993	84,274	59,936	144,210	795,203
Payroll Taxes	272,037	181,626	18,903	472,566	49,251	33,484	82,735	555,301
Total Wages and Related Expenses	3,727,821	2,411,166	255,792	6,394,779	616,717	487,611	1,104,328	7,499,107
Contracted Services	203,894	43,141	10,293	257,328	105,527	5	105,532	362,860
Supplies	426,414	257,320	28,489	712,223	25,921	71,960	97,881	810,104
Telecommunications	69,613	28,921	4,105	102,639	14,953	600	15,553	118,192
Postage and Shipping	1,005	2,419	143	3,567	3,702	2,416	6,118	9,685
Occupancy	1,021,971	114,119	47,337	1,183,427	28,878	10	28,888	1,212,315
Equipment - Expendable or Rented	123,714	37,793	6,729	168,236	11,451	-	11,451	179,687
Printing, Publications and Promotions	18,398	3,950	931	23,279	81,643	6,276	87,919	111,198
Business Related Travel Costs	72,313	36,340	4,527	113,180	18,384	3,652	22,036	135,216
Conferences and Meetings	1,754	2,137	162	4,053	4,617	5,488	10,105	14,158
Dues to Y-USA and Other Organizations	138,925	4,070	5,958	148,953	-	370	370	149,323
Financing and Bank Costs	263,681	4,392	11,079	279,152	-	-	-	279,152
Business Insurance	148,241	5,060	6,387	159,688	-	403	403	160,091
Miscellaneous	-	-	-	-	-	-	-	-
Bad Debt Expense	6,473	48,334	2,284	57,091	-	-	-	57,091
Depreciation	224,236	123,833	14,594	362,663	2,674	-	2,674	365,337
Total	$ 6,448,453	$ 3,122,995	$ 398,810	$ 9,970,258	$ 914,467	$ 578,791	$ 1,493,258	$ 11,463,516

See Independent Auditor's Report and Notes to Financial Statements.

GREATER VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION
(A Not-for-Profit Organization)
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	Year Ended December 31, 2018							
	Program Services				Supporting Services			
	Youth Development	Healthy Living	Social Responsibility	Total	Management and General	Fund-raising	Total	2018
Wages	$ 2,822,370	$ 1,858,565	$ 195,039	$ 4,875,974	$ 489,326	$ 395,510	$ 884,836	$ 5,760,810
Employee Health, Retirement and Other Benefits	358,634	177,573	22,342	558,549	76,865	55,268	132,133	690,682
Payroll Taxes	258,270	167,123	17,725	443,118	53,569	34,287	87,856	530,974
Total Wages and Related Expenses	3,439,274	2,203,261	235,106	5,877,641	619,760	485,065	1,104,825	6,982,466
Contracted Services	162,357	49,596	8,831	220,784	91,060	2,000	93,060	313,844
Supplies	447,829	150,564	24,933	623,326	21,992	82,816	104,808	728,134
Telecommunications	57,637	27,686	3,555	88,878	14,754	577	15,331	104,209
Postage and Shipping	2,067	4,023	254	6,344	2,528	1,209	3,737	10,081
Occupancy	938,348	116,523	43,953	1,098,824	28,465	-	28,465	1,127,289
Equipment - Expendable or Rented	169,981	44,225	8,925	223,131	10,153	-	10,153	233,284
Printing, Publications and Promotions	68,209	20,184	3,683	92,076	3,743	3,445	7,188	99,264
Business Related Travel Costs	77,748	41,988	4,989	124,725	19,917	1,563	21,480	146,205
Conferences and Meetings	(710)	4,796	170	4,256	2,709	574	3,283	7,539
Dues to Y-USA and Other Organizations	138,304	10,502	6,214	155,020	-	344	344	155,364
Financing and Bank Costs	242,651	6,024	10,270	258,945	-	20	20	258,965
Business Insurance	156,181	7,126	6,805	170,112	-	740	740	170,852
Miscellaneous	1,228	95	41	1,364	-	-	-	1,364
Bad Debt Expense	23,580	27,535	2,130	53,245	-	-	-	53,245
Depreciation	169,367	92,377	10,997	272,741	3,340	-	3,340	276,081
Total	$ 6,094,051	$ 2,806,505	$ 370,856	$ 9,271,412	$ 818,421	$ 578,353	$ 1,396,774	$ 10,668,186

See Independent Auditor's Report and Notes to Financial Statements.

GREATER VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION
(A Not-for-Profit Organization)
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Change in Net Assets	$ 2,217,378	$ 556,908
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	365,337	276,081
(Gain) Loss on Investments	(314,413)	127,895
Gain on Sale of Assets	-	(696)
(Increase) Decrease in Beneficial Interest in Perpetual Trusts	(13,612)	15,654
(Increase) Decrease in Assets:		
Grants and Accounts Receivable	38,254	80,631
Pledges Receivable	(499,007)	20,929
Prepaid Expenses	(20,191)	4,635
Security Deposits	(688)	(500)
Inventory	125	(828)
Increase (Decrease) in Liabilities:		
Accounts Payable	10,655	96,428
Accrued Expenses	78,269	43,380
Deferred Revenue	50,677	(58,592)
Net Cash Provided by Operating Activities	1,912,784	1,161,925
Cash Flows from Investing Activities		
Purchase of Investments	(72,892)	(71,101)
Purchase of Equipment and Building Improvements	(936,662)	(524,542)
Net Cash Used by Investing Activities	(1,009,554)	(595,643)
Cash Flows from Financing Activities		
Repayments on Line of Credit	(20,516)	(8,023)
Repayments on Capital Lease Obligation	(22,497)	(11,287)
Repayments on Notes Payable	(185,692)	(118,527)
Net Cash Used by Financing Activities	(228,705)	(137,837)
Net Increase in Cash and Cash Equivalents	674,525	428,445
Cash and Cash Equivalents, at Beginning of Year	923,857	495,412
Cash and Cash Equivalents, at End of Year	$ 1,598,382	$ 923,857
Supplemental Disclosure:		
Loan Interest Paid	$ 142,277	$ 141,632
Equipment Purchased Through Capital Lease	$ 20,955	$ 122,466

See Independent Auditor's Report and Notes to Financial Statements.

1. Nature of Activities

Greater Valley Young Men's Christian Association (YMCA, the "Organization") is a not-for-profit organization, which is organized under the laws of the Commonwealth of Pennsylvania committed to advance our cause of strengthening community through youth development, healthy living and social responsibility. The YMCA is a powerful association of men, women, and children committed to bringing about lasting personal and social change. With a focus on nurturing the potential of every child and teen, improving the nation's health and well-being and providing opportunities to give back and support neighbors, the YMCA enables youth, adults, families and communities to be healthy, confident, connected and secure.

Program Activities

Youth Development – Our YMCA is committed to nurturing the potential of every child and teen. We believe that all kids deserve the opportunity to discover who they are and what they can achieve. That is why we help young people cultivate the values, skills, and relationships that lead to positive behaviors, better health and educational achievement. Our YMCA programs, such as child care, arts and humanities, youth sports, day and specialty camp programs and other youth programmings, offer a range of experiences that enrich cognitive, social, physical and emotional growth.

Healthy Living – The YMCA is a leading voice on health and well-being. We bring families closer together, encourage good health and foster connections through fitness, sports, fun and shared interests. As a result, people in our community are receiving the support, guidance and resources they need to achieve greater health in spirit, mind and body. This is particularly important as our nation struggles with the obesity crisis, families struggle with work/life balance and individuals search for personal fulfillment. Healthy Living programs include group adult classes, diabetes prevention, health screening, walking groups and other recreation activities.

Social Responsibility – Our YMCA believes in giving back and supporting our neighbors. We have been listening and responding to our community's most critical social needs. YMCA programs, such as housing, are examples of how we deliver training, resources and support that empower our neighbors to effect change, bridge gaps and overcome obstacles. We engage YMCA members, participants and volunteers in activities that strengthen our community and pave the way for future generations to thrive.

As part of our mission our programs are accessible, affordable and open to all faiths, backgrounds, abilities and income levels. We provide financial assistance to people who otherwise may not have been able to afford to participate.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A brief description of each follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors.

Net Assets With Donor Restrictions – Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Any cash held for investment purposes is included as part of the investment account and not as cash and cash equivalents on the Statement of Cash Flows. Restricted cash and cash equivalents held as of December 31, 2019 was $1,187,551.

Inventory

The Organization has a YMCA apparel store located at the Allentown YMCA. Inventory is stated at the lower of cost or market value on a first-in, first-out basis.

Grants and Accounts Receivable

Accounts receivable consist primarily of receivables from program registrants and child care fees. An allowance is determined by management based on historical collections, specific participants' circumstances, and economic conditions. Member receivables are written off when management has exhausted collections efforts and deems the accounts uncollectible. The YMCA does not accrue interest on unpaid accounts receivable.

2. Summary of Significant Accounting Policies (Continued)

Land, Building and Equipment

Building and equipment purchased or acquired prior to January 1, 2016 is recorded in the accompanying financial statements at insured value, based upon the value provided by the insurance company. Land acquired prior to January 1, 2016 is held at cost.

Land, building and equipment purchased or acquired, including through merger, on or after January 1, 2016 is stated at cost. Depreciation is computed by use of the straight-line method based on estimated useful lives.

	Years
Building and Improvements	15 - 50
Leasehold Improvements	15
Furniture and Fixtures	5 - 10
Equipment	3 - 10
Vehicles	5 - 7

Additions and betterments of $1,000 or more are capitalized, while maintenance and repairs that do not improve or extend the original useful lives of the respective assets are expensed as incurred.

Loan Origination Fees

Deferred financing fees are being amortized on the straight-line method over the term of the related debt. Expense from the amortization is charged against interest.

Revenue and Revenue Recognition for Contributions

The Organization receives contributions to support operating activities, endowments and capital projects. These contributions and grants can be from individuals, foundations, corporations, trusts or government agencies. The Organization 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 Organization's government grants that are non-exchange transactions are recorded once all conditions are met. The Organization discounts multi-year pledges that are expected to be collected after one year using a discount rate. Multi-year pledges are recorded at fair value at the date of the pledge. 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.

2. Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition from Exchange Transactions

The Organization has multiple revenue streams that are accounted for as exchange transactions including membership, childcare, program fees, and government contract revenues.

Because the Organization's performance obligations relate to contracts with a duration of less than one year, the Organization 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, Childcare, 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 generally pay a onetime joining fee plus monthly dues in advance. Memberships provide use of the recreation facilities, access to classes, programs and activities, and discounts to fee-based programs. The Organization offers a variety of programs including family, child care, day camp, teen, scholastic, fitness, aquatics, and health services. Program fees for short duration programs of two months or less, such as aquatics classes, are typically paid in advance at the time of registration. Program fees for longer duration programs, such as fee-based childcare, are usually paid monthly in advance. Cancellation provisions vary by program, but most transactions are cancellable with 15 to 30 days notice. Refunds may be available for services not provided. Financial assistance is available to members and program participants.

Membership dues, childcare, 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 non-refundable and are recognized in the month it is collected.

Membership dues, childcare, and program fees paid to the Organization in advance are recorded as deferred revenue.

Donated Materials and Services

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. Donated services of a specialized skill that would be purchased in the absence of this donation are recorded at the estimated market rate for the corresponding hours spent.

No amounts have been reflected in the statements for general donated services in-as-much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in its fundraising campaigns.

2. Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Organization maintains its cash accounts with two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000 at each institution. At December 31, 2019, the Organization's uninsured cash balances totaled approximately $1,223,581.

Income Tax Status

The Organization is exempt from federal income tax under the provisions of Section 501 (c)(3) of the Internal Revenue Code and applicable state law. Accordingly, no provision for income taxes is required in the accompanying financial statements.

The Organization has concluded that there are no material unrecognized tax benefits or accrued interest or penalties that would require recognition in the financial statements as of December 31, 2019. The Organization files its Form 990, *Return of Organization Exempt from Income Tax*, in the U.S. Federal jurisdiction and the Bureau of Charitable Organizations for the State of Pennsylvania. The Organization's Forms 990 are subject to examination by the IRS, generally for three years after they were filed.

Other Matters

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the net asset class that owned the assets. Ordinary income from investments, receivables, and the like is accounted for in the net asset class owning the assets, except for income derived from investments of endowment funds, which is accounted for, if without restrictions, as revenue of the current net asset without donor restriction class, or if restricted, as revenue in the appropriate net asset with donor restriction class.

2. Summary of Significant Accounting Policies (Continued)

Operating Measure

The Organization includes all changes in net assets without donor restriction and net assets with donor restrictions in its "operating activities" on the Statement of Activities except:

Interest and Dividends
Net Realized/Unrealized Gain/(Loss) on Investments
Net Realized/Unrealized Gain/(Loss) on Sale of Capital Assets
Change in Beneficial Interest in Perpetual Trusts

Recently Adopted Accounting Guidance

On January 1, 2019, the Organization adopted Accounting Standards Update 2014-09 Revenue from Contracts with Customers (Topic 606) and all subsequent amendments to the ASU, which affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). The core principle of this Update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. This Update requires entities to make new judgements and estimates and provide expanded disclosures about revenue and is effective for fiscal years beginning after December 15, 2018.

On January 1, 2019, the Organization adopted Accounting Standards Update ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis.

Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments. This guidance is intended to reduce the diversity in practice in how certain transactions are classified in the Statements of Cash Flows. In addition, the Organization adopted Accounting Standards Update 2016-18, Statement of Cash Flows (Topic 230), Restricted Cash. This ASU provides additional guidance related to transfers between cash and restricted cash and how entities present, in their Statements of Cash Flows, the cash receipts and cash payments that directly affect the restricted cash accounts.

The Organization has determined that the implementation of the new accounting standards updates did not significantly impact the financial statements and therefore, there were no required prior period adjustments.

Reclassification

Certain reclassifications have been made to prior year amounts to conform with the current presentation.

3. Grants and Accounts Receivable

	2019	2018
Childcare	$ 97,466	$ 189,062
Membership	8,943	9,859
Programs	4,900	2,001
YMCA Management Fees	9,646	31,271
Other	319	11,388
	121,274	243,581
Less: Allowance for Doubtful Accounts	(19,677)	(103,730)
Total	$ 101,597	$ 139,851

4. Pledges Receivable

	2019	2018
Less Than One Year	$ 149,898	$ 11,555
One Year to Five Years	393,600	-
Over Five Years	-	-
	543,498	11,555
Less: Unamortized Discount	(32,936)	-
Less: Allowance for Uncollectible Pledges Receivable	-	-
Total	$ 510,562	$ 11,555

Pledges received are in relation to the annual support campaign to support the Organization and the Slate Belt expansion project. A discount of 4.5% was calculated on pledges receivable with an expected date greater than one year. In addition, uncollectible pledges are expected to be insignificant; therefore management has decided an allowance for uncollectible pledges receivable was not necessary.

5. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosure,* defines fair value, establishes a fair value hierarchy and specifies that a valuation technique used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The objective of a fair value measurement is to determine 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 (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization currently does not have any Level 2 inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019.

Mutual Funds: Valued at the net asset value ("NAV") of shares held by the Organization at year end.

Beneficial Interests in Perpetual Trusts: Measured based on quoted markets prices of the underlying securities and other relevant information generated by market transactions, at the Organization's share, based on its pro-rata share of distributable income of the Trusts.

5. Fair Value Measurements (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2019 and 2018:

	Assets at Fair Value as of December 31			
2019	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 115,125	$ -	$ -	$ 115,125
Mutual Funds				
Small/Mid Cap	135,432	-	-	135,432
Large Cap	936,752	-	-	936,752
Developed International	158,725	-	-	158,725
Emerging International	93,655	-	-	93,655
Other International	73,308	-	-	73,308
Fixed Income				
U.S. Treasuries	31,182	-	-	31,182
Mortgage/Asset Backed	111,170	-	-	111,170
Multi-Sector	505,206	-	-	505,206
Beneficial Interest in Perpetual Trusts	-	-	124,909	124,909
Total Assets at Fair Value	$ 2,160,555	$ -	$ 124,909	$ 2,285,464
2018	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 105,816	$ -	$ -	$ 105,816
Mutual Funds				
Small/Mid Cap	104,577	-	-	104,577
Large Cap	656,414	-	-	656,414
Developed International	161,429	-	-	161,429
Emerging International	77,341	-	-	77,341
Other International	59,478	-	-	59,478
Fixed Income				
U.S. Treasuries	29,495	-	-	29,495
Mortgage/Asset Backed	104,824	-	-	104,824
Multi-Sector	473,876	-	-	473,876
Beneficial Interest in Perpetual Trusts	-	-	111,297	111,297
Total Assets at Fair Value	$ 1,773,250	$ -	$ 111,297	$ 1,884,547

There were no transfers between Level 1, 2, and 3 investments during 2019 or 2018. Transfers are recognized at the end of the reporting period.

5. Fair Value Measurements (Continued)

The table below sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year ended December 31:

	Beneficial Interest in Perpetual Trusts	
	2019	2018
Balance, Beginning of Year	$ 111,297	$ 126,950
Net Realized/Unrealized Gains and Earnings	21,279	(8,728)
Income Distributions	(7,667)	(6,925)
Balance, End of Year	$ 124,909	$ 111,297

Gains and losses (realized and unrealized) included in the changes in net assets for the years above are reported in Changes in Beneficial Interest in Perpetual Trusts in the Statement of Activities.

6. Beneficial Interest in Perpetual Trusts

The Organization is an income beneficiary of two perpetual trusts. The trusts are held and administered by a corporate trustee. Under the terms of the trusts, the Organization, among other unrelated organizations, has the irrevocable right to receive a portion of the income earned on the trusts' assets, in perpetuity, but is not entitled to receive the assets held in trust. The arrangements were recognized as contribution revenue and as an asset when the Organization was notified of the trusts' existences. Accordingly, the Organization records an asset "Beneficial Interest in Perpetual Trusts" equivalent to the present value of the expected future cash flows from the trusts. In this case, the present value is estimated to be equal to the Organization's pro-rata fair market value of the assets of the trusts. Income distributions received from the trusts were $7,667 and $6,925 in 2019 and 2018, respectively.

7. Land, Buildings and Equipment

A portion of land, building, and equipment are carried at insured value, and a portion is carried at cost. See Note 2 for a further explanation.

	2019	2018
Assets Held at Insured Value	$ 28,427,464	$ 28,427,464
Assets Held at Cost		
Land	16,500	16,500
Land Improvements	861	861
Building and Building Improvements	2,755,740	2,476,885
Equipment	1,823,318	1,430,480
Vehicles	75,999	75,999
Construction in Progress	224,785	-
	33,324,667	32,428,189
Less: Accumulated Depreciation	(2,598,439)	(2,294,241)
Land, Buildings and Equipment, Net	$ 30,726,228	$ 30,133,948

Depreciation and amortization charged to expense for the years ended December 31, 2019 and 2018 was $365,337 and $276,081, respectively.

8. Line of Credit

The Organization has a $300,000 line of credit with a bank at an interest rate based upon the Wall Street Journal U.S. Prime Rate, with a floor of 3.25% (4.75% at December 31, 2019). The line is collateralized by accounts receivable, inventory, general intangibles, and equipment of the Organization. The outstanding balance on the line of credit as of December 31, 2019 and 2018 was $114,461 and $134,977, respectively. Interest paid on the line of credit was $6,348 and $6,295 for the years ended December 31, 2019 and 2018, respectively. Effective May 2020, the amount available on the line of credit was increased to $600,000.

9. Notes Payable

The Organization has a $3,394,050 note payable to the bank which is due in monthly installments of $17,232, including interest at a fixed rate of 2.97%, until July 23, 2020 followed by an interest rate at the Wall Street Journal U.S. Prime Rate. One final payment of all unpaid principal and interest shall then be due on April 23, 2040 (as amended, below). The note is secured by real estate of several of the Organization's branches. The outstanding balance on the note was $3,159,818 and $3,269,252 as of December 31, 2019 and 2018, respectively. Interest paid on the note was $95,472 and $98,680 for the years ended December 31, 2019 and 2018, respectively.

9. Notes Payable (Continued)

In December 2019, the note payable was amended and is now is due in monthly installments of $18,018, including interest at a fixed rate of 3.45%, until December 23, 2026 followed by a variable interest rate at the bank's prime rate. One final payment of all unpaid principal and interest shall then be due on June 23, 2040. The note contains a prepayment penalty during the fixed rate period.

The Organization has a $650,000 note payable to the bank which is due in monthly installments of $3,801 beginning in July, 2015, including interest at a fixed rate of 5.00%. Beginning July, 2020, monthly installments will remain at $3,801 however interest will be adjusted to the Wall Street Journal Prime Rate plus 1.75%, due in full June, 2025. The note is secured by real estate, assignment of rents and guarantee by the Allentown Branch of the Greater Valley YMCA. The outstanding balance on the note was $581,671 and $597,792 as of December 31, 2019 and 2018, respectively. Interest paid on the note was $29,524 and $30,297 for the years ended December 31, 2019 and 2018, respectively. Unamortized loan origination fees related to the loan were $11,678 and $13,867 for the years ended December 31, 2019 and 2018, respectively.

During September 2019, the Organization entered into a $4,000,000 open-ended construction mortgage with a bank which can be drawn upon, as needed. There is an assignment of loan and promissory note with the Northampton County General Purpose Authority to secure liabilities. The note is secured by real estate at 315 West Pennsylvania Avenue in the Borough of Pen Argyl. There was no outstanding balance on the note as of December 31, 2019. Unamortized loan origination fees related to the loan were $62,326 for the year ended December 31, 2019.

Maturities of long-term debt are as follows:

2020	$ 125,837
2021	130,521
2022	135,381
2023	140,428
2024	145,667
Thereafter	3,063,655
	$ 3,741,489

10. Operating Lease Obligations

The Organization leases various program equipment and properties under various noncancellable operating leases expiring at various dates through 2023. Rental expense for those leases was $194,185 and $204,062 for 2019 and 2018, respectively.

Future minimum lease payments under equipment and property operating leases that have remaining terms in excess of one year are:

Years ending December 31,	2020	$	156,156
	2021		41,952
	2022		25,147
	2023		11,891

11. Capital Lease Obligations

The Organization leases exercise equipment under two separate capital leases. The economic substance of leases is that the Organization is financing the acquisition of the asset through the lease, and, accordingly, it is recorded in the Organization's assets and liabilities.

The leased assets have a cost of $143,421 and are included in Land, Buildings, and Equipment. The related accumulated depreciation is $34,699 and $11,286 at December 31, 2019 and 2018, respectively.

The lease agreements contain a bargain purchase option at the end of the lease term.

The following is a schedule by years of future minimum payments required under the leases together with their present value as of December 31, 2019:

Year Ending December 31,			
	2020	$	35,578
	2021		35,578
	2022		35,578
	2023		14,130
Total Minimum Lease Payments			120,864
Less: Amount Representing Interest			(11,227)
Present Value of Minmum Lease Payments		$	109,637

Amortization of assets held under capital leases is included with depreciation expense.

12. Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following:

	For the Year Ended December 31, 2019	2018
Without Restrictions	$ (416,008)	$ (471,562)
Fixed Assets (Net of Debt)	26,949,106	26,169,592
Board Designated:		
Allentown Endowment Fund	3,289	2,684
Nazareth Endowment Fund	4,042	2,467
Capital Improvements/Repairs	212,226	225,000
Total Net Assets Without Donor Restrictions	$ 26,752,655	$ 25,928,181

The Board of Directors of the Greater Valley YMCA has several standing board policies that affect the presentation of board designations on net assets. The Board of Directors have established one type of endowment fund, which covers all locations. The Allentown and Nazareth YMCA Endowment Funds have been established for covering the program and management related costs incurred by Greater Valley YMCA to operate those locations.

12. Net Assets (Continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions for the following purposes or periods:

	2019		2018	
Purpose Restricted:				
Camp Sponsorship	$ 21,100		$ 19,800	
Capital Improvements	414,369		62,387	
Childcare, Summer Feeding, 7th Grade Initiative	108,918		80,000	
Expansion	568,888		22,120	
Shining Star Program	2,000		-	
Food Grant	8,830		-	
Health and Wellness Youth Programs	17,141		23,310	
Sports Wall and Related Equipment	-		25,000	
Swim Team	14,406		14,073	
Preschool Scolarships (EITC)	72,981		14,000	
Early Childhood Education at Allentown YMCA	-		2,500	
Literacy Programs	6,322		8,000	
Diabetes Prevention Program	29,459		3,105	
Warming Station	110,911		56,505	
		$ 1,375,325		$ 330,800
Endowment:				
Earnings on Endowment	888,752		553,985	
Marhefka Fund	419,013		419,013	
Acopian Fund	1,000,000		1,000,000	
		2,307,765		1,972,998
Benefical Interest in Perpetual Trust:				
Lichtenwalner Trust	107,628		95,662	
Lentz Trust	17,281		15,635	
		124,909		111,297
Total Net Assets With Donor Restrictions		$ 3,807,999		$ 2,415,095

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

13. Endowment Net Assets

The Organization's endowment consists of funds established for the purpose of supporting programs and services of the Organization. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization follows Commonwealth of Pennsylvania law and its own governing documents with respect to the management of endowment funds. In the absence of donor restrictions, the net appreciation of a donor-restricted endowment fund is spendable.

As a result of this interpretation, the Organization classifies the original value of an endowment gift, the original value of subsequent gifts donated and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as net assets with donor restrictions. These gifts are held in perpetuity until they are appropriated for expenditure by the Organization in a manner consistent with the laws of the Commonwealth of Pennsylvania.

Endowment Return Objectives, Risk Parameters and Strategies

The primary goal of the investment policy is to meet the short and long-term needs and goals of the Organization while carefully controlling risk. Basic to the process is the establishment of mutually agreed upon objectives and the development of an investment program designed to meet those needs. Preservation of capital and a stable level of current income are foremost in the fixed income strategy. The portfolio is invested in common stock and mutual funds; plus liquidity as the primary objective and goals. To achieve these goals, the Organization closely follows the stock market and constantly reviews the fund returns to realize the highest level of income.

Spending Policy

The Organization is permitted to spend the earnings of the fund annually. This is defined as the interest and dividends earned in the fiscal period.

As of December 31, 2019, total endowment composition by net asset fund is:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor Restricted Endowment	$ -	$ 2,307,765	$ 2,307,765
Board Designated Endowment	7,331	-	7,331
	$ 7,331	$ 2,307,765	$ 2,315,096

13. Endowment Net Assets (Continued)

As of December 31, 2018, total endowment composition by net asset fund is:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor Designated Endowment	$ -	$ 1,972,998	$ 1,972,998
Board Designated Endowment	5,151	-	5,151
	$ 5,151	$ 1,972,998	$ 1,978,149

Changes in endowment net assets for the year ended December 31, 2019 are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Balance, Beginning of Year	$5,151	$ 1,972,998	$1,978,149
Gifts and Contributions	1,000	-	1,000
Investment Income	41	32,095	32,136
Net Appreciation (Depreciation)	1,267	312,537	313,804
Interest on Loan Repayments	-	1,759	1,759
Amounts Released for Operations	(128)	(11,624)	(11,752)
Balance, End of Year	$ 7,331	$ 2,307,765	$ 2,315,096

Changes in endowment net assets for the year ended December 31, 2018 are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Balance, Beginning of Year	$ 5,718	$ 2,071,248	$ 2,076,966
Gifts and Contributions	-	1,293	1,293
Investment Income	-	26,288	26,288
Net Appreciation (Depreciation)	(492)	(126,910)	(127,402)
Interest on Loan Repayments	-	2,365	2,365
Amounts Released for Operations	(75)	(1,286)	(1,361)
Balance, End of Year	$ 5,151	$ 1,972,998	$ 1,978,149

14. Endowment Loans

In late 2011, a 10-year loan to the general fund was authorized for use of $350,000 from the Acopian Trust in the Endowment with an interest rate of 1.00%. Monthly payments on the loan are $3,220 and the outstanding balance on the loan as of December 31, 2019 and 2018 was $76,471 and $114,137, respectively. Interest paid on the loan was $969 and $1,344 for the years ended December 31, 2019 and 2018, respectively.

Principal repayments on the loan are as follows:

Years ending December 31,	2020	$	38,045
	2021		38,426

A previous review of the Bethlehem YMCA endowment fund conducted by a member of a bank's trust department determined the value, at that date, as $186,909. As the value of the endowment fund was $76,320, at that date, a loan was set up for repayment to the general fund. The loan is a 10-year loan to the general fund with an interest rate of 1.00%. Monthly payments on the loan are $1,118 and the outstanding balance on the loan as of December 31, 2019 and 2018 was $81,432 and $93,497, respectively. Interest paid on the loan was $880 and $912 for the years ended December 31, 2019 and 2018, respectively.

Principal repayments on the loan are as follows:

Years ending December 31,	2020	$	12,186
	2021		12,309
	2022		12,432
	2023		12,557
	2024		12,683
	Thereafter		19,265

15. Defined Contribution Plans

The Organization participates in two plans (Plans) sponsored by the YMCA Retirement Fund (the "Fund"). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York, organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The participating Plans include:

- the Retirement Plan - a defined contribution plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code (IRC), as amended, and,
- the Tax-Deferred Savings Plan - a retirement income account plan as defined in IRC Section 403(b).

15. Defined Contribution Plans (Continued)

The Retirement Plan requires that all employees participate in the plan upon completing 1,000 hours of service during each of two years and attaining 21 years of age and also requires a contribution rate ranging from 8% -12% of compensation. The Organization may elect to pay the contribution in full or share with the employee. Employee contributions are made after - tax. The Organization contributes 8% of eligible employees' compensation on an annual basis.

The Tax-Deferred Savings plan allows all employees, upon hire, to elect to contribute a percentage of their eligible compensation to the plan, subject to certain IRC limits. There is no employer contribution.

All contributions to the Plans vest immediately. Each of the plans, as defined contribution plans, have no unfunded benefit obligations. Total YMCA employer contributions to the Plan were $245,429 and $204,043 for the years ended December 31, 2019 and 2018, respectively.

16. Related Parties

The Organization pays dues to the YMCA of the USA. Dues paid to YMCA of the USA for the years ended December 31, 2019 and 2018 was $137,268 and $141,736, respectively.

17. Limited Partnership

The Young Men's Christian Association of Bethlehem, which merged into the Organization effective May 1, 2015, is the general partner of Bethlehem YMCA Affordable Housing LP, a 35-unit low-income housing project limited partnership. The Young Men's Christian Association of Bethlehem has a 0.01% interest in Bethlehem YMCA Affordable Housing LP. FASB ASC 810, *Consolidation*, determines when a general partner, or the group of general partners as a group, controls a limited partnership or similar entity when the limited partners have certain rights. The guidance presumes that a general partner controls a limited partnership and, therefore, should consolidate the partnership. This presumption can be overcome if the limited partners have kick-out or substantive participating rights. Management has determined that Bethlehem YMCA Affordable Housing LP should be consolidated into the Organization's financial statements. Management has decided not to include the financial statements of the Bethlehem YMCA Affordable Housing LP in accompanying financial statements.

18. Advertising Expense

Advertising costs are expensed as incurred and were $111,198 and $99,268 the years ended December 31, 2019 and 2018, respectively.

19. Memorandum of Understanding

Effective July 1, 2016, the Organization signed a Memorandum of Understanding with the Pocono Family YMCA. The Memorandum of Understanding is for the Organization to provide fiscal oversight, leadership, and suggestions for improvement to the Pocono Family YMCA for up to 2 years, during which time the Organization will pay monthly fees for these services. Subsequent to December 31, 2016, Pocono Family YMCA is no longer paying monthly fees and during 2017 the Memorandum of Understanding was approved for termination. Effective in January 2019, the Pocono Family YMCA has started to reimburse the Organization a monthly reimbursement of $2,000.

20. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

	2019	2018
Cash and Cash Equivalents	$ 1,598,382	$ 923,857
Accounts Receivable	101,597	139,851
Pledges Receivable	510,562	11,555
Investments	2,160,555	1,773,250
Total Financial Assets at Year End	4,371,096	2,848,513
Expected Distributions from Beneficial Interest in Perpetual Trusts	7,667	6,925
Less those Unavailable for General Expenditures within One Year Due to:		
Contractual or Donor-Imposed Restrictions:		
Restricted by Donor with Time or Purpose Restrictions	(3,683,090)	(2,303,798)
Board-Designations:		
Quasi-Endowment Fund	(7,331)	(5,151)
Capital Improvements/Repairs	(212,226)	(225,000)
	$ 476,116	$ 321,489

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Board-designated endowments of $7,331 are not subject to an annual spending rate. Although the Organization does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

20. Liquidity and Availability (Continued)

As described in Note 8, the Organization has a line of credit of $300,000, with available funds of $185,539 as of December 31, 2019, which it could draw upon in the event of an anticipated liquidity need.

Membership dues and childcare fees are collected on a monthly basis in order to support general operating expenditures.

21. Subsequent Events

Management has evaluated subsequent events through July 16, 2020, the date the financial statements were available to be issued, and has determined that with the exception to the item noted below, no material subsequent events exist that require disclosure.

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2020 operations and financial results. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.